CHAPTER 4 Corporate Governance





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Mitsui & Co. Investor Day 2018

June 12, 2018

External Directors Panel Discussion

External Director: Ms. Izumi Kobayashi External Director: Mr. Samuel Walsh Facilitator: Mr. Leo Lewis (Financial Times)



Izumi Kobayashi

External Director

Profile

1981/4 Joined Mitsubishi Chemical Industries, Ltd. (currently Mitsubishi Chemical Corporation) 1985/6 Joined Merrill Lynch Futures Japan Inc. 2001/12 President, Merrill Lynch Japan Securities Co., Ltd. 2008/11 Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group 2014/6 External Director, Mitsui & Co., Ltd. (current position)

Samuel Walsh

External Director

Profile

| 1972/2 | Joined General Motors Holden's Limited |
|--------|--|
| 1987/6 | Joined Nissan Motor Australia |
| 1991/9 | Joined Rio Tinto Limited |
| 2013/1 | Chief Executive Officer, Rio Tinto Limited |
| 2017/2 | Chairman, The Accenture Global Mining Executive Council (current position) |
| 2017/6 | External Director, Mitsui & Co., Ltd. (current position) |

Facilitator: How do you understand the principal role and responsibilities, and targets of being an external director at the Company?

Kobayashi: While I think that, of course, each independent director has their own aim on how to contribute to Mitsui, I believe that the value of independent directors lies in their ability to convey the views of the various stakeholders to management and reflect these views in the decisionmaking process. I think that in any corporation, the internal discussions tend to be based on "internal" common sense, instead of "entire" common sense, which sometimes is different from an outside perspective. So as an independent director, I try to bring a different view to the discussions and the decision-making process. Each director comes from a different background and has a different profession, so it is important to be able to leverage those different experiences in order to contribute to better decision making and management oversight.

Since the introduction of the corporate governance code, I have seen more open discussion on the Board as well as independent Board members having a bigger voice in the decision-making process. In fact, I have even seen decisions made by internal management changed as a result of the influence of the independent Board members. Also, the advisory bodies to the Board, including the Nomination Committee and Remuneration Committee, have benefited from great change. For example, the Nomination Committee is not only engaged in the nomination of senior management but is also involved in developing the future of senior management.

Walsh: Let me just grab some reference here in terms of my coming on the Board as the only non-Japanese speaker. Simultaneous translation is provided for me at the Board meetings, and Chairman lijima mentioned that all of the Board's materials would also be in English. So that helps me to be a very active participant on the Board. But I think coming in as a former CEO and a member of two boards, that of Rio Tinto and of Seven West Media, the largest media company in Australia, has taught me that the board members, as Kobayashi-san said, play a different role. We're there to represent shareholders. We're there to ensure that appropriate decision making is carried out-for example, in terms of cash allocations between investments and returns to shareholders. These are the sorts of priorities that today's shareholders are addressing. Growth, environmental performance, innovation, cyber security, and so on. All of these issues are very important, and we need to look at all such projects and report on them in light of today's priorities.

Personally, I think governance is very strong at the Company. Remember, we have five independent directors, but we also have the Audit & Supervisory Board. Together, we're a very noisy group and we are truly able to express our views, which may be strongly supportive or perhaps opposing depending on the issue—and I think that's a very healthy process. Also, I've got to say that bringing me onto the Board was a big step by Mitsui and I think that' I play a very active role.

Facilitator: How have you used your global experiences to the advantage of the Board?

Walsh: You know, certainly, I can offer what I've learned from my experiences dealing with a number of issues in a whole range of countries, particularly with resource projects, but also in terms of understanding the dynamics, the risks, and the areas of focus required of a global company. Today, the world is a very dynamic place. It's changing ever

so rapidly, and it's very important that Mitsui has a sense of urgency that it is responding when necessary to the changes in the environment. And I think that Mitsui is doing exactly that.

Facilitator: How are you measuring, in your own mind, the success of the Board meetings at the Company and on the basis of those measurements, what progress are you looking for?

Walsh: I think it's the ability of the independent directors to speak their mind and for that to be accepted and acknowledged by the chairman. The chair is looking for consensus. Obviously, if there was a majority decision, there are far more executive directors than non-executive directors. Chairman lijima is looking for consensus in the views, and he strongly considers the views of the non-executive directors. The process is very healthy. The day before a Board meeting, we have a pre-Board briefing. And that enables us to inquire deeply into the issues. It also enables us to raise the critical questions that we are likely to ask at the Board meetings and also give management a view as to whether they support it or not. To me, it's a very healthy process because it gives management the time to draw a breath and to understand the type of questioning or the type of issues that will be raised at the Board meetings the next day. The Board meetings move very quickly, so it's important to have the scene set in advance.

Kobayashi: After Mr. Walsh joined the Board, I think that the dynamics of the discussions have further improved. The internal common sense that I mentioned earlier is not only within the Company but also within Japanese society, as its standards sometimes differ from what the global standards are. Mr. Walsh always shares his global perspective, conveying how the global

market sees a particular trend, which gives us both a fresh outlook on the world and very important input into management's decision making, because Mitsui is a global company and as such we have to be globally competitive.

Facilitator: When strategy comes up as an issue for the Board to discuss, what can you do in those strategy discussions to really make your views known and to have impact on the discussions?

Kobayashi: I think that compared to the time when I joined the Board, the time spent on strategy has been increasing at the request of the independent directors. The issue, though, is not the actual time spent on the Board discussing strategy. What's more important is that once we develop a strategy and growth story, we have to then think about each investment and day-to-day management under that strategy and follow it closely. To put it simply, it is easy to develop a good strategy to engage with investors, but what's important is to follow through on that strategy. So I think that the role of the independent directors can be defined as once we develop a strategy, we have to ensure that every proposal is perfectly aligned with that strategy and also determine what kind of value to create based on that strategy.

Walsh: By every nature in long-term business, strategy is important in terms of setting our vision, setting our direction, setting the scene for our 42,000 employees as we take the business

forward. Strategy, compliance, governance, monitoring—these are the types of roles that the Board plays and I think the key role is actually ensuring that the strategy provides sustainable growth as you go forward. It's important that Mitsui has a very clear view of its long-term strategy but also that it enables employees and management to work in that direction.

Facilitator: Where do you see the external director's role in keeping an eye on mistakes or risks?

Walsh: Accountability is an important issue and it's something that Mitsui is strengthening before our eyes, but more importantly, recognizing that there will be some mistakes along the line. And most importantly, to learn from our mistakes. In the discussions that we have about impairment, yes, we express disappointment that the events have taken place, but we're more focused on what we've learned so that we can ensure that such a situation doesn't happen again. But on the Board, you tend to compartmentalize the business. And there are a lot of really seriously good things happening. Sometimes on the Board, though, you think, "All we're talking about is impairment." But that's not really true—there are a lot of very good things happening.

Facilitator: What would you say are your experiences in terms of being able to hold the Board accountable for improvements in competitiveness and also in regard to ways that your advice can permeate the overall atmosphere of the Board?

Kobayashi: One of the collective thoughts on the Board is that the business of a trading company is not easy for investors to understand. When we talk about global competitiveness, it is easy to explain competitiveness in terms of one specific product or industry area. However, it is very difficult to compare a trading company with a competitor in one specific field. So what I expect of management is to make the global market understand the value of the trading company's business model and clearly communicate our story to investors as well as the value and differences of the trading company's business model compared with those of each industry's specialized companies. So in this regard, I feel that management has started to talk more about the storyline of Mitsui. The challenge now is to figure out how to link our financial results with our own story. I think that is one way in which the very unique business model of a trading company can illustrate the competitiveness in the global market, which entails being able to compete against different business models.

Facilitator: How honest, how transparent are the discussions on the weaknesses that every company must have?

Kobayashi: The weaknesses are in various areas. Even though Mitsui is a Japanese company, we have a big franchise all over the world. How we

So I think we need to have a better mix of regional and Tokyo personnel even with regard to our Japanese business. Mobility within our organization will be the key to improving our global position.

