

# Corporate Governance

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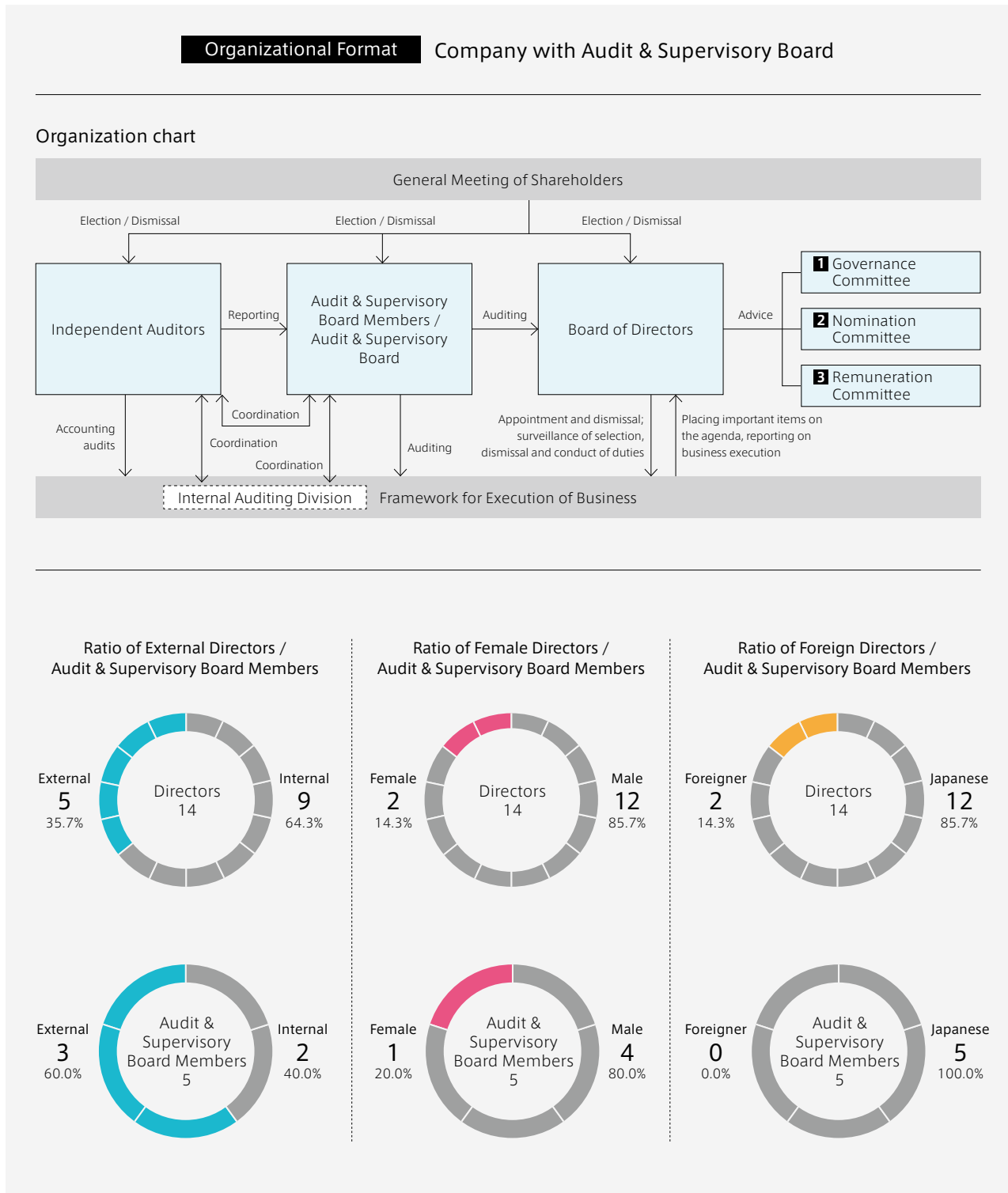






In terms of strengthening corporate governance, the Company worked to improve diversity among members of the Board of Directors. At the same time, an even greater number of discussions regarding Mitsui's future direction and business strategies were held at Board of Directors' meetings. In these ways,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

## Corporate Governance Framework



## Directors and Audit & Supervisory Board Members

	Name	Position at the Company	Term of Office Stipulated	Governance Committee <sup>*1</sup>	Nomination Committee <sup>*1</sup>	Remuneration Committee <sup>*1</sup>	Diversity	
							Female	Foreigner
Directors	Masami Iijima	Representative Director, Chairman of the Board of Directors	1 year	◎	○			
	Tatsuo Yasunaga	Representative Director, President and Chief Executive Officer		○	○			
	Shinsuke Fujii	Representative Director, Executive Vice President		○				
	Nobuaki Kitamori	Representative Director, Executive Vice President						
	Yukio Takebe	Representative Director, Executive Vice President				○		
	Takakazu Uchida	Representative Director, Senior Executive Managing Officer						
	Kenichi Hori	Representative Director, Senior Executive Managing Officer						
	Hirotsu Fujiwara	Representative Director, Senior Executive Managing Officer				○		
	Yoshio Kometani	Representative Director, Executive Managing Officer						
	Toshiro Muto	Director (External) <sup>*2</sup>		○		◎		
	Izumi Kobayashi	Director (External) <sup>*2</sup>			◎	○	○	
	Jenifer Rogers	Director (External) <sup>*2</sup>		○			○	○
	Samuel Walsh	Director (External) <sup>*2</sup>		○				○
	Takeshi Uchiyamada	Director (External) <sup>*2</sup>			○			
Audit & Supervisory Board Members	Makoto Suzuki	Full-time Audit & Supervisory Board Member	4 years					
	Kimiro Shiotani	Full-time Audit & Supervisory Board Member						
	Haruka Matsuyama	Audit & Supervisory Board Member (External) <sup>*2</sup>		○			○	
	Hiroshi Ozu	Audit & Supervisory Board Member (External) <sup>*2</sup>			○			
	Kitataka Mori	Audit & Supervisory Board Member (External) <sup>*2</sup>				○		

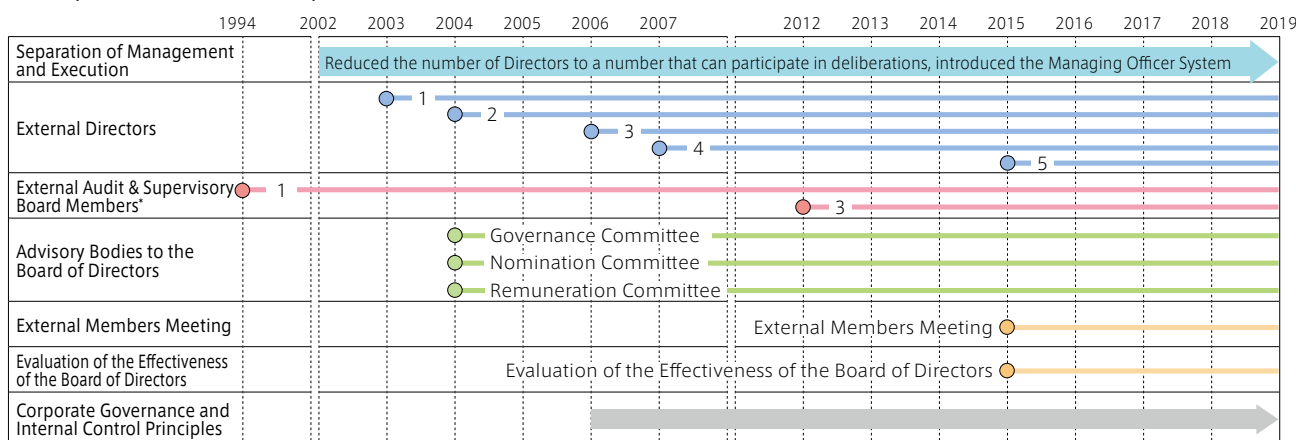
\*1. ◎ : Committee chair for the respective advisory committees

