Publication of an Integrated Report

This integrated report summarizes relevant information with a particular focus on factors that impact Mitsui’s corporate value. In addition to this report, the Company publishes various communication tools for Mitsui’s stakeholders (please refer to the end of this report for details on reports issued by the Company).

Integrated Report 2020

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I would like to know more about Mitsui’s corporate philosophy, management vision, and corporate culture, as these make up the foundation for management decision-making.

I would like to know more about the drivers that give Mitsui its competitiveness.

I would like to know more about the KPIs Mitsui uses to measure the results of each strategy.

I would like to know more about the relationship Mitsui has with its major stakeholders.

I would like to know more about Mitsui’s strategies for realizing a sustainable business model through its businesses.

I would like to know more about the sustainability of Mitsui’s business model.

I would like to know more about Mitsui’s earnings structure.

I would like to know more about Mitsui’s governance, which guides a corporation on a path to improving corporate value in a sustainable manner.

Purpose

Corporate Site

Our Information Systems

Company

• Top Message
• Corporate Mission, Vision, Values
• Organization
• Major Subsidiaries & Associated Companies
• History

Sustainability

• Message from the Chairperson of the Sustainability Committee
• Sustainability at Mitsui & Co.
• Mitsui & Co’s Materiality
• Sustainability Report
• ESG-related Policies and Data

Investors

• Financial Results
• Mitsui & Co. Investor Day
• Medium-term Management Plan
• Business Model
• Corporate Governance
• Risk Factors
• IR Library (Securities Reports, Business Reports, etc.)
• IR Meetings

August 2020

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

‘Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.’

These words from the first president of the former Mitsui & Co., Takashi Masuda, represent our foundation. His words urge us to avoid becoming overly focused on near-term profit. Rather, we must realize growth by creating businesses that contribute to society’s long-term development. In May 2020, Mitsui released a revised version of its Mission, Vision, Values, our corporate management philosophy to coincide with the announcement of Medium-term Management Plan 2023—Transform and Grow. Revised for the first time in 16 years, the new philosophy puts Takashi Masuda’s message front and center and includes a vision whereby ‘As Challengers and Innovators, we create and grow business while addressing material issues for sustainable development.’

When preparing the new plan, we set goals for respective frontline operations by keeping firmly in mind the Materiality that we had previously revised in 2019 and which is the base of our business activities. More specifically, we discussed the aspects of our Materiality on which each type of day-to-day work and activity should focus.

In 2015, the United Nations identified priority tasks and set out a concrete plan of action for humanity, the earth, and global prosperity with the adoption of 17 Sustainable Development Goals (SDGs) and 169 related targets. The SDGs are embedded in Mitsui’s Materiality. I believe that by placing Materiality at the core of a broad range of businesses and activities we can help address the issues listed in the SDGs.

Efforts to realize a sustainable society are becoming ever more important due to the unprecedented speed of social change being driven by the emergence of COVID-19. In adapting to this dramatic change, Mitsui will leverage the wide-ranging network that it has developed over a long history as a general trading company. Moreover, we will reform the mindset of each employee based on the words of Takashi Masuda cited earlier. In addition, Mitsui will achieve growth by drawing on its ‘Challengers and Innovators’ DNA to create businesses that help address social issues.

In preparing our third integrated report, we referred to the International Integrated Reporting Framework propounded by the International Integrated Reporting Council (IIRC), the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry, and a large volume of feedback received from stakeholders. Also, the report has been prepared through close collaboration among a range of in-house divisions to provide our holistic perspective of the Group. I believe that this process reflects a sincere and honest commitment to explaining our value creation in a readily understandable manner.

August 2020

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

*From an official perspective, there is no conflict between the former Mitsui & Co. and the present Mitsui & Co., and they are separate corporate entities.
This report contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of known or unknown risks, uncertainties and other factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui’s latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

A Cautionary Note on Forward-Looking Statements:

In this section, we explain what kind of value Mitsui will continue to create, Mitsui’s direction rooted in a long-term outlook, our vision, and the corporate culture and people who will make this vision a reality.

This section draws a picture of our strategy, as Mitsui strives to increase corporate value in any era. We also discuss Mitsui’s strengths and strategies.

This section summarizes a variety of data about Mitsui.

Medium-term Management Plan 2023—Transform and Grow” commenced in April 2020. Here, we summarize this new management plan while reviewing the progress made under the previous medium-term management plan.

As a general trading company involved in a broad array of business domains, Mitsui must constantly seek a sophisticated level of corporate governance. In this section, we discuss Mitsui’s constantly evolving management foundation.

This integrated report was completed with reference to the following guidelines:

- GRI (Global Reporting Initiative), Sustainability Reporting Standard
- Ministry of the Environment, Japan, Environmental Accounting Guidelines 2005
- ISO 26000 (Guidance on social responsibility)
- IIRC (International Integrated Reporting Council), International Integrated Reporting Framework
Mitsui’s Value Creation
Roadmap to Value Creation with “Challenge and Innovation” DNA

Mitsui has created value for industry for many years, while evolving its own business models in response to trends of the times and changes in society. Mitsui continues to contribute to the sustainable development of society through its business activities, by drawing up and executing business strategies that leverage its cultivated strengths, while keeping in mind its future direction.

Mitsui’s Value Creation
Roadmap to Value Creation with “Challenge and Innovation” DNA

Gate 1
Continuous Value Creation
Mission, Vision, Values
Build brighter futures, everywhere

Gate 2
Strategic Edge

Gate 3
Medium-term Management Plan
Medium-term Management Plan 2023
Transform and Grow

Gate 4
Management Foundation

**Strategic Focus**
- Energy Solutions
- Healthcare / Nutrition
- Market Asia

Corporate Strategy
- Strengthen Business Management Capabilities
- Evolve Financial Strategy and Portfolio Management
- Personnel Strategy
- Strengthen Profitability of Core Businesses and Take on Challenges in New Businesses
- Sustainability Management / Evolution of ESG

Business Strategy

**Materiality**
- Secure sustainable supply of essential products
- Enhance quality of life
- Create an eco-friendly society
- Develop talent leading to value creation
- Build an organization with integrity

**Track Record of “Challenge and Innovation”**
- Comprehensive Strengths
- Diverse Portfolio
- Diverse Professionals
- Sustainability Management

**Basic Management Strategy**
- Business Model
- Portfolio Management and Financial Strategy
- Human Resources Strategy

**Management Foundation**
- Corporate Governance
- Risk Management
- Integrity
- Human Rights and Supply Chain Management
- Stakeholders
- Initiatives
The spread of the novel coronavirus in Japan abated after the state of emergency declaration and other measures taken earlier in 2020, but the trend is now reversing with more infection cases being reported. As the nation works to balance infection countermeasures with economic continuity, Japan’s economy is still only slowly recovering. Looking at the situation worldwide, there is absolutely no cause for complacency, with infection still spreading in developing nations amid fears of a second or third wave of infections on a global basis.

Our management priority is the health and safety of our employees and their families across our group operations worldwide. The health and safety of our people is the foundation of business, without which we cannot hope for an early return to a growth trajectory. We have a range of measures in place that reflect the circumstances and medical services in each country.

Our next priority is to maintain our businesses in each area, and in doing this I think it is important to maintain strong relationships with our business partners, customers, and vendors. These relationships, developed over many years, are a crucial asset and a key source of our competitiveness and differentiation. We are all faced with the issue of how to protect and ultimately grow our individual businesses in this severe environment, so while directing our teams at the business front line to communicate closely and frequently with our counterparts through online meetings and such, I am also personally engaged in this process.

A phrase being heard these days is “living with the virus,” which raises the questions: what do we change, and what do we leave unchanged? As we begin the “New Normal,” I want Mitsui to take on challenges on every front, and I want to increase our resilience—our adaptability and toughness.

Although pundits have sometimes questioned the need for sogo shosha, we can take pride in our track record of using our comprehensive capabilities to forge new paths when old business models have become obsolete. Recently I have been talking to internal and external audiences about “Mitsui being horizontal.” I use this expression to explain the idea that for a company like ours, which has multiple businesses in diverse areas, we can make best use of our strengths when we pursue the creation of new work and new value by reaching horizontally across our organization, looking beyond the verticals of any particular business sector. This is because, from a global perspective, few of Mitsui’s businesses could be described as large—so to compete on the global stage we must create new value by linking our businesses horizontally.

The relocation to our new head office in May 2020, marking our return to Otemachi after five and a half years, will support our horizontal business development initiatives. In preparing for this relocation, we established a project team to comprehensively rethink the purpose of our office, to consider new working styles, and to develop the systems, physical design and facilities required to realize our goals. I define an office as a place where diverse individuals come together to stimulate intellectual fusion and to catalyze the creation of new business. Of course, our new offices enable each division to work effectively, but they are also designed to promote and facilitate cooperation between divisions, so that we can create new collaborative businesses in a sustainable cycle of corporate value accretion.

Many of the initiatives we undertook in preparing for our office move have proven useful in responding to the pandemic. Going paperless, adopting digital tools and other steps we took to modernize the way we work made the enforced transition to working from home a relatively seamless process, and amid the emerging “New Normal” that combines public health and economic necessities, our working style has been a

The COVID-19 pandemic is not only impacting the global economy, it is also expected to cause fundamental shifts in consumer behavior. In this time of unprecedented change, we are committed to leveraging our strong global network and adapting our business models, products, and regional strategies to the needs of today. By fully mobilizing the deep experience and competency of our people, we will meet the challenge of this crisis and move determinedly forward.

Tatsuo Yasunaga
President and Chief Executive Officer
highly enabling factor. We are continuing to review and adapt every aspect of the way we work, seeking the optimal balance of physical and remote operations for each business and workplace.

With regard to digital, our engagement encompasses bottom-line measures to improve business processes and optimize efficiency while also pursuing new business development. One obvious business avenue is e-commerce, but there is a wide range of opportunities in contactless systems, such as preventative maintenance and remote diagnostics. We positioned DX (Digital Transformation) as a growth driver well before the emergence of the COVID-19 pandemic, and our firm belief in the importance of this area saw us appoint our industry’s first Chief Digital Officer (CDO).* We will continue to make use of digital technology to aggressively develop new earnings pillars for Mitsui.

Looking back on the previous medium-term management plan

During the period of the previous medium-term management plan, we successfully bolstered our profit base in Resources & Energy, and strengthened non-resource areas, particularly Machinery & Infrastructure and Lifestyle, in line with the plan’s key initiatives of “Build a robust profit base and thoroughly strengthen existing businesses” and “Establish selected new growth areas.” In the focus areas of environment and health, we further developed our LNG business and expanded the business base of our healthcare business. We also strengthened cash flow management, implementing flexible capital allocation including for shareholder returns, in accordance with the cash flow allocation framework, while tightening investment discipline.

Regarding innovation functions, we launched Moon Creative Lab, which has locations in both the U.S. and Japan. This initiative aims to create new business models based on employee ideas as well as customer and partner feedback. In addition, Mitsui continued to drive personnel initiatives at a global level, including the development of next-generation leaders, while at the same time strengthening governance by improving the effectiveness of the Board and through other initiatives.

Nevertheless, the challenges that remain from the previous plan are clear. The first of which is the urgent need to further improve the profitability of our existing businesses. While building up quality assets is important, we must first ensure that we raise the profitability of individual projects. We must also focus management resources on growth areas where we can demonstrate Mitsui’s strengths and establish new revenue pillars. In the previous plan, we designated Mobility, Healthcare, Nutrition & Agriculture, and Retail & Services as our four growth areas, but I want to further refine these and establish a system so that we can sharpen our business activities. We expect the rate of change in the structure of society and industry to accelerate further, and so, in addition to strengthening our resistance to downturns through risk management and by reducing costs, we view digitalization and decarbonization as opportunities to further accelerate our growth.

Medium-term Management Plan 2023 — “Transform and Grow”

Despite continued uncertainty about the future due to COVID-19, we announced our Medium-term Management Plan 2023 on May 1, 2020. Even now, it is unclear what level of recovery can be expected upon resumption of economic activity at the end of the COVID-19 pandemic, and it is extremely difficult to foresee its quantitative impact. There was much discussion within the Company as to whether we should even announce this new management plan in May. Ultimately, however, we decided that it was important to share Mitsui’s business direction based on a certain set of assumptions with internal and external stakeholders, and that the plan may also act as a compass for employees during this uncertain time. I hope that sharing our thoughts and what we believe to be the path for Mitsui will lead to valuable dialogue with our many stakeholders—customers, business partners, shareholders, etc. We plan to revise and disclose quantitative plans as appropriate and will continue to exercise highly transparent management.

“Transform and Grow” is the theme of the new medium-term management plan—a plan that has been created in consideration of the challenges that remain from the period of the previous plan. While there is much uncertainty about a world where we must learn to coexist with COVID-19, in the medium to long term I believe Mitsui must not waver from its path, rather we should accelerate forward to transformation and growth.

Mitsui’s target of 400 billion yen in profit for the year ending March 2023 is not a large increase from 391.5 billion yen in profit for the year ended
March 2020. However, we plan to achieve 240 billion yen in profit for the year in non-resource areas, which would be a record and higher than the 170 billion yen planned for resources. While it is hard to envision a situation where commodity prices rise and remain high due to the ongoing impact of COVID-19, we are steadily growing our non-resource business base as a counterbalance to our resource business.

In resource areas we are being conservative with iron ore and coking coal price estimates due to concerns about a global downturn in demand in the short and medium term. Furthermore, amid expectations that a return to previous oil and gas price levels from the rapid decline witnessed since the beginning of the year will take time, the outlook is for the harsh business environment in Resources and Energy to continue for the next three years. Nevertheless, during this period there will be no change to our policy of enhancing our strengths. We will pursue thorough cost reductions in existing businesses and maintain competitiveness while pushing ahead with the development of new deposits at our Australian iron ore operations and with LNG projects in Mozambique and the Russian Arctic Circle. Conversely, in non-resource areas, I believe we will achieve strong growth over the coming three years and I have high expectations in particular for contributions to earnings resulting from growth in ICT core businesses, from digital and EC enhancement of retail business, recovery of market and trading businesses in chemicals, and IPP and FPSO start-ups.

In the current medium-term management plan, we are aiming to thoroughly strengthen core businesses. In the past, we tended to focus on making investments, but we are now introducing ROE as an internal management indicator to shift our awareness to capital efficiency improvement, and we are aiming to enhance ROE by strengthening budget control. We will raise profitability in several industries by accelerating measures to enhance competitiveness through restructuring.