- Izumi Kobayashi





Together, we're a very noisy group and we are truly able to express our views. I think that I play a very active role.

——— Samuel Walsh

leverage the diverse human resources outside of Japan to make Mitsui a truly global company is the area in which Mitsui can further improve.

Walsh: I think that probably the biggest challenge that we have, along with every company in the world, is the changing nature of the business environment and the need to be responsive. I think in Mitsui's case, we do a very good job in communicating, engaging, and involving employees. Because, at the end of the day, it's the people that are going to implement the strategy; they need to be aware of how they as individuals add value. Sometimes people get tied up in "busy work," in the number of e-mails they have, whatever the case may be. Without actually realizing how they physically add to the value of Mitsui and improve its efficiency, every single employee is at risk in terms of how they do their job and how they can improve on how they do their job. And most importantly, how Mitsui uses innovation and technology to take leaps in terms of the efficiency in what it does.

Facilitator: Do you feel that you're flying too high above the day-to-day activities to make a difference or do you think that there is a difference you can make from your position?

Walsh: Clearly, the Board needs to be up above looking at the overall business rather than getting directly involved in the management's job to any degree. But the Board's role is there to set the scene; the Board's role is to identify the sort of challenges that the business is facing and ensuring that Mitsui is responding to that.

Facilitator: Kobayashi-san mentioned that there is a distinct difference between simply being global and having a global mind-set. The question is, what can you do to see that a global mind-set is instilled, and where would you say Mitsui is along that path?

Walsh: I think the key issue is the people at Mitsui. Our people are one of the key strengths of the businesses and we must ensure that we make good use and take advantage of the skills and experience that our 42,000 employees bring. Half of our workforce are Japanese and half are non-Japanese. And we must ensure that we've got the balance right, that we're taking the most advantage of the skills that our people bring. Reviewing our HR systems is right on our agenda. We need to ensure that we are modern in the approach that we are taking, particularly when dealing with millennials.

Facilitator: You've seen companies all around the world. What is your take on the Company's progress in governance?

Walsh: In my opinion, I think governance is very strong. As I have said, I think the external directors' oversight, plus the checks and balances that the Audit & Supervisory Board provides, works very effectively from where I sit.

Kobayashi: I think the area where we need to do more is how we can better utilize our foreign regional personnel in each field of global business. Our regional personnel contributes a lot. But unfortunately, we don't see much influence from regional personnel at the senior management level. So I think we need to have a better mix of regional and Tokyo personnel even with regard to our Japanese business. This will give voice to a greater majority of our global workforce. For example, we can mobilize our talent in global locations to better serve areas around the world where help is needed. Mobility within our organization will be the key to improving our global position.

Walsh: I think that if you look at me as an example, the Company has gone through a great deal to ensure that I'm effective, to ensure that I'm adding value. And I hope in some small way that I'm providing a leadership role for the foreign nationals in a situation where they can see, well, that "There is a gaijin (foreign national) on the Board, that he is contributing, that he is opening the door for me." I hope that's how people see it.

Facilitator: So you wouldn't say that you've reached the peak level of noise as of yet?

Walsh: Oh, no. I'm very noisy.

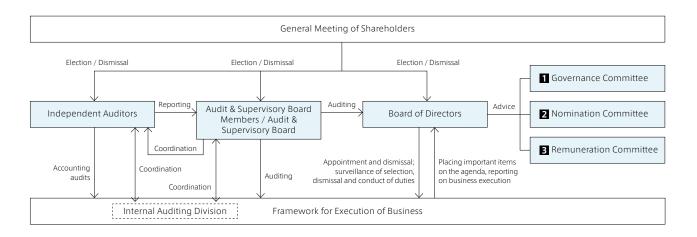
Kobayashi: Yeah, I think that the internal Board members are having a very tough time because we are so noisy!

Mitsui's Corporate Governance

In terms of strengthening corporate governance, the Company worked to improve diversity among members of the Board of Directors. At the same time, an even greater number of discussions were held at Board of Directors' meetings regarding Mitsui's future direction and business strategies. In these ways, the Company has been moving forward with efforts to enhance the effectiveness of the Board of Directors.

Corporate Governance Framework

Organizational Format **Number of Directors** Number of Audit & Ratio of Female Directors / **Supervisory Board Members** Audit & Supervisory Board Members Company with Audit & Supervisory Board 1111111 Ratio of Foreign Directors / 111111 Audit & Supervisory Board Members ្ញុំ Number of Internal Audit & Supervisory Board Members 2 ភ្នំ Number of Internal Directors 9 🐧 Number of External Audit & 🐧 Number of External Directors 5 Supervisory Board Members 3



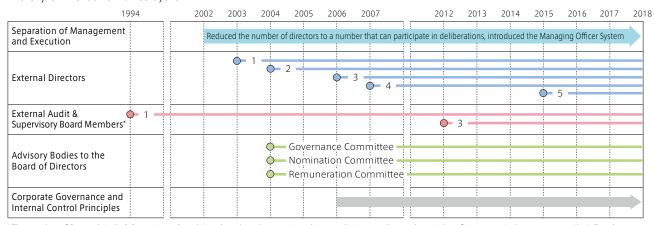
| Advisory bodies | Governance Committee | 2 Nomination Committee | 3 Remuneration Committee |
|---|--|--|---|
| Committee chair | Chairman of the Board of Directors | External Director | External Director |
| Composition (including committee chair) | Chairman of the Board of Directors President and Chief Executive Officer 1 Internal Director 3 External Directors 1 External Audit & Supervisory Board Member | Chairman of the Board of Directors President and Chief Executive Officer 2 External Directors 1 External Audit & Supervisory Board Member | President and Chief Executive Officer 2 Internal Directors 2 External Directors 1 External Audit & Supervisory Board Member |
| Role | To study the state and future vision of the Company's corporate governance with the viewpoints of External Directors and External Audit & Supervisory Board Members. | To study the selection standards and processes to be applied in nominating Directors and Managing Officers, establish succession planning for the President and Chief Executive Officer and other top executives, and evaluate the proposals of Director nomination. | To study the system and decision-making process related to remuneration and bonuses for Directors and Managing Officers as well as to evaluate the remuneration proposals for Directors. |
| Results in the fiscal year ended March 31, 2018 | The Governance Committee was held three times in the year ended March 31, 2018 and carried out studying the state and future vision of the Company's corporate governance while taking into consideration the viewpoints of External Officers. | The Nomination Committee was held twice in the year ended March 31, 2018, and carried out establishing the selection standards and process to be applied in nominating Directors and Managing Officers and evaluating proposals of Director nomination. | The Remuneration Committee was held three times in the year ended March 31, 2018 and carried out a review of the remuneration system for Directors and Managing Officers, and evaluated compensation proposals. |

Directors and Audit & Supervisory Board Members

| | | | Term of | Governance | Nomination | Remuneration | Diversity | |
|-------------|-------------------|---|----------------------|------------|------------|--------------|-----------|-----------|
| | Name | Position at the Company | Office Stipulated | Committee* | Committee* | Committee* | Female | Foreigner |
| | Masami lijima | Representative Director, Chairman of the Board of Directors | | 0 | 0 | | | |
| | Tatsuo Yasunaga | Representative Director, President and Chief Executive Officer | | 0 | 0 | 0 | | |
| | Makoto Suzuki | Representative Director, Executive Vice President | | | | 0 | | |
| | Satoshi Tanaka | Representative Director, Executive Vice President | | 0 | | | | |
| | Shinsuke Fujii | Representative Director, Executive Vice President | | | | | | |
| | Nobuaki Kitamori | Representative Director, Senior Executive Managing Officer | | | | | | |
| Directors | Yukio Takebe | Representative Director, Senior Executive Managing Officer | 1 year | | | | | |
| | Takakazu Uchida | Representative Director, Executive Managing Officer | | | | 0 | | |
| | Kenichi Hori | Representative Director, Executive Managing Officer | | | | | | |
| | Toshiro Muto | Director (External) |] | 0 | | 0 | | |
| | Izumi Kobayashi | Director (External) | | | 0 | 0 | 0 | |
| | Jenifer Rogers | Director (External) | | 0 | | | 0 | 0 |
| | Hirotaka Takeuchi | Director (External) | | | 0 | | | |
| | Samuel Walsh | Director (External) | | 0 | | | | 0 |
| | Joji Okada | Full-time Audit & Supervisory Board Member | | | | | | |
| Audit & | Takashi Yamauchi | Full-time Audit & Supervisory Board Member | 1 | | | | | |
| Supervisory | Haruka Matsuyama | Audit & Supervisory Board Member (External) | 4 years | 0 | | | 0 | |
| Members | Hiroshi Ozu | Audit & Supervisory Board Member (External) | 1 | | 0 | | | |
| | Kimitaka Mori | Audit & Supervisory Board Member (External) | | | | 0 | | |

