

Business Structure & Strategic Approach

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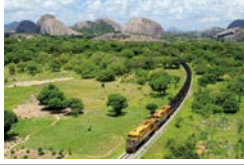


093 Healthcare Business Strategy

096 Product and Regional Expertise

Results by Operating Segment

(Year ended March 31, 2019, IFRS)

(After reflecting modification associated with structural reorganization)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	
					
¥ billion					
Business Unit	Iron & Steel Products Business Unit	Mineral & Metal Resources Business Unit	Infrastructure Projects Business Unit Mobility Business Unit I Mobility Business Unit II	Basic Materials Business Unit Performance Materials Business Unit Nutrition & Agriculture Business Unit	

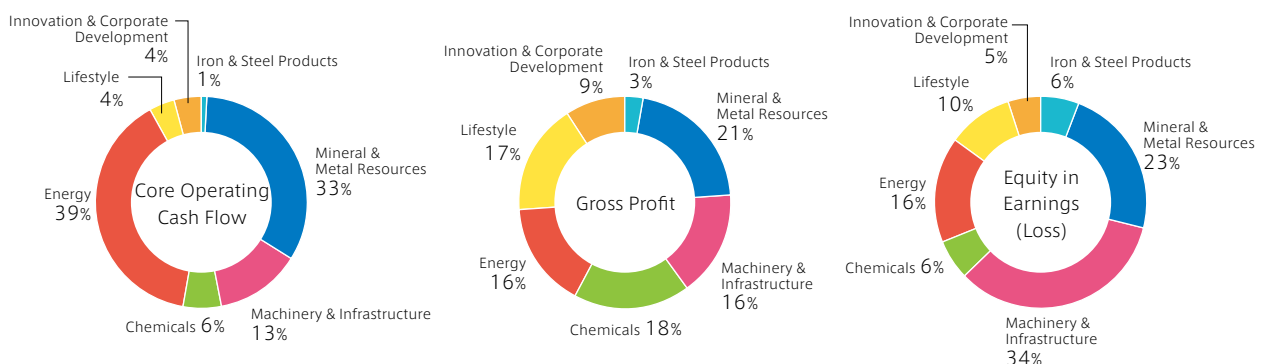
Core Operating Cash Flow	5.9	181.5	74.0	31.0	
Net Investment Cash Flow	62.0	2.6	(156.9)	(80.3)	
Investment Cash Flow (IN)	71.7	56.3	80.9	3.5	
Investment Cash Flow (OUT)	(9.7)	(53.7)	(237.8)	(83.8)	
Free Cash Flow ¹⁾	67.9	184.1	(82.9)	(49.3)	

Gross Profit	27.2	175.6	130.7	148.0	
Equity in Earnings (Loss)	16.2	59.3	87.5	14.3	
Dividend Income	1.7	20.9	5.8	2.8	
Selling, General and Administrative Expenses	(27.8)	(32.3)	(123.4)	(105.0)	
Other	(7.4)	(56.3)	(22.2)	(54.9)	
Profit (Loss) for the Year Attributable to Owners of the Parent	9.9	167.2	78.4	5.2	

Assets	606.6	2,222.9	2,450.6	1,337.7	
Non-current Assets	350.3	1,564.0	1,688.4	576.4	
Property, Plant and Equipment	9.2	365.8	246.8	215.0	
Investments Accounted for Using the Equity Method	255.1	428.7	975.9	170.0	
Other Investments	62.3	578.9	122.7	94.0	
Other Non-current Assets ²⁾	23.7	190.6	343.0	97.4	

Number of Employees (Non-consolidated)	328	291	844	676	
Number of Employees (Consolidated)	1,518	619	15,264	5,276	

Composition by Operating Segment



	Energy 	Lifestyle 	Innovation & Corporate Development 	Others / Adjustments and Eliminations	Company Total
	Energy Business Unit I Energy Business Unit II	Food Business Unit Retail Business Unit Healthcare & Service Business Unit	IT & Communication Business Unit Corporate Development Business Unit		

	219.1	24.7	19.8	14.5	570.5
	(171.1)	(254.0)	(68.3)	(49.8)	(715.8)
	3.7	32.5	28.2	3.0	279.8
	(174.8)	(286.5)	(96.5)	(52.8)	(995.6)
	48.0	(229.3)	(48.5)	(35.3)	(145.3)

	134.0	141.8	78.6	2.6	838.5
	40.3	26.4	13.1	(1.7)	255.4
	65.2	5.1	3.1	1.3	105.9
	(45.1)	(136.7)	(64.5)	(31.5)	(566.3)
	(98.7)	(0.3)	(8.3)	28.8	(219.3)
	95.7	36.3	22.0	(0.5)	414.2

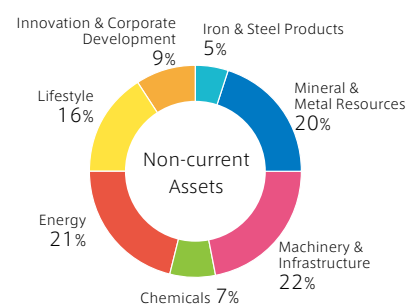
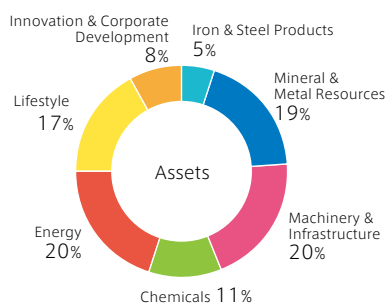
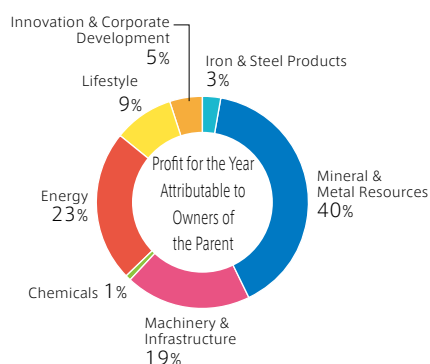
	2,425.4	2,006.1	971.8	(75.3)	11,945.8
	1,592.5	1,198.7	690.6	288.6	7,949.5
	731.5	162.0	106.6	108.5	1,945.4
	272.8	646.5	220.8	5.9	2,975.7
	463.4	318.8	203.9	103.6	1,947.6
	124.8	71.4	159.3	70.6	1,080.8

	392	971	419	1,851	5,772
	843	13,298	3,694	3,481	43,993

Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.

*1. "Free cash flow" is calculated from core operating cash flow and differs from free cash flow calculated using conventional accounting methods.

*2. "Other non-current assets" includes non-current receivables, investment property, intangible assets, and deferred tax assets.

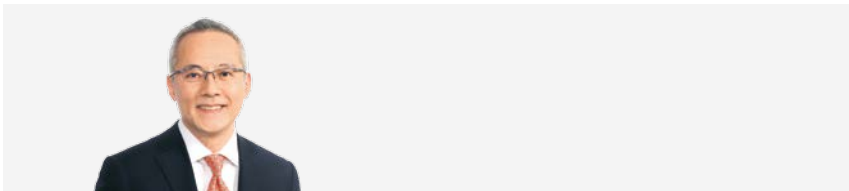


Iron & Steel Products Segment

Iron & Steel Products Business Unit



Iron & steel products business / Gestamp Automoción S.A. (Spain)



Shinichi Hori
Managing Officer,
Chief Operating Officer
of Iron & Steel Products Business Unit

Business Activities

To respond to diverse industrial needs, we procure, supply, sell, and invest in processing and functional trading businesses of iron and steel products, both in Japan and in various overseas regions.

Mitsui's Competitive Advantages

- Comprehensive strengths that leverage the extensive customer base and partnerships possessed by our 15 Headquarter Business Units in Japan and overseas
- Diversified business portfolio with value chains around the world that cover everything from upstream to downstream operations

Business Environment

Business opportunities	<ul style="list-style-type: none"> • Promotion of electric vehicles following the transition to a low-carbon society, diversification and increased efficiency of energy consumption, and the trend in renewable energy use • Trend in logistics innovation and a shift toward smart factories as a result of digital transformation
Business (competitive) risks	<ul style="list-style-type: none"> • Industrial reorganization and changes to distribution channel against the backdrop of steel overproduction in China • Impact of trade friction on the supply and demand of products stemming from measures by the U.S. to apply additional tariffs



Basic Strategies

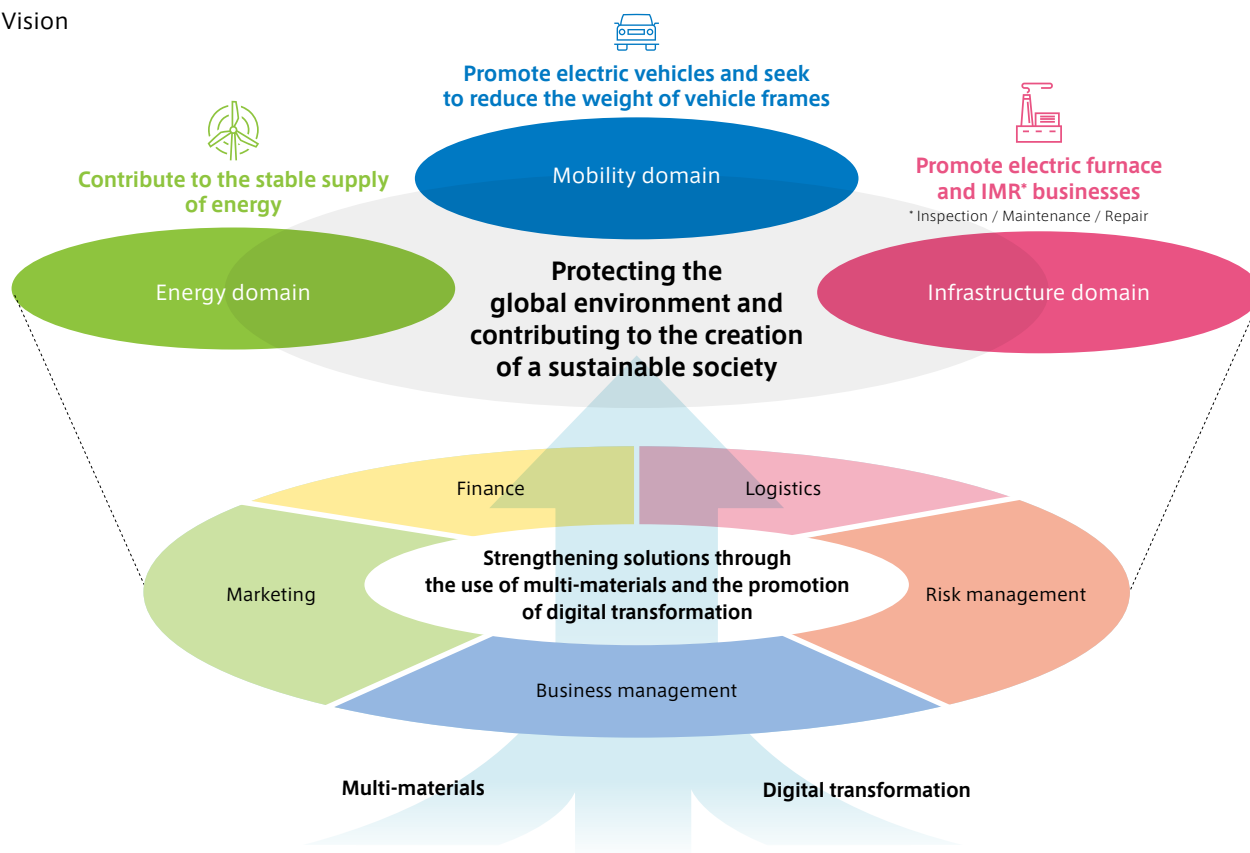
<ul style="list-style-type: none"> • Create businesses through synergies between steel trading business and business investments • Provide high-value-added services including component manufacturing and repair and maintenance • Facilitate collaborations between existing businesses, assets with comprehensive strengths, and business partners by utilizing digital technologies, etc.; further pursue new business creation centered on industrial businesses