We have identified Energy Solutions, Healthcare/Nutrition, and Market Asia as three areas of strategic focus and Mitsui’s next profit pillars. Through the implementation of initiatives in previous fiscal years, these have emerged convincingly as areas in which Mitsui can leverage its comprehensive strengths. In Energy Solutions, we will pursue smart energy services and businesses that contribute to mitigating climate change with LNG development and renewable energy projects as the central platform. In Healthcare/Nutrition, IHH will be the central platform as we accelerate growth in medical data and integrated facilities management, among others. In addition, in recognition of the power shift to the consumer, particularly in Asia, we will establish a growth platform and pursue the evolution of business models.

We will be pursuing sustainability management and the evolution of ESG as the basis of Transform & Grow. With respect to climate change in particular, as part of Mitsui’s Goals in 2050, we have set a goal of achieving net-zero emissions by that year, making us the first sogo shosha to set such a goal. And as a pathway to Mitsui’s Goals, we have set a milestone of reducing our GHG impact by 50% in 2030, compared to 2020.

There are three main measures to achieve this. The first is reduction, where we optimize our resource and power generation asset portfolio to reduce emissions. The second is transition, where we support the shift from coal-fired to LNG-fired power generation. The third is opportunity, where we drive new business in energy solutions and areas that can address climate change and contribute to reducing GHG impact.

We have also introduced an internal carbon pricing system to increase resilience over the medium to long term for businesses that emit a large amount of greenhouse gases.

With regard to shareholder returns, we have set the minimum dividend amount at 80 yen per share for the period of the current medium-term management plan. This is unchanged from the level for the fiscal year to March 2020, but we are committing to this as a minimum for the period, and it is calculated based on stable generation of 400 billion yen in core operating cash flow even amid the spread of the novel coronavirus. We will maintain flexible capital allocation with an eye on both growth investment and additional shareholder returns.

In closing: Mitsui’s Mission, Vision, Values

This year, in parallel with the announcement of the new medium-term management plan, we unveiled our renewed Mitsui’s Mission, Vision, Values. It is the first renewal of the MVV in 16 years and the intervening period has seen dramatic changes. Not only has the business environment changed but our people have become increasingly diverse, we are operating in a more global environment than ever before, and the business front line is shifting toward group companies.

We have therefore redefined our MVV to reflect the changing times while preserving the basic spirit of the previous MVV. Infused in the new MVV is the expectation that each Mitsui person will proactively carry on Mitsui’s DNA of being challengers and innovators and continue to meet the expectations of our stakeholders and society at large.

Taking the opportunity for reflection presented by the announcement of the new medium-term management plan, our relocation to the new head office building, and the renewal of our MVV, I have been considering the question of what kind of company I want Mitsui & Co. to be. The answer, of course, is in the Japanese rendering of our name. The name ‘Mitsui Bussan’ was chosen by Takashi Masuda, the first president of the former Mitsui & Co., because the characters in Japanese signify creation, or birth. This is a reflection of Mitsui & Co.’s reason for being, which is to create and nurture new businesses and industries. Now, amid the unpredictability created by the COVID-19 pandemic, we have an opportunity to reflect again on our mission, our values, and our goals, and return to Mitsui’s origins to pursue transformation and growth.

August 2020

Tatsuo Yasunaga
Representative Director, President and Chief Executive Officer

From a longer perspective, there is a continuity between the former Mitsui & Co. and the present Mitsui & Co., and they are truly separate corporate entities.
Continuous Value Creation
Mitsui’s Corporate Culture

What supports the Mitsui Group’s ‘Challenge & Innovation’?

Here, we take a look at the corporate culture of the Company through the eyes of its employees in Japan and overseas as well as the senior executives of its affiliated companies and partner companies.

Acceptance of diverse individuals that fosters mutual respect

I am responsible for in-house training in relation to Microsoft 365 products and services and other measures focused on the use of leading-edge technologies to improve business efficiency and promote work style reform in the Company and its affiliated companies. The challenging goal that I am pursuing is to draw on the expertise and networks that we have developed to create user-friendly environments that truly heighten employee productivity. In these efforts, we are seeking systems and services that incorporate themselves into work processes organically because employees can use the systems and services intuitively, conveniently, and comfortably anywhere and at anytime.

I was recruited mid-career by Mitsui from a global IT company in 2015. After joining the Company, senior coworkers taught me the importance of pursuing projects based on one’s own policies and passion. Mitsui has an open-minded corporate culture. As a result, employees welcomed to offer opinions on matters not directly related to their work. This atmosphere of acceptance and understanding enables employees to go beyond their particular role or organization and forge ahead with matters that they feel strongly about. I believe that employees with clear ideas of their own who can adapt flexibly to social changes and create new types of work have always been the source of Mitsui’s competitiveness.

Empathize with long-term vision and professionalism

For more than 35 years, I was engaged in the operations and management of the copper business of Corporación Nacional del Cobre de Chile (CODELCO), the world’s largest copper mining company. After retiring from CODELCO, I joined MMRDLA because I wanted to get involved with projects from a standpoint other than that of an operator and to take on the challenge of creating and growing the value of businesses. I identify and sympathize with Mitsui’s commitment to maximize project value with the spirit of transformation while tackling medium- to long-term strategic perspectives, which are essential in the mineral resources business. Also, Mitsui’s emphasis on developing human resources and innovating technology with a view to future growth is extremely attractive. When working with Mitsui personnel, I am always impressed by their professionalism. Invariably, they show respect for others and are open-minded. In particular, Mitsui personnel are adept at working in a disciplined and dedicated manner as a team.

I believe that Mitsui is well placed to contribute to the development of the copper business throughout Latin America as a corporate group that could leverage comprehensive strengths to realize integrated collective functions not only in Chile but globally. Taking maximum advantage of Mitsui’s accumulated knowledge and experience in relation to the copper business, I will concentrate efforts on heightening the trust in and presence of Mitsui in Chile’s mining industry as well as overall businesses in Chile.

Continue to pursue challenge and innovation with conviction

After joining Mitsui & Co. (Asia Pacific) Pte. Ltd., which is headquartered in Singapore, I was involved in the acquisition of PT. Kingsford Holdings as a project member, and I was seconded to the company in 2017. Since then, I have mainly been responsible for the post-acquisition integration process. We need to pay more attention than ever to risks as a variety of issues have emerged due to the spread of COVID-19. Nonetheless, we will unwaveringly pursue opportunities to grow the new business. The operating company at which I am currently seconded has grown to become the leader of the copper business throughout Latin America as a corporate group that could leverage comprehensive strengths to realize integrated collective functions not only in Chile but globally.

I believe that Mitsui is well placed to contribute to the development of the copper business throughout Latin America as a corporate group that could leverage comprehensive strengths to realize integrated collective functions not only in Chile but globally. Taking maximum advantage of Mitsui’s accumulated knowledge and experience in relation to the copper business, I will concentrate efforts on heightening the trust in and presence of Mitsui in Chile’s mining industry as well as overall businesses in Chile.

Noriko Kawai
User Experience Transformation Department, Integrated Digital Strategy Division

Subiantoro
Director, PT. Kingsford Holdings (seconded)

Ricardo Alvarez
Vice President
Mitsui & Co. Mineral Resources Development (Latin America) Limitada

Gate 1
Mitsui & Co. Ltd. Integrated Report 2020
A true partner who will enable our continued growth

In 2009, I became CEO of Ventura Foods LLC, which is a joint venture of Mitsui and CHS, Inc., the largest agricultural cooperative in the United States. I am proud of the relationship of trust and friendship that we have built with Mitsui for more than 10 years. This relationship encompasses not only Mitsui employees assigned to Ventura Foods but also many members of the senior management team, including President Tatsuo Yasunaga. Furthermore, Mitsui and Ventura Foods share a belief that our people are key to our future success. We are equally committed to investing in our talent and supporting their development. In fact, this philosophy has been one of the key reasons for the growth of Ventura Foods.

Mitsui plays an important role in the growth strategy of Ventura Foods. We leverage Mitsui’s in-depth, wide-ranging knowledge and global experience to inform our international strategy. Ventura Foods has focused on expanding its overseas business in step with the overseas forays of our customers. Thanks to Mitsui’s expertise and network, in a short space of time we have been able to significantly expand our overseas business outside North America. Mitsui is a collaborative partner as well, always sharing best practices in relation to a wide variety of areas including IT, finance, human resources, and legal. Going forward, Ventura Foods is sure to grow further as it tackles digital transformation in partnership with Mitsui. As part of this initiative and others, Mitsui and its employees are rigorously exploring how they can contribute to the growth of Ventura Foods.

Working sincerely to meet nation-building expectations

I am engaged in strategic planning for Mitsui’s oil and gas resource development and in managing projects that have become operational in the United States, the Middle East, and other regions. The differentiating features of our operations are our long history in the energy development business, which began in the 1960s, and also the large number of technocrats with in-depth knowledge that work at our affiliated companies. When Mitsui becomes involved in a project, the host country always has expectations with respect to the roles that the Company can play in helping to build the nation. Such situations particularly call for Mitsui to exercise its comprehensive strengths.

On the other hand, I will never forget that the cooperation of our host countries Qatar and Abu Dhabi enabled us to maintain stable supplies to important customers when supplies were struggling to keep up with demand at the time of the Great East Japan Earthquake. While the scale of energy development is large, I have learned that building consensus by responding to each matter with sincerity in the process of negotiations is the most important thing. Changing in step with society is in Mitsui’s DNA. As climate change countermeasures become an increasingly pressing issue, we will continuously consider value which we can provide and cater to society’s needs accordingly.

A corporate culture that fosters reforms

With a view to enhancing the value of Mitsui as a consolidated corporate group, we help business units and affiliated companies improve their business management. A feature of our department’s work is that even after a project has ended, we ensure that the proposed strategies are progressing steadily by working with the employees of target companies over the long term to tackle management issues in a hands-on manner. These efforts extend from building strategy frameworks through to rules and regulations.

Our superiors constantly stress that, regardless of our age or experience, it is important to have our own clear opinions and move forward without being constrained by convention. I believe that true professionals are those that take on challenges without fear of change, continue efforts untiringly, and achieve solid results in the end.

Further, the composition of the department is distinctive, with 10 of its 15 members having worked at other companies. This diversity demonstrates that as an organization Mitsui is not content with maintaining the status quo; it is always seeking reforms. Instilled in all employees, this reform-focused culture plays a major role in maintaining and enhancing Mitsui’s competitiveness.

A Partner’s View of Mitsui

Taking on the challenge of further growth and innovation with Mitsui

Our robust relationship with Mitsui has been growing for nearly 20 years. More than ever, I appreciate the importance of the strong partnership between the two companies and our shared long-term vision. Mitsui is one of our most important strategic partners.

For us, Mitsui’s global footprint and involvement across various industries provided new ideas and unique opportunities to new customers and new relationships around the globe. Penske Automotive Group, Inc. had already been entering markets outside North America. However, we were able to strengthen our position in Australia thanks to the collaboration with Mitsui, which has a long history of experience across various sectors and customers there. Additionally, Mitsui has opened new opportunities for Penske Logistics to expand and enhance its logistics businesses and supply chain solutions through the acquisition of a company that provides logistics services primarily to automotive manufacturers.

As the business landscape is changing rapidly, Mitsui’s strategic vision, diversification, commitment to mobility, and its focus on sustainability promise to be a significant source of support for our innovation efforts. Moreover, we are convinced that our existing business relationship will help Mitsui to deliver on its corporate slogan of “360° business innovation” to create and grow business while addressing many of the material issues facing the world today.

Working sincerely to meet nation-building expectations

Christopher Furman
CEO
Ventura Foods LLC

A true partner who will enable our continued growth

Hiroto Yamada
Business Consulting Department,
Corporate Development Division

A corporate culture that fosters reforms

Roger S. Penske
Chairman,
Penske Corporation

A Partner’s View of Mitsui

Hiroe Nagamatsu
Group Corporate Strategy Department,
Oil and Gas Resources Development Division

Mitsui’s Corporate Culture
“Mitsui is People” Going Forward

For Mitsui, as a general trading company, its greatest asset is people. From a variety of viewpoints, we sought opinions from two of our external directors with respect to how best to foster people and the type of people that Mitsui requires going forward in an operating environment with an uncertain outlook.

"Mitsui is People"

Fujiiwa  As the first president of the former Mitsui*, Takashi Masuda, stated, "Mitsui has a pool of very talented individuals. This is Mitsui's most important asset." In the course of a long history, Mitsui has been able to advance to its present position by placing particular emphasis on people. Going forward, this approach will remain unchanged. Medium-term Management Plan 2023—"Transform and Grow" sets out six corporate strategies, which include a personnel strategy calling for Local Depth for Global Reach, Global Reach for Local Depth and Diversity & Inclusion. Keeping these goals in mind, we are tackling a variety of initiatives.

Kobayashi  As is often said of us, "Mitsui is People," Mitsui’s senior management and employees are very distinctive. I feel the Company has many highly individualistic people. On the other hand, whether the Company is making sufficient use of this individuality and whether such individuality is contributing to the Company’s value creation are issues to be examined.

Rogers  Historically, the Company has a culture that values people. I agree that people are a particularly crucial asset for general trading companies. The composition of the Board of Directors is becoming increasingly diverse. Five years ago, I became the first non-Japanese director and, after Ms. Kobayashi, the second female director. Now, however, there are more non-Japanese directors, and the number of female directors has increased to three. In addition, a female external Audit & Supervisory Board member has joined the management team. Both Chairman Masami Iijima and President Tatsuo Yasunaga have a deep understanding of diversity and believe that it is the source of innovation. Consequently, I look forward to Mitsui’s future.

Empowerment of Women

Fujiiwa  We aim for women to account for 10% of our managerial positions by the fiscal year ending March 31, 2025. With the help of Ms. Kobayashi, we implemented a support program for female leaders in 2019. We want to further strengthen environments and systems that encourage female employees to take on more-significant roles in the Company.