 $[\]ensuremath{^*}\xspace$ $\ensuremath{^\circ}\xspace$: Committee chair for the respective advisory committees

History of the Governance System



^{*}The number of External Audit & Supervisory Board Members (number appointed / upper limit according to the Articles of Incorporation), was temporarily 4/7 and is currently 3/5.

Initiatives to Further Improve the Effectiveness of the Board of Directors

| Year to March 31, 2017 | Year to March 31, 2018 | Further plans to enhance governance |
|---|--|---|
| Ensured time to review agenda items Improved the quality of materials provided to external directors to assist in decision making Enhanced coordination between the external members as well as between the accounting auditors and the Internal Auditing Division Enhanced discussions regarding the direction of management | Increased diversity and improved skill set balance of Board members Created more opportunities for discussion on Mitsui's long-term direction, including its corporate strategies and medium-term management plan Board materials improved to identify points that have been discussed up to the stage of referral to the Board and include a list of key discussion points, risks, and countermeasures | Constantly examine the most appropriate structure for the Board of Directors Continually assess the meeting agenda based on matters such as current companywide initiatives (themes) and market trends Reevaluate deliberation method including opportunities for free discussion Revise the management of the advisory committee |

Basic View on Corporate Governance

In structuring the corporate governance framework, the Company places emphasis on "improved transparency and accountability" and "the clarification of the division of roles between the oversight activities and the executive activities of management." For "improved transparency and accountability," the Company ensures sound supervision and monitoring of management with the viewpoints of External Directors and External Audit & Supervisory Board Members. The Company has also established an internal control system for disclosure so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. For "the clarification of the division of roles between the oversight activities and the executive activities of management," the Company delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers' business activities. Chief Operating Officers of the 16 Headquarter Business Units and the 3 Overseas Regional Business Units serve concurrently as Managing Officers and engage in business operations for the consolidated Group in a responsive and flexible manner.

While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, the Company implements corporate governance by maintaining an Audit & Supervisory Board system because it believes that having internal Directors who are familiar with its business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which External Directors and External Audit & Supervisory Board Members participate, the Company achieves highly effective corporate governance to secure "improved transparency and accountability" and "the clarification of the division of roles between the oversight activities and the executive activities of management."

Board of Directors

The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has limited the number of Directors to the maximum to enable substantial discussions and gives priority to the appointment of new External Directors in the case of increasing the number of board members in order to enhance the division of roles between management oversight and execution. In addition, the Company has established the Governance Committee, the Nomination Committee, and the Remuneration Committee to serve as advisory bodies to the Board of Directors. These committees comprise mainly external members.

At Board of Directors' meetings, matters that are deliberated or reported on abide by the Company's internal regulations. In addition to matters concerning fundamental policies related to management, important business execution and matters authorized by resolutions of the General Meeting of Shareholders, the Company passes resolutions on matters determined by law and company statute. We also receive reports regarding matters determined by law and the status of important business operations.

Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held from time to time at any time if deemed necessary.

Audit & Supervisory Board

The Audit & Supervisory Board Members supervise the Directors' execution of duties as an independent institution with the mandate of the shareholders. For this purpose, Audit & Supervisory Board Members carry out multifaceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner.

Audit & Supervisory Board meetings are held periodically and precede meetings of the Board of Directors. Moreover, additional meetings are held on an as-needed basis. The Audit & Supervisory Board Members attend meetings of the Board of Directors to monitor how the proceedings of the meetings are managed and the content of the decisions made. These members also actively express their opinions.

Auditing by the Audit & Supervisory Board Members covers a variety of areas, among which are execution of duties by Directors, decision-making processes at the meetings of the Board of Directors and others, status of construction and operation of the internal control system, independence of the Independent Auditors, system of financial reporting, accounting policies and processing of financial information, audit of financial statements, reports from the Independent Auditors, and the system of disclosure.

Evaluation of the Effectiveness of the Board of Directors

During the fiscal year ended March 31, 2017, the Company carried out questionnaires regarding the effectiveness of the Board of Directors. Based on the results of these questionnaires, the Board of Directors and its secretariat implemented the following initiatives in the fiscal year ended March 31, 2018, to further improve Board effectiveness.

| Recognition of issues based on evaluation results carried out on March 31, 2017 | Initiatives | Evaluations of questionnaire carried out on March 31, 2018 |
|--|--|--|
| Composition of the Board of Directors | During the fiscal year ended March 31, 2018, the Company achieved improvements with respect to striking a balance in diversifying the composition of its Board of Directors, having appointed Director Walsh, who has experience being the CEO of a global corporation, and Audit & Supervisory Board Member Mori, who has expertise in accounting and auditing. | A significant majority of the external members responding to the 2018 questionnaire provided favorable assessment concerning the composition of the Board of Directors, and a majority of the respondents overall feel the situation has improved in comparison with the previous year. |
| Discussion topics | During the fiscal year ended March 31, 2018, the Board of Directors engaged in deliberations regarding business plans for the fiscal year, given the notion that more opportunities should be arranged for discussing Mitsui's overall direction on matters such as corporate strategy and the medium-term management plan. The Board of Directors also engaged in deliberations with respect to the new medium-term management plan, subsequent to deliberations of the External Member Meetings. Moreover, at External Member Meetings, opportunities were arranged to discuss topics that included "matters of concern regarding the capital market and the Company's IR activities" and "Mitsui's digital transformation." | A significant majority of the external members responding to the 2018 questionnaire provided favorable assessment concerning the matter of discussions regarding Mitsui's overall direction at meetings of the Board of Directors, and a majority of the respondents overall feel the situation has improved in comparison with the previous year. |
| Operation of the Board meetings | With respect to matters that are to be referred and reported to the Board of Directors, beginning in the fiscal year ended March 31, 2018, materials for meetings of the Board of Directors now clearly state points that are to be discussed up to the stage of referral and reporting to the Board of Directors, including bodies such as the Council on Individual Proposals and the Corporate Management Committee. The materials for meetings of the Board of Directors now contain content that is appropriate with respect to deliberating on such points, and tables listing major points of discussion, risks, and countermeasures in that regard. | A significant majority of the external members responding to the 2018 questionnaire provided a favorable assessment concerning the notion that there is greater clarity with respect to points of internal Company discussion, which have been the basis of discussions of the Board of Directors, and a majority of the respondents overall feel the situation has improved in comparison with the previous year. |

Evaluation of the Effectiveness of the Board of Directors for the Fiscal Year Ended March 31, 2018

In light of the results of the questionnaires, the resolution was passed at a Board of Directors' meeting held in March 2018 after discussions were held at an External Members Meeting and at meetings of the Governance Committee, which took place in February 2018.

Questionnaire

Carried out in January 2018 14 directors, 5 outside directors

Each question had five grades that could be assigned and room was available for yearon-year evaluations and comments.