Individual Strategies & Progress

Area	Our Approach
Automotive	<ul style="list-style-type: none"> • We are providing support for business expansion in order to contribute to value improvement for Gestamp Automoción S.A. (GA). We are also promoting the establishment of new businesses and peripheral trading businesses for GA, with a focus on the core field of mobility. • We are working to acquire materials and components businesses in response to structural changes in the industry brought about by the shift to electric vehicles.
Infrastructure	<ul style="list-style-type: none"> • We are establishing a steel supply structure through the electric furnace business in order to respond to the global demand for infrastructure. • We are developing steel processing and trading businesses on a local basis in response to trends relating to local production for local consumption of construction steel. • Expand inspection, maintenance, and repair (IMR) businesses that help extend the operating life of infrastructure
Energy	<ul style="list-style-type: none"> • We are pursuing highly functional trading in the oil and gas field and stepping up our efforts in the renewable energy field centered on GRI Renewable Industries, S.L. and GEG Holdings Limited.
Steel trading	<ul style="list-style-type: none"> • We are creating steel trading businesses that leverage the respective strengths of Mitsui & Co. Steel Ltd., MM & KENZAI Corporation, and NIPPON STEEL TRADING CORPORATION.

Vision

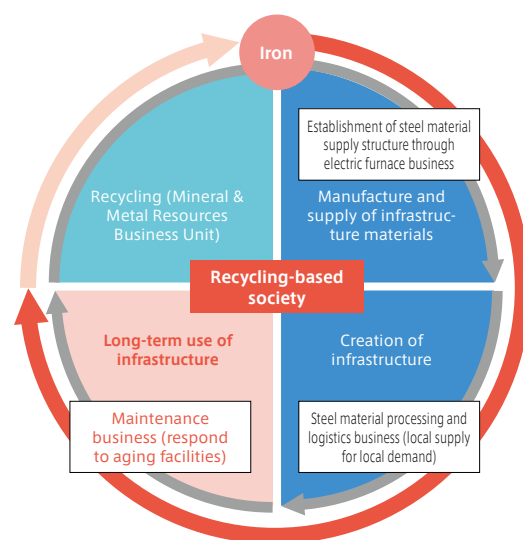


Examples of Initiatives in the Infrastructure Domain

Establishment of Joint Venture with SHO-BOND to Develop Business Overseas

The Company established a joint overseas infrastructure maintenance business together with SHO-BOND Holdings Co., Ltd. ("SHO-BOND"), a leading company in Japan that provides comprehensive maintenance support. As aging infrastructure becomes an increasingly urgent social issue, particularly in developed countries, demand is expected to grow not just for the supply of steel for new infrastructure projects but also for preventative maintenance and infrastructure life extension through repair and reinforcement. SHO-BOND's technology gives it a competitive edge overseas due to its long track record of repairing buildings with serious fatigue damage, and of dealing with the effects of Japan's climatic zones and frequent natural disasters, such as earthquakes. Mitsui and SHO-BOND will pursue development of this overseas infrastructure maintenance business by utilizing Mitsui's overseas business know-how and global network, including a wide range of customers and partner companies, and SHO-BOND's comprehensive technical abilities.

In addition to this project, Mitsui's Iron & Steel Products Business Unit aims to provide a diverse range of high-value-added services that cover everything from the manufacturing and supply of iron materials and components to maintenance.

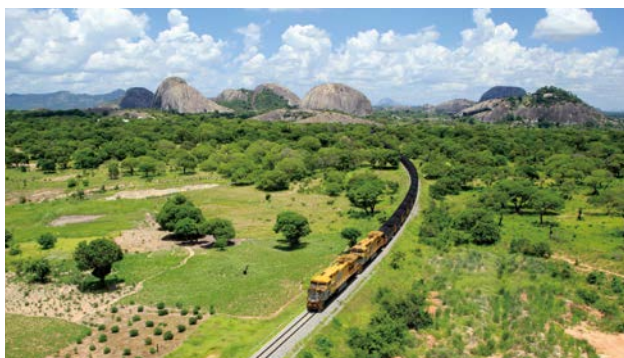


Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui & Co. Steel Ltd.	Sales, export, import of steel products	100.0	3.7	6.1	4.1
NIPPON STEEL TRADING CORPORATION	Sales, export and import of steel products	19.9	—	—	6.9
(Consolidated) Gestamp companies	Manufacture of automotive components	Var.	0.6	3.9	2.3
Game Changer Holdings Inc.	Investment in steel processing company	100.0	3.6	6.7	3.9

Mineral & Metal Resources Segment

▪ Mineral & Metal Resources Business Unit



Coal and infrastructure businesses / Moatize Coal Mine and Nacala rail and port infrastructure project (Mozambique)



Yuki Koderu
Managing Officer,
Chief Operating Officer
of Mineral & Metal Resources Business Unit

Business Activities

Through business development, investment and trading of ferrous and nonferrous metals and resources, etc., we work to develop integrated value chains that deliver a stable supply of resources and materials essential to industrial society. We also take part in resource recycling, developing industrial solutions that address environmental issues.

Mitsui's Competitive Advantages

- Profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves
- Business opportunities born out of functions, trust, networks, and distribution channels we have cultivated in various industries

Business Environment

Business opportunities	<ul style="list-style-type: none"> • Increased need for high-quality resources following rapid changes in environmental policies primarily in China • Heightened importance to secure a stable supply of raw materials for secondary batteries in light of the widespread use of electric vehicles
Business (competitive) risks	<ul style="list-style-type: none"> • Changes in the government policies of each country brought about by the transition to a low-carbon society • Impact of technological innovation and other factors on the supply and demand of commodities



Basic Strategies

- Structure a balanced asset portfolio through asset sales, purchase and swap, in addition to acquiring additional reserves and enhancing competitiveness in existing businesses
- Create new business in anticipation of changes in raw materials demand due to rising awareness of environmental conservation
- Create a strong organization through enhancing individual performance with a profit-generating mindset, sense of ownership and eagerness to create business



Individual Strategies & Progress

Area	Our Approach
Iron ore	<ul style="list-style-type: none"> • We are working to develop BHP South Flank and new iron ore deposits at Robe River. Through these and other means, we are promoting the further reinforcement of a profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves.
Coal	<ul style="list-style-type: none"> • In Mozambique, we aim to establish a profit base for the Moatize Coal Mine and the Nacala rail and port infrastructure project. In Australia, we are continuing efforts to enhance our coking coal assets and bolster our portfolio. Furthermore, for thermal coal, we have completed the sale of Bengalla and refrain from accumulating new assets.
Copper and others	<ul style="list-style-type: none"> • We are enhancing the quality of existing businesses through operational and cost improvements at Caserones and Anglo American Sur. We are also promoting efforts in growth areas by working to establish a value chain for raw materials used in secondary batteries.

Major Businesses

Product	Name* ¹	Location	FY Mar/2019 Equity Production	Main Partner	Equity Ratio* ⁴	Revenue Recognition
Iron ore	Robe River	Australia	19.4 million tons	Rio Tinto	33.00%	Consolidated (partially accounted for by equity method)
	Mt. Newman / Yandi / Goldsworthy / Jimblebar	Australia	19.1 million tons	BHP	7.00%	Consolidated (partially accounted for by dividend)
	Vale	Brazil	21.2 million tons* ²	Vale	5.59%	Dividend
Coal	South Walker Creek / Poitrel	Australia	2.1 million tons* ²	BHP	20.00%	Equity method
	Kestrel	Australia	1.0 million tons* ²	EMR / Adaro	20.00%	Consolidated
	Moranbah North / Capcoal / Dawson	Australia	6.2 million tons	Anglo American	Various	Consolidated
	Moatize / Nacala	Mozambique	1.6 million tons* ²	Vale	Moatize: approx. 15% Nacala: approx. 50%	Moatize: Dividend Nacala: Equity method
Copper	Collahuasi	Chile	61.7 thousand tons* ²	Anglo American Glencore	11.03%	Equity method
	Anglo American Sur	Chile	38.7 thousand tons* ²	Anglo American Codelco	9.50%	Equity method
	Caserones	Chile	30.8 thousand tons* ²	JX Nippon Mining & Metals Mitsui Mining & Smelting	22.63%	Other
Nickel	Coral Bay	Philippines	3.6 thousand tons* ³	Sumitomo Metal Mining	18.00%	Equity method
	Taganito	Philippines	4.5 thousand tons* ³	Sumitomo Metal Mining	15.00%	Dividend

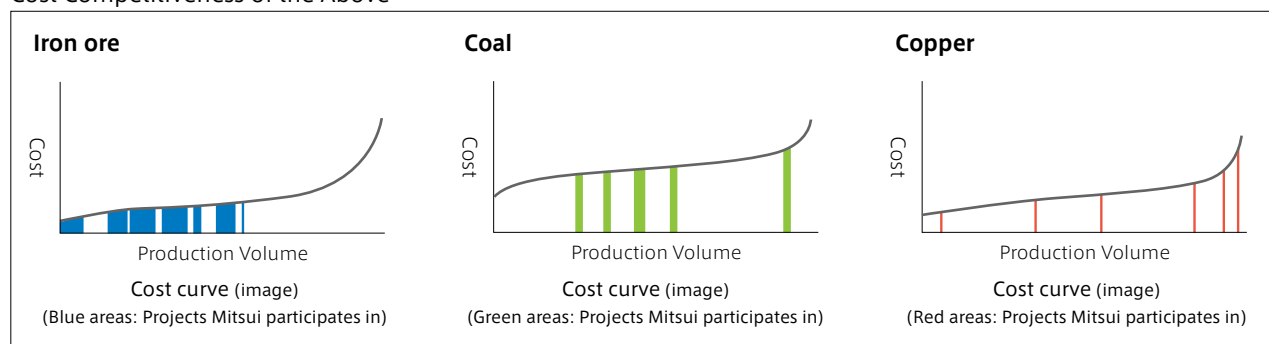
*1. Includes JV names, company names, and project names

*2. Jan-Dec 2018 results

*3. Production capacity base

*4. As of end of March 2019

Cost Competitiveness of the Above



Source: Mitsui & Co. Investor Day 2018

Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
(Consolidated) Iron ore mining operations in Australia	Mining and sales of Australian iron ore	Var.	102.9	110.4	106.7
(Consolidated) Coal operations in Australia	Mining and sale of coal in Australia	Var.	34.3	46.3	48.5
(Consolidated) Coal and rail & port infrastruc- ture business in Mozambique	Investment in coal and rail & port infrastructure business in Mozambique	100.0	(1.5)	2.6	4.1
Japan Collahuasi Resources B.V.	Investment in the Collahuasi copper mine in Chile	91.9	3.3	6.3	9.1
Oriente Copper Netherlands B.V.	Investment in the Chile-based copper company Inversiones Mineras Becrux SpA	100.0	(8.6)	2.6	(2.7)
Mitsui Bussan Copper Investment & Co., Ltd.	Investment in the Caserones copper mine in Chile	100.0	(8.9)	(22.6)	(2.3)

Machinery & Infrastructure Segment

- Infrastructure Projects Business Unit
- Mobility Business Unit I

- Mobility Business Unit II



Transportation of LNG / LNG transport carrier for the U.S. LNG export project (Cameron)



Kazumasa Nakai
Managing Officer,
Chief Operating Officer
of Infrastructure Projects
Business Unit

Tetsuya Daikoku
Managing Officer,
Chief Operating Officer
of Mobility Business Unit I

Tatsuya Okamoto
Managing Officer,
Chief Operating Officer
of Mobility Business Unit II

Business Activities

We contribute to the development of countries and the creation of better lives through the long-term, reliable supply of indispensable social infrastructure such as power, gas, water, railways and logistics infrastructure. While strengthening contact points with end users including consumers, we provide sales, financing, lease, transportation and logistics, and investment in various areas, including large-scale plants, marine resource development facilities, ships, aerospace, railways, motor vehicles, and mining/construction/industrial machinery.