Kobayashi  In a variety of situations, I have met Mitsui’s female employees, and my impression is that they are all extremely capable. However, as I mentioned earlier, we should consider whether such talent is being fully used by the Company. Unfortunately, there are as yet no female employees who have been promoted in-house to director. Although the situation is improving steadily, promotion based on length of service remains. As a result, promotion to director inevitably takes a long time. For this reason, I believe it is worth considering a flexible approach to promotion that, regardless of gender, is not exclusively focused on length of service. Further, I have many opportunities to speak with mid-career female employees in frontline businesses. While I get the impression that up to a certain level female employees work in frontline businesses and work overseas, but when they rise above a certain rank in many instances they are assigned to non-business divisions.

I would like to see more female employees receiving promotions and playing important roles in business divisions. To earn promotion, however, irrespective of their gender, employees have to experience trials and produce results. In other words, the issue at hand for the Company and its managers is whether they are able to provide female employees with such opportunities. Given that the outstanding capabilities of female employees are evident, I urge the management team to think over whether they are prepared to entrust female employees with important tasks. I suspect that unconscious bias has come into play.

Rogers  On visits to business sites worldwide with Ms. Kobayashi, I have met many female employees who have earned promotion and are expanding their fields of activity in the Company. Unfortunately, however, the occasions when female employees explain proposals at meetings of the Board of Directors are rare. Even for female employees who have spent a certain amount of time at the Company, various personal events may leave them with no choice but to quit their jobs. Envisioning a future career is difficult for female employees because they have few role models. Nonetheless, I think the Company should establish systems with a certain flexibility that enable employees to adjust the timing of overseas assignments and return to Mitsui after career pauses.

More than one-quarter of Mitsui’s employees are women, and the number of female managers is increasing. The Company puts in order a system that facilitates female activities, and in that sense, it is ahead of its peers. Role models play an important part in empowering women. In addition, the Company...
needs a system that evaluates managers whereas their cultivation of diversity in organizations plays a part. There really are a lot of female high performers, and I hope frontline businesses can become as diverse as the Board of Directors has become.

**Fujisawa** In terms of providing opportunities, it may be the case that managers are unconsciously giving female employees insufficient support. I believe that making use of the capabilities of high performers by providing female employees with opportunities to accumulate experience and grow is the key to success in terms of the empowerment of women. We will reflect the opinions you have both stated in our human resource systems.

Let me add that the percentage of women among new graduate hires is increasing. Although broadening the in-house pool of female candidates for senior management positions will require a little more time, we will also broaden the pool of candidates through active mid-career recruitment.

**Global Talent**

**Fujisawa** Mitsui is engaged in a variety of businesses around the world. Since the establishment of the Company, we have been involved in the trading business, and present-day Mitsui has become deeply embedded in a range of regions and contributes to nation building. As our intention is to remain deeply involved in local businesses as well as nation building, we have been considering the best way to foster and assign global talent. Therefore, the Company needs to expand and enhance its global database in relation to employees.

**Fujisawa** As Ms. Rogers pointed out, at this moment the human resources & general affairs division is developing systems focused on global talent management. We are accelerating initiatives aimed at cultivating friendly rivalry among regionally hired staff and staff hired in Japan on a global basis so as to refine their abilities as well as add to their experience.

**Rogers** It is important for employees to deepen communication with their coworkers regardless of nationality, get to know each other, and cultivate a team spirit as Mitsui people. I would like the Company to continue programs in which regionally hired staff and staff hired in Japan are trained together. Further, the Company hires non-Japanese employees who are fluent in Japanese. However, communication will become even more lively if the Company fosters employees who are not only linguistically proficient but are also able to understand multiple cultures.

**Kobayashi** Putting fair career planning in place is needed to realize true friendly competition among regionally hired staff and staff hired in Japan. For this reason, the Company should establish an approach and culture of developing talent on an equal footing regardless of their nationality or the region they were hired in.

**Talent Development**

**Fujisawa** Talent development is indispensable for the Company’s sustained growth. Until now, we have developed employees mainly through on-the-job training that includes guidance from superiors and senior employees. While preserving such beneficial systems, in the coming era we must focus on fostering the capabilities of individuals. With this task in mind, in the fiscal year ended March 31, 2020, we discontinued an appraisal system that was based on organizations’ results and enhanced our system for evaluating the development of individuals. If Mitsui is to continue growing globally in a new era, on which aspects of talent development should it focus?

**Kobayashi** Considering that Mitsui has diverse talent working in regions around the world, I think that the Company should make it clearer to the leaders of frontline businesses that talent development is one of the very things among their important jobs. The senior management team needs to set out the development of the next generation of leaders as an important mission and to evaluate progress toward achievement of this mission.

**Rogers** I think it is also necessary to unify indicators for measuring the achievements of individuals. In Japanese companies, job descriptions tend to be unclear, making it difficult to measure the achievements of individuals. Therefore, the experience and evaluations required for promotion need to be made more explicit.

**Fujisawa** I agree that impartial, unified standards for evaluation are essential for the work in a globalized environment. Further, Ms. Kobayashi’s recommendations on how to proceed with training at frontline businesses will become ever more important as we develop an array of different businesses going forward. What is required to heighten awareness of talent development at frontline businesses?

**Kobayashi** It is important to develop a culture in which work is not something that employees are compelled to do but rather something that they tackle with a sense of ownership. Environments and innovative systems that inspire employees to venture further and conduct more research of their own volition are beneficial. Further, while some are interested in promotion, others are not. Consequently, multifaceted systems that allow many types of people to be evaluated and express themselves in a variety of ways are called for.

Also, the young generation who will join the Company are focused on finding interesting work that helps them grow rather than on salary. In light of these priorities, Mitsui has to show potential employees that it offers interesting work by establishing systems that empower individuals and support their ambitious initiatives.

**Rogers** As Ms. Kobayashi said, there exists room for reconsidering the system under which all employees are promoted in the same way and via the same routes. A system ought to be established that appropriately recognizes the professional status of employees who do not have subordinates but instead focus on honing their expertise. Such a system would enable specialists to work with vitality and contribute to the Company. Further, the mindset of supervisors is important. Supervisors should discuss with each subordinate his or her strengths and the types of work they are assigned to Japan is increasing, I think there is room for further improvement. Furthermore, the Company should increase opportunities for transfer among overseas offices so that employees can move from the United States to Europe or from Asia to the United States and so on. When it comes to non-Japanese employees working in Japan, understanding the language barrier becomes a factor not only for in-house communication but also for communication with customers. By contrast, given that English is the general language of communication globally, I believe the Company could facilitate transfers among overseas offices in a more flexible manner. In advancing transfers among overseas offices, however, accumulating information on the specializations and experience of employees is important. Therefore, the Company needs to expand and enhance its global database in relation to employees.

**Fujiwara** As Ms. Rogers pointed out, at this moment the general language of communication globally, I believe the Company could facilitate transfers among overseas offices in a more flexible manner. In advancing transfers among overseas offices, however, accumulating information on the specializations and experience of employees is important. Therefore, the Company needs to expand and enhance its global database in relation to employees.

**Fujisawa** At the overseas offices I have visited, even though the leader is Japanese there are many regionally hired staff who perform important functions in the businesses. On the other hand, I have never been to a preparatory briefing before a meeting of the Board of Directors at the head office conducted by a non-Japanese employee. While the number of cases of highly capable local hires being assigned to Japan is increasing, I think there is room for further improvement. Furthermore, the Company should increase opportunities for transfer among overseas offices so that employees can move from the United States to Europe or from Asia to the United States and so on. When it comes to non-Japanese employees working in Japan, understandability the language barrier becomes a factor not only for in-house communication but also for communication with customers. By contrast, given that English is the general language of communication globally, I believe the Company could facilitate transfers among overseas offices in a more flexible manner. In advancing transfers among overseas offices, however, accumulating information on the specializations and experience of employees is important. Therefore, the Company needs to expand and enhance its global database in relation to employees.

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Dialogue—‘Mitsui is People Going Forward’

Gate 1

Greater trust is developed between superiors and subordinates. Moreover, systems have to be established that recognize results rather than time spent. Further, working from home is gradually becoming accepted as normal. If this work style becomes more entrenched, female employees will be able to work with greater flexibility, which should make it easier for them to continue their careers. Also, employees’ work-life balance will improve. In addition, working from home could be more conducive to innovation.

Kobayashi Today, I visited the head office for the first time in a while, and face-to-face discussions have, if anything, felt novel. We have also been holding meetings of the Board of Directors online, and I have not found this to be an inconvenience. In a way, I feel closer to the other directors when I see them on screen than I do when seeing them across a table—participants’ reactions are easier to grasp. Another merit is that it is easier for overseas employees to take part in meetings.

Rogers As far as I am aware, among Japanese companies, Mitsui’s adaptation to working from home has been quite swift. As the Company was able to naturally transition to working from home without confusion, online meetings of the Board of Directors are being conducted in the same manner as offline meetings. At online meetings of the Board of Directors, participants ask questions and state opinions in a given order, and my impression is that the number of participants asking questions has increased, and discussions have become livelier. This has shown me some of the merits of online meetings.

Fujiwara The increased diversity of work styles will affect talent development. As a company, we will view these changes seriously and analyze which work styles are optimal for the growth of employees. I would like to thank you both for sharing a broad range of informative opinions with me today.

Gate 1

Continuous Value Creation

- From a whole perspective, there is no continuity between the former Mitsui & Co. and the present Mitsui & Co., and they are totally separate corporate entities.

Message from the Chairperson of the Sustainability Committee

With “build brighter futures, everywhere” as our corporate mission, we will aim to be a corporate group that continues to grow while working to resolve social issues.

Shinichiro Omachi
Representative Director, Senior Executive Managing Officer, Chief Strategy Officer (CSO), Chairperson of the Sustainability Committee

We identified Materiality (material management issues) that reflect international frameworks, such as the Sustainable Development Goals (SDGs) adopted by the United Nations for the year 2030, and the perspectives of a broad spectrum of stakeholders, as well as the impact on business corporations. The identified Materiality is namely, “Secure sustainable supply of essential products,” “Enhance quality of life,” “Create an eco-friendly society,” “Develop talent leading to value creation,” and “Build an organization with integrity.” These constitute the basis for conducting all of our business activities, and we are strengthening our sustainability management that aims to achieve sustainable development of both society and the Company.

The main theme for our Medium-term Management Plan 2023, which begins in the fiscal year ending March 31, 2021, is “Transform and Grow.” We are accelerating initiatives to address social issues through our business activities and have identified climate change, business and human rights, and a circular economy as key themes for the Company’s sustainability management. As for climate change, we have set a new goal, which is to achieve net-zero emissions by 2050, and as a milestone for such goal, to reduce GHG impact by 2030 to half of what it is in 2020. As one of the measures to realize such goal, we established the Energy Solutions Business Unit in April 2020 so as to accelerate its efforts, especially in the areas of next-generation electric power and new energy (hydrogen, biofuels, etc.) and enhance a cross-organizational approach in the area of infrastructure business such as next-generation mobilities.

In relation to business and human rights, we formulated a Human Rights Policy in August 2020 in order to clearly stipulate our groups position and approaches. Looking ahead, we will spread awareness of this policy at workplaces and put it into practice in our operations. Under the theme of circular economy, we will enhance related measures in our existing businesses and our approach toward new opportunities, while closely monitoring the external environment. People are the foundation of Mitsui & Co’s sustainability management. The entire Mitsui & Co. group has a shared awareness of the importance of integrity. As stated in the Mitsui & Co. Group Conduct Guidelines—“With Integrity,” going beyond simply following the established rules, we must act with conscience and dignity as business people, and we must think about our own words and actions from the perspective of integrity.

Amid rapid changes in megatrends that could impact our business, it has become harder to predict the future due to the spread of COVID-19 and its impact on the economy and society. As a corporation engaged in business on a global scale, we will flexibly respond to changes while taking initiatives to contribute to achieving a sustainable economy and society, and address global issues such as climate change. Mitsui & Co. will continue to pursue its corporate mission to “build brighter futures, everywhere.”

August 2020
Corporate Management Philosophy (Mission, Vision, Values)

**Mission**

**Build brighter futures, everywhere**

Realize a better tomorrow for earth and for people around the world.

**Vision**

**360° business innovators**

As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

**Values**

Our core values as challengers and innovators

**Seize the initiative**

We play a central role in driving transformation.

**Thrive on diversity**

We foster an open-minded culture and multiply our strengths to achieve excellence.

**Embrace growth**

We drive our collective growth by continuously growing as individuals.

**Act with integrity**

We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

Our Spirit Expressed through MVV

We established our first MVV in 2004. Since that time, change in the global environment has been both continuous and dramatic. Within the Company, our people have become more diverse, and our business front line has extended further around the world with the expansion of our Group companies.

So in this context we have to ask ourselves: Where are we heading? What values should underpin our day-to-day activities and our ongoing drive for innovation and new challenges? The revised MVV is the platform we can stand on to answer these questions.

**Mission**

Build brighter futures, everywhere

We aim to realize a better tomorrow, everywhere, from the most developed nations to those taking early steps toward nation building, with a foundation of a deep consideration of each country and its history. Our mission is to help realize a just and plentiful world, where the environment and its resources are sustained for generations to come and people look to the future with hope and aspiration.

**Vision**

360° business innovators

The driving force for everything we do is our people. We believe the power of individuals can create a thriving organization, and we are accelerating our evolution as a company playing a more central role in value creation and business development. We are a united group of individuals who consider every angle in the constant search for business transformation. This is who we are.

**Values**

Our core values as challengers and innovators

Everyone is different. This diversity provides the strength when we share the same values in our work, harnessing our individuality while coming together for a common purpose. We will embody our role as challengers and innovators by sharing core values.

Seize the initiative

Mitsui has a history of overcoming adversity—frequently finding new opportunities for growth amid upheavals in the business environment. The source of this resilience is a mentality that has no fear of continuous transformation. With curiosity and an inquiring spirit, we each play a leading role in our ongoing search for new challenges and the next innovation.

Embrace growth

Individual strengths. Individual desires. Individual dynamism. Without these unique characteristics in our people, every difficult challenge would be our last. Our personal challenge is to maintain professional skill, adapt readily to change and be committed to high-quality work. In this way, our personal growth feeds the growth of our team and our business.

Act with integrity

Our work must always be something we can look back on with pride. As an organization of professionals with integrity and a strong sense of social responsibility, our high aspirations must be tackled with humility and self-discipline, and with a strong sense of fairness in a complex, interwoven society. We must approach our customers and business partners with the respect that we ourselves hope to merit.
Megatrends and Business Environment

In addition to the growing importance of sustainability, the megatrends that may impact our businesses are changing by the moment. With an awareness of the internal and external environments of each Business Unit, we have identified the risks and opportunities facing our businesses and formulated strategies for sustainable growth accordingly. In this manner, we aim to not only achieve sustainable growth in corporate value but also contribute to the sustainable development of the environment and society as a whole.