With respect to carrying out the above evaluation method, at a Governance Committee meeting held in November 2017, the decision was made, as the current format's effectiveness was recognized, to persist with the current self-evaluation format involving the evaluation of effectiveness of the Board of Directors for the fiscal year ended March 31, 2018, upon having verified the adequacy of processes that encompass methods of evaluating the effectiveness of the Board of Directors carried out by a third party.

Summary of evaluation results

- ① Many commented that improvement has been achieved in addressing the three challenges stated last year with respect to (1) composition of the Board of Directors, (2) discussion topics, and (3) revamping meeting management.
- ② Meetings of the Board of Directors have been operating smoothly, underpinned by adequate support of the Board of Directors Secretariat in areas such as preparing materials for meetings of the Board of Directors, providing information, and scheduling.
- 3 The Board of Directors has been securing sufficient time for deliberations and engaging in constructive discussions and exchanges of opinion. 4) At meetings of the Board of Directors, reports are given on results of risk analysis from Companywide and multiple angles, based on which the Board of Directors discusses and reviews such risks drawing on knowledge $\,$ furnished by respective Directors and Audit & Supervisory Board Members. ⑤ The respective Directors and Audit & Supervisory Board Members, upon understanding the Board of Directors' duty to carry out oversight and auditing of management, have all been devoting sufficient time and effort in fulfilling their responsibilities as Directors or Audit & Supervisory Board Members from an objective standpoint separate from business execution. (6) The Company adequately ensures the availability of opportunities and funds for enabling Directors and Audit & Supervisory Board Members to acquire knowledge necessary to fulfill their roles and duties, and also on the whole the Company has ensured availability of frameworks for collaboration involving external members, management, the Independent Auditor, and the Internal Auditing Division.

Based on the details summarized above, the Company's Board of Directors concludes that it has adequately maintained its effectiveness during the fiscal year ended March 31, 2018.

Further plans to enhance governance

① Composition:

Make continuous effort to manage the organizational structure according to corporate governance policies in order to maintain Board effectiveness

② Considerations:

Continually assess the meeting agenda based on matters such as current companywide initiatives (themes) and market trends

3 Method of deliberation: Reevaluate deliberation method

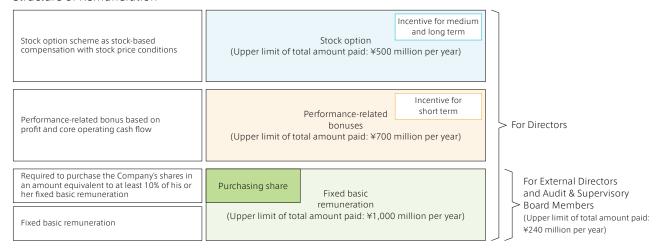
including opportunities for free discussions

Advisory committees:

Periodically report discussion content, increase frequency of meetings, revise the management of the advisory committees

Remuneration of Directors and Audit & Supervisory Board Members

Structure of Remuneration



▶ Remuneration of Directors

Taking into consideration the result of the deliberation at the Remuneration Committee, which is chaired by an External Director, the remuneration of Directors (excluding External Directors) is determined as the sum of fixed basic remuneration, performance-related bonuses based on important KPI set by management and stock-based compensation stock options with stock price conditions as medium and long-term incentive compensation and limited to within the amounts resolved at the General Meetings of Shareholders. Retirement compensation is not paid to Directors.

• The performance-related bonuses paid to directors are calculated based on the following formula, which has been deemed appropriate by the Remuneration Committee and subsequently approved by the Board of Directors. Total payment amount = (consolidated profit for the year [attributable to owners of the parent] \times 50% \times 0.1%) + (core operating cash flow \times 50% \times 0.1%)

The upper limit for the total amount is set at ¥700 million and individual payment amounts are proportionally distributed based on a point system determined by director position. In the event that consolidated profit for the year (attributable to owners of the parent) is negative, i.e., a loss, or if the core operating cash flow is negative, i.e., a net cash outflow, the items are calculated as zero.

• The stock option scheme is granted to directors in order to have them share the benefits and risks of stock price fluctuations with the Company's shareholders and to give them greater incentive to make contributions to improvements in medium- and long-term business performance and corporate value. Under the stock option scheme, subscription rights to shares, up to annual amounts of ¥500 million and 500,000 shares, are assigned to all Directors. The period for the right to exercise subscription rights to shares is 27 years from the day following the passage of three years from the allotment date. The exercise price is set at ¥1. In the case eligible recipients lose their Director and/or Managing Officer, and/or Audit & Supervisory Board Member status, and 10 years pass from the

following day of such forfeiture, they are no longer able to exercise their subscription rights to shares.

• Each Director (excluding External Directors) is required to purchase the Company's shares in an amount equivalent to at least 10% of his or her monthly remuneration but less than ¥1 million through the Mitsui Executives' Shareholding Association.

The remuneration for External Directors is limited to a fixed remuneration that does not include a performance-related portion, and there is no obligation of share purchasing for the External Directors.

► Remuneration of Audit & Supervisory Board Members

Remuneration of the Audit & Supervisory Board Members is determined through deliberation among the Audit & Supervisory Board Members, the total of which should not exceed the amount determined at the General Meeting of Shareholders. Audit & Supervisory Board Members receive only monthly fixed remuneration, which is not related to the performance of Mitsui. Retirement compensation is not paid to the Audit & Supervisory Board Members.

Remuneration of directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2018

| | | (¥ million) | | | |
|--|---------------------------|-----------------------|-------|-----------------|-------------------------|
| Category of Position | Number of Recipients*1 | Basic Remuneration | Bonus | Stock Option | Total Remuneration*2 |
| Directors (Excluding External Directors) | 11 | 733 | 542 | 129 | 1,405 |
| Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members) | 2 | 132 | _ | _ | 132 |
| External Directors and External Audit & Supervisory Board Members | 10 | 151 | _ | _ | 151 |
| Total | 23 | 1,016 | 542 | 129 | 1,688 |

^{*1.} The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year to March 2018.

^{*2.} In addition to the above amounts, a total of ¥559 million was paid to 119 retired Directors, and ¥62 million to 17 retired Audit & Supervisory Board Members, as pensions (representing payments determined prior to the abolition of those systems).

External Directors / External Audit & Supervisory Board Members

► Selection Criteria

External Directors

- The prospective person's extensive business experience and knowledge are required to deliberate and knowledge of his or her particular area of business should be used.
- The Company puts great value on ensuring independence of External Directors from Mitsui in the pursuit of their management oversight functions.
- With a view to overseeing business operations in a way that reflects the perspectives of our diverse stakeholders, Mitsui shall take into consideration the fields from which candidates originate, along with their gender.

Reasons for Appointing Each External Director / Major Activities in the Fiscal Year Ended March 31, 2018