\*2. Independent Director / Audit & Supervisory Board Member

### Advisory Bodies

Advisory bodies	1 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	2 Internal Directors 2 External Directors 1 External Audit & Supervisory Board Member
Role	To study the state and future vision of Mitsui's corporate governance with the viewpoints of External Directors and External Audit & Supervisory Board Members	To establish the standards and processes used in nominating and dismissing Directors and Managing Officers (including the CEO, the same shall apply hereafter), set succession planning for CEO and other top executives, and to evaluate the Director nomination proposals	To study the system and decision-making process related to remuneration and bonuses including evaluation of officer remuneration proposals, for Directors and Managing Officers
Meetings in the fiscal year ended March 31, 2019	3	4	5
Results in the fiscal year ended March 31, 2019	The Governance Committee responded to the revision of the Corporate Governance Code, carried out reviews of matters such framework of corporate governance of Mitsui, and the effectiveness of the Board of Directors.	The Nomination Committee responded to the revision of the Corporate Governance Code, carried out a review of the standards and processes for nominating and dismissing Directors and Managing Officers. The Committee confirmed that the candidates met the selection criteria of the Directors, and discussed the succession planning of the CEO and the composition and balance of the Board of Directors.	The Remuneration Committee responded to the revision of the Corporate Governance Code, carried out a review of the remuneration structure for Directors and Managing Officers, and evaluated remuneration proposals.

### 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.

### Board and Other Meetings Held in FY Ended March 2019

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Ex	BD	BD		Ex	G	BD	FD	Ex	Ex	BD	N
	R	Ex		Ex		N		Ex	N	Ex	R
						R		G		Ex	
								N		G	
								R		R	

BD Board G Governance Committee R Remuneration Committee N Nomination Committee Ex External Members Meeting FD Free Discussion

#### Free discussion among all members of BOD and ASB

For evaluation of the effectiveness of the fiscal year ended March 31, 2018, considering the opinions to set an opportunity of free discussion, we organized free discussion during the fiscal year ended March 31, 2019

FY 2018 March The opinions for the evaluation of the effectiveness	<b>Date, Venue, etc.</b>	<b>Agenda</b>
	<ul style="list-style-type: none"> <li>Nov 15, 2018</li> <li>Offsite meeting at a training facility of the Company</li> <li>Free discussion attended by all members of the Board of Directors and the Audit &amp; Supervisory Board</li> </ul>	<ol style="list-style-type: none"> <li>Mitsui &amp; Co. governance and organizational design</li> <li>Realization of sustainable growth</li> <li>Current status and future issues of human resources to support realization of sustainable growth</li> </ol>

### 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 15 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. The tenure of Directors is one year, and Directors can be reappointed. The Chairman is authorized to call for a meeting of the Board of Directors and to chair the meeting. His role as the Chairman of the Board of Directors of the Company chiefly involves carrying out supervision of management. He does not concurrently serve as an executive officer and he is not involved in the execution of day-to-day business operations. 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. The Board of Directors also receives 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.

### Number of proposals/reports to the Board FYE March 2019

Type of proposals/reports	FY2019
Corporate strategy, sustainability and other matters related to governance	16
Financial results and other related matters	14
Matters related to internal controls, risk management and compliance	7
Matters related to human resources	6
Matters related to Audit & Supervisory Board Members and independent auditor	2
Individual projects/matters (incl. investments over ¥40 billion)	20
Total	65

### Internal control or risk management-related reports to the Board FYE March 2019

Agenda of the Board	Time of Meeting	Matters Reported	Relevant Risk Management Structures/Systems
Review of status of internal control systems	Mar 2019	<ul style="list-style-type: none"> <li>Overview of internal control system</li> </ul>	<ul style="list-style-type: none"> <li>Authority delegation system, <i>ringi</i> system, oversight and support by corporate staff divisions</li> <li>Prior setting of position limits, monitoring by specialist units</li> <li>Internal Control Committee, Portfolio Management Committee</li> </ul>
Sustainability	Apr 2018	<ul style="list-style-type: none"> <li>Overview of sustainability activities</li> <li>Approach to coal-related business</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Committee</li> </ul>
	Jun 2018	<ul style="list-style-type: none"> <li>Responding to climate change</li> </ul>	
Compliance structures/operational status	Mar 2019 Oct 2018	<ul style="list-style-type: none"> <li>Compliance risks</li> </ul>	<ul style="list-style-type: none"> <li>Compliance Committee</li> <li>Establishment of and compliance with the Business Conduct Guidelines for Employees and Officers of Mitsui &amp; Co.</li> <li>Development of internal whistleblowing system</li> <li>Training and other awareness-raising activities</li> </ul>
Assessment of internal control system in accordance with Financial Instruments and Exchange Act	Jun 2018	<ul style="list-style-type: none"> <li>Internal control systems for financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>J-SOX Committee</li> <li>Self-assessment of the effectiveness of internal control systems by units subject to assessment and testing by independent units</li> </ul>
Internal audit results	Aug 2018	<ul style="list-style-type: none"> <li>Results of internal audit</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit structure centering on the Internal Auditing Division</li> </ul>
Mitsui's risk exposures and management	Sep 2018	<ul style="list-style-type: none"> <li>Credit risks (commercial claims, external loans/guarantees, term deposits)</li> <li>Market risks (commodity/forex long and short positions, inventories)</li> <li>Business risks (business assets, loans/guarantees to related parties, external investments)</li> <li>Country risk</li> </ul>	<ul style="list-style-type: none"> <li>Examination of credit lines and <i>ringi</i> applications and monitoring</li> <li><i>Ringi</i> screening of commodity/forex long and short positions, on-site inspection of inventories, etc.</li> <li>Screening through <i>ringi</i> processes, realization of returns from investment projects and their optimization</li> <li>Collection and analysis of country risk information, position monitoring of individual countries, designation of business-suspended countries and restricted countries, formulation of country-specific response policies</li> </ul>
Cybersecurity	Dec 2018	<ul style="list-style-type: none"> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Technological countermeasures, human countermeasures (including activities to raise awareness of security), countermeasures targeting affiliated companies</li> </ul>

## 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.

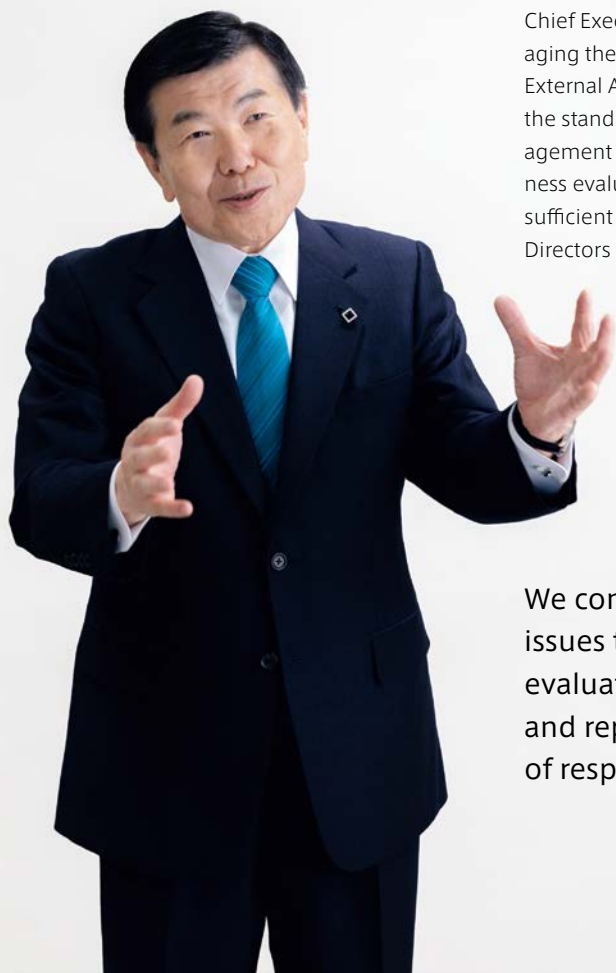
## Effectiveness of the Board of Directors