Megatrends

- Change in demographic structure
- Widening gap in income between rich and poor
- Climate change, more frequent extreme weather
- Energy and water shortages
- Food security
- Growing needs for healthcare
- Rapid pace of urbanization
- Increase in and diversification of infrastructure need
- Diversification of consumer needs
- Changes in work style
- Further consideration for human rights
- Acceleration of digital technology
- Growing security risks and progress of society focused on information management
- Spread of infectious diseases
- Changes in supply chains
- Fragmentation of economy and society, less international cooperation

### Business Environment

#### Segments

- **Iron & Steel Products**
  - Slower growth in crude steel output worldwide
  - More sophisticated needs for materials for mobility applications
  - Acceleration toward a low-carbon society and a circular economy

- **Mineral & Metal Resources**
  - Evidence of climate change and growing needs to reduce environmental load

- **Energy**
  - Increase in importance of addressing climate change, acceleration toward a low-carbon society
  - Expanding demand for clean energy and renewable energy
  - Weaker demand for transportation fuel, risk of prolonged low prices for crude oil and gas

- **Machinery & Infrastructure**
  - Increase in core infrastructure demand and digital infrastructure demand
  - Shift to the 3Ds (decarbonization, decentralization, and digitalization)
  - Stronger demand for transportation and mobility infrastructure services
  - Acceleration of changes in industry structures from diversification of user needs

- **Chemicals**
  - Increase in importance of addressing climate change
  - Acceleration toward a circular economy
  - Acceleration of digital technology
  - Greater awareness of health, needs for high-value-added foods

- **Lifestyle**
  - Increase in sophistication and diversification of food consumption and consumer needs
  - Faster acceleration of digital technology
  - Structural changes in business due to climate change and technological innovation
  - Expansion in healthcare service gap in emerging countries, growth of medical value chain into wellness field

- **Innovation & Corporate Development**
  - Business development using digital data
  - Increasing needs for contactless services
  - Expansion in business related to digital infrastructure as data traffic increases
  - Increase in importance of addressing climate change

- **Overseas Regional Business Units**
  - Increase in importance of addressing climate change
  - Acceleration of digital technology

Materiality

As an industrial solution provider for sustainable social development, we identified issues that are of high importance to society and our stakeholders and that have a significant impact on our businesses. Materiality is the foundation from which we engage in all our business activities, by helping to identify risks and opportunities in our business strategies from a medium- to long-term perspective.

### Identification and Review of Materiality

#### Megatrends That Mitsui Envisions

- **International Consensus**
  - United Nations Global Compact
  - Sustainable Development Goals (SDGs)
  - OECD Guidelines for Multinational Enterprises
  - Universal Declaration of Human Rights
  - U.N. Declaration on Fundamental Principles and Rights at Work
  - Guiding Principles on Business and Human Rights
  - ISO 26000
  - GRI Standards

#### Social and stakeholder engagement

- For details on the process of revising our Materiality, please see Sustainability Report 2020.

### Mitsui and the SDGs

As a general trading company, the Mitsui Group conducts a diverse range of business across nations and regions. We believe that this allows us to make a wide-ranging contribution to the achievement of all the 17 goals set out under the SDGs. In resolving the issues facing industries and society, Mitsui believes in the importance of cooperating with various stakeholders, including its business partners, customers, local communities, NPOs, and NGOs. With this belief, we promote initiatives that embody the essence of Goal 17 of the SDGs, "Partnerships for the Goals."

**MITSUI & CO. LTD. Integrated Report 2020**
## Mitsui & Co.'s Materiality

### Secure sustainable supply of essential products
- Population growth and expanding demand for resources, energy, raw materials, food, manufactured products, etc., leading to environmental degradation.
- Improvement of production and supply capacity to respond to climate change.
- Maintenance and security of food and manufactured products.

### Enhance quality of life
- Infrastructure development in developing and emerging countries.
- Aging infrastructure in developed countries.
- Health maintenance, promotion of health care, nursing, and welfare services.
- Consideration for indigenous peoples in relation to resource development and other activities.
- Expanding responsibility and increasing importance towards consideration for human rights in supply chains and labor practices.

### Create an eco-friendly society
- Global warming, climate change.
- Water resource shortages.
- Circular economy.
- Environmental pollution.
- Loss of biodiversity.

### Develop talent leading to value creation
- Innovation platforms.
- Diversity & inclusion.
- Improvement on creativity through work style innovation and career development for diverse human resources.

### Build an organization with integrity
- Raising integrity awareness, including promoting compliance among all officers and employees.
- Strengthening of corporate governance and internal control.
- Compliance violations, including anti-competitive actions, conflict of interest, and bribery, resulting from a lack of integrity awareness among officers and employees.
- Business stagnation, scandals, and other situations resulting from dysfunctional corporate governance and internal control, leading to a failure to take appropriate management decisions, and the loss of stakeholder confidence as a consequence of such situations.
- Information security problems.
- Loss of customers and damage to corporate reputation resulting from the suspension of important business processes in the event of natural disasters, terrorist attacks, epidemics, or other contingencies.

### Opportunities
- Improvement of production and supply capacity through responding to the effects of climate change, COVID-19, etc.
- Enhancement of competitiveness through the establishment of transparency and responsible marketing leading to demand expansion.
- Establishment and enhancement of the compliance framework and provision of compliance education training to further ensure the compliance awareness of our employees.
- Improve communication and foster a ‘speak-up’ culture.
- Build a corporate governance structure that focuses on improving transparency and accountability, as well as one that clarifies the division of roles between management and business execution.
- Identify material risks while considering the frequency, impact and tolerance of risks, from a Companywide view of all encompassing risks.
- Advance initiatives to hedge against and control risks.

Please see Sustainability Report 2020 for details on our initiatives and targets.
Mitsui’s Collective Impact
Mitsui’s Reason for Being, Value Creation

Our pool of diverse professionals actively leverages the Group’s comprehensive strengths and networks while drawing on common goals together with our various stakeholders, including our clients, partners, and local communities, to create new businesses which help solve issues directly faced by society and industry. This approach to business, where Mitsui grows while contributing to the sustainable development of society, has been in our DNA since our founding.

CASE
Cameron LNG Project in the U.S.

Mitsui participates in the Cameron LNG project, which produces and sells LNG in Louisiana in the U.S. Production commenced on all three trains of the project in May 2020. Mitsui has secured long-term access to four million tons of LNG annually, some of which will be transported on its own LNG tankers, for sale on the global market.

The Cameron project is a prime example of how Mitsui combines the comprehensive strength of its many businesses, including the LNG business, infrastructure projects business and ship business, to formulate a collective impact on value creation for the economy, society and the environment, while engaging with stakeholders such as partners, host countries and customers.

Having defined ‘secure a sustainable supply of essential products’ as a material issue (Materiality), Mitsui will contribute to the reliable supply of energy for Japan and the world by supplying LNG produced from the Cameron project, which has a relatively low environmental impact.

Creating industrial value, both quantitatively and qualitatively, which far exceeds that of Mitsui acting on its own
Track Record of Challenge & Innovation (Core Businesses)

Mineral & Metal Resources

1963 Participated in the development of the Moura coal mine in Australia (currently the Dawson coal mine)
1965 Participated in the Robe River iron ore mine in Australia
1966 Concluded long-term purchase agreement on iron ore from Mount Newman in Australia
1967 Established an iron ore joint venture business with BHP in Australia
1970 Established Mitsui Iron Ore Development (MIOD) in Australia (Robe River iron ore joint venture)
1996 Participated in Collahuasi copper mine in Chile
2002 Participated in Coral Bay nickel mine in the Philippines
2003 Participated in Vale SA, the Brazilian diversified resource development company
2007 Participated in Sims Metal Management Limited, a metal and electronics recycler in Australia
2010 Participated in Caserones copper mine and molybdenum mineral deposit development project in Chile
2012 Sealed a strategic alliance with Corporacion Nacional del Cabo de Chile and jointly participated in Anglo American S.A.
2013 Acquired interest in the Jimblebar iron ore mine in Western Australia
2015 Completed second phase of expansion of Robe River X mine and port
2017 Participated in Moatize coal mine and the Nacala rail and port infrastructure project in Mozambique
2018 Decided to develop South Flank iron ore mine in Australia as well as new iron ore deposits through Robe River IV
2019 Acquired interest in Grosvenor coal mine in Australia

Energy

1969 Established Mitsui Oil Exploration Co., Ltd.
1971 Signed a basic contract for the development of an LNG facility on Das Island in Abu Dhabi
1985 Participated in Western Australia LNG project
1989 Participated in Qatar LNG project
1994 Signed development contracts for the Sakhalin II petroleum and natural gas projects
2008 Acquired partial interest in Mozambique’s Area 1 project
2010 Acquired working interest in shale gas in the Marcellus area in the U.S.
2010 Discovered world-class gas field in Mozambique’s Area 1 project
2011 Acquired working interest in shale oil in Eagle Ford area in the U.S.
2013 Acquired interest in Tempra Rossa onshore oil field in Italy
2016 Entered into natural gas liquefaction tolling agreement and joint venture agreement for the Cameron LNG project in the U.S.
2016 Acquired working interest in Kipper gas and condensate field in Australia
2017 Made final investment decision for Greater Enfield oil field development project in Australia
2018 Acquired AWE Limited, an oil and gas company in Australia
2019 Made final investment decision for the Mozambique LNG project
2020 Committed production at Tempra Rossa oil field in Italy

Machinery & Infrastructure

1960s Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals
1994 Established PT. PAITON ENERGY, an electric power company in Indonesia
2001 Participated in Penske Automotive Group, a major automobile retailer in the U.S.
2004 Jointly acquired 1.3 power generating assets with International Power (currently ENGIE)
2005 Commenced charter for first FPSO
2006 Acquired gas distribution business in Brazil
2007 Invested in Thai Tap Water Supply Public Company Limited, a water supply company in Thailand
2014 Invested in cogeneration power projects in Thailand
2016 Signed time charter parties for LNG ships for the Cameron LNG project
2017 Acquired shares in Petrobras Gás S.A. in Brazil, thereby expanding the gas distribution business in the country
2019 Participated in Penske Truck Leasing, Co., L.P., one of the largest truck leasing firms in the U.S.
2018 Sold interest in First Hydro, a pumped-storage power generation business in the U.K.
2019 Decided to move forward with gas-fired power plant project in Chonburi, Thailand
2019 Invested in second major gas-fired power plant in Rayong, Thailand

Chemicals

1960s Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals
1972 Established Intercontinental Terminals Company LLC, a chemical tank terminal business in the U.S.
2004 Commenced commercial production of methanol at International Methanol Company in Saudi Arabia
2006 Invested in Onslow salt field in Western Australia
2015 Launched chemical tank terminal business at the Port of Antwerp in Europe
2015 Commenced commercial production of methanol at Fairway Methanol LLC in the U.S.
2016 Invested in Hexagon Composites ASA, a Norwegian CRFP pressure tank manufacturer
2017 Participated in ETG Group Limited, which trades in agricultural products and sells agricultural supplies, mainly in East Africa and Indian Ocean Rim regions
2018 Acquired Latitude® wheat seed treatment fungicide business assets from Monsanto Company in the U.S.
2018 Invested in coating manufacturing and sales business in Europe
2019 Participated in Adelco, a Mexican agricultural supply company
2019 Participated in Ouro Fino Quimica Ltd., an agrochemical sales company in Brazil, and Beltrim Crop Protection NV/SA, an agrochemical sales company in Europe
Track Record of Challenge & Innovation (Strategic Focus)

1994 签署与Sakhalin II项目的开发合同
2013 进入与Shelley Bussan Kaisha的联合开发协议
2014 投资于LanzaTech，该公司开发先进燃料
2016 投资于Hexagon Composites AS，一家挪威CFRPPressure Tank制造商
2017 收购一个全球多元化燃料业务
2018 投资于Yushan Energy Taiwan Co., Ltd.，一家由中国合作伙伴Parkway Group运营的购物中心和火车站商业
2019 决定投资决策
2019 莫桑比克LNG项目
2019 决定投资决策
2020 决定投资决策

Energy Solutions

1976 建立AIM Services Co., Ltd.，与主要日本食品服务公司ARA
2007 形成资本和业务联盟
2008 与Sogo Medical Co., Ltd.合作
2010 参与制药开发
2011 莫桑比克和印度尼西亚LNG项目
2012 参与一家在中国的项目，生产乙醇
2012 参与项目开发和经营一个集装箱终端
2013 参与一项项目，开发和经营一个渡轮
2014 参与一项项目，建造和经营一个桥梁
2015 加入合同，建立和经营一个机场
2016 建立Innovation Holdings
2017 参与建立一家公司
2018 参与建立一家公司
2019 发展
2020 参与建立一家公司

Healthcare Nutrition

1984 向日本提供原材料支持
1994 参与在泰国的出口
2000–2010拓展
2011–2020拓展

Market Asia

1960s 为日本汽车生产商建立技术
1994 参与在泰国的出口
1997 建立PT. Bussan Auto Finance
2011 在印度尼西亚建立最大私营医院
2013 参与一项项目
2014 参与一项项目
2015 参与一项项目
2016 参与一项项目
2017 参与一项项目
2018 参与一项项目
2019 参与一项项目
2020 参与一项项目

Enhance quality of life

1960s 支持日本汽车制造商
1994 参与在泰国的出口
1997 建立PT. Bussan Auto Finance
2011 在印度尼西亚建立最大私营医院
2013 参与一项项目
2014 参与一项项目
2015 参与一项项目
2016 参与一项项目
2017 参与一项项目
2018 参与一项项目
2019 参与一项项目
2020 参与一项项目

Create an eco-friendly society

2011–2020拓展
2015 建立
2016 建立
2017 建立
2018 建立
2019 建立
2020 建立

History of Mitsui

1950s

1960–1970s

1980–1990s

2000–
A Business Model That Maximizes Our Comprehensive Strength

Through our original business of trading, Mitsui has cultivated expansive networks comprising a wide range of clients and has leveraged these networks to carry out business investments. Mitsui gets involved in management of the projects in which we have invested in an effort to enhance their value. In turn, these projects help Mitsui further promote our trading business and expand our networks. Through the repetition of this cycle, Mitsui has developed our current business structure.