| Name | Independent Director* | Reasons for Appointment | Attendance at Meetings in FY2018 (Number of Meetings Attended / Total Number of Meetings) | Significant Concurrent Positions (As of June 21, 2018) |
|----------------------|--------------------------|--|---|---|
| Toshiro Muto | 0 | Mr. Muto has deep insight into fiscal and monetary affairs, as well as in economics in general, gained at the Ministry of Finance and the Bank of Japan. At the Board of Directors' meetings, he uses his specialist knowledge to speak out actively, making a significant contribution to deepening the discussion. In the fiscal year ended March 31, 2018, he served as the committee chair of the Remuneration Committee and a member of the Governance Committee, contributing to the study, revision and so forth of the remuneration system for Directors, which helped to further strengthen Mitsui's corporate governance. The Company has reappointed him as an External Director so that he may continue to advise and supervise its management. | (13/15) | Chairman, Daiwa Institute of Research Ltd. CEO (Chief Executive Officer) and Director General, the Tokyo Organising Committee of the Olympic and Paralympic Games |
| Izumi Kobayashi | 0 | Ms. Kobayashi has advanced expertise in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral development bank. She speaks out actively from diverse perspectives at the Board of Directors' meetings, making a significant contribution to deepening the discussion. During the fiscal year ended March 31, 2018, Ms. Kobayashi served as a member of the Remuneration Committee and exercised strong leadership as chair of the Nomination Committee in examining the composition of the Board of Directors, the selection process for Directors and Managing Officers, and related matters. In view of these points, the Company has reappointed her as an External Director so that she may continue to advise and supervise its management. | (15/15) | External Director, ANA HOLDINGS INC. Governor, Japan Broadcasting Corporation External Director, Mizuho Financial Group, Inc. |
| Jenifer Rogers | 0 | Ms. Rogers has a global perspective and advanced expertise in risk management cultivated through her experience working for international financial institutions and her experience in legal work as in-house counsel. She makes many useful comments concerning risk control at the Board of Directors' meetings, making a significant contribution to enhancing the supervisory function of the Board of Directors. Since the fiscal year ended March 31, 2016, she has served as a member of the Governance Committee, actively stating her opinions on the building of a highly transparent governance system. In view of these points, the Company has reappointed her as an External Director so that she may continue to advise and supervise its management. | (15/15) | General Counsel Asia, Asurion Japan Holdings G.K. |
| Hirotaka Takeuchi | 0 | Mr. Takeuchi has deep insight related to management gained as an expert in international corporate strategy. At the Board of Directors' meetings, he makes thought-provoking proposals on Mitsui's management strategies, making a significant contribution to enhancing the supervisory function of the Board of Directors. Since the fiscal year ended March 31, 2017, he has served as a member of the Nomination Committee, helping to improve the transparency of the Company's officers' nominations. The Company has reappointed him as an External Director so that he may continue to advise and supervise its management. | (14/15) | Professor Emeritus, Hitotsubashi University Professor, Harvard Business School External Director, Daiwa Securities Group Inc. External Director, BrightPath Biotherapeutics Co., Ltd. |
| Samuel Walsh | 0 | Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automotive industry and as chief executive officer of an international mining and resources company. At the Board of Directors' meetings, he makes proposals and suggestions from a broad-minded standpoint based on his experience of managing a global company, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. During the fiscal year ended March 31, 2018, Mr. Walsh served as a member of the Governance Committee and actively provided his opinions on building of a highly transparent governance system. The Company has selected him as an External Director so that he may continue to advise and supervise its management. | (11/11) (Since his appointment in June 2017) | _ |

^{*} An External Director who is unlikely to have conflicts of interest with general shareholders, as stipulated by the stock exchange

External Audit & Supervisory Board Members

The External Audit & Supervisory Board Members shall be selected with the objective of further heightening the neutrality and independence of the auditing system, and, in particular, it is expected that the External Audit & Supervisory Board Members will give an objective voice to their auditing opinions from the standpoint of neutrality, building on such factors as independence. When selecting candidates for External Audit & Supervisory Board Members, the Audit & Supervisory Board shall confirm that no issues with independence arise by taking into consideration such factors as relations with the Company, management and important staff members.

Reasons for Appointing Each External Audit & Supervisory Board Member / Major Activities in the Fiscal Year Ended March 31, 2018

| Name | Independent Audit & Supervisory Board Member* | Reasons for Appointment | Attendance at Meetings in FY2018 (Number of Meetings Attended / Total Number of Meetings) | Significant Concurrent Positions (As of June 21, 2018) |
|---------------------|---|--|--|---|
| Haruka Matsuyama | 0 | Ms. Matsuyama is appointed as an External Audit & Supervisory Board Member in expectation of the expression of her objective audit opinions from an independent and neutral standpoint, with advanced insight into corporate governance and risk management cultivated through her many years of experience in legal affairs as a judge and as an attorney at law. | Meetings of Board of Directors (15/15) Meetings of Audit & Supervisory Board (21/21) | Attorney at law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. External Director, VITEC HOLDINGS CO., LTD. |
| Hiroshi Ozu | 0 | Mr. Ozu is appointed as an External Audit & Supervisory Board Member in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, from the many years of experience and perspective he has gained, mainly as a prosecutor. | Meetings of Board of Directors (15/15) Meetings of Audit & Supervisory Board (21/21) | Attorney at law External Audit & Supervisory Board Member, TOYOTA MOTOR CORPORATION External Audit & Supervisory Board Member, Shiseido Company, Limited |
| Kimitaka Mori | 0 | Mr. Mori is appointed as an External Audit & Supervisory Board Member because the Company deems him capable of clearly expressing an opinion as External Audit & Supervisory Board Member from a neutral and objective perspective based on his advanced expertise in corporate accounting cultivated through his many years of experience as a certified public accountant. | Meetings of Board of Directors (10/11) Meetings of Audit & Supervisory Board (15/16) (Appointed in June 2017) | Certified public accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company |

^{*} An External Audit & Supervisory Board Member who is unlikely to have conflicts of interest with general shareholders, as stipulated by the stock exchange

Criteria for Independence of External Officers (Directors/Audit & Supervisory Board Members)

External Directors or External Audit & Supervisory Board Members of the Company who do not fall under any of the following items are to be judged to have independence.

- (1) Person who is currently or was in the past 10 years an executive director, executive officer, managing officer, manager, employee, administrative officer, etc. (hereinafter referred to as "executing person") of the Company or its consolidated subsidiaries
- (2) Person or the executing person of a corporation holding either directly or indirectly 10% or more of the total number of the voting rights of the Company
- (3) Person whose major business partner is the Company or its consolidated subsidiaries*1 or the executing person of the same
- (4) Major business partner of the Company or its consolidated subsidiary*2 or the executing person of the same
- (5) Independent auditor of the Company or its consolidated subsidiary or employee, etc. of the same
- (6) Person providing professional services such as consultant, lawyer and certified public accountant who received from the Company monetary payment or other property benefits exceeding ¥10 million in total other than officer remuneration in the most recent fiscal year (referring to the person belonging to the organization if the one who received the relevant property is an organization such as corporation and association)

- (7) Person or the executing person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from the Company or its consolidated subsidiary in the most recent fiscal year
- (8) Person who has fallen under any of (2) to (7) above in the past three years
- (9) Spouse or relative within the second degree of kinship (hereinafter referred to as "close relatives") of the person who is currently or has been recently the important executing person of the Company or its consolidated subsidiary (including director who is not the executing person in the case of External Audit & Supervisory Board Member)
- (10) Close relatives of the person who currently falls or has fallen recently under any of (2) to (7) above (excluding the one who is not important)
- 1. If the relevant business partner received from the Company or its consolidated subsidiary the payment equivalent to 5% or more of its annual transaction volume (non-consolidated) in the most recent fiscal year or the relevant business partner obtained from the Company or its consolidated subsidiary the money loans equivalent to 5% or more of its consolidated total assets in the most recent fiscal year, the relevant business partner is deemed to be the person whose major business partner is the Company or its consolidated subsidiary.
- *2. If the Company or its consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui's annual consolidated transaction volume in the most recent fiscal year or the relevant business partner provided the Company or its consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui's consolidated total assets, the relevant business partner is deemed to be the major business partner of the Company or its consolidated subsidiary.

► Support Systems

For External Directors, before regular and extraordinary meetings of the Board of Directors, materials on the proposals are provided and advance explanations are given. For External Audit & Supervisory Board Members, in addition to the timely provision of corporate information by the Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, the essence of the meetings between Full-time Audit & Supervisory Board Members and the Audit & Supervisory Board Member Division is provided periodically. When necessary, advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Audit & Supervisory Board and of the Board of Directors. The Company provides its External Directors and External Audit & Supervisory Board Members with specialized personal computers and distributes materials for meetings of the Board of Directors in a timely manner via e-mail. In doing so, the Company ensures that the external members have sufficient time to review agenda items. At the same time, the Company has set up a database for storing information, such as meeting minutes and other materials from past meetings of the Board of Directors, and the external members can access this database using their specialized personal computers.