—Comments from the Chairman of the Board of Directors and the Chairman of each Advisory Committee—

**I**n our company, the Chairman of the Board chairs the meetings of the Board of Directors and the Governance Committee. The Principles of Corporate Governance and Internal Control states that the Chairman shall be primarily responsible for management supervision and shall not be involved in the execution of daily operations, rather than concurrently serving as an executive officer. In light of this position as Chairman, as an experienced ex-President and Chief Executive Officer with good understanding of Mitsui, I am committed to managing the meetings, respecting the views and opinions of External Directors and External Audit & Supervisory Board Members, who are independent members from the standpoint of understanding Mitsui, and I am aware that the way of this management style of the Board as its Chairman has been appreciated in the effectiveness evaluation questionnaire. Each year, the Board of Directors meets with sufficient time to evaluate the effectiveness of the Board of Directors. The Board of Directors discusses the effectiveness of the Board of Directors and the Governance Committee through questionnaire and responses, including free descriptions, and free discussions at External Members Meetings. As the responsibilities and roles expected of the Board of Directors changes in response to developments in the business environment and other factors, it is necessary to continuously identify issues through the evaluation of effectiveness and repeat the process of responding to such issues.

As Chairman of the Board of Directors and Chairman of the Governance Committee, I intend to continue to evaluate the effectiveness of the Board of Directors and disclose its results as a tool to help our stakeholders better understand the status of our governance, and to resolve any issues that the Board of Directors should address.

**We continuously identify issues through the evaluation of effectiveness and repeat the process of responding to such issues.**



Masami Iijima  
Representative Director and  
Chairman of the Board of Directors  
Chairman of the Governance Committee



Toshiro Muto  
External Director  
Chairman of the  
Remuneration Committee

**S**ince the introduction of the Corporate Governance Code in Japan, our Board's discussions have become even more active, and I feel that the voices of our External Directors have become a major influence on management. In our Board deliberations, External Directors are encouraged to reflect the opinions and perspectives of various stakeholders from a broader and diversified perspective, in our management decision-making process, in addition to the opinions that make use of their expertise. We believe that our Board's discussions are deepening.

In addition to the Board of Directors, improvements have also been witnessed in the advisory committees. For example, in the fiscal year ended March 31, 2019, the Nomination Committee included the formulation of a succession plan for the CEO and deliberations on the dismissal of directors and managing officers, including the CEO, as well as the exclusion of two internal directors who could be candidates for CEO in terms of the composition of the committee, and the inclusion of a chairman and a majority of External Directors, which resulted in substantial discussions among the Board. In the past, reporting of the results of deliberations by the Nomination Committee to the Board of Directors was mainly based on the results of evaluations of important personnel matters, centering on the drafting of the Board of Directors. Although there were limited opportunities to report on the contents of discussions, in the fiscal year ended March 31, 2019, we reported the details of the discussions with the Board of Directors. In the fiscal year ending March 31, 2020, we will thoroughly manage the succession plan, such as training executives, and hold continued discussions to convey the composition and balance of our Board of Directors in an easy-to-understand manner.

**We will thoroughly manage the succession plan, such as training executives.**



**Izumi Kobayashi**  
External Director  
Chairman of the Nomination Committee

**O**ur Board of Directors, which has a diversity of External Directors, including those with business experience, foreigners, and females, is openly and actively engaged in continuous discussions. In the fiscal year ended March 31, 2019, a free discussion camp session by Directors and Audit & Supervisory Board Members was held at our training center, which included our External Members, and Mitsui's direction and business strategy were actively discussed. When discussing major themes in depth such as business strategy, it takes a certain amount of time to deepen the discussion. Therefore, it is very meaningful to hold a free discussion camp session, and I appreciate that a free discussion camp session is meaningful to enhance and supplement the functions of the Board of Directors.

As Chairman of the Remuneration Committee and a member of the Governance Committee, I have been involved in our governance system. With regard to the activities of the Remuneration Committee for the current year, the Corporate Governance Code was revised, and it was stated that the remuneration system should be designed, and the specific amount of remuneration should be determined, in accordance with objective and transparent procedures. Based on this statement, the details of the remuneration system, including the amount of individual remuneration, were again reported to the Board of Directors.

**We will continue to discuss the content of the remuneration system, which serves as a sound incentive for our sustainable growth.**

Although the remuneration system may not be changed frequently, it needs to be reviewed regularly, taking into account management environments and trends in other companies' executive remuneration, as well as the public interest. We will continue to discuss the content of the remuneration system, which serves as a sound incentive for our sustainable growth, during the fiscal year ending March 31, 2020.

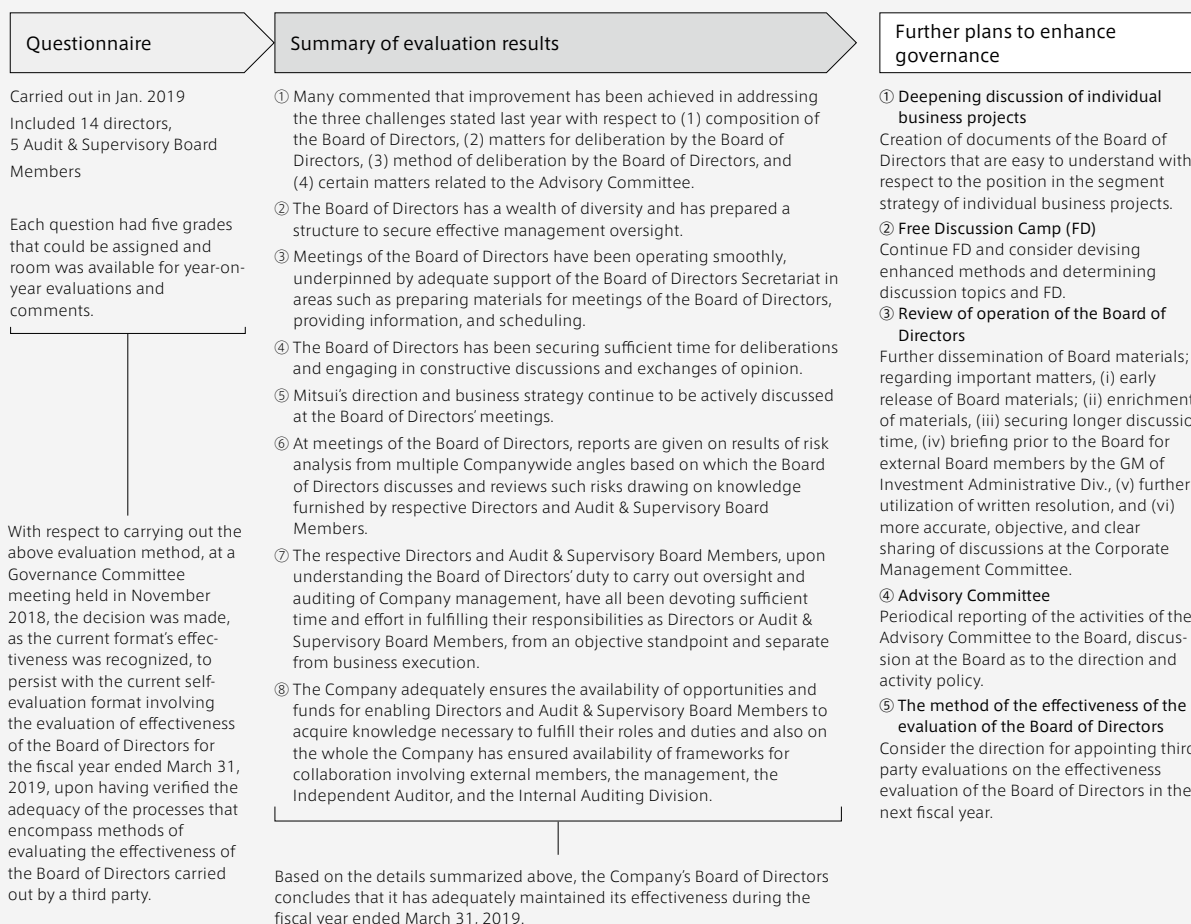
## Evaluation of the Effectiveness of the Board of Directors

Every fiscal year, the Company carries out an evaluation of the effectiveness of the Board of Directors, whereby we confirm results of various initiatives carried out to address Board performance issues the Company has previously recognized and whereby the Company also selects new areas of focus in order to enhance Board effectiveness. Based on the results of the previous year's evaluation, the Board of Directors and its secretariat implemented the following initiatives in the fiscal year ended March 31, 2019, to further improve Board effectiveness.