Our pool of diverse professionals work to combine the sophisticated product expertise that each business unit possesses with our regional expertise, which is supported by local employees who are active in regions around the world, and various functional expertise as a general trading company. In this way, these professionals are leveraging our long cultivated client base and networks to create new business models and pursue new projects.

Mitsui's Business Portfolio
- Trading
- Business management / Business development

Mitsui's Forte in Six Functions
1. Marketing: Create new markets by drawing on sales capabilities developed through extensive experience aligned with various business practices as well as our powerful information gathering and analysis expertise
2. Logistics: Provide optimal logistics solutions in both transportation and cost efficiency
3. Finance: Offer and advise on various financial functions, from fund procurement and financial structuring to trade finance
4. Risk management: Propose risk reduction and control by utilizing know-how accumulated over many years
5. Management: Create competitive businesses by maximizing comprehensive strengths and application of management resources. Realize sustained value improvement
6. Digital transformation: Optimize business processes and revolutionize business models by utilizing AI and IoT

Mitsui seeks to improve the value of businesses that were created from its comprehensive strength, by thoroughly fortifying them and pursuing synergies with other businesses. We review our entire portfolio for areas where value can be improved with better strategies and by leveraging the Company's functions. We examine whether business value is approaching a peak, and will move to sell the business if that leads to a higher-quality portfolio and greater value. By repeating this process, we create a cycle of portfolio improvement and value creation.

The diverse range of products that general trading companies handle—born to be diversified
As a general trading company, Mitsui's bread-and-butter business has always been trading. To leverage the superior trading functions that we possess to the fullest, Mitsui has naturally formed a business structure for handling an extensive lineup of products through a wide variety of outlets. Our traditional core competencies have been trading activities that link product demand with product supply and the extensive network of clients we have acquired through these trading activities. Additionally, these competencies have included the judgment capabilities, keen awareness, and appropriate conduct of our employees, who have helped us maintain and expand our network.
Portfolio Management and Financial Strategy

Diverse Business Portfolio Resilient to Downward Pressure
Mitsui has carried out business investments by leveraging the experience and client base it has amassed through trading in a wide range of industries. Mitsui aims to further enhance the value of its investments by leveraging its business management capabilities and comprehensive strengths. At the same time, Mitsui has continuously replaced its business assets while always keeping an eye on the future. Formed as a result of these efforts, our diverse business portfolio has been able to generate strong cash flows in a challenging business environment under the COVID-19 pandemic.

Operating cash flow for the fiscal year ended March 31, 2020 (above) is calculated by additionally deducting the repayments of lease liabilities.

Core Operating Cash Flow

- Core operating cash flow (left scale): Core operating cash flow from changes in working capital
- Core operating cash flow (right scale): Core operating cash flow for the fiscal year ended March 31, 2020 (above) is calculated by additionally deducting the repayments of lease liabilities.

Basic Approach to Financial Strategy
We aim to ensure liquidity and maintain a healthy financial position.

- Maintaining a sufficient amount of liquidity to cover the repayment of interest-bearing debt
  - Keep enough liquidity, mainly cash in hand, to cover approximately two years of repayments
  - Hold necessary liquidity on our balance sheet even in emergency situations, including the drying up of market liquidity

- Steadily procure funds over the long term in accordance with asset liquidity
  - Ensure refinancing risks are minimized
  - Utilize government financial agencies and project finance for large-scale projects in developing countries

- Maximizing funding efficiency throughout our consolidated Group
  - Create an in-house banking process in which funding can be procured and surplus deployed efficiently in each region according to need
  - Effectively leverage liquidity and lines of credit

Balance sheet (As of March 31, 2020)

- Current assets 4.1
- Non-current assets 7.7
- Other liabilities 2.8
- Interest-bearing debt 4.9
- Shareholders’ equity 3.8
- Non-controlling interests 0.3

Core Areas 96%

- Core Areas 96%
- Others 14%

Core Operating Cash Flow

- Core operating cash flow: ¥561.0 billion
- Others: ¥561.0 billion

Basic philosophy of portfolio management
- Strengthening earnings bases of existing businesses and leveraging economies of scale
- Generat ing inter-business synergies through strategic positioning in the value chain
- Acquiring new function platforms
- Expanding into new business fields and taking on the challenge of creating innovative new business models

Practicing Disciplined Portfolio Management and Maintaining a Stable Financial Base
By practicing disciplined portfolio management, Mitsui has strategically allocated our limited capital to areas that are of importance to the Group, to further strengthen our business portfolio with the aim of sustainable growth and social development.

In addition, our basic financial policy is to maintain liquidity and a stable financial base to support our diverse business portfolio as well as our growth strategies.

Establishment of a strategy for the overall portfolio of Mitsui
Specify priority areas and areas of focus, new target areas, and areas that need to be reviewed, in view of the overall strategy of Mitsui, the individual strategies of business units, market trends and macro analyses, and the allocation of its management resources.

Establishment of investment and finance policies
Establish important policies relating to the management of the overall portfolio of Mitsui such as guidelines for investment and finance limits, the design of a consolidated capital cost structure, etc.

Regular monitoring of Mitsui’s overall portfolio
Review regularly to confirm the significance of all business holdings, in addition to confirming the appropriateness of asset size in accordance with each business area and country.

Withdrawal standard cutoffs include risk-return ratio, core operating cash flows, incidence indicators, and other parameters by standards as well as qualitative standards.

The Portfolio Management Committee’s Role and Yearly Cycle of Portfolio Management

- Conform business strategies, investment plans, project priorities, and cash flow projections of each business unit
- Approve and implement concrete measures for improving business quality and recycling assets
- Evaluate results over the year and determine issues to be addressed in the following year
- Throughout fiscal year
- Throughout fiscal year
- Through fiscal year
- Throughout fiscal year
- Fiscal year-end
- Mid-fiscal year
- Start of fiscal year
- Confirm purpose of all investments
- Determine turnaround plans or exit policies for unprofitable businesses and businesses falling below withdrawal standard cutoffs
- Estimate market value of businesses and determine emergency liquidation priorities
- Follow-up on the progress of the business plan

Review regularly to confirm the significance of all business holdings, in addition to confirming the appropriateness of asset size in accordance with each business area and country.

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Review regularly to confirm the significance of all business holdings, in addition to confirming the appropriateness of asset size in accordance with each business area and country.

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In 2014, Mitsui introduced a framework for cash flow allocation. The purpose of this framework is to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation by making a balanced allocation of cash, gained from operating cash flow and asset recycling, to both growth investments and shareholder returns. For all of the indicators we focus on when considering financial strategy, our policy is to maintain appropriate levels based on our cash flow allocation framework.

Concomitant with the shift in business composition from trading to investment, our investment assets and fixed assets have been increasing. When business investments of fixed assets that are relatively high risk or take longer to generate returns, leverage needs to be reduced, and we have in fact deleveraged significantly compared to historic levels.

When we compare our non-current assets, which are relatively high risk, and the equity that ultimately absorbs this risk, we see that there has continued to be gradual improvements. The gap between non-current assets and equity is mainly funded by interest-bearing debt, and if this expands, it reduces financial stability.

In addition to the risk amount carried by assets on the balance sheet, we assess and periodically monitor the amount of off-balance-sheet risk, such as market risk and guarantees, using a set standard. Our risk exposure is being held within a range of about 60%–70% of our shareholders’ equity, and we periodically stress test our risk assets for various scenarios, verifying the impact on the risk assets to shareholders’ equity ratio.

In accordance with the Specified Designated Business Management System, separate discussions are held, when necessary, regarding business domains with high qualitative risks pertaining to ESG and other factors.

**Project Incubation**
Mitsui develops existing businesses by leveraging the networks and insights gained through partnerships and customer relationships in various industries and regions while seeking out and advancing new projects with the potential to become promising businesses in a similar manner.

**Analysis, Evaluation, and Deliberation**
Investment decisions are made based on analysis of qualitative factors as well as the required profitability ratio and other quantitative standards. Moreover, a variety of factors are evaluated in making decisions, including the ability to execute business plans, Mitsui’s functions to be utilized, probability of increasing values, conditions of contracts with other related parties, risk analysis and management measures (including ESG-related risks), value of the business, period of project execution, and internal control effectiveness. Investment candidates are screened and final decisions are made after deliberations by relevant committees.

- Verify assumptions, including strategic viability, ability to execute business plans, commodity prices, costs, foreign exchange rates and interest rates.
- Deliberations by committees on investment, loan, and guarantee amounts

**Business Operation and Management**
Mitsui plays a direct role in operating businesses and managing companies in order to boost their competitiveness and value. Mitsui’s functions are utilized to this extent by appointing professionals who are highly specialized in the respective business area, dispatching our diverse group of professionals, and pursuing close coordination between Mitsui and individual businesses. Furthermore, inter-business collaboration is promoted to help Mitsui explore new markets and business models. Our aim is to continuously improve the efficiency of invested capital by utilizing ROIC (return on invested capital) as an internal management indicator, in addition to profits and cash flows.

**Project Development**
Energy-related and infrastructure development projects are advanced together with partners. By carefully monitoring project progress and flexibly responding to unforeseen circumstances, projects are completed within the planned budgets and timeframes.

**Final Investment Decision and Execution**
Investments are decided and executed once it has been determined that they meet internal approval standards and that contractual obligations have been fulfilled.

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1. Quantitative standards considered include consolidated internal rate of return, ratios of capital investments and loans outstanding to guarantees, and venture risk. The venture risk is the ratio between the amount of risk assets associated with a specific project and the project’s profitability ratio. Risk assets refer to the maximum amount of anticipated loss on opened swap transactions and investments, assets such as property and off-balance-sheet positions such as facility on guarantee.

2. For more information on the internal carbon pricing system, please refer to page 45.
Sustainability Management—Tackling Climate Change through Our Businesses

With the adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement by the United Nations, companies’ measures to address climate change are becoming important for the sustainability of society. Mitsui has identified ‘Secure sustainable supply of essential products,’ ‘Enhance quality of life,’ and ‘Create an eco-friendly society’ as components of its Materiality. Accordingly, our global business activities will both contribute to the development of economies and societies in a variety of countries and regions worldwide and help address climate change and other global issues. We believe that a favorable long-term balance between economic and social contributions is essential to realizing a sustainable growth strategy.

Also, in December 2018 the Company declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). Pursuant to the TCFD recommendations, we will advance relevant disclosure further.

## Strategy

### Pursue Economic, Social, and Environmental Value in a Balanced Manner

We view the varied risks and opportunities related to climate change as important factors that we must take into consideration when building business strategies. We have formulated Medium-term Management Plan 2023 in light of scenario analysis (→ page 48) conducted in the fiscal year ended March 31, 2020.

### Major Risks and Opportunities Related to Climate Change

Mitsui conducts a wide range of businesses in many different countries and regions. We believe the potential impact of climate change on our business follows.

#### Risks

- **Economic**
  - Change in the cost of energy and fuel for production, sale, and transportation
  - Change in demand for raw materials due to changes in consumption and production patterns, changes in industrial structure, and environmental restrictions
  - Change in government regulations impacting our operations
  - Change in the cost of raw materials and energy used in production processes

- **Environmental**
  - Change in the availability and price of energy and raw materials
  - Change in the cost of waste treatment and resource recycling

- **Social**
  - Change in the social conditions surrounding DG production, including regulations and social norms

#### Opportunities

- **Economic**
  - Change in demand for new technologies and new markets

- **Environmental**
  - Potential for new businesses and new markets

- **Social**
  - Regulatory changes leading to new industries

Further, for each of our business fields we have analyzed the internal and external environment and identified risks and opportunities.

### GHG-Related Initiatives

Mitsui has been conducting GHG emission surveys in Japan since the fiscal year ended March 31, 2003, and overseas since the fiscal year ended March 31, 2009. Previously, we disclosed Scope 1 or Scope 2 emissions only. As of fiscal year ended March 31, 2020, we disclosed the Scope 3, Category 15 indirect GHG emissions of investment based energy businesses, investment based mineral and metal resources businesses, and investment based thermal power generation businesses that do not fall under the classification of either Scope 1 or Scope 2, and we disclosed the Scope 1 and Scope 2 GHG emissions of the businesses of affiliated companies in all business fields. We have extended the scope of disclosure to reflect our corporate strategy, which entails continuously reforming our portfolio with a focus on resilience to risks arising from climate change and utilizing our wide-ranging business development to take on opportunities flexibly.

In the fiscal year ended March 31, 2020, GHG emissions from the Head Office, Company offices and branches, and domestic and overseas subsidiaries were 0.75 million tons. Further, GHG emissions from unincorporated joint ventures in the metal resources and energy sectors totaled 3.07 million tons. As a result, total GHG emissions were 3.82 million tons. In addition, Scope 3, Category 15 indirect GHG emissions accompanying investments amounted to 32 million tons.

For more information on our environmental data, please refer to Sustainability Report 2020.
**Sustainability Management—Tackling Climate Change through Our Businesses**

**Management Foundation**

**Risk Management and Governance Concerning Climate Change**

**ESG Due Diligence Checklists and the Specially Designated Business Management System**

Decisions are made on the selection of new businesses and on whether or not to implement new businesses following evaluations at respective committees based on quantitative standards such as profitability and on qualitative evaluations. As part of these evaluation efforts, respective business divisions conduct environmental, social, and governance (ESG) impact assessments using ESG due diligence checklists that, with reference to international standards, summarize environmental and social risks for each business division. Factors covered by these assessments include climate change, pollution prevention, ecosystems, water stress, and human rights.

Upon completion of these evaluations, businesses that have high qualitative risks in relation to climate change and other ESG factors are classified as ‘specially designated businesses’ and advanced in compliance with the Specially Designated Business Management System. As required, recommendations on whether or not to proceed with potential new businesses and recommendations on optimizing the quality of potential new businesses are sought from the Sustainability Committee, the Environmental & Societal Advisory Committee, and other bodies. Whether or not to proceed with potential new businesses is determined through deliberations that consider whether or not new businesses meet certain quantitative and qualitative standards and which are held at meetings of the Board of Directors, the Corporate Management Committee, and the Council of Investment and Finance Proposals, which supervise ESG risk.