Mitsui's Competitive Advantages

- Extensive customer base and collaboration with prestigious partners
- Existing infrastructure assets supported by stable demand
- Transition to high-quality assets through increased productivity

Business Environment

Business opportunities	<ul style="list-style-type: none"> • Promote electric vehicles (EVs) due to the shift toward a low-carbon society; enhanced efficiency of energy consumption and distributed power; the trend in renewable energy use • Accelerating changes of industrial structure following technological innovation and digital transformation • Expansion of the mobility market • Movement from ownership to usership (leasing, rentals, sharing)
Business (competitive) risks	<ul style="list-style-type: none"> • Strengthening of environmental regulations • Entry of competitors from other industries



Basic Strategies

<p>Thoroughly reinforce a sustainable profit base</p> <ul style="list-style-type: none"> • Reduce costs and improve management efficiency through the introduction of AI and IoT; steadily complete assets under construction; and expand business through bolt-on investments <p>Implement strategic lifecycle management</p> <ul style="list-style-type: none"> • Recycle assets at the appropriate time and continue to review asset portfolio with consideration to the impact of climate change-related risks <p>Take an approach toward new growth opportunities</p> <ul style="list-style-type: none"> • Accelerate initiatives in the new growth area of mobility as well as initiatives in new infrastructure businesses



Individual Strategies & Progress

Area	Our Approach
Next-generation electric power	We are stepping up the pace of initiatives geared toward distributed power, energy management services, and renewable energy.
Automotive and construction equipment	We are accelerating initiatives in upstream businesses, such as EVs, storage batteries, and engineering, as well as downstream businesses, such as services, leasing, and sharing.
Ships, aerospace, and rail	We are bolstering our lease, trading, and maintenance services, while also working to improve the quality of our portfolio to contribute to the shift toward a low-carbon society.

Competitiveness



Electric power

- Total power generating capacity of approximately 10.4GW
- Project operatorship
- Well-balanced power generation portfolio in terms of region and fuel **Graph 1,2**



Next-generation businesses

- Promotion of next-generation electric power businesses (distributed power, storage batteries, virtual power plants, and smart city development) in anticipation of change



©MODEC, Inc.

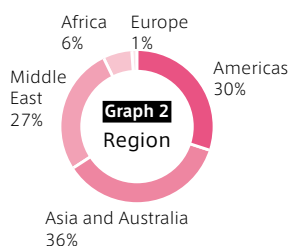
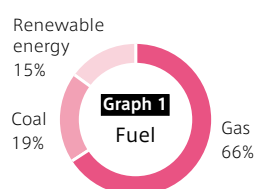
Offshore energy

- Robust structure for collaboration with MODEC, Inc.
- Abundant project achievements for Petróleo Brasileiro S.A.—Petrobras
- Stable profits from 18 FPSO/FSO



Gas distribution

- Strategic partnership with Petrobras
- Nearly 50% share of Brazil's gas distribution volume



Automotive

- New business platforms in the mobility field by leveraging our customer base



Construction equipment

- Leveraging of comprehensive strengths in the construction/mining equipment and machine tool businesses, etc.



Rail

- Providing transportation infrastructure functions such as the railway infrastructure construction, rolling stock leasing, operatorship, and integrated services related to railway businesses



Ships

- Leveraging of comprehensive sales/purchasing and owner functions
- Diverse range of transportation and sales solutions in the LNG business



Aerospace

- Providing functional solutions for aircraft/engine leasing and freighter conversion, and aviation businesses
- Promoting space-related initiatives, such as the satellite deployment business

160 affiliated companies

Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
(Consolidated) Power generating businesses	Investment in power generation businesses	Var.	8.6	46.4	25.1
(Consolidated) FPSO/FSO leasing businesses	FPSO/FSO leasing	Var.	7.8	9.1	9.3
(Consolidated) Gas related businesses	Gas distribution businesses in Brazil and Mexico	Var.	8.9	7.7	6.5
Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation	100.0	1.9	4.2	2.6
Penske Automotive Group, Inc.	Automotive retailer	15.7	6.3	11.1	8.2
(Consolidated) Truck leasing and rental businesses	Truck leasing, rental, and logistics businesses	100.0	2.2	4.3	7.1
(Consolidated) Rolling stock leasing businesses	Freight car and locomotive leasing	Var.	3.3	4.5	3.3
(Consolidated) Asian motor vehicle businesses	Asian motor vehicle businesses	Var.	7.5	8.2	7.2
Construction & industrial machinery businesses	Construction & industrial machinery businesses	Var.	2.5	4.7	7.1
VLI S.A.	Integrated freight transportation	20.0	2.2	2.3	2.7

Chemicals Segment

- Basic Materials Business Unit
- Performance Materials Business Unit

- Nutrition & Agriculture Business Unit



Trading / Mitsui's sulphur carrier
Sulphur Guardian



Sayu Ueno
Managing Officer,
Chief Operating Officer
of Basic Materials
Business Unit

Takeo Kato
Managing Officer,
Chief Operating Officer
of Performance Materials
Business Unit

Kohei Takata
Managing Officer,
Chief Operating Officer
of Nutrition & Agriculture
Business Unit

Business Activities

Our chemicals business encompasses trade and investment in a range of industries, from upstream and mid-stream chemicals such as basic chemicals and fertilizer and inorganic resources, to downstream chemicals that meet diverse market needs, including functional materials, electronics materials, forestry and housing materials, fertilizers, agrochemicals, feed additives, flavor and fragrance, and specialty chemicals. We are also pursuing new initiatives in food science, tank terminals and carbon fiber.

Mitsui's Competitive Advantages

- Handling of products across a broad range of domains and a robust client base around the globe
- Business creation through trading that fully leverages our network and project management
- High level of investment efficiency by actively driving business initiatives

Business Environment

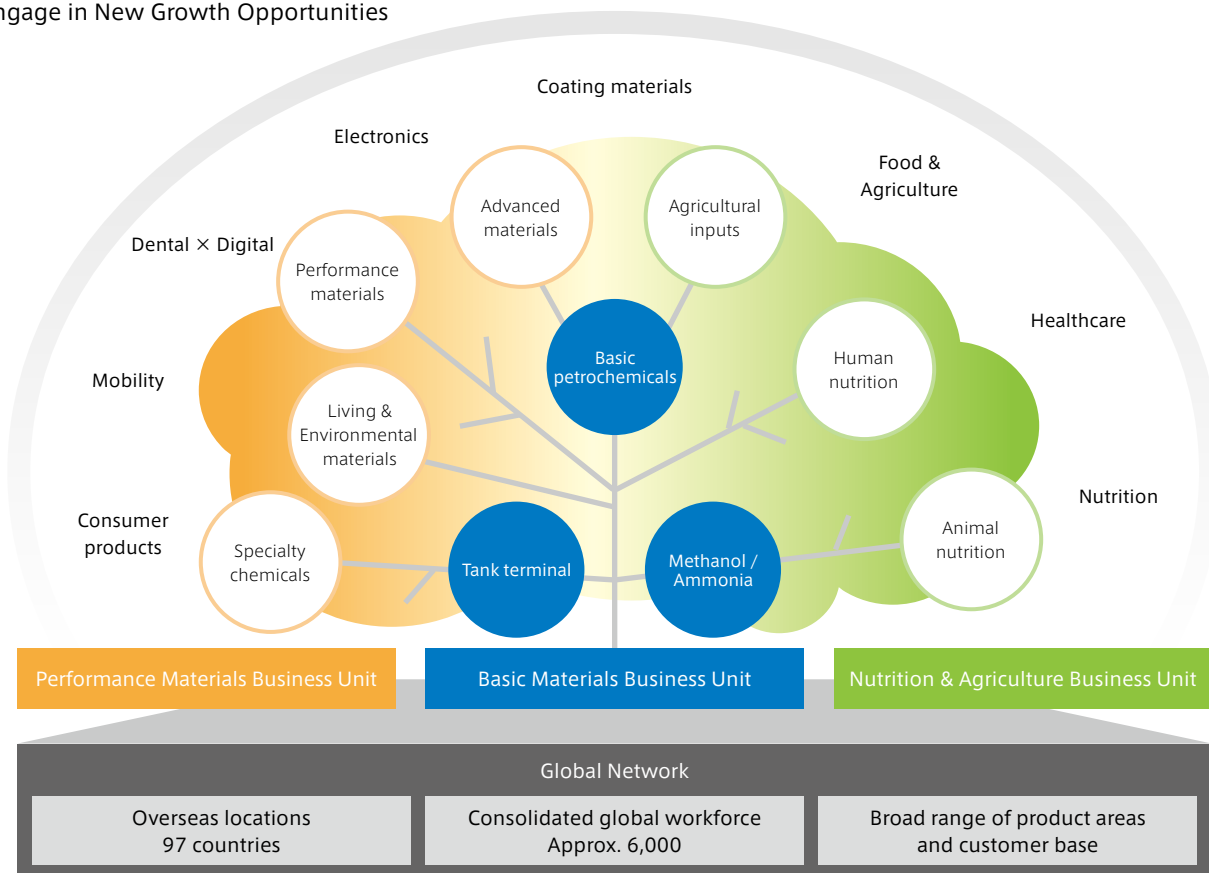
Business opportunities	<ul style="list-style-type: none"> • Rise in potential businesses where industries intersect following changes to industrial structures • Increasing need for diversification and high performance of chemicals and materials arising from growing environmental awareness • Growing need for increased food production due to increasing global populations, primarily in Asia and Africa, and high value added needs resulting from a rising middle class and a sharper awareness of health
Business (competitive) risks	<ul style="list-style-type: none"> • Deterioration of customer base and the risk of existing business models becoming obsolete due to changes in industrial structures • Changes in the policies of each country as a result of plastic regulations and the transition to a low-carbon society



Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Reinforce trading capabilities	By combining our regional expertise, which is deeply connected to local business partners and customers, extensive product expertise, and Mitsui's functional expertise, we are providing added value to customers and realizing steady business expansion.
Execute bolt-on investments	We are promoting specialty businesses with Novus International, Inc. We are also reinforcing the profit bases of tank terminal businesses in the U.S. and Europe as well as methanol businesses in the Middle East and the U.S., etc.
Engage in new growth opportunities	We are accelerating initiatives in the domains of performance materials, mobility, IoT, nutrition, and agriculture.