Recognition of issues based on evaluation results carried out on March 31, 2018	Initiatives	Evaluation of questionnaire carried out on March 31, 2019
Composition of the Board of Directors	<ul style="list-style-type: none"> <li>We discussed the ideal composition of the Board of Directors at Free Discussion Camp.</li> <li>Mr. Uchiyamada, who has significant business experience (Chairman of Toyota Motor Corporation), was appointed as an External Director at the general shareholders' meeting, which was held on June 20, 2019.</li> </ul>	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.
Discussion topics	Create a Board agenda suitable for discussions with External Directors and set up opportunities for discussions among Directors on internal control, risk management, sustainability and similar Companywide themes and topics based on trends around the world and current affairs.	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.
Discussion method of the Board of Directors	We held a free discussion with Directors and Audit & Supervisory Board Members at our training center.	A significant majority of the external members responded with favorable assessment.
Advisory Committee	In the fiscal year ended March 31, 2019, we conducted reports to the Board of Directors on the deliberations by each Advisory Committee, and implemented measures to enhance the determination procedures for, and discussion of, meeting frequency of each Advisory Committee.	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.

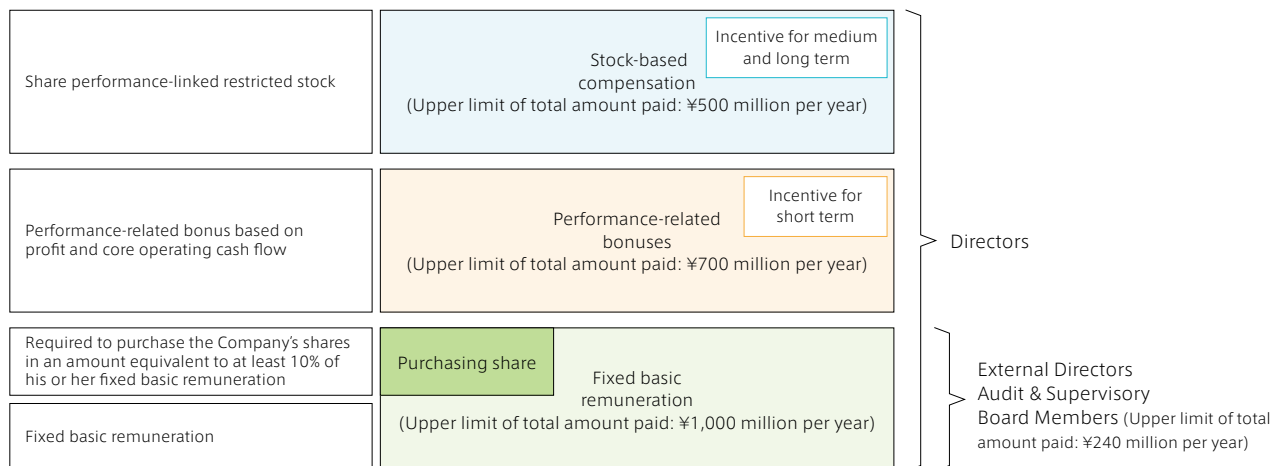
### ► Evaluation of the Effectiveness of the Board of Directors for the Fiscal Year Ended March 31, 2019

In light of the results of the questionnaires, a resolution was passed at a Board of Directors' meeting held in March 2019 after discussions were held at an External Members Meeting and at meetings of the Governance Committee, which took place in February 2019.



# Remuneration of Directors and Audit & Supervisory Board Members

## Structure of Remuneration



### ► Remuneration of Directors

Remuneration of Directors (excluding External Directors) is determined by a resolution of the Board of Directors on the basis of deliberations by the Remuneration Committee, which is chaired by an External Director. It consists of fixed basic remuneration, performance-related bonus based on Mitsui's key performance indicators, and stock-based compensation linked to the stock price as medium-to-long-term incentive compensation. As for stock-based compensation linked to the stock price, it is provided in the form of share performance-linked restricted stock from the fiscal year ending March 31, 2020. Also, 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 Mitsui Executives' Shareholding Association. The appropriateness of percentages of fixed basic remuneration, performance-related bonus, and stock-based compensation is verified each year by the Remuneration Committee, taking trends at other companies and other factors into consideration. The findings are reported to the Board of Directors. Retirement compensation is not paid to Directors.

### Performance-related bonus

#### 1 Total amount paid in bonuses for Directors

The performance-related bonus is calculated by the formula that is advised as appropriate by the Remuneration Committee and subsequently resolved at a Board of Directors' meeting. For the fiscal year ending March 31, 2020, the total amount of bonus is calculated as follows:

Total amount of bonus = (Consolidated profit for the period attributable to owners of the parent × 50% × 0.1%) + (Core operating cash flow × 50% × 0.1%)

However, the total amount shall not exceed ¥700 million. If the consolidated profit for the period attributable to owners of the parent is minus, i.e., a "net loss," and/or core operating cash flow is minus, i.e., "cash outflow," then such item is set as 0 for

the calculation. Consolidated profit for the period attributable to owners of the parent and core operating cash flow are important indicators for Mitsui, and they are taken into consideration when determining the dividend policy.

#### 2 Amount paid as individual bonuses

The total amount calculated by the method shown above is distributed to each Director in proportion to the following points, which are assigned for each position. Amounts will be rounded to the nearest ¥10,000, however, if the total amount of the individual bonuses paid exceeds ¥700 million, each amount less than ¥10,000 will be rounded down.

Amount individually paid = total amount of bonus × position points / sum of position points

#### Points by position

Chairman/ President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer
10	7	6	5

Based on the composition of the Directors as of the date of the issuance of this report, the maximum amounts that may be paid for each position (at the limit of the total bonus amount of ¥700 million) are as follows:

Chairman/President = ¥700 million × 10 points / (10 points × 2 persons + 7 points × 3 persons + 6 points × 3 persons + 5 points × 1 person = 64 points) = ¥109.37 million  
 Executive Vice President = ¥700 million × 7 / 64 points = ¥76.56 million  
 Senior Executive Managing Officer = ¥700 million × 6 / 64 points = ¥65.62 million  
 Executive Managing Officer = ¥700 million × 5 / 64 points = ¥54.68 million

### Remuneration system of share performance-linked restricted stock

The purpose of the remuneration system of share performance-linked restricted stock (hereinafter referred to as the "System") is to provide an additional incentive to Directors to achieve sustaining growth in Mitsui's medium-to-long-term performance and corporate value, and to foster a heightened sense of shared value with shareholders, by paying remuneration consisting of the Company's ordinary shares, with a certain transfer restriction period, to Directors (shares allocated under the System will be referred to below as the "Shares") in addition to basic fixed remuneration and performance-related bonus. This new compensation system is a share performance-linked remuneration system, since the number of Shares held by Directors at the end of a certain period (hereinafter referred to as the "number of Shares after valuation") would vary based on a comparison of the growth rates of the Company's stock price and the Tokyo Stock Price Index (TOPIX) over a specified period. By taking into account not only movements in the Company's stock price, but also the performance of the Company's stock compared with the stock market as a whole, the System is intended to give Directors a heightened awareness of the need to improve Mitsui's corporate value by amounts greater than the growth of the stock market.