**Business Domains Subject to Specially Designated Business Management System**

<table>
<thead>
<tr>
<th>Business Domain</th>
<th>Key Factors for Sourcing</th>
<th>Applicable to All Business Domain</th>
<th>Factors to be Considered</th>
<th>Specially Designated Business Management System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment-related business</td>
<td>Business that has a large impact on the environment</td>
<td>Environmental factors such as climate change, biodiversity, and water risk</td>
<td>Measures to mitigate environmental risk</td>
<td>Identification of businesses that meet qualitative thresholds based on climate change and biodiversity risk factors.</td>
</tr>
<tr>
<td>Medical and healthcare-related business</td>
<td>Medical research related to climate change issues</td>
<td>Medical and healthcare-related research</td>
<td>Measures related to the environment and society</td>
<td>Identification of businesses that meet qualitative thresholds based on medical and healthcare-related research.</td>
</tr>
<tr>
<td>Social responsibility-related business</td>
<td>Social responsibility factors such as human rights and social impacts</td>
<td>Social responsibility factors</td>
<td>Measures related to human rights and social impacts</td>
<td>Identification of businesses that meet qualitative thresholds based on social responsibility factors.</td>
</tr>
</tbody>
</table>

**CASE: Mitsui’s Forests**

We own forests in 74 locations that cover a total of approximately 44,000 hectares, which is approximately 0.1% of Japan’s total land area. Over many years, we have maintained and managed our forests, which have an estimated public value of approximately ¥200.0 billion.1 In addition, all of our forests have obtained the FSC®-certification (FSC®-C057355) and SGEF-certification, which are both international standards of sustainable forestry management. These certifications ensure that our forests are managed responsibly and sustainably, contributing to the preservation of biodiversity and the maintenance of ecosystem services. 

**Governance in Support of Climate Change Countermeasures**

To create an organization that operates under the Corporate Management Committee, in May 2017 we established the Sustainability Committee, which comprises directors, executive officers, and the general managers of each relevant corporate division. With a view to advancing management based on an awareness of the sustainability of society and the Company, the Sustainability Committee offers recommendations on business policies and business activities from the viewpoint of sustainability. These activities include the formulation of basic policies for sustainability management. Furthermore, with the aim of realizing measures in response to sustainability issues, we have established the Environmental & Societal Advisory Committee as an advisory body to the Sustainability Committee. Mitsui mainly appoints to the former committee external experts who provide a wide range of insight on climate change, policies on water, energy, and other environmental matters; trends in technology; and human rights.

Details of the discussions at meetings of the Sustainability Committee are periodically reported to the Corporate Management Committee and the Board of Directors and utilized in decisions on the Company’s management policies. Further, meetings of the Board of Directors discuss overall sustainability, including the progress of climate change countermeasures. In the fiscal year ended March 31, 2020, out of a total of 70 proposals and reports submitted to and discussed by the Board of Directors, 25 related to sustainability and governance (→ page 103).

**Initiatives of the Sustainability Committee to Date**

- **FY2018**
  - Deliberations on key priorities established in relation to sustainability
  - Discussion on the carbon pricing system

- **FY2019**
  - Deliberations on enhanced disclosures of non-financial information
  - Discussion on external environment in relation to climate change

- **FY2020**
  - Deliberations on key priorities established in relation to sustainability
  - Discussion on the carbon pricing system

**For details on the initiatives of the Sustainability Committee, please see our sustainability reports.**

**Environmental & Societal Advisory Committee**

Aiming to realize measures in response to sustainability-related issues, Mitsui has established the Environmental & Societal Advisory Committee as an advisory body to the Sustainability Committee. Mainly comprising external experts who provide a wide range of insight on climate change, policies on water, energy, and other environmental matters; trends in technology; and human rights, the advisory committee evaluates risks in relation to each of these themes and provides recommendations on improving the quality of business projects.

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1. This was calculated based on the total estimated CO2 absorption by the forests. The calculation was conducted based on the following equation: [(Forest area in hectares) x 1.11 t CO2/ha] x 1.11 t CO2/ha.

2. This was calculated through the use of the Tier 2 approach in Chapter 4, "Forest Land of Z5" from the 2018 IPS Guidelines on National Greenhouse Gas Inventories. The calculation method has been changed from the previous calculation method based on the Tier 1 approach of the 2006 IPS Guidelines to a calculation method based on the aforementioned Tier 2 approach in order to refine calculations from the fiscal year ending March 31, 2021, onward.
### CASE  Business Impact Assessments Associated with Transition Risks (Scenario Analysis)

We have selected business fields considered to possess significant financial and non-financial impacts related to transition risks, used multiple climate change scenarios to carry out impact assessments for each business, and investigated countermeasures based on the results.

(1) **Business Fields Selected for Scenario Analysis in the Fiscal Year Ended March 31, 2020**

Taking into consideration the GHG emissions of entire supply chains, we selected the following business fields.

- Oil and gas development businesses and LNG businesses (Energy Segment)
- Coal businesses (Mineral & Metal Resources Segment)
- Thermal power generation businesses (Machinery & Infrastructure Segment)

(2) **Selected Scenarios**

- New Policies Scenario (NPS): Scenario based on the GHG reduction target submitted to the United Nations by respective countries
- Sustainable Development Scenario (SDS): Scenario needed to uphold the Paris Agreement, which seeks to keep global warming within 2.0°C of the pre-Industrial Revolution level

(3) **Analysis Results**

<table>
<thead>
<tr>
<th>Evaluation of the Impact on Existing Businesses</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas development businesses and LNG businesses</td>
<td>With reference to short-term market levels and the outlooks of multiple third-party organizations, Brent Crude is expected to trend between $30 and $80 per barrel in the medium to long term. Even under the SDS, which is a more conservative scenario than the NPS, the Company’s highly cost-competitive assets are expected to maintain their advantages to a certain extent. While the energy industry faces the dual challenges of the need to realize increased volume and improved quality, renewable energy is expanding steadily. Meanwhile, fossil fuel will remain an indispensable energy source for the time being. We will strengthen the cost competitiveness of new business projects while considering the carbon costs. At the same time, we will focus our efforts on gas and LNG projects, which have comparatively low environmental burdens.</td>
</tr>
<tr>
<td>Coal businesses</td>
<td>The SDS is premised on further spread of the Electrical Arc Furnace method and on substitutes for coking coal being realized through innovative steel technologies, which have yet to be established. Ongoing verification of the possibility of realizing new steel technologies and of their impact is required. We will pay close attention to trends in new technologies and to progress in relation to the Electrical Arc Furnace method and the policies of respective countries. At the same time, over the medium to long term a steady increase in demand for high-quality coking coal centered on India and Southeast Asia is expected. While providing stable supplies to customers, we will strengthen our competitiveness.</td>
</tr>
<tr>
<td>Thermal power generation businesses</td>
<td>Even based on the SDS, the impact on existing businesses will be limited as long-term power purchase agreements—in which a consideration is paid for generation capacity rather than for generation volume—are the majority. In stages, we intend to lower coal-fired thermal power as a percentage of our equity share of power generation capacity and increase the percentage of renewable energy, including hydropower, to 30% by 2030.</td>
</tr>
</tbody>
</table>

### CASE  Major Physical Risks and Countermeasures

Under the NPS scenario, the physical risks would be relatively higher because the target agreed under the Paris Agreement to keep global warming within 2.0°C of the pre-Industrial Revolution level would not be met. Mitsui has carried out a survey of the impact of physical risks over the past five years on important investment assets, as well as an analysis based on the RCP (Representative Concentration Pathway) used by the IPCC (Intergovernmental Panel on Climate Change).

The major physical risks facing assets owned by Mitsui include the potential for localized storms, particularly strong tropical hurricanes and cyclones arising in the Atlantic and South Pacific, to cause negative impacts on operations in our mineral and metal resources projects. Furthermore, in cases of severe damage to production plants or facilities or infrastructure, such as the roads, railways and ports used for shipments, there is a risk that production or shipments could be suspended for long periods until these facilities are restored. On top of Mitsui’s own investments, in cases when Mitsui suppliers suffered significant damage, there is the risk of the overall supply chain failing, including failures to receive supplies of raw materials. Mitsui implements measures such as taking out insurance coverage, establishing crisis management policies, and upgrading facilities as necessary. Furthermore, we are also considering the establishment of a system to assess whether each of these measures is being appropriately arranged.
In the Mitsui & Co. Group, employees who come from a wide variety of backgrounds in terms of nationality, gender, values, and other attributes play active roles globally. We implement “diversity management,” under which each and every member of our diverse human resources recognizes and respects each other, inspires each other to exert their capabilities to the fullest, brings new value to our business, and creates innovation. This allows us to enhance the competitiveness of the Mitsui & Co. Global Group.

**The Development of Global Talent**

As we conduct businesses that are deeply rooted in countries and regions, we are concentrating efforts on empowering global talent, including regionally hired staff. As part of these efforts, we are not only providing such personnel with opportunities to work at our head office in Japan, we are also actively encouraging transfers among overseas operating bases, including those of affiliated companies. As a result, we are appointing an increasing number of regionally hired staff to general manager positions. Further, with a view to fostering leaders capable of forging ahead decisively with reform, we are conducting the Change Leader Program. This program selects regionally hired staff and supports their development by providing opportunities to converse directly with members of the senior management team.

**Empowerment of Women**

Mitsui has numerous female employees, who work in a wide variety of business domains. Aiming to “Thrive on Diversity” and accelerate business creation, we want women to account for 10% of our managers by the fiscal year ending March 31, 2023. As of July 2020, 7.4% of Mitsui & Co. managers are women. With the aforementioned target in mind, we have established Women Leadership Initiatives, which are steadily fostering the next generation of female leaders and creating a range of various roles models for female leaders. Also through this initiative, we provide female employees with organizational development instruction and support to enhance self-awareness, which are required of leaders. In addition, the initiative includes opportunities to engage in dialogue with external directors to help promote the further empowerment of female employees.

**Diverse Talent**

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**Environments That Encourage “Challenge & Innovation”**

During Mitsui’s long history, an organizational culture characterized by “Challenge & Innovation” and open-mindedness has been passed down from generation to generation as part of the Company’s DNA. To leverage this organizational culture and accelerate efforts to “Transform and Grow,” we have designated our new Head Office—to which we relocated in May 2020—as a venue where diverse individuals and professionals from inside and outside the Company spark “intellectual chemical reactions” to create new value. By strengthening cooperation that spans divisional boundaries and collaborations with external partners, Mitsui will step up the pace of its growth even further.

**Features of the new office floors**

- Collaboration spaces (“camps”) where people readily gather, chat, and come up with ideas
- Each organization’s introduction of systems that enable employees to choose where to sit and work and which realize flexible teaming as needed for operations and projects
- Ability to reflect management strategies and flexibly change the layout of departments’ office floors with the aim of creating business synergies

**Mitsui Engagement Survey 2018 Results**

- Response percentage worldwide**: 89%
- Employee engagement**: 59%
- Respected as an individual: 80%

*1. Workers at Mitsui’s operating bases in Japan and overseas, including regionally hired staff
*2. Employee engagement survey, conducted after employees conducted work in a sense of attachment to the Company

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**Mitsui’s managers are women. With the aforementioned target in mind, we have established Women Leadership Initiatives, which are steadily fostering the next generation of female leaders and creating a range of various roles models for female leaders. Also through this initiative, we provide female employees with organizational development instruction and support to enhance self-awareness, which are required of leaders. In addition, the initiative includes opportunities to engage in dialogue with external directors to help promote the further empowerment of female employees.**

**Frameworks developing diverse professionals and supporting their activities**

1. **An extensive range of career options**
   - We are offering each employee more options in terms of opportunities to demonstrate their abilities and to choose their career path, thereby enhancing management personnel, business management personnel, and highly specialized personnel.

2. **A variety of growth opportunities**
   - We are supporting the further growth of employees by enabling them to work and tackle ambitious initiatives in a wide range of fields through provision of various opportunities based on each individual’s particular stage of development.

3. **A focus on results**
   - To help employees maintain a healthy sense of tension and continuous growing, pursuing self-reform, taking on challenges, and working hard, we provide understandable appraisal and compensation that reflect employees’ contributions and realization of capabilities.

4. **Autonomous career planning**
   - The growth of individuals and their contribution to the Company are maximized by providing motivated employees with greater opportunities to choose a career and take on the accompanying challenges and by matching the needs of individuals with those of the Company.

**Introduction of Share-Based Compensation Plan for Employees**

With the aims of realizing Medium-term Management Plan 2023 with the theme of “Transform and Grow” and sustaining growth going forward, Mitsui has introduced a share-based compensation plan for employees. Under the new plan, every fiscal year employees are granted points that reflect personnel appraisals. Upon retirement, employees fulfilling certain conditions can exchange accumulated points for shares of the Company. This plan will establish an even stronger focus on merit and results and motivate employees to change their mindset and behavior with respect to medium- to long-term enhancement of corporate value. As a result, we will realize unmatched value creation.

**People is Mitsui’s greatest asset. By leveraging Mitsui’s various management capital and collaboration among our diverse talent who possess professional expertise in a wide range of business domains, products, fields and regions, we create and develop businesses and generate new value on a global basis. To develop this pool of diverse professionals further and to promote their active roles, we formulate human resource management frameworks. Moreover, we are establishing environments that encourage further “Challenge & Innovation.” Through such initiatives, we will realize unmatched value creation.**

**Human Resources Strategy for a Pool of Diverse Professionals**

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Business Impact from COVID-19 and Our Response

The COVID-19 pandemic has led to lockdowns in major cities around the world and restricted the movement across cities and countries. Mitsui's businesses have been greatly affected as a result. We are working toward an early return to a growth trajectory by accelerating efforts to improve resilience to downward pressure in our ongoing operations.

<table>
<thead>
<tr>
<th>Specific Impacts</th>
<th>Affected business area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy</strong></td>
<td>Decline in commodity prices, weaker demand</td>
</tr>
<tr>
<td><strong>Mobility</strong></td>
<td>Decline in operation rate, weaker demand</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>Decline in operation rate, weaker demand</td>
</tr>
<tr>
<td><strong>Iron &amp; Steel, Chemicals</strong></td>
<td>Decline in commodity prices, weaker demand</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>Delays in asset recycling and IPOs</td>
</tr>
</tbody>
</table>

Restrictions on the movement of people and cargo have led to a sharp drop in demand for jet fuel, gasoline and other transportation fuels. Crude oil prices fell on the uncertain economic outlook, and profitability worsened in petroleum-related businesses.