► External Members Meetings

The meeting composed of all External Directors and External Audit & Supervisory Board Members is held periodically, for the purpose of exchanging information and opinions regarding important matters in management among External Directors, or among External Directors and/or Internal Directors, Audit & Supervisory Board Members, and Managing Officers. The

External Members Meetings were held six times in the fiscal year ended March 31, 2018, where External Directors, External Audit & Supervisory Board Members, Internal Directors, Full-time Audit & Supervisory Board Members, Independent Auditors, and Managing Officers exchanged information and opinions regarding matters such as the corporate management policy, audits, and the operation of operating segments.

► Cooperation among External Directors and External Audit & Supervisory Board Members in Audits, Internal Audits, Corporate Audits, and Independent Audits, as well as Their Relationship with Internal Control Departments

External Directors and External Audit & Supervisory Board Members, through the Board of Directors and the Audit & Supervisory Board, mutually coordinate with internal audits, auditing by Audit & Supervisory Board Members and accounting audits, as well as supervise and audit the internal control system. Specifically, they periodically receive reports on the following at meetings of the Board of Directors and the Audit & Supervisory Board, respectively: results of the internal audits and internal audit plans, results of auditing by the Audit & Supervisory Board and audit implementation plans, summary of management letters by Independent Auditors, assessment results with regard to the internal control system in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the structure and management of internal controls. Furthermore, at External Members Meetings, External Directors, Corporate Auditors, and Independent Auditors exchange opinions and information on auditing policy.

Policy on Training for Directors and Audit & Supervisory Board Members

Upon assumption, opportunities are given to Directors and Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc., of Mitsui, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they

may fulfill their duties including the respective roles expected of Directors or Audit & Supervisory Board Members, which are mandated by the shareholders (fiduciary responsibility) and each legal responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.

Policy Related to Acquisition and Holding of Listed Shares

When holding listed shares for any purposes other than purely for investment returns, the Company holds such listed shares only in the case where it is judged to be reasonable after strict and comprehensive examination of several factors, including the necessity for maintaining or strengthening relationships with the investee, medium- to long-term economic rationale, and future outlook. With respect to the Group's asset portfolio that includes listed shares, Mitsui reviews the significance of

holding such assets every year in light of medium- to long-term economic rationale and future outlook, and reports said significance to the Board of Directors. With respect to exercising voting rights for listed shares held by the Group, deliberation is conducted on a case-by-case basis as to whether or not a proposal should be approved by comprehensively taking into consideration any impact that the relevant proposal may have on corporate value of the investee.

Independent Auditors

The Company appoints certified public accountants belonging to Deloitte Touche Tohmatsu LLC as Independent Auditors to carry out auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of consolidated financial statements in English. To

secure prompt financial closing and reliability, the auditing work of the Company and its consolidated subsidiaries is in principle entrusted solely to Deloitte Touche Tohmatsu, which belongs to the same network as Deloitte Touche Tohmatsu LLC.

Execution of Business Activities and Internal Controls

Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chairman of the Board of Directors, President and Chief Executive Officer (the committee chair), the Directors in charge of Corporate Staff Units, and Representative Directors or Managing Officers nominated by the President and Chief Executive Officer. The Corporate Management Committee is held weekly in principle. Matters referred to the Corporate Management Committee meeting are determined by the President and Chief Executive Officer, taking into consideration discussions among the Committee members.

Mitsui aims to achieve the four objectives listed below in terms of internal controls. In addition, Mitsui views internal controls as a "framework for management to control and supervise its business execution organization" that comprises the six elements of control environment, risk assessment, control activities, information and communication, monitoring, and response to IT.

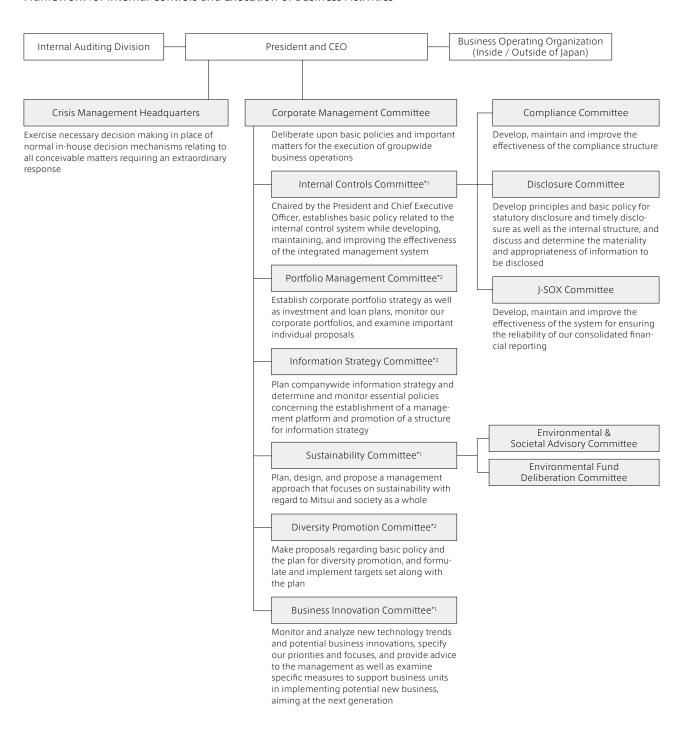
- 1 Improvement of effectiveness and efficiency of operations;
- 2 Ensuring compliance with generally accepted accounting principles and the reliability of financial reporting;
- 3 Compliance with applicable laws and regulations, along with management principles and in-house rules including various codes of conduct reflecting management principles (hereafter referred to as "laws, regulations and in-house rules"); and
- 4 Safeguarding of Company assets.

The Board of Directors oversees the design of Mitsui's internal controls and assumes the role and responsibility of monitoring internal control establishment, operation, and assessment. Based on the basic design of internal controls provided for by the Board of Directors, Mitsui's management assumes the role and responsibility of maintaining, operating, and assessing internal controls. In addition, the Internal Auditing Division, which is under the direct control of the president, verifies the suitability and status of internal control design based on plans approved by Mitsui's management and from an independent standpoint.

The Company has established the following major committees pertaining to the execution of business and implementation of internal controls, and is taking measures to respond to a wide range of risks and forms of businesses, which continue to increase and diversify.

Internal Controls Committee Portfolio Management Committee Information Strategy Committee Sustainability Committee **Diversity Promotion Committee Business Innovation Committee** Crisis Management Headquarters

Framework for Internal Controls and Execution of Business Activities



- *1. Sub-committees to the Corporate Management Committee
- *2. Advisory bodies to the Corporate Management Committee

Risk Management

Risks arising from Mitsui's business activities are monitored and managed by chief operating officers of business units and regional business units within the authorization delegated to them from Mitsui's management. Measures taken by each business unit to manage quantitative risks include setting position limits and loss-cut limits and conducting monitoring through divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe relevant internal regulations. When a business unit or regional business unit takes on risks that are greater than the scope of authority granted to them, it is necessary to obtain approval of the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation, in accordance with the standards of the internal approval system.

Furthermore, organizations such as the Portfolio Management Committee, the Internal Controls Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop risk management structures on a companywide basis and handle significant risks. Members of the corporate staff of each committee are responsible for surveillance of Mitsui's position regarding the risks they are in charge of overseeing, as well as the control of risks within the prescribed range of their authority and the provision of support to relevant directors and managing officers.

Internal Controls over Financial Reporting

The Company implements the internal controls framework as stipulated in the Financial Instruments and Exchange Act of Japan. In addition to companywide discipline, Mitsui has been conducting self-assessment by units subject to evaluation and

testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls and business process level controls.

Global Tax Management Policy

The Company is committed to complying with all applicable laws, rules and regulations in meeting its tax compliance and reporting responsibilities, whilst simultaneously managing its

global tax expenses. The Company does not adopt artificial arrangements or structures for the purpose of tax avoidance.