Engage in New Growth Opportunities



Major Businesses

Methanol Business

Leveraging our robust global foundation for trading, we are promoting methanol manufacturing businesses. Beginning with methanol production in Saudi Arabia, we also began producing methanol in the U.S. in October 2015. Going forward, we will promote the stable operation and growth of existing businesses as we work to further expand our business foundation.



The methanol manufacturing business, Fairway Methanol in the U.S.

Preventative Healthcare Business

In 2018, we invested in Thorne Research, Inc., a U.S.-based company that engages in the manufacture of high-performance supplements backed by extensive scientific evidence and operates personalized nutrition businesses combining examination and other services. Mitsui has adopted targets to strengthen its health-related business base and expand into peripheral businesses. Guided by these targets, we aim to create systems for providing solutions, starting with preventative healthcare.



Products of the U.S.-based Thorne Research

Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Novus International, Inc.	Manufacture and sales of feed additives	80.0	8.7	0.5	(9.3)
MMTX Inc.	Investment in methanol producing business in the U.S. and sale of products	100.0	1.7	2.9	7.2
MITSUI & CO. PLASTICS LTD.	Sales and marketing of plastics and chemicals	100.0	3.2	3.8	3.8
(Consolidated) Mitsui AgriScience International	Investments in crop protection businesses in Europe and the Americas	100.0	1.6	1.7	1.3

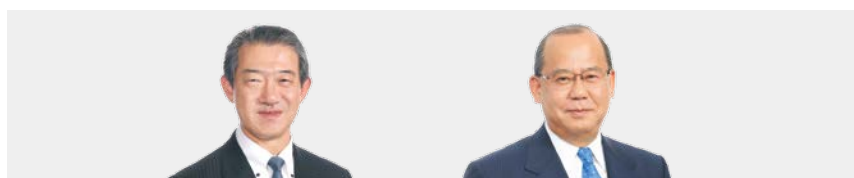
Energy Segment

- Energy Business Unit I
- Energy Business Unit II



LNG business /
Sakhalin II LNG project
(Russia)

©Sakhalin Energy



Masaharu Okubo
Managing Officer,
Chief Operating Officer
of Energy Business Unit I

Motoyasu Nozaki
Managing Officer,
Chief Operating Officer
of Energy Business Unit II

Business Activities

Through upstream development, logistics and trading of energy resources such as oil, natural gas/LNG, coal and uranium, we contribute to the stable supply of energy vital to society. In addition, as part of efforts to achieve a low-carbon society, we are actively involved in environmental and renewable energy businesses.

Mitsui's Competitive Advantages

- Highly competitive, high-quality asset portfolio (growing production volume, reserves, and reinforced LNG production capacity)
- Quality business opportunities born out of our long-cultivated logistics functions, network, and trust

Business Environment

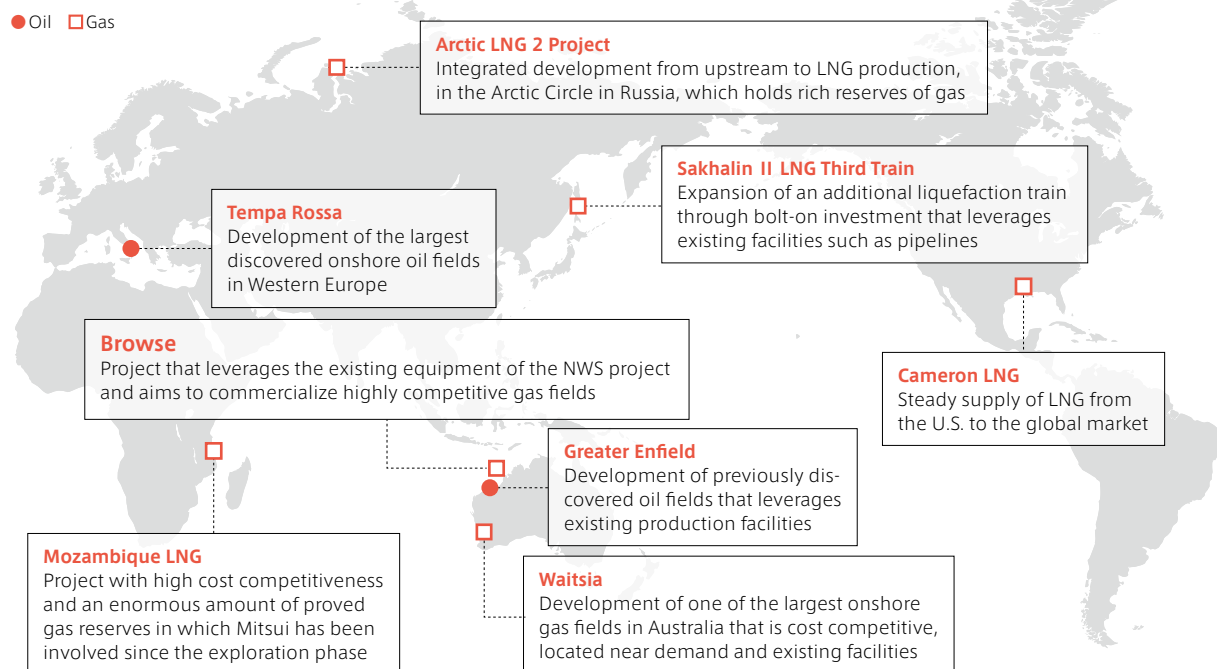
Business opportunities	<ul style="list-style-type: none"> • Expansion of LNG and gas businesses that have a relatively low environmental impact • Emergence of opportunities to undertake initiatives in areas related to renewable energy and new energy
Business (competitive) risks	<ul style="list-style-type: none"> • Unexpected long-term stagnation of oil and gas prices • Changes to environmental policies in each country due to the shift to a low-carbon society



Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach
Establish a competitive upstream asset portfolio	<ul style="list-style-type: none"> • We are strengthening the competitiveness of existing assets, acquiring new high-quality assets, and promoting the expansion of our LNG production capacity (we are also continuously reviewing our cost competitiveness and carefully selecting new projects for investment). • We are expanding businesses for gas that has relatively low greenhouse gas emissions. Demand for gas is expected to increase over the long term. • As crude oil demand is expected to plateau between 2030 and 2040 under some scenarios, we are managing the upstream crude oil business bearing in mind cost competitiveness and timeframes.
Increase profit in midstream and downstream businesses by leveraging Mitsui's functions	In addition to supplying our customers with energy, we are pursuing a variety of other efforts to develop value chains. These include promoting trading, and marketing activities that capture opportunities from environmental changes such as the shale gas revolution and changes in government policies; acquiring high-quality assets and expanding businesses in the midstream and downstream, including LNG vessels; and developing power generation and other related businesses.
Expand renewable energy and new energy businesses	<ul style="list-style-type: none"> • It is expected that the demand from society for non-fossil fuels and renewable energy will grow and that the reduced cost of these types of fuel and energy will encourage their widespread use going forward. Under such circumstances, we are stepping up our efforts toward the biomass power generation project in Tomakomai and Shimokawa in Hokkaido, our work in domestic and international geothermal business, and next-generation energy businesses such as hydrogen. • We have invested in the U.S.-based LanzaTech Inc., which uses microorganisms to develop gas fermentation technology. Through this investment, we are taking steps to convert greenhouse gases into energy sources and chemical products and working to expand businesses for the manufacture and supply of sustainable aviation fuel.

Asset Portfolio That Will Contribute to Future Profits



Efforts toward Renewable Energy and New Energy Businesses

1 Wood Biomass

Mitsui engages in wood biomass power and heat generation businesses in Tomakomai and Shimokawa in Hokkaido. These businesses are carbon neutral, which can contribute to global warming mitigation. In addition, these businesses are fueled by wood chips produced entirely from unused timber from forests in Hokkaido, and will contribute to regional revitalization through the provision of locally distributed energy supply businesses.



The biomass power station in Tomakomai, Hokkaido

2 Hydrogen

With the aim of establishing technologies for the large-scale transport and supply of hydrogen from overseas, Mitsui is pursuing a pilot project in the hydrogen supply chain. As requirements for the reduction of greenhouse gas emissions will become greater going forward, Mitsui will contribute to the practical application of hydrogen, which does not release CO₂ when burned, in such areas as large-scale power generation and mobility.



Hydrogen supply chain project
Source: Chiyoda Corporation

3 Next-Generation Fuel

Mitsui has invested in LanzaTech, a U.S.-based venture company, which is pursuing various manufacturing businesses for next-generation ethanol and sustainable aviation fuel. In the future, Mitsui will leverage LanzaTech's technologies to realize the mass production of sustainable aviation fuel using ethanol produced from exhaust gas. In this way, Mitsui will significantly contribute to reducing CO₂ emissions and protecting the environment.



Freedom Pines Plant
©LanzaTech

Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	74.3	6.7	11.5	24.8
Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas in Middle East	89.7	2.5	3.5	6.5
Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas in Oceania	100.0	1.7	3.9	(0.3)
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	100.0	1.2	(4.4)	0.8
Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of LNG in Mozambique	50.0	(3.1)	(3.4)	(3.2)

Lifestyle Segment

- Food Business Unit
- Retail Business Unit

- Healthcare & Service Business Unit



Oils and fats business /
Retail brand product of
Ventura Foods (U.S.)



Miki Yoshikawa
Executive Managing
Officer,
Chief Operating Officer
of Food Business Unit

Yoshiki Hirabayashi
Managing Officer,
Chief Operating Officer
of Retail Business Unit

Koji Nagatomi
Managing Officer,
Chief Operating Officer
of Healthcare & Service
Business Unit

Business Activities

Adapting to changes in consumption and lifestyles while meeting consumers' diverse needs, we provide value-added products and services, develop businesses and make investments in business fields such as food resources and food products, retail services, fashion and textiles, healthcare, and outsourcing.

Mitsui's Competitive Advantages

- Global network for the origination and sale of grains and other products
- Trust-based relationships with numerous prestigious partners in the value chains of Japan's foodstuff and food product markets
- Extensive contact points with consumers and collaborative relationships with world-class partners

Business Environment

Business opportunities	<ul style="list-style-type: none"> • Rising need for securing food resources and securing a sustainable food supply • Increased demand for securing the safety and reliability of food as well as for providing food with high added value due to the emergence of a growing middle class • Heightened need for healthcare services resulting from changes to the pattern of illnesses and the rapidly aging population • Structural changes to the consumer market brought about by technological innovation, higher standards of living, and various lifestyle changes
Business (competitive) risks	<ul style="list-style-type: none"> • Impact of a shift in production areas and other factors caused by import regulations on global logistics • Physical risks resulting from climate change, such as cyclones, hurricanes, and abnormal weather patterns, as well as infectious diseases in livestock and marine products, etc.