Gate 2

While thoroughly reviewing new investments and expenditures for already approved investments, we are keenly moving to reduce costs with the cooperation of our joint venture partners and operators, in a bid to improve resilience to downward pressures in operations.

While prioritizing the health and safety of all employees and stakeholders, Mitsui is focusing efforts on minimizing damage as well as maintaining the competitiveness of existing businesses and relationships with customers that have been built up over many years.

- Maintaining existing businesses and relationships with customers and partners
  Using digital tools, we aim to maintain our network and expand businesses with customers and partners.

- Minimizing damage
  With demand falling over various domains, the business environment has worsened, but we are working hard to minimize the damage with thorough risk management.

- Sharply reducing costs and reviewing investment plans
  While thoroughly reviewing new investments and expenditures for already approved investments, we are keenly moving to reduce costs with the cooperation of our joint venture partners and operators, in a bid to improve resilience to downward pressures in operations.

Mitsui's Response

We introduce below some of the measures that Mitsui took in response to the state of emergency being declared in Japan.

- Encouraging working from home
  Based on COVID-19 outbreaks in each country, we encouraged employees to work from home in crisis situations, placing their safety and health as our foremost priority. During the state of emergency, all employees were forbidden to come into work, in principle, and the approval of the head of Emergency Management Headquarters (Chief Human Resources Officer) was required before any employee could report for on-premises work.

- Promoting work with digital tools
  We increased the use of digital tools. In addition to internal meetings, we used online meeting software for meetings with suppliers, our entrance ceremony for new hires, employee training sessions, and also meetings of the Board of Directors. The number of employees using Microsoft Teams collaboration software increased from roughly 600 people in January 2020 to almost 13,000 by May. In addition, the number of digital signature software users grew over 10 times compared with pre-pandemic levels.

- Launching Work-X initiative for a new work style
  Mitsui launched the Workplace Experience (Work-X) project in August 2019 to coincide with the move to a new Head Office. To realize new work styles, we not only introduced new equipment and functions but also strived to change employee awareness and behavior with this initiative, which is also in line with “Transform and Grow,” the theme of Medium-term Management Plan 2023. For example, we have proactively introduced digital technologies and done away with assigned seating and desk telephones in workplaces in order to facilitate collaboration among employees and be more flexible in teaming up. The Work-X project aims to make new work styles a reality, and we have seen success in efforts to go paperless and to use Microsoft 365 and smartphones instead of desk telephones, allowing a smooth transition for employees to work from home while restricting access to company offices.

A New Work Style in a “New Normal”

We will continue to examine an optimal balance between working in the office and working from home, assuming uncertainties persist as conditions change.

In order to leverage Mitsui’s comprehensive capabilities, a company strength, it is important for ‘intellectual chemical reactions’ to take place among the diverse professionals at Mitsui, who have know-how in a variety of industries and areas. While taking advantage of both communication through digital tools and face-to-face communication, we aim to create new businesses.

Impact on Mitsui’s Strategies

Society has changed at an unprecedented speed during the COVID-19 pandemic, increasing the importance of taking initiatives with a long-term view. Mitsui’s direction has not changed significantly under the current medium-term management plan.

- Strategic Focus
  We are focused on the Environmental and Health sectors in continuation from the previous management plan. Under the current medium-term management plan, we are confident in Mitsui’s ability to leverage its comprehensive strengths and have identified energy solutions, healthcare/nutrition, and Market Asia, which we believe are growth fields, as our strategic focus. Social needs related to the environment and healthcare domains have not changed due to COVID-19, in our opinion, and we intend to push harder on this strategy.

- Initiatives for DX
  IT tools that enable telework and online work have become more inevitable. We will accelerate efforts to create new businesses for which digital technology is utilized and enable new work styles with digital tools.
Gate 3

Medium-term Management Plan
CFO Message

Results for the Fiscal Year Ended March 31, 2020, and Progress in the Quantitative Targets of the Previous Medium-term Management Plan

Looking back on business conditions in the fiscal year ended March 31, 2020, the global economy continued slowing down, particularly the manufacturing sector, through to the end of 2019, which reflected trade friction between the United States and China and other factors. Against this backdrop, the worldwide spread of COVID-19 from February 2020 onward triggered an abrupt deterioration in the global economy and falls in stock and commodity markets.

With respect to Mitsui’s performance in the aforementioned environment, its cash generation capabilities remained firm. Core operating cash flow rose by ¥51.4 billion year on year to ¥621.9 billion, due to contributions from the Australian iron ore business by ¥51.4 billion year on year to ¥621.9 billion. However, core operating cash flow remained solid throughout the period of the plan, and we largely achieved the 10% ROE target. In the fiscal year ended March 31, 2019, an additional acquisition of IHI Healthcare Berhad shares required a total cash outflow of approximately ¥230 billion, our largest one-time investment to date. Nonetheless, by using the cash flow allocation framework, which included an increase in asset recycling, we were able to execute this investment plan.

Cash Flow Focused Management
Entrenched and Financial Base Strengthened
Review of the Previous Medium-term Management Plan

Since 2014, Mitsui’s medium-term management plans have included a cash flow allocation framework. This aims to allocate cash from operating cash flows and asset recycling in a balanced manner to both investments for growth and shareholder returns, thereby simultaneously allowing growth strategy implementation and strengthening of the financial base.

As well as including the aforementioned framework, the previous plan earmarked at least ¥100 billion annually for dividend payments, maintaining positive free cash flow after shareholder returns while stipulating flexible cash allocation corresponding to the business conditions during the period of the plan. Consequently, during the three years of the plan, cumulative cash acquired totaled ¥2,640 billion, comprising core operating cash flow of ¥1,860 billion and asset recycling of ¥780 billion. Meanwhile, we continued curbing investment and narrowing down investment candidates based on strengthened investment discipline. Cash outflow arising from investment and loans amounted to ¥1,910 billion, roughly in line with our original target under the plan.

Evolving Financial Strategy and Portfolio Management under a New Plan

Medium-term Management Plan 2023—“Transform and Grow” calls on Mitsui to pursue a corporate strategy of evolving financial strategy and portfolio management. Under this new plan, we will advance cash flow focused management even further and strengthen our ability to achieve flexible and strategic cash allocation.

As before, we aim to implement growth investment and increase shareholder returns while further strengthening the financial base. Regarding dividends, however, we will emphasize stability and continuity. Accordingly, we have set ¥80 per share as a minimum for annual dividends during the period of the plan. We will view as management allocation the amounts that are net of cash required for projects for which investment has been approved, for the

Shareholder returns until the end of the previous medium-term management plan period

![Shareholder returns chart]

- Minimum total dividend amount ¥100bn/year
- Share buyback
- Core operating cash flow

Please see page 64 for cash flow allocation results of the previous medium-term management plan.

Portfolio Management under a New Plan

Under this new plan, we will advance cash flow focused management even further and strengthen our ability to achieve flexible and strategic cash allocation.
maintenance of existing businesses, and for the minimum annual dividend. Accordingly, we will allocate these net amounts to growth investment and add additional dividend. Under the leadership of the Chief Digital Information Officer (CDOI), we are stepping up the pace of our Company-wide digital transformation strategy. One focus of our digital transformation initiatives is the creation of new business models. At the same time, we are introducing digital technology to the organization under the CFO to increase its capabilities and productivity as part of the management infrastructure that supports value creation. In fact, we believe that the net debt-to-equity ratio was 0.78x. Thus, even amid a significant increase in market volatility, Mitsui’s cash generation capabilities and balance sheet maintained their downside resilience.

In addition, there will be no change to our existing financial strategy of placing emphasis on securing liquidity as well as maintaining medium- to long-term funding and adequate liquidity. Moreover, with respect to large-scale projects in emerging countries, such as the Mozambique LNG project, we are reducing country risk by arranging project financing through the export credit agencies. In conjunction with these efforts, through the issuance of bonds for many of our projects that have begun operations, we are refinancing to improve capital efficiency. Further, in response to the growing awareness of environmental, social, and governance (ESG) factors in capital markets, we are diversifying our fundraising. For example, we introduced our first sustainability-linked loan in the fiscal year ended March 31, 2020. Under the new plan, Mitsui will further enhance a robust financial base by continuing to implement its established financial strategy while realizing cash flow allocation in a flexible and strategic manner.

**Medium-term Management Plan 2023 Cash Flow Allocation**

<table>
<thead>
<tr>
<th>Cash In</th>
<th>Management allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core operating cash flow</td>
<td>¥1,500bn</td>
</tr>
<tr>
<td>Asset recycling</td>
<td>¥500bn</td>
</tr>
<tr>
<td>Post FID Investment, maintenance CAPEX</td>
<td>¥1,500bn–¥1,700bn</td>
</tr>
<tr>
<td>Growth investments (Strategic focus/new)</td>
<td>¥300bn–¥500bn</td>
</tr>
<tr>
<td>Share buyback + Additional dividend</td>
<td>¥300bn</td>
</tr>
<tr>
<td>Dividend (Minimum)</td>
<td>¥400bn</td>
</tr>
</tbody>
</table>

Digital Transformation

**Our Initiatives**

Under the leadership of the Chief Digital Information Officer (CDOI), we are stepping up the pace of our Company-wide digital transformation strategy. One focus of our digital transformation initiatives is the creation of new business models. At the same time, we are introducing digital technology to the organization under the CFO to increase its capabilities and productivity as part of the management infrastructure that supports value creation. In fact, we believe that the net debt-to-equity ratio was 0.78x. Thus, even amid a significant increase in market volatility, Mitsui’s cash generation capabilities and balance sheet maintained their downside resilience.

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**Near Term Financial Management**

As a result of the dramatic changes in business conditions accompanying the spread of COVID-19, a deterioration in our business results is likely to be unavoidable in the fiscal year ending March 31, 2021. However, we will strengthen downside resilience even further by maintaining existing businesses and minimizing the damage to them, reducing costs rigorously, and revisiting without special exceptions the cash amounts and implementation timing both of projects for which investment has been approved and of investments for the maintenance of existing businesses. At the same time, we are looking ahead to the “New Normal” following the spread of COVID-19 so that we return to a growth trajectory as soon as possible. Precisely because the outlook has become more uncertain, we will proactively undertake disclosure and the creation of opportunities for dialogue so that shareholders and other stakeholders better understand our management strategies and can stay informed about our progress.

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**Additional Covenants**

1. GICS International Subsidiary Settlement Infrastructure for Foreign Exchange Transactions, which is used by major financial institutions around the world. Through simple settlement for each currency, the infrastructure enables users to cut to settlement risk and increase the efficiency of settlement operations.

2. A portfolio for the automation of corporate procurements is related to foreign currency and currency options transactions. This service offers a wide range of various currency options, which enable users to increase operational flexibility and reduce the number of administrative processing days.

3. A portfolio of treasury management for exchange risk involves the services offered by six major foreign currency exchange dealers. The services offered enable efficient risk implementation that is compliant with interest rate and foreign exchange risk.

4. A portfolio for the confirmation of account balances and financial information balances at the end of each accounting period, which is used in North America and Europe by central banks and major international public accountancy offices. The service offers a significant reduction in the risk of such fraudulent acts as misrepresentation and data manipulation and enables the parties to perform efficient performance of duties at the end of each accounting period.

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**August 2020**

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**MITSUI & CO., LTD. Integrated Report 2020**

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Performance Highlights

Profit (Loss) for the Year Attributable to Owners of the Parent / ROE

Core Operating Cash Flow*

Equity Share of Production

Total Shareholder Return Amount / Total Shareholder Returns as a Percentage

Power Generating Capacity (Gross)
### Review of the Previous Medium-term Management Plan

Under the previous medium-term management plan, Driving Value Creation, Mitsui set four key initiatives in line with its vision of "A pool of diverse professionals that take the initiative to create new businesses and actively leverage the Mitsui Group's comprehensive strengths and global network for sustained creation of new value."

#### Key Initiatives of the Previous Medium-term Management Plan

**Mitsui's focus**

- Establish a profit base resilient to external changes and risks
- Dynamic allocation of resources
- Strengthen our management foundation

<table>
<thead>
<tr>
<th>Key initiatives</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Build a robust profit base and thoroughly strengthen existing businesses</td>
</tr>
<tr>
<td>2</td>
<td>Establish selected new growth areas</td>
</tr>
<tr>
<td>3</td>
<td>Cash flow focused management; Strengthen financial base</td>
</tr>
<tr>
<td>4</td>
<td>Enhance Governance, Personnel, and Innovation functions</td>
</tr>
</tbody>
</table>

#### Summary of Quantitative Achievements

Mitsui broadly achieved its initial targets for core operating cash flow and ROE by enhancing its ability to steadily generate cash and by improving capital efficiency.

- In the fiscal year ended March 31, 2020, Mitsui failed to attain its target for profit for the year, owing mainly to impairment losses on assets related to oil and gas development, among others.

<table>
<thead>
<tr>
<th>Core Areas and Growth Areas</th>
<th>Profit for the year</th>
<th>Core operating cash flow</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥391.5 billion</td>
<td>¥621.9 billion</td>
<td>9.7%</td>
</tr>
<tr>
<td></td>
<td>(Fiscal year March 2020)</td>
<td>(Fiscal year March 2020)</td>
<td>(Fiscal year March 2020)</td>
</tr>
<tr>
<td></td>
<td>¥440 billion</td>
<td>¥630 billion</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### Core Areas and Growth Areas

In the Company’s core areas of Mineral & Metal Resources, Energy, Machinery & Infrastructure, and Chemicals, Mitsui steadily expanded the profit base through bolt-on investments, operational improvements, portfolio optimization including recycling, and reinforcing trading functions. In the Company’s growth areas of Mobility, Healthcare, Nutrition & Agriculture, and Retail & Services, we allocated management resources targeting Asia, with its growing middle class, and North America, with its constantly growing economy, thereby promoting the expansion of our businesses.

In the fiscal year ended March 31, 2020, Mitsui endeavored to strengthen the foundations of businesses related to the environment and health. In addition, Mitsui aimed to expand and horizontally develop peripheral businesses.