#### 1 Payment method

Under the System, Directors would be granted an entitlement to receive monetary remuneration and will be issued Shares, whether newly issued as ordinary shares or disposed of, in exchange for the in-kind investment of their full entitlement. The amount of entitlements to be paid to each Director under the System will be determined by the Board of Directors based on deliberations by the Remuneration Committee, within the maximum limit approved at the General Meeting of Shareholders.

#### 2 Total number of shares to be issued or disposed of, paid-in amount per share

The total number of ordinary shares that would be newly issued or disposed of by the Company under the System would be no more than 500,000 per year (however, this number may be changed within reasonable limits if the Company's ordinary shares are affected by a stock split (including a free allotment of new ordinary shares in the Company) or a reverse stock split, or if other circumstances arise that require adjustments to the total number of the Company's ordinary shares that are issued or disposed of as restricted shares). The paid-in amount per Share will be decided by the Board of Directors based on the average daily closing price for the Company's ordinary shares on the Tokyo Stock Exchange (excluding days on which there is no closing price, the price will be rounded up to the nearest whole yen) in the three months immediately prior to the month containing the date on which the Board of Directors made a resolution concerning issuance or disposal of the shares (hereinafter referred to as the "date of the Board of Directors' resolution"), within a range that is not especially advantageous to the Directors.

#### 3 Details of share performance linkage conditions

The number of shares after valuation would be determined as follows in linkage with the share performance, etc.

- ① If the growth rate of the Company's share price<sup>\*1</sup> is equal to or greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX) <sup>\*2</sup>, the number after valuation will be deemed to be the entire number of Shares issued.<sup>\*3</sup>
- ② If the growth rate of the Company's share price is lower than 150% of the TOPIX growth rate, the number of Shares after valuation will be a number calculated using the following formula, and the remainder of the Shares will be acquired by the Company without compensation at the end of the valuation period.

$$\text{Number of Shares after valuation} = \text{Number of Shares} \times \frac{\text{The Company's share price growth rate}}{\text{TOPIX growth rate} \times 150\%}$$

$$\text{Number of Shares after valuation} = \text{Number of Shares} \times \frac{(A+B) \div C}{(D \div E) \times 150\%}$$

\*1. This is the growth rate of Mitsui's share price during a valuation period defined as three years from the date of the Board of Directors' resolution (or the period to the date of retirement if a Director retires from their role as a director or managing officer of Mitsui before the elapse of three years. The same applies to (\*2)). The growth rate will be specifically calculated as follows:

A: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

B: The total dividend per share for Mitsui's ordinary shares during the valuation period

C: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls

$$\text{Growth rate of Mitsui's share price} = (A+B) \div C$$

\*2. This is the growth rate of the TOPIX during a period of three years from the date of the Board of Directors' resolution. It will be specifically calculated using the following formula.

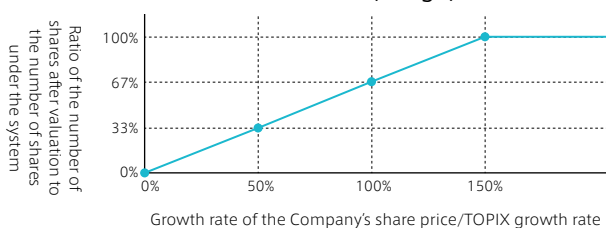
D: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

E: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls

$$\text{TOPIX growth rate} = D \div E$$

\*3. Number of Shares = Entitlement to monetary compensation determined according to rank / Paid-in amount per Share

#### Number of shares after valuation (image)



#### 4 Restriction on transfer

Directors would be unable to transfer, pawn, or otherwise dispose of the Shares (hereinafter referred to as "Restriction on Disposal") for a period of 30 years from the pay-in date (hereinafter referred to as "Restriction on Transfer Period"). During the Restriction on Transfer Period, the Shares would be managed in dedicated accounts established with a securities company nominated by the Company.

#### 5 Lifting of the Restriction on Disposal

Irrespective of the provisions of 4 above, the Restriction on Disposal will be lifted if a Director retires as a director or managing officer of the Company before the end of the Restriction on Transfer Period.

## 6 Grounds for acquisition without compensation

In addition to the condition that there will be acquisition without compensation under the conditions for linkage to the share performance in 3 above, the Company will acquire without compensation all or part of the Shares during the Restriction on Transfer Period if a Director engages in actions that contravene laws and regulations, or on other grounds as stipulated in the agreement concluded between the Company and the Director.

## 7 Procedures in the event of organizational restructuring, etc.

The Company would make reasonable adjustments to the number of Shares to be acquired without compensation or the time when the Restriction on Disposal will be lifted, by resolution of the Board of Directors, if the Company enters into a merger agreement resulting in the absorption of the Company, or a share swap agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, or otherwise undertakes organizational restructuring, etc., during the Restriction on Transfer Period, pursuant to a resolution of a General Meeting of Shareholders (or a resolution of the Board of Directors in the case of a matter for which a resolution of a General Meeting of Shareholders is not required).

## The Company's policy on the method used to calculate remuneration for Directors

The Company's policy on the method used to calculate remuneration for Directors is decided by the Board of Directors within limits approved by resolutions at General Meetings of Shareholders. Before making decisions, the Board of Directors receives a report from the Remuneration Committee, which is chaired by an External Director, to the effect that the amounts are appropriate, based on prior deliberations by the committee. The amounts for the year ended March 31, 2019 were determined through the following processes.

1. The basic remuneration for Directors excluding External Directors has been decided according to a specific formula based on the resolution of the Board of Directors on April 12, 2017, delegating authority to decide individual payment

amounts to the Representative Director, President and Chief Executive Officer. The formula was approved as appropriate by the Remuneration Committee, and it was reported at the meeting of the Board of Directors held on December 19, 2018 that individual remuneration was being paid on the basis of said formula. The individual amounts of basic remuneration paid to the External Directors were decided at the meeting of the Board of Directors held on April 12, 2017, based on the report of the Remuneration Committee stating that these amounts were appropriate.

2. The amounts of performance-related bonus were decided according to a formula adopted at the meeting of the Board of Directors held on April 12, 2017. After deliberating on this formula, the Remuneration Committee reported to the meeting of the Board of Directors held on April 12, 2017 that the formula was appropriate.
3. The number of stock options allocated was decided by a resolution of the Board of Directors at a meeting held on July 4, 2018. The Remuneration Committee reported to that meeting of the Board of Directors that the number of stock options to be allocated was appropriate.

### ► Remuneration for External Directors

Remuneration of 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 External Directors.

### ► Remuneration of Audit & Supervisory Board Members

Remuneration of 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 Audit & Supervisory Board Members.

## Remuneration of Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2019

Category of position	Number of recipients <sup>1</sup>	¥ million			
		Basic remuneration	Bonus	Stock option	Total remuneration <sup>2</sup>
Directors (excluding External Directors)	12	719	492	116	1,328
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	2	132	—	—	132
External Directors	5	104	—	—	104
External Audit & Supervisory Board Members	3	60	—	—	60
<b>Total</b>	<b>22</b>	<b>1,015</b>	<b>492</b>	<b>116</b>	<b>1,624</b>

<sup>1</sup> The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year ended March 31, 2019.

<sup>2</sup> In addition to the above amounts, a total of ¥490 million was paid to 109 retired Directors, and ¥44 million to 13 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 the independence of External Directors from the Company 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, the Company shall take into consideration the fields from which candidates originate, along with their gender.