Individual Strategies & Progress

Area	Our Approach
Food Business Unit	We have established our business domains as proteins, sugars, oils & fats, staple foods, grain and feed networks, and wellness and functional food ingredients. In light of the increasingly more sophisticated consumption needs and behavior of consumers, we are establishing a global business foundation in each of these domains.
Retail Business Unit	<ul style="list-style-type: none"> • We are working to gain a thorough understanding of consumers by equipping ourselves with functions to provide retail solutions. • Based on the consumer insight we have gained through retail solution functions, we are enhancing the value of existing assets and acquiring new assets in merchandizing domains, such as prepared foods, commercial foods, and food materials, as well as growing retail domains, such as overseas franchising, "grocerants" (combined grocery–restaurant), home and food delivery, and specialized retailing. • We are refining our existing functions such as demand chain management (DCM) and logistics by utilizing digital transformation, robotics, and other technologies, in existing midstream domains.
Healthcare & Service Business Unit	<ul style="list-style-type: none"> • We are strengthening existing business and acquiring operatorships in order to expand healthcare ecosystems that combine the five elements of places, people, goods, services, and information. <p>□ Please see "Healthcare Business Strategy" on pages 093–095.</p>

Examples of Initiatives

Global food transactions

- Mitsui owns business assets in major food producing areas around the world. Through domestic sales, tripartite trade, and exports, we realize a stable supply of food and food products in regions with high demand. Particularly in Japan, a country with one of the lowest rates of food self-sufficiency, it is extremely important to provide stable exports, and we are working to provide high-quality food produced overseas in a stable manner to meet domestic demand.

Quality control and product development capabilities, and emphasis on sustainability

- In Japan and overseas, leveraging our quality control capabilities, which we have cultivated domestically through Group companies such as Mitsui Norin Co., Ltd., Prifoods Co., Ltd., and Mitsui Sugar Co., Ltd., as well as our product development and proposal capabilities, which we have gained through our development center and Group companies such as Bussan Food Materials Co., Ltd.
- Establishing a sustainable food supply chain, including shrimp farming in Vietnam and salmon farming in Chile

Initiatives in the food and retail management business

- Providing value to Seven & i Holdings Co., Ltd., by refining our functions for supply, procurement, logistics, etc.
- Acquiring and understanding consumer data and insight, equipping ourselves with retail solution functions aimed at the diversification of products, services, and sales floors, while improving the quality of existing assets and acquiring new business assets
 - Domestic and overseas merchandising domains, such as manufacturing of prepared foods, commercial foods, and food

Functions Provided to Seven & i Holdings

Function	Details
DCM functions*	Centralized management of raw materials (food materials for boxed lunches, packaging and containers) <ul style="list-style-type: none"> Inventory management and recipe and traceability management, etc., based on demand forecasts that give consideration to such factors as order history and campaigns at all 7-Eleven stores
Logistics functions	Store delivery <ul style="list-style-type: none"> Top share of delivery in all controlled temperature ranges
Wholesale functions	Handling of processed foods and liquor

* Demand chain management (DCM): System that comprehensively manages the chain with demand forecast information as the starting point

materials, and the planning and manufacturing of fashion and general goods (OEM)

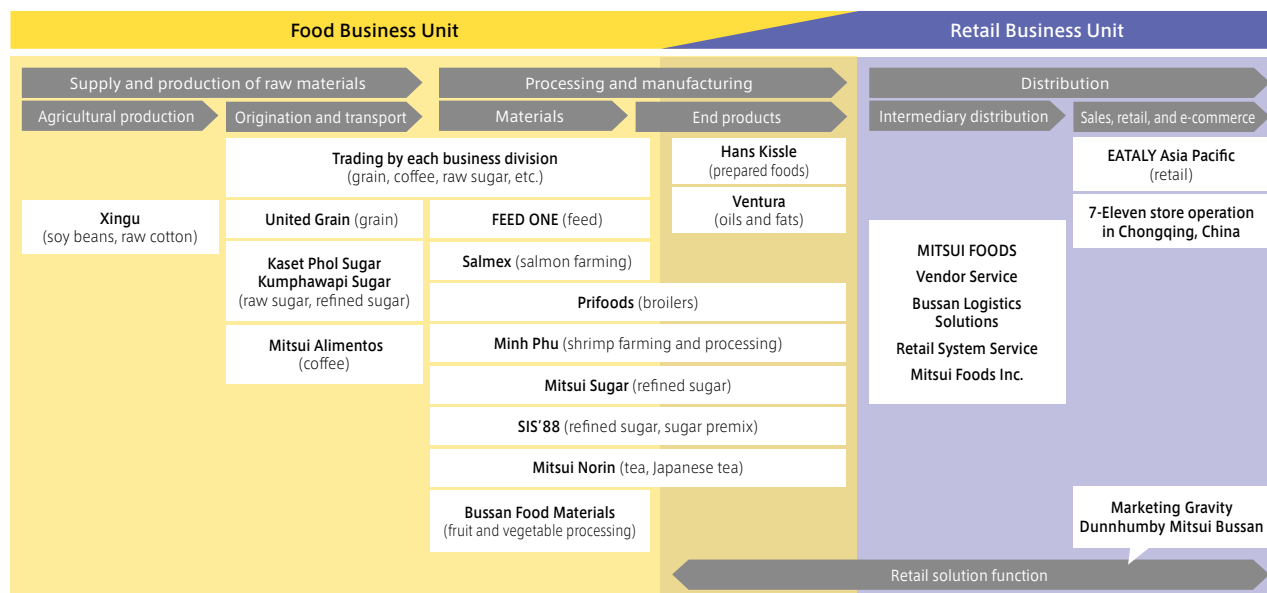
- Domestic and overseas retail domains such as retail business, brand business, e-commerce, franchising, and last mile business

Initiatives in the fashion and textile businesses

- Domestic and overseas brand retail businesses; planning and manufacturing of clothing products (OEM)
- Developing procurement businesses for textile materials and resources



Major Businesses within the Food and Food Product Value Chain



Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	32.2	5.1	3.3	2.1
WILSEY FOODS, INC.	Investments in edible oil products company	90.0	3.5	3.4	3.3
IHH Healthcare Berhad	Healthcare related business	18.0*	17.3	1.6	1.9
AIM SERVICES CO., LTD.	Contract food services	50.0	1.9	2.3	2.4

* As of March 31, 2019: 32.9%; Commence pick up at same percentage from the fiscal year ending March 31, 2020

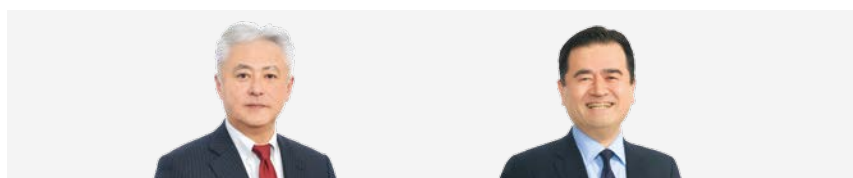
Innovation & Corporate Development Segment

- IT & Communication Business Unit
- Corporate Development Business Unit



TV shopping /
QVC JAPAN INC. (Japan)

©QVC Japan, Inc.



Masahiro Moriyasu
Managing Officer,
Chief Operating Officer
of IT & Communication
Business Unit

Shinichi Kikuchiara
Managing Officer,
Chief Operating Officer
of Corporate Development
Business Unit

Business Activities

Through our ICT, finance and logistics business, we work on a diverse range of projects aimed at developing innovative business and expanding our business field. At the same time, we promote efforts to strengthen our earnings base by exploring strategic projects that lead to new business areas, and providing specialized functions on a global basis.

Mitsui's Competitive Advantages

- Network with prominent business partners in Japan and overseas and established business models that leverage our customer base
- Development and fostering of human resources that oversee business management, investment, and digital transformation

Business Environment

Business opportunities	<ul style="list-style-type: none"> • Significant business environment changes, including the widespread use of IoT, AI, and robotics, as well as the establishment of 5G networks • Global expansion of real estate asset management businesses, which combine insight in real estate and financial businesses • Diversification of consumer needs; changes and expansion in the logistics industry due to the heightened awareness of labor shortages and the working environment
Business (competitive) risks	<ul style="list-style-type: none"> • Uncertainty of technological innovations, new services, and business models • Impact of macroeconomics, stock markets as well as trends in property prices on the real estate asset management business



Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Bolster profit base of domestic affiliated companies in the ICT domain	To bolster the profit base of major domestic affiliated companies, such as MITSUI KNOWLEDGE INDUSTRY CO., LTD., Mitsui Bussan Electronics Ltd., Mitsui Bussan Secure Directions, Inc., QVC Japan, Inc., and Relia, Inc., we are implementing a wide range of initiatives, including increasing employee capabilities and sharpening our management strengths.
Provide specialized, high-value-added services and actively drive initiatives	<ul style="list-style-type: none"> • We are working to strengthen the wide range of services, including alternative asset management services, that we offer to both institutional and individual investors; highly sophisticated consumer goods logistics services that are extremely cost competitive; and corporate value improvement services where we invest in other companies to help improve their management. • We are further strengthening profitability by integrating real estate development and asset management businesses.
Support efforts to improve corporate value Companywide	<ul style="list-style-type: none"> • We provide support for establishing structures to enhance human resources so that they can contribute to achieving Companywide digital transformation. • We offer assistance to large-scale M&A projects of other business units as well as support and consulting services for existing business turnaround and management improvement. • We are enhancing data marketing businesses, which help expand retail businesses and improve profits, and providing Companywide functions.

Major Businesses

mitsui knowledge industry co., ltd., Mitsui Bussan Electronics Ltd., Mitsui Bussan Secure Directions, Inc.

MITSUI KNOWLEDGE INDUSTRY establishes corporate systems and networks and provides cloud and other services. Mitsui Bussan Electronics engages in the development and sale of IoT solutions and the sale of manufacturing equipment. Mitsui Bussan Secure Directions provides cybersecurity services. In the fiscal year ended March 31, 2019, all three of these companies steadily captured domestic demand, thereby realizing significant profit growth.

QVC Japan, Inc.

QVC Japan is a television shopping company in Japan that operates under the U.S.-based Qurate Retail Group. While reinforcing its customer base with a high percentage of repeat sales, QVC Japan has been achieving a solid business performance year after year. The company aims to further expand profits through new measures including broadcasting in 4K, which began in December 2018.

World Hi-Vision Channel, Inc.

Since 2007, World Hi-Vision Channel has been operating "BS12TweIV," a 24/7 free-to-air BS channel. The company has been improving its level of recognition and steadily increasing its profits.

CIM Group (Owner and Operator of Real Assets in North America)

In 2017, Mitsui invested approximately ¥50 billion in CIM Group (CIM) and funds operated by CIM. CIM's unique strategy utilizes its in-house expertise to create value in real estate and infrastructure, benefiting communities. As defined by CIM, it has USD30.2 billion in assets owned and operated. Mitsui contributes to CIM's business expansion and diversification of partner and co-investor base, by providing access to Japanese institutional investors.

Mitsui & Co. Global Logistics, Ltd. ("MGL")

Centering on the logistics center operation business (distribution and processing for retailing such as e-commerce and apparel), MGL engages in various operations,

including the real estate leasing business and the iron and steel machinery and equipment transportation business. The company possesses 21 offices in seven major cities across Japan and a group network that spans 150 cities in 35 countries around the world. The company operates a warehouse that covers 730,000 m², which is the largest of its kind in Japan.