Internal Controls Related to Information Systems and Information Security

The Information Strategy Committee establishes important policies related to Global Group information strategy. Further, the committee leads Mitsui's efforts to build and operate information systems, develop internal rules required for information security, and strengthen the management of risks related to information, including the risk of information leakage. The committee ensures the establishment of systems to control risk associated with information assets appropriately. Specifically, it

establishes rules for process of procurement, introduction and operation of information assets; code of conduct for the system supervisory divisions regarding IT security; requirements for information risk management systems and the basics of information management; and internal rules relating to the handling of personal information required in the course of business operations as well as Cyber Security Countermeasures.

Compliance

Mitsui has a strong belief that a sound reputation is the foundation of Mitsui's business. At Mitsui, we define compliance as complying with corporate ethics and social norms in addition to laws, regulations, and internal rules of the Company. By word "compliance". Mitsui requires its employees and officers to act in accordance with its corporate ethics, based on its management philosophy and social norms in addition to laws and regulations as well as internal rules of the Company. To those ends, we carry out corporate management with emphasis on compliance. With the Chief Compliance Officer as a chairperson and including an external lawyer as an observer, the Compliance Committee develops Mitsui's compliance system and maintains and enhances its effectiveness.

The Company has established the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." and has equivalent business guidelines in place for its subsidiaries. Mitsui is striving to improve observance of these guidelines through continuous monitoring and review. In addition, the Company has a total of eight whistle-blowing avenues in place, including those involving an external attorney at law and a

third party providing hotline services. The Company made it clear that a whistle-blower would not be subject to any recrimination or detrimental treatment by the Company as a result of whistle-blowing. Additionally, the Company makes sure that its domestic affiliated companies are also able to use the whistle-blowing avenues (external attorneys at law and a third party providing hotline services). Mitsui's overseas offices and overseas affiliated companies also have whistle-blowing systems that were put in place considering applicable local laws and regional characteristics.

To maintain and improve its compliance structure, the Company consistently conducts activities to raise employee awareness toward compliance and provides as many opportunities as possible for employees to better themselves through training and other means. In doing so, the Company shares knowledge and important points of concern related to compliance. Any cases of violation of compliance are handled strictly, including disciplinary actions in accordance with the Employment Regulations of Mitsui & Co., Ltd.

Ensuring the Appropriateness of Operations within the Corporate Group

The Company has set forth the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles." In light of other laws and regulations, Mitsui requires its subsidiaries to develop and operate internal controls based on these principles and to the extent reasonable. For its equity-accounted investees, Mitsui coordinates with other equity participants and

encourages the equity-accounted investees to develop and operate similar internal controls. In addition, from its officers and employees, the Company appoints supervising officers to each affiliated company and has them conduct management based on the "Rules on Delegation of Authority for Supervising Officers of Affiliated Companies."

Internal Audits

Based on the order or approval of the President and Chief Executive Officer, the Internal Auditing Division verifies the status of development and management of internal controls, evaluates the suitability and effectiveness of risk management, and gives advice and suggestions for improvements.

During the regular audits that cover the Company, overseas offices, overseas trading subsidiaries, and Japanese and overseas affiliated companies, particularly subsidiaries, Internal Auditors carry out independent and objective evaluations, pursuant to the rules on internal audits, etc., with an emphasis

on risk management, effectiveness of management and operations, compliance and appropriate financial reporting. In addition, the following audits are implemented as internal audits: cross-organizational and cross-functional audits by target and item and extraordinary examinations to get the whole picture of such events that caused or could cause irregular economic losses or that jeopardized or could jeopardize the corporate trust, in order to identify the responsibility and recommend measures to clarify causes and methods to prevent recurrence.

Board of Directors and Independent Directors

Directors

of Directors

Years as a Director / Number of Company shares held

Masami lijima

10 years / 95,833 shares Representative Director, Chairman of the Board



1974 Joined Mitsui & Co., Ltd.

2015 Representative Director, Chairman of the Board of Directors (current position)

Tatsuo Yasunaga

3 years / 36,100 shares

Representative Director, President and Chief Executive Officer



1983 Joined Mitsui & Co., Ltd.

2015 Representative Director, President and Chief Executive Officer (current position)

Makoto Suzuki

3 years / 57,931 shares

Representative Director, **Executive Vice President** Chief Compliance Officer (CCO)



1981 Joined Mitsui & Co., Ltd.

2017 Representative Director, Executive Vice President, CCO (current position)

Satoshi Tanaka

1 year / 43,292 shares

Representative Director. Executive Vice President Chief Administrative Officer (CAO) Chief Information Officer (CIO) Chief Privacy Officer (CPO)



1981 Joined Mitsui & Co., Ltd.

2017 Representative Director, Executive Vice President, CAO, CIO, CPO (current position)

Shinsuke Fujii

2 years / 19,589 shares

Representative Director, Executive Vice President



1981 Joined Mitsui & Co., Ltd.

2018 Representative Director, Executive Vice President (current position)

Nobuaki Kitamori

1 year / 23,733 shares

Representative Director, Senior Executive Managing Officer

Chief Digital Officer (CDO)



1983 Joined Mitsui & Co., Ltd.

2018 Representative Director, Senior Executive Managing Officer, CDO (current position)

Yukio Takebe

New / 16,204 shares

Representative Director, Senior Executive Managing Officer



1983 Joined Mitsui & Co., Ltd.

2018 Representative Director, Senior Executive Managing Officer (current position)

Takakazu Uchida

New / 19,475 shares

Representative Director, **Executive Managing Officer** Chief Financial Officer (CFO)



1983 Joined Mitsui & Co., Ltd.

2018 Representative Director, Executive Managing Officer, CFO

Kenichi Hori

New / 11,729 shares

Representative Director, **Executive Managing Officer**



1984 Joined Mitsui & Co., Ltd.

2018 Representative Director, Executive Managing Officer (current position)

Independent Directors

Years as a Director / Number of Company shares held

Toshiro Muto
8 years / 12,928 shares
External Director



- 1966 Entered the Ministry of Finance
- 1999 Director-General of the Budget Bureau, Ministry of Finance
- 2000 Administrative Vice Minister, Ministry of Finance
- 2003 Special Advisor, Ministry of Finance Deputy Governor, Bank of Japan
- 2008 Chairman, Daiwa Institute of Research Ltd. (current position)
- 2010 External Director, Mitsui & Co., Ltd. (current position)

Izumi Kobayashi

4 years / 2,820 shares External Director



- 1981 Joined Mitsubishi Chemical Industries, Ltd. (currently Mitsubishi Chemical Corporation)
- 1985 Joined Merrill Lynch Futures Japan Inc.
- 2001 President, Merrill Lynch Japan Securities Co., Ltd.
- 2002 External Director, Osaka Securities Exchange Co., Ltd.
- 2008 Executive Vice President, Multilateral Investment Guarantee Agency,
 World Bank Group
- 2014 External Director, Mitsui & Co., Ltd. (current position)
- 2015 Vice Chairperson, Japan Association of Corporate Executives (current position)

Jenifer Rogers
3 years / 3,565 shares

External Director



- 1989 Joined Haight Gardner Poor & Havens (currently Holland & Knight LLP)
- 1990 Registered as Attorney at Law, admitted in New York
- 1991 Joined Industrial Bank of Japan Limited, New York Branch (currently Mizuho Bank)
- 1994 Joined Merrill Lynch Japan Securities Co., Ltd.
- 2000 Merrill Lynch Europe Plc
- 2006 Bank of America Merrill Lynch (Hong Kong)
- 2012 General Counsel Asia, NEW Asurion Asia Pacific Japan LLC (currently Asurion Japan Holdings G.K.) (current position)
- 2015 External Director, Mitsui & Co., Ltd. (current position)