### Reasons for Appointing Each External Director

Name	Independent Director	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Toshiro Muto	○	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 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, 2019, as chair of the Remuneration Committee (attending all 5 such meetings) and as a member of the Governance Committee (attending 2 of 3 such meetings), he exercised strong leadership in conducting discussions and revision related to the remuneration system for Directors and Officers and in response to the revision of the Corporate Governance Code. Although Mr. Muto has no direct experience participating in corporate management, he has deep insight into fiscal and monetary affairs as well as knowledge of corporate governance. We appointed him as External Director so that he may continue to advise and supervise its management.	<b>BD</b> (15/16) <b>G</b> (2/3) <b>R</b> (5/5) <b>Ex</b> (7/9)	Honorary Chairman, Daiwa Institute of Research Ltd. Director General / CEO, The Tokyo Organising Committee of the Olympic and Paralympic Games
Izumi Kobayashi	○	Ms. Kobayashi has deep insight 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. In the fiscal year ended March 31, 2019, she served as a member of the Remuneration Committee (attending all 5 such meetings), and contributed to the discussions and revisions related to a remuneration system for Directors and Officers. In addition, as chair of the Nomination Committee (attending all 4 such meetings), she exercised strong leadership in conducting discussions related to the policy and procedures for the dismissal of executives, including the CEO, in response to the revision of the Corporate Governance Code, and to the design and consideration of succession plans. In view of these points we appointed her as External Director so that she may continue to advise and supervise its management.	<b>BD</b> (16/16) <b>N</b> (4/4) <b>R</b> (5/5) <b>Ex</b> (9/9)	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc.
Jenifer Rogers	○	Ms. Rogers has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an 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. In the fiscal year ended March 31, 2019, she served as a member of the Governance Committee (attending all 3 such meetings), actively provided her opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. In view of these points, we appointed her as External Director so that she may continue to advise and supervise its management.	<b>BD</b> (16/16) <b>G</b> (3/3) <b>Ex</b> (9/9)	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd.
Samuel Walsh	○	Mr. Walsh has global expertise and excellent management skills cultivated through his long career working in upper management in the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2019, he served as a member of the Governance Committee (attending all 3 such meetings), actively provided his opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. He has diverse perspectives based on global corporate management experience and expertise and knowledge related to capital policy and business investment. We appointed him as External Director so that he may continue to advise and supervise its management.	<b>BD</b> (16/16) <b>G</b> (3/3) <b>Ex</b> (8/9)	Gold Corporation (Australia) Chairman of the Board



Name	Independent Director*	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Takeshi Uchiyamada	○	Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation that could realize a smart mobility society called for by today's society, as well as in the development of products demanded by consumers. He has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. He has also contributed to the public interest in a wide range of areas through his duties as a vice chair of the Keidanren (Japan Business Federation) and as a member of the Council for Science, Technology and Innovation, Cabinet Office. We appointed him as External Director so that he may advise and supervise its management from a diverse perspective, capitalizing on his management experience at a global company and his in-depth knowledge of society in general. In our Medium-term Management Plan, we have positioned "establishing a new growth area" as one of our priorities, for which Mobility and Retail & Services are included. We expect Mr. Uchiyamada to offer advice based on his expertise and experience toward establishing the next profit pillars through the creation of new value in these areas.	BD — N — Ex —	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION External Audit & Supervisory Board Member, TOKAI RIKA CO., LTD. External Audit & Supervisory Board Member, Toyoda Gosei Co., Ltd.  JTEKT CORPORATION, TOKAI RIKA CO., LTD., and Toyoda Gosei Co., Ltd. are all equity accounted associated companies of Toyota Motor Corporation.

BD Board G Governance Committee R Remuneration Committee N Nomination Committee Ex External Members Meetings

\* 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

Name	Independent Audit & Supervisory Board Member*	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Haruka Matsuyama	○	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. In the fiscal year ended March 31, 2019, as a member of the Governance Committee (participated in all 3 meetings), she actively provided opinions that contributed to developing transparent and objective governance.	BD (15/16) AS (24/24) G (3/3) Ex (7/9)	Attorney at Law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. External Director, Restar Holdings Corporation
Hiroshi Ozu	○	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, with advanced insight into governance and risk management cultivated through the many years of experience and perspective he has gained, mainly as a prosecutor. In the fiscal year ended March 31, 2019, as a member of the Nomination Committee (participated in all 4 meetings), he contributed to enhancement in the transparency of the Company's nomination of officers.	BD (15/16) AS (24/24) N (4/4) Ex (9/9)	Attorney at Law External Audit & Supervisory Board Member, Toyota Motor Corporation External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	○	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. In the fiscal year ended March 31, 2019, as a member of the Remuneration Committee (participated in all 5 meetings), he contributed to the discussions related to an objective remuneration system for officers and its revision.	BD (15/16) AS (24/24) R (5/5) Ex (8/9)	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company

BD Board AS Audit & Supervisory Board G Governance Committee R Remuneration Committee N Nomination Committee Ex External Members Meetings

\* 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 Members (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<sup>1</sup> or the executing person of the same
- (4) Major business partner of the Company or its consolidated subsidiary<sup>2</sup> 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)

<sup>1</sup> 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.

<sup>2</sup> 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, company information which contributes their auditing, including summaries of regular meetings between Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, is timely provided by the Full-time Audit & Supervisory Board Members and the staff. 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. For external members, the Company provides personal computers and tablets (hereinafter referred to as the "External Members' PCs") and distributes materials for meetings of the Board of Directors in a timely manner, thereby ensuring the time to review agendas. The Company sets up a Board of Directors' database for use in storing information such as minutes and other materials of past meetings of the Board of Directors, and maintains a platform that enables access to such database from the officers' PCs.

► **External Members Meeting**

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. In the fiscal year ended March 31, 2019, the External Members Meeting was held nine times. At these meetings, the External Members discussed such matters as business strategies for each business unit, consolidated internal control systems, auditing of the Global Group, and evaluation on the effectiveness of the Board of Directors.

**Agenda of External Members Meeting in FYE Mar 2019**

Agenda	
1	Consolidated Basis Internal Controls & Global Group Audit
2	Draft Agenda of Offsite Free Discussion
3	FYE Mar 2018 Full-Year Results Presentation and FYE Mar 2019 Business Plan, Capital Market Reaction, Points of Interest
4	Briefing on Business Units by COOs (Nutrition & Agriculture, Performance Materials)
5	Business Environment Outlook
6	Decision-making Mechanism at Mitsui & Co.
7	Accounting Auditors Engagement
8	Evaluation of Board Effectiveness (Free Discussion)
9	Review of Materiality

Note: At one of the nine meetings, the External Directors and the External Audit & Supervisory Board Members met separately based on the themes of discussion.

► **Coordination between Supervision by the External Directors or Auditing by External Audit & Supervisory Board Members, the Auditing by the Internal Auditing Division, Audit & Supervisory Board Members and the Independent Auditors, and Relationship with Divisions Involved in Internal Control**

The External Directors and External Audit & Supervisory Board Members, through the meetings of the Board of Directors, the meetings of the Audit & Supervisory Board and the External Members Meetings respectively, exchange information and opinions on auditing by the Internal Auditing Division, auditing by Audit & Supervisory Board Members and accounting audits by the Independent Auditors as well as mutually coordinate with them to supervise and audit the internal control system. Specifically, they periodically receive reports on the following at the meetings of the Board of Directors, respectively; results and

plans of the internal audits, results and plans of auditing by the Audit & Supervisory Board, summary of the management letter by the Independent Auditors, results of the internal control system assessment in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the management and improvement of the internal control systems. At the External Members Meetings, External Directors, Audit & Supervisory Board Members and the Independent Auditors mutually exchange information and opinions regarding the policy of audits. Full-time Audit & Supervisory Board Members, at their discretion, hold a meeting to exchange opinions beforehand among the External Directors and External Audit & Supervisory Board Members on certain important matters to be discussed at meetings of the Board of Directors, in order to provide External Board Members with sufficient information for effective discussion at meetings of the Board of Directors.