MBK Real Estate LLC

MBK Real Estate ("MRE") entered into the senior living properties business in 1990. With the acquisition of nine new properties in the fiscal year ended March 31, 2019, the company now owns 34 properties with approximately 3,700 units. MRE is continuing to enhance its value by raising its operation rate and rent levels through operational improvements.

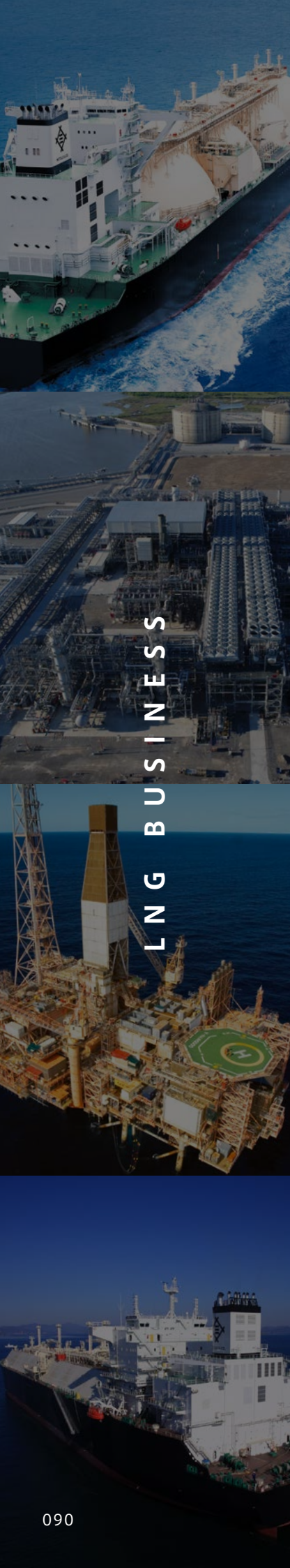


Initiatives in Buyout Fund Businesses

Starting from the fiscal year ended March 31, 2016, Mitsui has been operating buyout fund businesses in Japan, through MSD Investments Ltd., and in Asia, through collaboration with Advantage Partners, LLP. Following this, we invested in Ant Capital Partners Co., Ltd. in the fiscal year ended March 31, 2019. At the wholly owned subsidiary Mitsui & Co., Principal Investments Ltd., we are working to recruit and develop human resources that specialize in buyouts. Through these activities, we will expand and further enhance our pool of talent that excel at investment practices and improve the management of investee companies.

Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
QVC Japan, Inc.	TV shopping using a 24-hour dedicated channel	40.0	4.4	5.2	5.3
MITSUI KNOWLEDGE INDUSTRY CO., LTD.	Planning, development and sales of information and communication systems	100.0	1.3	2.1	3.5
JA Mitsui Leasing, Ltd.	Leasing and financing business	31.4	3.3	4.0	3.8
Mitsui & Co. Global Logistics, Ltd.	Domestic warehousing transportation and customs clearance, and real estate leasing, globally integrated transportation services	100.0	1.9	2.3	2.3
Mitsui & Co. Real Estate Ltd.	Real estate sales, leasing, management and consulting	100.0	2.4	2.8	2.6
Mitsui & Co. Asset Management Holdings LTD.	Real estate asset management	100.0	1.7	2.0	1.9



LNG Business Strategy

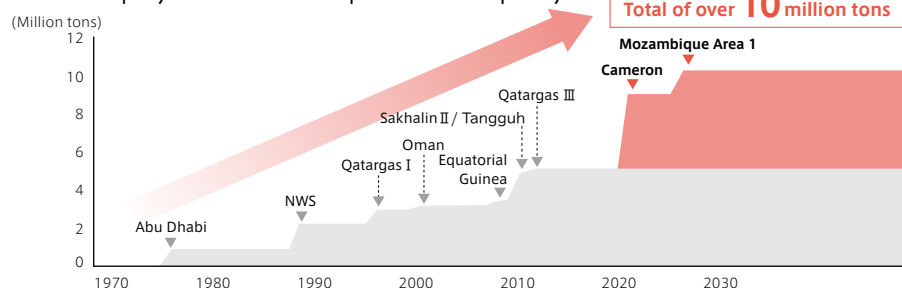
▶ The Competitiveness of LNG as an Energy Source

Global demand for energy is projected to increase in the medium to long term amid economic expansion and population growth. And calls for cleaner energy are expected to increase as the need to address climate change grows. These demands for MORE energy and CLEANER energy, present a dual challenge for the Energy sector. While the use of renewable energy such as wind and solar is steadily expanding, they haven't been able to meet the growing demand, and it looks likely that fossil fuels will play an essential role for the time being. Natural gas is seen as a solution to the Dual Challenge because it releases comparatively low amounts of greenhouse gases when burned. With increasing demand throughout the world for natural gas, and the need to connect the suppliers and the buyers, the importance of LNG is growing as it can be easily transported in liquefied form via LNG carriers.

▶ Mitsui's LNG Business

Mitsui has participated in 10 LNG projects spanning eight countries and more than 40 years, beginning with UAE/Abu Dhabi in the 1970s to Cameron in the U.S., where we began production in May 2019, Area 1 in Mozambique where we achieved the final investment decision in June 2019, and the Arctic LNG 2 in the Arctic Circle where we announced the equity participation in the same month. We have been building a balanced portfolio of assets in terms of various factors such as geographics, developing/producing stages, partners, possibility of extension or expansion for the future, etc. Over the past 40 years, in addition to increasing equity LNG production capacity, we have also focused on developing relationships of trust with various stakeholders including LNG buyers, operators and host countries' governments.

Mitsui's equity share of annual production capacity



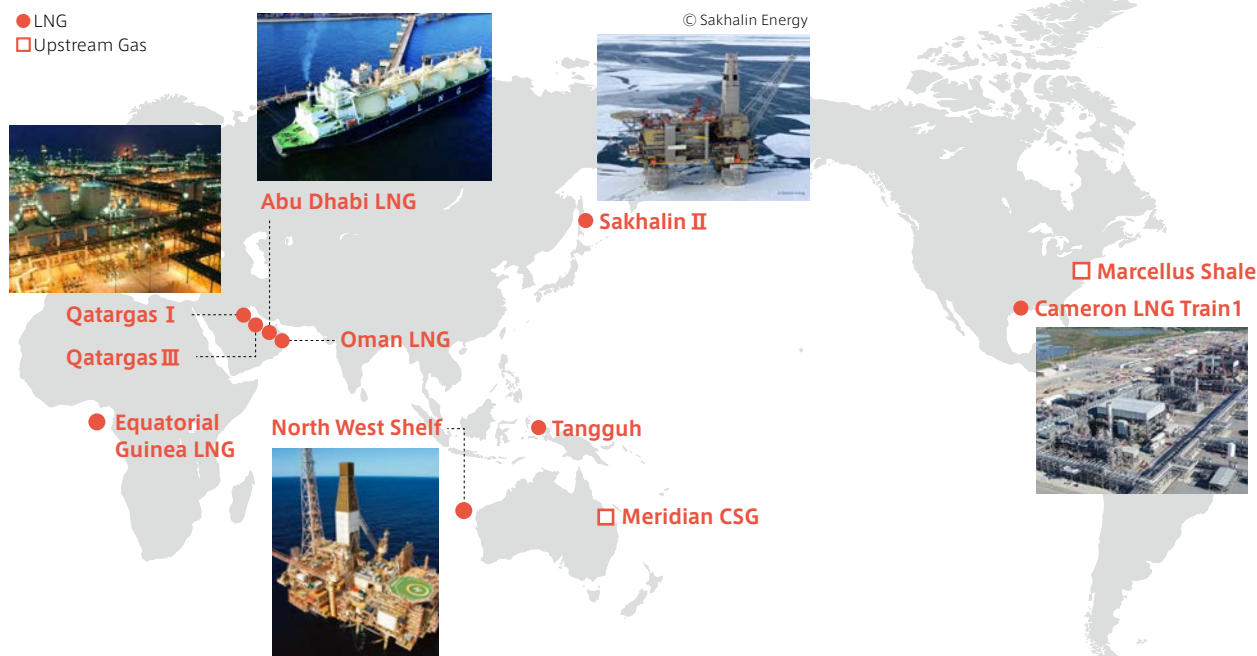
▶ Basic Strategies for Mitsui's LNG Business

Mitsui has formulated two basic strategies, **1** to Reinforce our competitive asset portfolio and **2** to Expand and optimize our LNG sales and supply portfolio. For the first strategy, we are maximizing the value of existing assets and steadily ramping up projects under development. For the second strategy, we are enhancing global networks to optimize sales and distribution to global markets of the LNG we supply.

1 Reinforce Our Competitive Asset Portfolio

Existing LNG assets

- LNG
- Upstream Gas



■ Area 1 Project in Mozambique

Mitsui has participated in the Mozambique Area 1 LNG Project since the exploration phase. This project involves integrated development from upstream to LNG production. In June 2019, we reached our final investment decision, and are currently moving forward with development under the aim of starting LNG production in 2024. We hold a 20% interest in Area 1 together with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). We have confirmed the presence of over 75 trillion cubic feet of recoverable gas reserves at Area 1, which is large enough to support half of Japan's current annual LNG demand for approximately 30 years. In addition to the massive amount of gas reserves, global LNG buyers have placed high expectations on Area 1 as it is in a geographically competitive location with direct access to regions such as Far East Asia and Europe. In fact, it is anticipated that Mozambique will grow to become a major LNG exporter comparable to other large-scale LNG producers such as Australia, Qatar, and the U.S. In addition, the government of Mozambique has positioned the project as being extremely important to the country's national development. As a project that will contribute to nation building, we will strive to launch the Area 1 Project as quickly as possible together with the Mozambique government and our business partners.

■ Arctic LNG 2 Project in Russia

Located on the Gydan Peninsula within the Arctic Circle, north of Russia, the Arctic LNG 2 Project involves integrated development from upstream to LNG production. The project will develop 19.8 million tons of LNG per year.