Hirotaka Takeuchi

2 years / 0 shares External Director



- 1969 Joined McCann-Erickson Hakuhodo Co., Ltd. (currently McCann Erikson Japan Inc.)
- 1976 Lecturer, Harvard Business School
- 1977 Associate Professor, Harvard Business School
- 1983 Associate Professor, Hitotsubashi University-Faculty of Commerce
- 1987 Professor, Hitotsubashi University-Faculty of Commerce and Management
- 1998 Dean of The Graduate School of International Corporate Strategy, Hitotsubashi University
- 2010 Professor Emeritus, Hitotsubashi University (current position) Professor, Harvard Business School (current position)
- 2016 External Director, Mitsui & Co., Ltd. (current position)

Samuel Walsh

1 year / 2,700 shares

External Director



- 1972 Joined General Motors Holden's Limited
- 1987 Joined Nissan Motor Australia
- 1991 Joined Rio Tinto Limited
- 2013 Chief Executive Officer, Rio Tinto Limited
- 2016 Global President, The Chartered Institute of Procurement and Supply (current position)
- 2017 Chairman, The Accenture Global Mining Executive Council (current position)
 - Chairman, Royal Flying Doctor Service (WA) (current position) External Director, Mitsui & Co., Ltd. (current position)

Full-time and Independent Audit & Supervisory **Board Members**

As of June 21, 2018

Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company shares held

Joji Okada 3 years / 44,371 shares Full-time Audit & Supervisory **Board Member**



1974 Joined Mitsui & Co., Ltd. 2015 Full-time Audit & Supervisory Board Member (current position)

Takashi Yamauchi 3 years / 60,511 shares Full-time Audit & Supervisory **Board Member**



1976 Joined Mitsui & Co., Ltd. 2015 Full-time Audit & Supervisory Board Member (current position)

Independent Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company shares held

Haruka Matsuyama

4 years / 1,411 shares External Audit & Supervisory **Board Member**



1995 Appointed Assistant Judge at Tokyo District Court

2000 Registered as Attorney at Law. Joined Hibiya Park Law Offices

2002 Partner at Hibiya Park Law Offices (current position)

2014 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Hiroshi Ozu 3 years / 1,052 shares

External Audit & Supervisory Board Member



1974 Appointed Public Prosecutor

2007 Vice Minister of Justice

2012 Attorney General

2014 Registered as Attorney at Law

2015 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Kimitaka Mori

1 year / 1,812 shares

External Audit & Supervisory **Board Member**



1980 Joined Shinwa Accountants (currently KPMG AZSA LLC)

2000 Representative Partner

2004 Director of Financial Services

Board Member

Chairman, KPMG FS Japan 2011

2013 Established Mori Certified Public Accountant Office Chairman and President, The Japanese Institute of Certified Public Accountants

2016 Senior Advisor, The Japanese Institute of Certified Public Accountants (current position)

2017 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Executive Officers

As of June 21, 2018

Executive Officers

* Corporate officer also serving as a director.

President -

Tatsuo Yasunaga*

President and Chief Executive Officer; Chairman, Internal Controls Committee; Head of Crisis Management Headquarters

Executive Vice Presidents -

Makoto Suzuki*

Chief Compliance Officer; Corporate Staff Unit (Secretariat, Audit & Supervisory Board Member Division, Human Resources & General Affairs Division, Legal Division, Corporate Logistics Division, New Head Office Building Development Department); Business Continuity Management; New Headquarter Project; Chairman, Compliance Committee; Chairman, Diversity Promotion Committee; Head of Emergency Management Headquarter

Satoshi Tanaka*

Chief Administrative Officer; Chief Information Officer; Chief Privacy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Investment Administrative Division, Information Technology Promotion Division, Regional Business Promotion Division, Corporate Communications Division, Environmental-Social Contribution Division, Business Supporting Unit (Each Planning & Administrative Division)), Domestic Offices and Branches; HQ Overseen Region; Business Innovation & Incubation; Environmental Matters; Chairman, Information Strategy Committee; Chairman, Sustainability Committee; Chairman, Business Innovation Committee

Shinsuke Fujii*

Healthcare & Service Business Unit; Consumer Business Unit; Corporate Development Business Unit; Chairman, Portfolio Management Committee

Senior Executive Managing Officers -

Nobuaki Kitamori*

Chief Digital Officer, Infrastructure Projects Business Unit; Integrated Transportation Systems Business Unit I; Integrated Transportation Systems Business Unit II; IT & Communication Business Unit; Digital Transformation

Yukio Takebe*

Iron & Steel Products Business Unit; Mineral & Metal Resources Business Unit; Energy Business Unit I; Energy Business Unit II

Taku Morimoto

Chief Operating Officer of Asia Pacific Business Unit

Yasuyuki Fujitani

Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit

Motoo Ono

Chief Representative of Mitsui & Co., Ltd. in China

Executive Managing Officers -

Takakazu Uchida*

Chief Financial Officer; Corporate Staff Unit (CFO Planning & Administrative Division, Global Controller Division, Finance Division, Risk Management Division, Investor Relations Division, Business Supporting Unit (Financial Management & Advisory Division I, II, III, IV)); Chairman, Disclosure Committee; Chairman, J-SOX Committee

Kenichi Hori*

Basic Materials Business Unit; Performance Materials Business Unit; Nutrition & Agriculture Business Unit; Food Business Unit; Food & Retail Management Business Unit

Shinsuke Kitagawa

General Manager of Osaka Office

Noboru Katsu

Chairman & CEO of Mitsui & Co. (Australia) Ltd.

Hiromichi Yagi

Chief Representative of Mitsui & Co., Ltd. in South West Asia; Managing Director, Mitsui & Co., India Pvt. Ltd.

Shinichiro Omachi

Chief Operating Officer of Mineral & Metal Resources Business Unit

Hiroyuki Tsurugi

Representative Director, President & CEO of Mitsui Oil Exploration Co., Ltd.

Hirotatsu Fujiwara

Chief Operating Officer of Energy Business Unit II

Shingo Sato Chief Operating Officer of Integrated Transportation Systems Business Unit I

Katsurao Yoshimori

Chief Operating Officer of Americas Business Unit

Osamu Toriumi

General Manager of Internal Auditing Division

Shinji Tsuchiya

President of Mitsui & Co. (Brasil) S.A.

Managing Officers -

Shin Hatori

General Manager of Nagoya Office

Hiroshi Meauro

Deputy Chief Administrative Officer (HQ Overseen Region)

Kimiro Shiotani

General Manager of Global Controller Division

Miki Yoshikawa

Chief Operating Officer of Food Business Unit

Yoshio Kometani

Chief Operating Officer of Infrastructure Projects Business Unit

Toshiaki Maruoka

Chief Representative of Mitsui & Co., Ltd. in CIS; General Director of Mitsui & Co. Moscow LLC

Motoaki Uno

President & CEO of P.T. Mitsui Indonesia

Koji Nagatomi

Chief Operating Officer of Healthcare & Service Business Unit

Kohei Takata

Chief Operating Officer of Nutrition & Agriculture Business Unit

Sayu Ueno

Chief Operating Officer of Basic Materials Business

Yumi Yamaguchi

President & CEO, Mitsui Global Strategic Studies Institute

Masaki Saito

Chief Operating Officer of IT & Communication

Takeshi Setozaki

Chief Operating Officer of Integrated Transportation Systems Business Unit II

Reiji Fujita

Chief Operating Officer of Consumer Business Unit; General Manager of New Head Office Building Development Department

Takeo Kato

Chief Operating Officer of Performance Materials Business Unit

Yuki Kodera

General Manager of Planning & Administrative Division (Metals)

Hirohiko Miyata

General Manager of Investment Administrative Division

Yoshiki Hirabayashi

Chief Operating Officer of Food & Retail Management Business Unit

Yoshiaki Takemasu

General Manager of Human Resources & General Affairs Division

Yoshimitsu Gushiken General Manager of Finance Division

General Manager of Finance Division

Shinichi Hori

Chief Operating Officer of Iron & Steel Products Business Unit

Shinichi Kikuchihara

Chief Operating Officer of Corporate Development Business Unit

Masaharu Okubo

Chief Operating Officer of Energy Business Unit I