## Policy on Training for Directors and Audit & Supervisory Board Members

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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 and each responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.

## Policy Related to Acquisition and Holding of Cross-Shareholdings

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The Company defines listed shares held for reasons other than purely for investment returns as cross-shareholdings. Cross-shareholdings here include not only mutual shareholdings but also unilateral ones. These are acquired and held in accordance with the following policy.

(1) The purpose of cross-shareholdings in investees for which the equity-method is applicable is to improve the corporate value of the investees and increase equity-method based profit and dividends to be received through participation in the management of the investees. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) will be categorized as "listed shares for general investment purposes" and regarded as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.

(2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors shall review the meaning of and policy on holding such shares, including a verification of the rationale in relation

to our cost of capital, within the framework of portfolio reviews that are carried out in relation to investment assets generally, including unlisted shares. If the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be set out.

(3) When acquiring listed shares for general investment purposes, the Company shall conduct a prior stringent assessment of the probability of the investment creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships. At the same time, each year, the Board of Directors shall review the meaning of and policy on holding listed shares for general investment purposes by verifying the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to our cost of capital, and verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship with each cross-shareholding investee. If as a result of this review the meaning of holding these assets has significantly declined, our policy is to sell such assets, thereby reducing the cross-shareholdings.

## Independent Auditors

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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.

## Internal Audits

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Based on the order or approval of the President and Chief Executive Officer, the Internal Auditing Division evaluates the establishment and operational conditions of internal controls from various perspectives. These include the effectiveness and efficiency of operations, reliability in terms of financial reporting, compliance with laws and regulations, and the safeguarding of Company assets. The division also provides advice and proposals for improving the adequacy and effectiveness of risk management, control methods, and governance.

The Internal Auditing Division carries out regular audits that cover the Company, overseas offices and subsidiaries, domestic subsidiaries, and other affiliated companies. Identifying the items to be audited based on risk, these audits provide an

independent and objective evaluation in accordance with international internal audit standards. Additionally, the division carries out audits based on Companywide themes, such as import/export management, and on the protection of private information. The division also implements extraordinary audits of events that have brought about exceptional economic loss or have damaged the Company's reputation, investigating the causes of such events and examining the adequacy of measures to prevent recurrence. Furthermore, the Internal Auditing Division, as an independent body, complies with and assesses internal controls regarding the credibility of financial reporting, pursuant to the Financial Instruments and Exchange Act.

# Execution of Business Activities and Internal Controls

## Execution of Business Activities

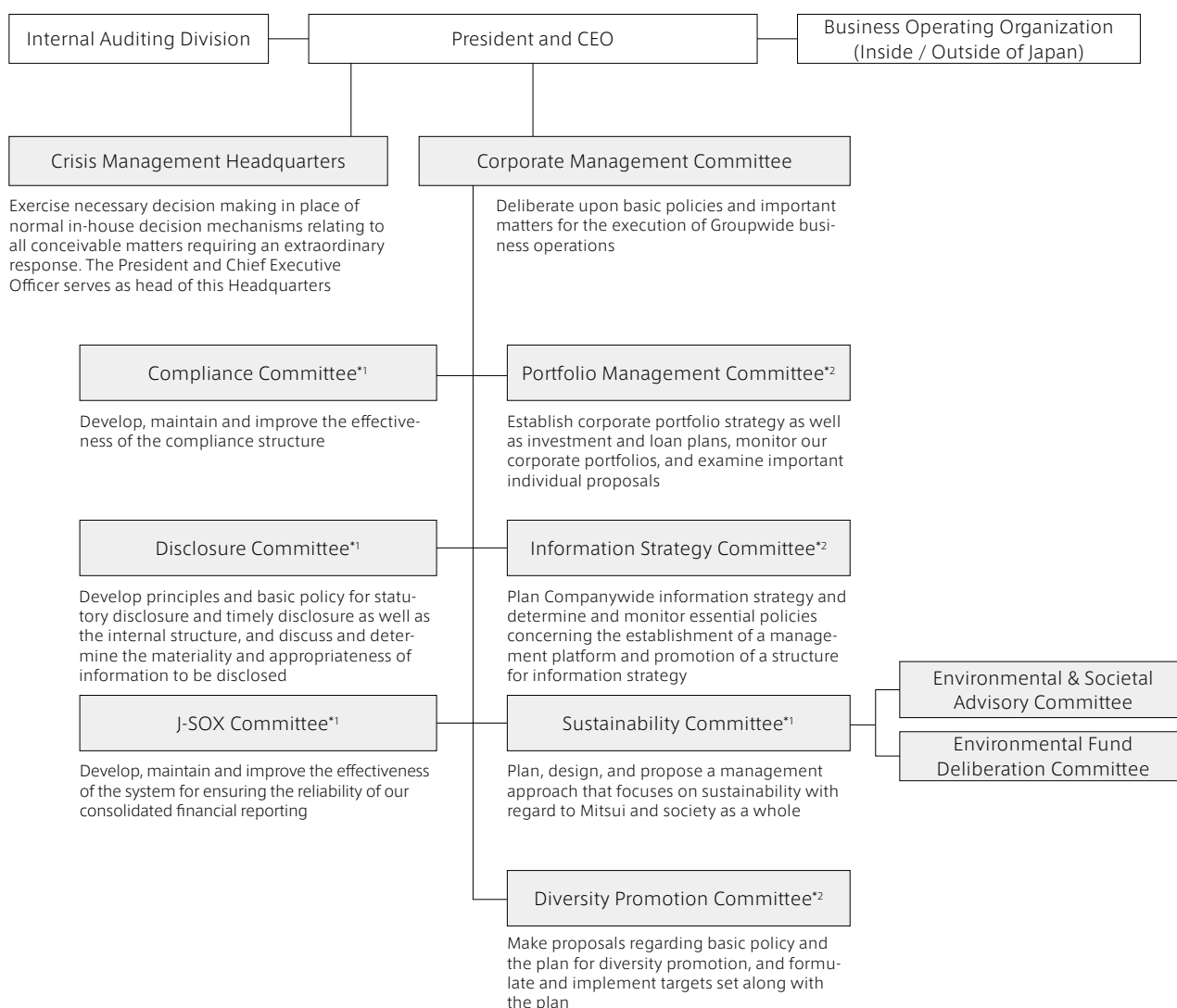
Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and 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.

Based on the basic design of internal controls provided for by the Board of Directors, the management assumes the role and responsibility of maintaining, operating and assessing internal controls at Mitsui and Mitsui affiliated companies. The Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui.

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

### 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

## Internal Controls

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In the construction of internal control processes, aiming to achieve the objective of the internal control process—"Improvement of effectiveness and efficiency of operations," "Compliance with accounting standards and securing reliability of financial reporting," "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and "The conservation of company assets"—the following systems are implemented.

### ▶ Risk Management System

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 the Company'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, the Company 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.

### ▶ 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. The Company is striving to improve observance of these guidelines through continuous monitoring and review. In addition, the Company has a total of eight whistleblowing 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 whistleblowing 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.

### ▶ Specially Designated Business Management System

In response to the DPF Incident, the Company established the "Specially Designated Business Management System" in April 2005. Under this system, internal review of four business domains which are "Environment-related business," "Medical, Healthcare and Bioethics-related businesses," "Businesses with subsidy," and "Business harboring other unusual reputation risks" is strengthened. When examining these matters, reports from the Sustainability Committee or the Environmental & Societal Advisory Committee in which external experts participate as members, or opinions from other external experts will be obtained, as necessary. In addition, the Company appoints consultants with insights into environmental and social risk, human rights and utilizes their advice for new and existing environment-related businesses as necessary.

### ▶ 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, the Company requires its subsidiaries to develop and operate internal controls based on these principles and to the extent reasonable. For its equity-accounted investees, the Company 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."