Main Sales Destinations

LNG sales destination	Annual sales volume (million tons)
Tokyo Gas & Centrica	2.6
Shell	2.0
JERA & CPC	1.6
CNOOC	1.5
EdF	1.2
Bharat	1.0
Pertamina	1.0
Tohoku Electric Power	0.28

Total of over
11
million tons



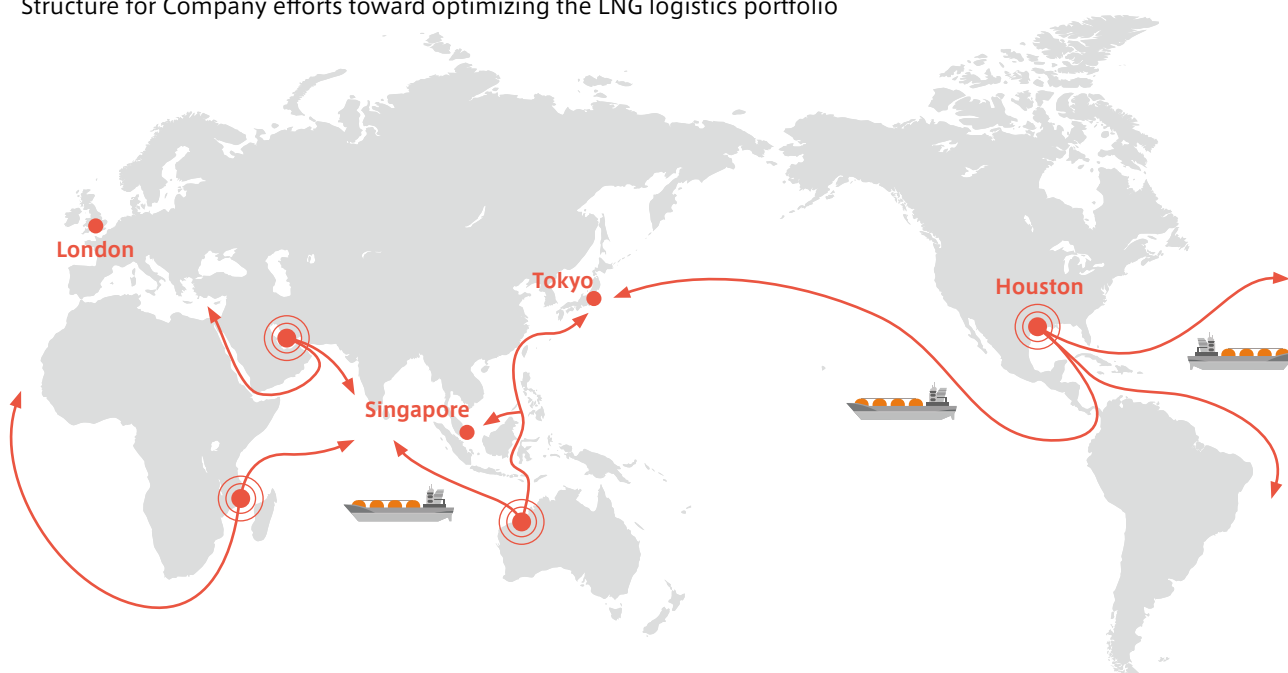
Liquefaction facility mounted on a concrete structure stabilized on the sea bed

In collaboration with JOGMEC, we entered into a share purchase agreement in June 2019 with the project's operator, PAO Novatek ("Novatek"), to acquire 10% equity in the project company, Arctic LNG 2 LLC. The project is expected to commence LNG production from 2023 onward. By establishing a second LNG base in Russia, which has one of the largest gas reserves in the world, to follow the Sakhalin II Project, which continues to be in steady operation, we will

strengthen our LNG business while contributing to the stable supply of energy at the same time. The Arctic LNG 2 Project is supported by the Russian government, providing it with an optimal operating environment for an LNG project. Participating companies will acquire LNG produced in the project in an amount that corresponds to the percentage of equity they hold. Together with JOGMEC, we expect to take and sell approximately 2 million tons of LNG per year.

2 Expand and Optimize Our LNG Sales / Supply Portfolio

Structure for Company efforts toward optimizing the LNG logistics portfolio

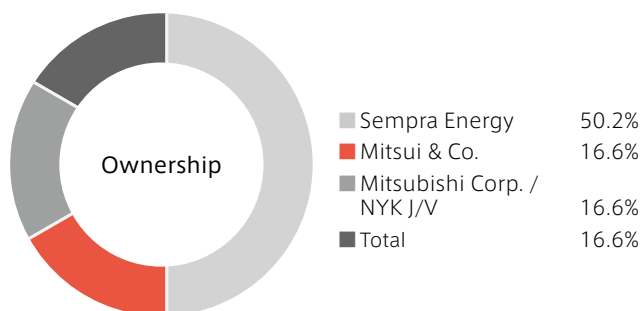


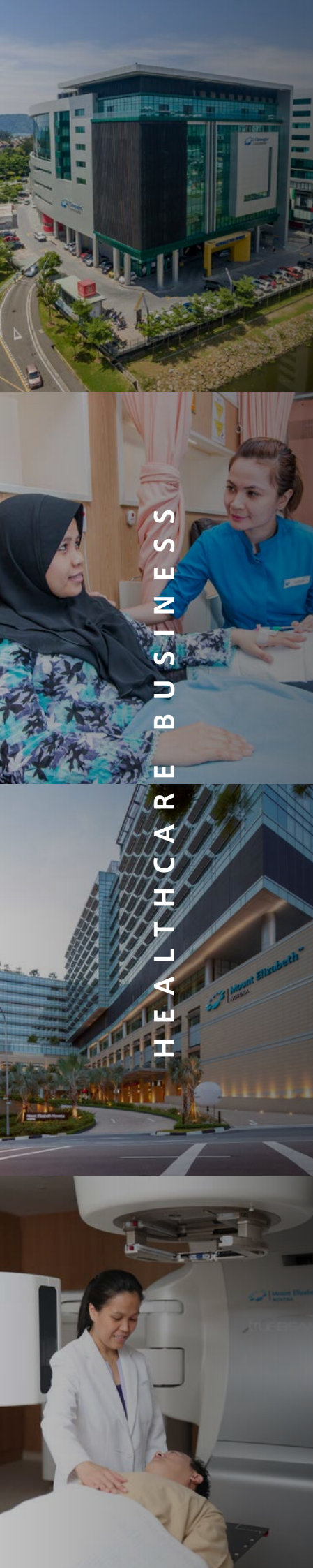
■ Cameron LNG Project

The Cameron LNG Project originally was an LNG receiving terminal. With the surge in U.S. shale gas production, however, facilities were later added to turn the terminal into an LNG production facility. Upon full start-up, the three LNG production trains in the project will have an annual production capacity of 12 million tons, of which we hold the right to acquire one-third, or four million tons. The first train of the Cameron LNG Project began production in May 2019, with the second and third trains slated to commence production between January and March 2020 and April and June 2020, respectively.

We are going to bring eight LNG tankers into operation to serve this facility along with its ramp-up. Ship business is under the purview of Mobility Business Unit II. We will work together to manage this fleet and optimize the logistical aspects to supply the global market. By making

adjustments with the flow of other LNG cargo we handle, we will strive to meet the needs of customers in terms of supply timing. At the same time, we will work to realize enhanced and optimized LNG transport across our entire LNG distribution portfolio.





Healthcare Business Strategy

▶ Background for Mitsui's Efforts Focused on the Hospital Business in Asia

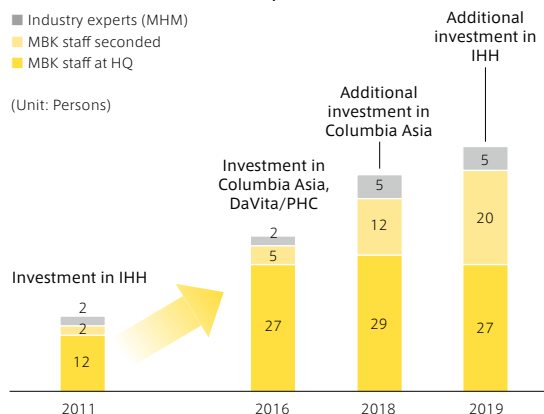
We anticipate healthcare expenditures in Asia to rise at a rate much higher than GDP (per annum) at 12%, eventually reaching approximately USD3.1 trillion, or ¥350 trillion by 2030. This rapid growth will be supported by factors such as population growth, an increase in income especially among the middle class, aging populations centered on China and Singapore, and a change in disease patterns from infectious diseases to chronic illnesses. Additionally, in Asia, the ratio of hospital beds per 1,000 people is somewhere between 0.7 and 2.8. This is much lower than the Organisation for Economic Co-operation and Development (OECD) average of 4.8, indicating a significant shortage. Moreover, not only is there an imbalance in the supply of physical capacity, we are also seeing uneven distribution of products, such as medicine and medical devices; people, including medical professionals such as doctors, nurses, and therapists; high-quality services; and medical information. We believe that capital and insight of corporations, such as ourselves, can be leveraged to help address this imbalance.

Source: The figures listed above were prepared based on various documents provided by the OECD, global banks, the Ministry of Economy, Trade and Industry, and the Singaporean government, as well as on Company estimations.

▶ Sophistication of Resources in the Healthcare Business

Since our initial equity investment in IHH Healthcare Berhad ("IHH") in 2011, we have been gradually establishing a healthcare platform centered on IHH and building up the necessary human resources to engage in hospital management. In terms of internal resources, we have been cultivating the decision-making capabilities of our senior executives at the Board level by nominating them as non-executive directors. At the same time, we have been seconding our mid-career employees to corporate planning divisions in order to accumulate know-how on hospital management. As a result, the cumulative number of employees with experience in hospital management has grown by three-fold since 2011, from 16 to 52. We are also highly focused on utilizing professional external talents. In 2016, we established the wholly owned Singapore-based subsidiary MBK Healthcare Management Pte. Ltd. Through this company, we have been working to secure hospital management experts and further accumulate and enhance our management capabilities. Furthermore, since our 2011 investment in IHH, our presence has been rising through the process of examining numerous hospitals and ancillary businesses, leading to an increase in the number of excellent investment opportunities for new businesses.

Mitsui's resources in hospital business



1 Platform

Developing a large and strong platform by participating in management of hospital businesses, such as IHH

2 Professionals

Expanding human resource including industry experts and professional managers

3 Network

Connection with industry experts, increasing new business opportunities

▶ Elements for Realizing Differentiation in Our Healthcare Business

While the healthcare market is a growth area, the competitive environment is intensifying as new players enter the market. Amid these circumstances, there are two major elements that differentiate our healthcare business from that of our competitors.

The first element is that we operate a hospital business that contains multiple functions as a core asset. In Asia, the functionalization of hospitals has yet to occur. Unlike Japan, Europe and the U.S., where ancillary services such as pharmacies, clinical laboratories, and diagnostic imaging services are outsourced, in Asia, let alone above, even clinics for simple diagnoses and dialysis are provided by the hospital. In Asia, people concerned about their health generally visit hospitals, and hospital businesses therefore represent a microcosm of the healthcare industry. Accordingly, we are able to identify new demand-driven business opportunities through our participation in the hospital business. We are also able to promote proactive efforts with an awareness of functionalization timing, starting with establishing clinical laboratories and diagnostic imaging services independent from hospitals.

As for the second element, we are a major player in industries other than the hospital business. For example, we operate businesses related to pharmaceuticals, medical equipment, medical personnel staffing, meal provision, facility management, and ICT-related businesses. While keeping the hospital business as our core, we are therefore able to maintain an awareness of and incorporate new technologies and best practices from other industries in order to enhance our hospital business. Additionally, we have the ability to promote the hospital business in collaboration with optimal partners.