# Board of Directors and Independent Directors

As of June 20, 2019

## Directors

Years as a Director / Number of Company shares held

### Masami Iijima

11 years / 102,250 shares

Representative Director,  
Chairman of the Board  
of Directors



1974 Joined Mitsui & Co., Ltd.  
2015 Representative Director, Chairman of the Board of Directors  
(current position)

### Takakazu Uchida

1 year / 22,717 shares

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



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer, CFO  
(current position)

### Tatsuo Yasunaga

4 years / 85,716 shares

Representative Director,  
President and Chief Executive  
Officer



1983 Joined Mitsui & Co., Ltd.  
2015 Representative Director, President and Chief Executive Officer  
(current position)

### Kenichi Hori

1 year / 14,544 shares

Representative Director,  
Senior Executive Managing  
Officer



1984 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer  
(current position)

### Shinsuke Fujii

3 years / 34,429 shares

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



1981 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President, CAO, CIO, CPO  
(current position)

### Hirotatsu Fujiwara

New / 27,145 shares

Representative Director,  
Senior Executive Managing  
Officer  
Chief Compliance Officer (CCO)



1984 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer, CCO  
(current position)

### Nobuaki Kitamori

2 years / 27,076 shares

Representative Director,  
Executive Vice President  
Chief Digital Officer (CDO)



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President, CDO  
(current position)

### Yoshio Kometani

New / 13,522 shares

Representative Director,  
Executive Managing Officer



1985 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Managing Officer  
(current position)

### Yukio Takebe

1 year / 20,152 shares

Representative Director,  
Executive Vice President



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President (current position)



## Independent Directors

Years as a Director / Number of Company shares held

### Toshiro Muto

9 years / 14,225 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.
- 2010 External Director, Mitsui & Co., Ltd. (current position)
- 2018 Honorary Chairman, Daiwa Institute of Research Ltd.  
(current position)

### Samuel Walsh

2 years / 4,800 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
- 2017 External Director, Mitsui & Co., Ltd. (current position)

### Izumi Kobayashi

5 years / 3,468 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)

### Takeshi Uchiyamada

New / 0 shares

External Director



- 1969 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)
- 1998 Member of the Board of Directors, Toyota Motor Corporation
- 2001 Managing Director, Toyota Motor Corporation
- 2003 Senior Managing Director, Toyota Motor Corporation
- 2005 Executive Vice President, Toyota Motor Corporation
- 2012 Vice Chairman of the Board of Directors, Toyota Motor Corporation
- 2013 Chairman of the Board of Directors, Toyota Motor Corporation  
(current position)
- 2019 External Director, Mitsui & Co., Ltd. (current position)

### Jenifer Rogers

4 years / 4,668 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, Asurion Japan Holdings G.K. (current position)
- 2015 External Director, Mitsui & Co., Ltd. (current position)

# Full-time and Independent Audit & Supervisory Board Members

As of June 20, 2019

## Audit & Supervisory Board Members

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

### Makoto Suzuki

New / 76,466 shares

Full-time Audit & Supervisory Board Member



1981 Joined Mitsui & Co., Ltd.  
2019 Full-time Audit & Supervisory Board Member (current position)

### Kimiro Shiotani

New / 8,183 shares

Full-time Audit & Supervisory Board Member



1984 Joined Mitsui & Co., Ltd.  
2019 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

5 years / 1,736 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

4 years / 1,376 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

2 years / 3,109 shares

External Audit & Supervisory Board Member



1980 Joined Shinwa Accountants (currently KPMG AZSA LLC)  
2000 Representative Partner  
2004 Director of Financial Services  
2006 Board Member  
2011 Chairman, KPMG FS Japan  
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)

# Managing Officers

As of June 20, 2019

## Managing Officers

\* Corporate officer also serving as a director.

### President

#### Tatsuo Yasunaga\*

President and Chief Executive Officer; Head of Crisis Management Headquarters

### Executive Vice Presidents

#### Shinsuke Fujii\*

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, Corporate Sustainability Division, Business Supporting Unit (Each Planning & Administrative Division)); Domestic Offices and Branches; HQ Overseen Region; Chairman, Information Strategy Committee; Chairman, Sustainability Committee

#### Nobuaki Kitamori\*

Chief Digital Officer; Healthcare & Service Business Unit; IT & Communication Business Unit; Corporate Development Business Unit; Digital Transformation

#### Taku Morimoto

Chief Operating Officer of Asia Pacific Business Unit

#### Yukio Takebe\*

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

### Senior 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 (Each Financial Management & Advisory Division)); Chairman, Disclosure Committee; Chairman, J-SOX Committee

#### Hirotsu Fujiwara\*

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 Plan Management; New Headquarter Project; Chairman, Compliance Committee; Chairman, Diversity Promotion Committee; Head of Emergency Management Headquarter

#### Motoo Ono

Chief Representative of East Asia Bloc

#### Kenichi Hori\*

Basic Materials Business Unit; Performance Materials Business Unit; Nutrition & Agriculture Business Unit; Food Business Unit; Retail Business Unit; Chairman, Portfolio Management Committee

#### Yasuyuki Fujitani

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

#### Shinsuke Kitagawa

General Manager of Osaka Office

#### Shinichiro Omachi

Country Chairperson in India; Managing Director, Mitsui & Co., India Pvt. Ltd.

#### Katsurao Yoshimori

Chief Operating Officer of Americas Business Unit

### Executive Managing Officers

#### Yoshio Kometani\*

Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II; Digital Transformation (Deputy)

#### Hiroyuki Tsurugi

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

#### Miki Yoshikawa

Chief Operating Officer of Food Business Unit

#### Noboru Katsu

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

#### Shingo Sato

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

#### Motoaki Uno

President & CEO of P.T. Mitsui Indonesia

#### Osamu Toriumi

General Manager of Internal Auditing Division

### Managing Officers

#### Hiroshi Meguro

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

#### Yuki Kodera

Chief Operating Officer of Mineral & Metal Resources Business Unit

#### Motoyasu Nozaki

Chief Operating Officer of Energy Business Unit II

#### Koji Nagatomi

Chief Operating Officer of Healthcare & Service Business Unit

#### Hirohiko Miyata

General Manager of Investment Administrative Division

#### Masahiro Moriyasu

Chief Operation Officer of IT & Communication Business Unit

#### Kohei Takata

Chief Operating Officer of Nutrition & Agriculture Business Unit

#### Yoshiki Hirabayashi

Chief Operating Officer of Retail Business Unit

#### Tetsuya Daikoku

Chief Operating Officer of Mobility Business Unit I

#### Sayu Ueno

Chief Operating Officer of Basic Materials Business Unit

#### Yoshiaki Takemasu

General Manager of Human Resources & General Affairs Division

#### Tatsuya Okamoto

Chief Operating Officer of Mobility Business Unit II

#### Yumi Yamaguchi

President & CEO of Mitsui Global Strategic Studies Institute

#### Yoshimitsu Gushiken

General Manager of Finance Division

#### Yuji Mano

General Manager of Information Technology Promotion Division

#### Takeshi Setozaki

General Manager of Chubu Office (Nagoya)

#### Shinichi Hori

Chief Operating Officer of Iron & Steel Products Business Unit

#### Masato Sugahara

Deputy Chief Operating Officer of Asia Pacific Business Unit

#### Reiji Fujita

President of Mitsui & Co. (Thailand) Ltd.

#### Shinichi Kikuchihara

Chief Operating Officer of Corporate Development Business Unit

#### Kazumasa Nakai

Chief Operating Officer of Infrastructure Projects Business Unit

#### Takeo Kato

Chief Operating Officer of Performance Materials Business Unit

#### Masaharu Okubo

Chief Operating Officer of Energy Business Unit I

#### Tetsuya Shigeta

General Manager of Global Contoller Division

# Organization Chart (As of April 1, 2019)