▶ Mitsui's Unique Growth Strategies

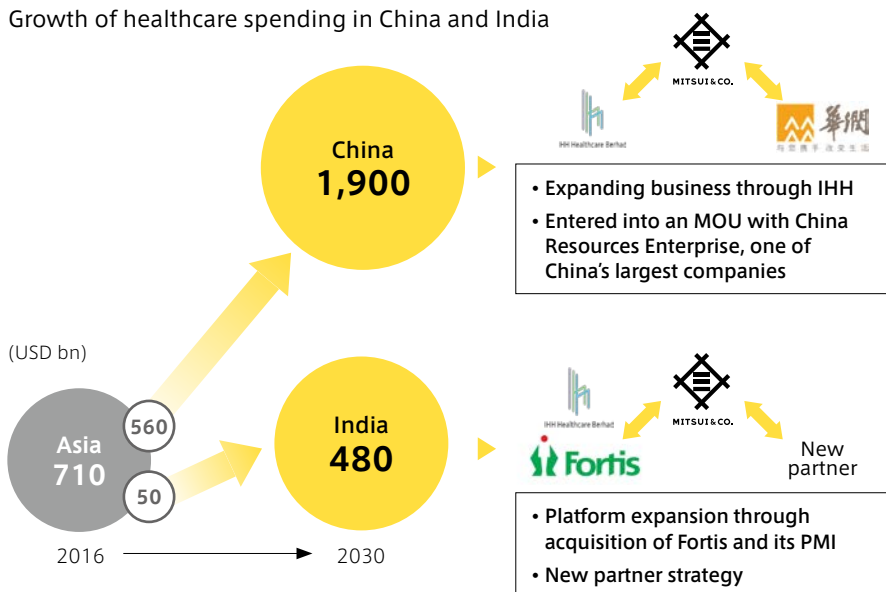
We will promote three initiatives leveraging the aforementioned strengths: **1** pursue regional expansion focused on China and India, **2** create new businesses by carving out certain ancillary services businesses in accordance with the progress in hospital functionalization, and **3** create new businesses by utilizing medical data. Going forward, we will promote growth strategies centered on these three initiatives.

1 Regional Development: Expansion into China and India

The Chinese market is enormous and medical expenditures are expected to reach ¥200 trillion by 2030. India is a similarly huge market forecast to see rapid growth, with medical expenditures rising to ¥50 trillion by 2030 as well. IHH began activities in China over 10 years ago and now operates nine clinics in the country and one hospital in

Hong Kong. Currently, IHH is preparing to open new hospitals in Chengdu and Shanghai. It follows a hub-and-spoke strategy wherein it operates "spokes," which are clinics providing outpatient treatment and basic inpatient care, and "hubs," which are core general hospitals located in urban centers providing advanced care across various medical

Growth of healthcare spending in China and India

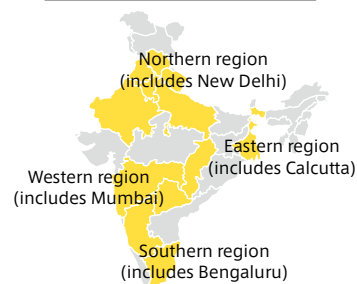


Source: OECD, World Bank, Mitsui's forecasts

IHH's geographical presence



IHH's geographical presence



fields, for seamless patient referral flow. Furthermore, we believe partnerships with influential local companies are essential to expanding our business in China and, as such, are considering various business collaborations. In 2018, we concluded a comprehensive memorandum of understanding with China Resources Enterprise, which operates over 110 hospitals and clinics across China. As for specific initiatives we are pursuing, we have established a fund with a scale of USD1 billion together with China Resources and HOPU Investments. While striving to provide industrial solutions to the various issues in the Chinese healthcare

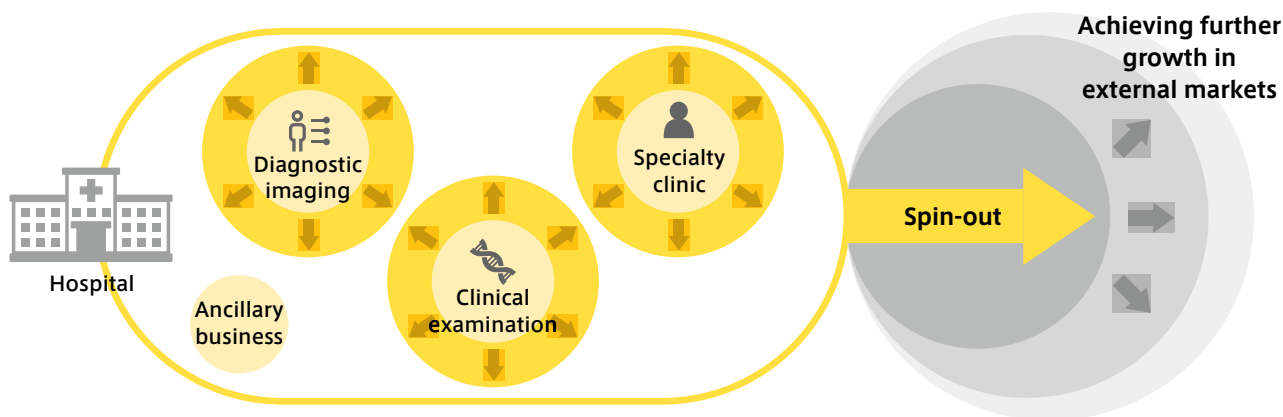
market, we will accelerate efforts within this market, which continues to grow.

Meanwhile, in India, IHH acquired Fortis Healthcare Limited, India's second-largest hospital chain, significantly enhancing its business base. The post-merger integration is now proceeding steadily, and we will aim to enhance profitability through the synergistic effects of this integration. At the same time, we will further expand business by strengthening partnerships with influential local partners leveraging Mitsui's network.

2 Functional Expansion: Business Carve-Outs

In developed countries such as Japan, the U.S., and in Europe, hospital operators tend to outsource ancillary services such as pharmacies, clinical laboratories, diagnostic imaging, and specialist clinics with the aim of improving operational efficiency. This trend has led to the creation of independent markets by the specialist providers of these ancillary services. At the moment, these kinds of functions are contained within hospitals in Asia. Expanding these businesses within hospitals is obviously important.

However, if we view each function as a separate individual business, we believe carving these functions out in pursuit of scale will lead to further growth. Furthermore, for hospitals, carving these functions out will lead to better returns on assets and enhanced operational efficiency. As a major theme going forward, we will strive to carve out hospital ancillary businesses at an appropriate time while monitoring the status of IHH.



3 New Business Expansion: Utilization of Medical Data

We are particularly interested in leveraging medical data to realize further growth in our hospital business. For example, IHH currently has more than six million outpatients and 600,000 inpatients per year. We are utilizing the

massive volume of data gained from IHH's patient base to enhance operations and reduce costs in the hospital business, thereby working to improve the quality and efficiency of medical care.

Product and Regional Expertise

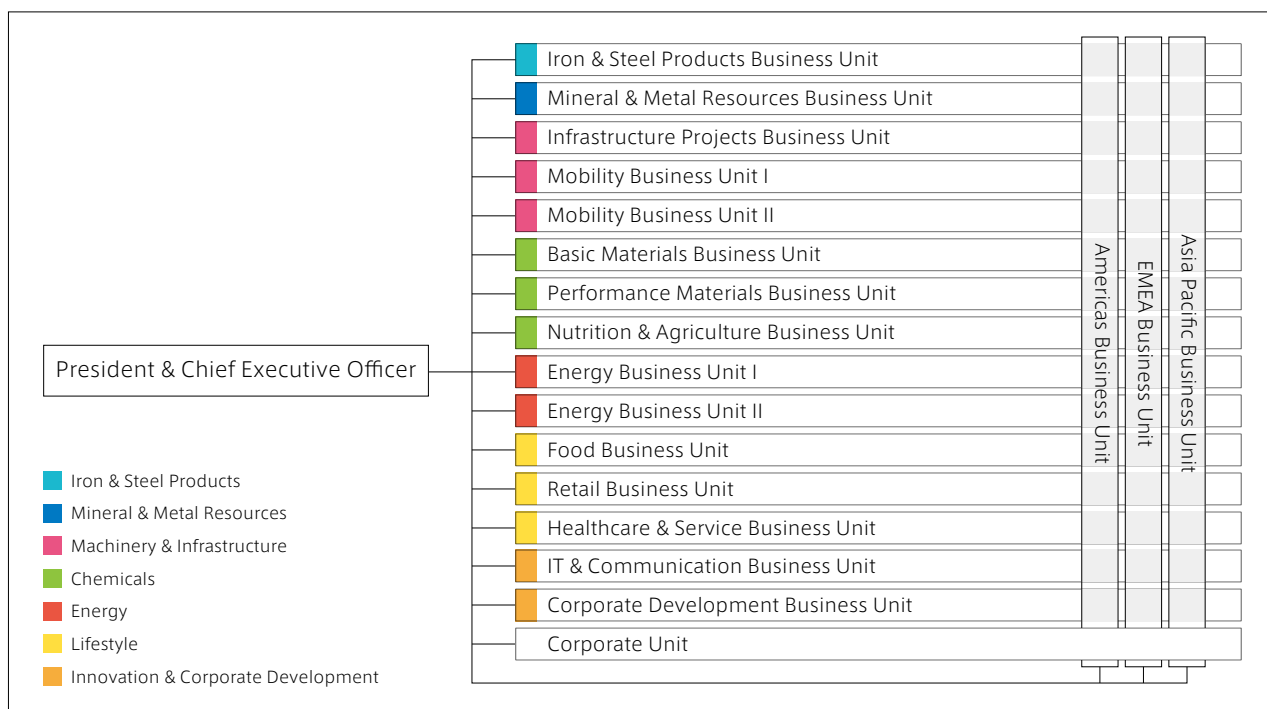
Mitsui has a unique operational organization that is built upon the two axes of product and regional expertise. Under this organization, we engage in its business activities while leveraging the respective strengths provided by these two axes and pursuing collaboration between them.

One strength provided by our product expertise is our 15 Headquarter Business Units. Each Headquarter Business Unit formulates comprehensive strategies for each product it is responsible for, and these strategies integrate our domestic and overseas operations. Guided by such strategies, our Headquarter Business Units promote business activities around the globe. Furthermore, we are working to deepen the horizontal connections between each unit in order to leverage our comprehensive strengths. By doing so, we are promoting Groupwide businesses through collaborative initiatives between each Headquarter Business Unit.

One strength provided by our regional expertise is our three Overseas Regional Business Units. We have divided the overseas markets on which we focus into three regions—the Americas;

Europe, the Middle East and Africa (EMEA); and Asia Pacific—and have put into place a trilateral structure that provides independence to each region. Acting as a cornerstone for our regional strategies, each Overseas Regional Business Unit is entrusted with the business operations in their respective area of responsibility. While collaborating with our Headquarter Business Units, the Overseas Regional Business Units manage a diverse array of businesses together with affiliated companies that operate under their jurisdiction. Furthermore, the Overseas Regional Business Units function as expert organizations that have thorough knowledge of information pertaining to their respective area of responsibility, and this knowledge is leveraged to form close relationships with prominent local companies. In these ways, the Overseas Regional Business Units provide the foundation for our global strategies.

By combining the product strategies of the 15 Headquarter Business Units and the regional strategies of the three Overseas Regional Business Units, which are implemented under a trilateral structure, we are able to realize an organic global network.



* China, Taiwan, South Korea, and CIS are regions under the direct jurisdiction of the Head Office.

* The Headquarter Business Units and the Overseas Regional Business Units have thus far been organized into product segments and regional segments. However, from the fiscal year ended March 31, 2018, these units are organized under seven product segments in consideration of decision making pertaining to management resource allocation as well as the evaluation process for business performance.

Chief Operating Officers of the Overseas Regional Business Units



Katsurao Yoshimori
Senior Executive Managing Officer,
Chief Operating Officer
of Americas Business Unit

Yasuyuki Fujitani
Senior Executive Managing Officer,
Chief Operating Officer of EMEA (Europe,
the Middle East and Africa) Business Unit

Taku Morimoto
Executive Vice President,
Chief Operating Officer
of Asia Pacific Business Unit