#### Core Areas

- **Mineral & Metal Resources**
  - Steadily promoted LNG business
  - Final investment decisions for Mozambique Area 1 and Russia Arctic LNG 2, start of operations at Cameron LNG in the U.S.
  - Expanded FPSO business

- **Energy**
  - Steadily promoted LNG business
  - Final investment decisions for Mozambique Area 1 and Russia Arctic LNG 2, start of operations at Cameron LNG in the U.S.
  - Expanded FPSO business

- **Machinery & Infrastructure**
  - Progressed with new power generation
  - Advanced Development & Sell strategy (sale of C2C power generation business in Canada)

- **Chemicals**
  - Participated in European paint manufacturing business
  - Progressed environment-related businesses

#### Growth Areas

- Became the principal shareholder in IHH Healthcare, Asia’s largest private hospital group
- Invested in Thorne Research, Inc., a supplier of high-quality supplements in the U.S.
- Accelerated initiatives for promoting MaaS
- Expanding business base for agricultural inputs, crop protection and seeds
- Acquired digital functions and strengthened customer management

#### Financial Base, Governance, Personnel, and Innovation Functions

- Advanced cash flow management and tightened investment discipline
- Launched Moon Creative Lab, strengthened digital infrastructure for remote working
- Strengthened global HR management and launched next-generation leadership program
- Strengthened governance (expanded diversity and improved effectiveness of the Board)

#### Final Investment Decisions for Mozambique Area 1 LNG Project and Arctic LNG 2 Project in Russia

In June 2019, Mitsui made a final investment decision for the Mozambique Area 1 LNG project, in which its affiliated company has a 20% interest. It is an integrated upstream-midstream project that encompasses all stages from natural gas production and liquefaction to LNG shipment. In September 2019, we made a final investment decision for the Arctic LNG 2 project in Russia, in which we have a 10% interest with Japan Oil, Gas and Metals National Corporation (JOGMEC). Through these projects, we will contribute to the reliable supply of energy to Japan and the rest of the world.

#### Investment in Vietnamese Shrimp Producer and Processor Minh Phu

In May 2019, Mitsui acquired approx. 35% of the shares in Minh Phu Seafood Joint Stock Company (“Minh Phu”), one of the world’s biggest shrimp producers. Through the strength of vertical integration, from shrimp farming to processing and sales, Minh Phu exports shrimp products to 50 countries including the U.S. and Japan. In 2013, Mitsui invested in Minh Phu Hau Giang Joint Stock Company, one of Minh Phu’s processing factories. Mitsui intends to expand sales for Minh Phu through its global sales network.
Review of the Previous Medium-term Management Plan

Ongoing Challenges from the Previous Medium-term Management Plan

Under the previous medium-term management plan, Mitsui steadily expanded the profit base in core areas, centered on Mineral & Metal Resources and Energy, in addition to strengthening non-resource areas, especially Machinery & Infrastructure and Lifestyle. Furthermore, the Company expanded the business base with an emphasis on the environment and health. To achieve medium- to long-term improvement in corporate value, as explained on page 4, in the new medium-term management plan, Mitsui will pursue key initiatives to address issues that became more apparent during the previous medium-term management plan.

Ongoing challenges

- Further raise profitability of existing businesses
- Establish profit pillars in areas where Mitsui’s comprehensive strengths can be leveraged
- Transform employee mindsets, improve productivity, and reduce costs without compromise
- Bring talent into the Mitsui Group and strengthen training and development framework
- Continuously raise ROE and shareholder value

New challenges in a ‘New Normal’

- Strengthen risk management thoroughly and immediately
- Reduce costs and strengthen resistance to downturns
- Respond with agility to the accelerating digital economy
- Manage with a long-term perspective, such as responding to climate change

Results for Cash Flow Allocation in the Previous Medium-term Management Plan Period

<table>
<thead>
<tr>
<th>Unit: ¥ Billion</th>
<th>Results for Cash Flow Allocation in the Previous Medium-term Management Plan Period</th>
<th>Cumulative results for FY March 2018 to FY March 2019 (a)</th>
<th>Results for FY March 2020 (b)</th>
<th>Cumulative results for period three years of the previous medium-term management plan (a)+(b)</th>
<th>Reviews of three-year new cumulative plan (disclosed in May 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-In</td>
<td>Core Operating Cash Flow<em>1... [1] 1,240.0 620.0</em>2 1,860.0*3 1,700.0</td>
<td>530.0 250.0 780.0 700.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asset Recycling... [2] 530.0 250.0 780.0 700.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash-Out</td>
<td>Investment and Loans... [3] (1,490.0) (420.0) (1,910.0) (1,700.0)– (1,900.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shareholder Returns... [4] (310.0) (200.0) (510.0) (500.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free Cash Flow*5 after Shareholder Returns... [−1] + [2] + [3] + [4] (30.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>250.0<em>5 220.0</em>5 200.0– 400.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*1 Cash flow from operating activities include cash flow from changes in working capital and time deposits.
*2 Includes ¥150bn increase in operating cash flow associated with application of IFRS 16 “Leases”.
*3 Cash flow that excludes the effect of changes in working capital and time deposits.
*4 Includes ¥50bn increase in operating cash flow associated with application of IFRS 16 “Leases”.
*5 Free cash flow that excludes the effect of changes in working capital and time deposits.
*6 From the fiscal year ended March 31, 2019, cash flow of some lease transactions, which had previously been recorded as changes in working capital, is recorded as investment cash flow and have been excluded from the table above.

Toward a New Stage

From a foundation in core areas and growth areas, we strove to strengthen and expand the business base under the previous medium-term management plan. Mitsui will now enter the next stage, creating a robust cash generation capability, even in uncertain business conditions, while honing the foundation and thoroughly managing risks. In addition to ongoing initiatives from the previous medium-term management plan, we will address new issues that have emerged as a result of the COVID-19 pandemic.

Transform and Grow

In line with our renewed corporate management philosophy (M2V) and our Materiality updated in 2019, we have formulated Medium-term Management Plan 2023—"Transform and Grow," under which we will contribute to the development of society through our growth as a company, encouraging all of our employees to transform themselves, as well as keeping up with the accelerating pace of change in social needs, such as advances in digital technology and increasing interest in the environment.

Transform

1. Strengthen business management capabilities
2. Evolve financial strategy and portfolio management
3. Personnel strategy
4. Strategic focus
5. Strengthen profitability of core businesses and take on challenges in new businesses

Grow

6. Sustainability management / Evolution of ESG

Continue to advance sustainability management

Mitsui aims to quickly return to a growth trajectory by steadily executing the strategies outlined in the management plan, despite the likelihood of a decline in short-term profits due to COVID-19.

Quantitative Targets

| Core operating cash flow | ¥550 bn (Fiscal year March 2023) |
| Profit for the year | ¥400 bn (Fiscal year March 2023) |
| ROE | 10% (Fiscal year March 2023) |

Core operating cash flow for the fiscal year ended March 2023 has been revised to deduct payments of lease liabilities.
1 Strengthen Business Management Capabilities

Mitsui aims to quickly return to a growth trajectory by strengthening the profitability of existing businesses. The Company intends to reinforce its business management capabilities as an organization, while allocating management resources including human resources to the businesses where Mitsui is able to take the lead and produce results.

Specific Measures

- Improve business management expertise
- Increase R&D
- Introduce diverse professional talent
- Foster and deploy business management talent
- Prioritize placement at important subsidiaries and affiliated companies
- Internal development, external recruitment

Focus areas

- Prioritize allocation of management resources, including personnel, in businesses and companies where profitability improvement can be realized.

Strengthening Business Management Capabilities: Leveraging the Corporate Development Division

The Corporate Development Division was set up in 2013 as a Companywide support organization belonging to the Corporate Development Business Unit. In addition to teams in charge of improving management and increasing corporate value at investees, we have created a team of M&A specialists in charge of improving the quality of investment portfolios, and a dedicated team in charge of risk management, drawing from our pool of professionals in Japan. Team composition is unique such that specialists from investment banking, private equity and management consulting firms are recruited actively and those professionals are grouped with talent internally selected. These teams take a hands-on, results-oriented approach to getting involved in business units and important investees. The teams are involved in a broad range of initiatives, from earnings improvement to PIM and organizational reforms.

Based on actual conditions received from hands-on support mentioned above, the division takes the role as a problem-solving leader to propose solutions to the Company’s management regarding managerial issues such as the development of management talent for the entire Mitsui Group. To this end, the division has built a robust collaboration framework with corporate organizations, such as the Corporate Planning & Strategy Division, the Investment Administrative Division, and the Human Resources & General Affairs Division. To improve management at investees, teams in charge work on-site to improve management, and teams play roles in training and grooming business management personnel from the talent pool.

Utilization Scheme of the Corporate Development Division

- Propose solutions to Group management issues
- Teams of experts take hands-on approach to solving issues
- Training of business management personnel, accumulation of knowledge and know how

2 Evolve Financial Strategy and Portfolio Management

In addition to maintaining and improving our robust financial base, we pursue flexible and strategic capital allocation to growth investments and additional shareholder returns. We also thoroughly review investment amounts and timelines for projects for which an investment decision has already been made.

With regard to shareholder returns, the Company aims to increase the total shareholder return ratio above the level of the previous medium-term management plan, while implementing capital allocation with a focus on improving capital efficiency and medium- and long-term growth opportunities.

For more information, please refer to CFO Message (P.54).

3 Personnel Strategy

Mitsui aims to create businesses and increase value through global talent management, including raising the professionalism of each and every employee, and harnessing their talents in the right place and at the right time, while organically connecting together its diverse pool of professionals. We are keen to change employee mindsets and behavior patterns, catalyzing ‘intellectual chemical reactions,’ and accelerating the move toward a new working style that combines robust digital platforms and new head office functions.

New Mission, Vision, Values

- Promote and appoint personnel regardless of where they were recruited
- Develop next generation leaders on a global basis
- Strengthen global talent management

- Create frameworks and organizations where diverse personnel can thrive
- Strengthen employee engagement on a Global Group basis
- Provide an innovative working environment where employees can deliver their best

- Inspire and develop personnel who can take on business management
- Implement personnel systems and operations that empower the individual to succeed

4 Strategic Focus

Mitsui intends to establish new earnings pillars by selectively allocating management resources to strategic focus areas with an awareness of Materiality, enabling existing businesses to create multifaceted value on platforms.

- Energy Solutions
  - Natural gas, infrastructure, renewable energy
  - LNG development and renewable energy business as central platform
  - Smart energy services
  - Business that helps mitigate climate change
  - Create an eco-friendly society
- Healthcare / Nutrition
  - Medical data/integrated facility management
  - Nutrition, food protein
- Market Asia
  - Promotion of the digital economy and DX
  - Consumer platforms
  - Next-generation mobility
  - Emerging economies and Japan

360° business innovation,
5 Strengthen Profitability of Core Businesses and Take on Challenges in New Businesses

In the core businesses of Mineral & Metal Resources, Energy, Machinery & Infrastructure, and Chemicals, we will accelerate our ‘make strong businesses stronger’ strategy. Mitsui aims to optimize its business portfolio to be more competitive over the medium and long term by recycling assets, including divestitures, and investing to maintain and expand reserves of natural resources.

- **Mineral & Metal Resources**: Iron ore, coking coal, copper, recycling
  - Maintain and expand iron ore volumes, and raise quality of coking coal assets
  - Expand and raise quality of copper and promote recycling business
- **Energy**: Oil, gas, renewable energy, new energy
  - Increase oil and gas production volume and deposits, raise LNG production capacity, and raise competitiveness of existing assets
  - Increase trading income, and expand renewable and new energy businesses
- **Machinery & Infrastructure**: Power generation, marine energy, gas distribution, automotive, shipping
  - Raise quality of asset portfolio, and promote DX/optimized operations
  - Transform existing business, upgrading trading functions
- **Chemicals**: Methanol, tank terminal, coating materials, personal care, environmental chemicals, agri-science, wellness
  - Increase sophistication in trading, enhance network
  - Stronger resilience in existing businesses, raise profitability
  - Recycle, reuse, commercialization and application of environmental-focused new materials and technologies

Mitsui has created values by connecting various countries, regions and industries, thereby expanding its potential as a general trading company. To instill a ‘creative’ mindset and behavior patterns in its own businesses, the Company will accelerate initiatives centered on the Moon Creative Lab, a business creation platform. Through digital transformation, Mitsui will address climate change, the circular economy, and business & human rights as priority issues under the current medium-term management plan. Please see page 44 for information about our response to climate change, and page 118 for more on business and human rights.

Mitsui will continue to strengthen corporate governance and improve the effectiveness of the Board of Directors.

### Timing of Earnings Contributions from Quality Business Assets

The chart shown below outlines the timing of earnings contributions from quality business assets fortified during the previous medium-term management plan in the Company’s core businesses of Mineral & Metal Resources, Energy, Machinery & Infrastructure, and Chemicals.

**Strengthen profitability and pursue new business**

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Strategic Focus

Building on the strategies that we pursued during the term of the previous medium-term management plan, we have established a strategic focus on fields that promise conspicuous growth and where we can realize our comprehensive strengths. Over the medium to long term, Mitsui will develop these businesses that will grow to support the earnings base.

Energy Solutions

With a platform that primarily comprises existing LNG development and power generation businesses as a basis, we will advance smart energy services as well as businesses that help mitigate global warming.

Over the long term, energy demand is expected to increase as the population and economy grow globally. However, society’s increased concern over the issue of climate change will cause a divergence in the traditional correlation between GDP and CO2 emissions, thereby giving rise to new business opportunities. In response to the issue of climate change, Mitsui will expand and accelerate initiatives focused on businesses that are likely to experience medium- to long-term growth.

Climate Change Countermeasures

Mitsui has become the first general trading company to set goals to achieve net-zero emissions by 2050. To this end, we will pursue the three main initiatives shown below. Further, we have introduced an in-house carbon-pricing system both for risk evaluations of existing businesses and for decisions on new investments.

1. Reduction
   Reduce Company emissions by improving the portfolio quality of resource and power generation assets

2. Transition
   In the medium term, promote fuel conversion through LNG and other business to contribute to reducing the environmental burden

3. Opportunity
   Contribute to reducing emissions by expanding business that leverages the opportunities to address climate change in Energy Solutions and other areas

Opportunities in Energy Solutions

In April 2020, Mitsui established the Energy Solutions Business Unit, which will play a leading role in the realization of a low-carbon and a carbon-free society by focusing on the following business fields.

- **New Downstream Electricity**
  (Distributed power supply, energy management services, retail)
  We will offer customers one-stop services by advancing multiple energy-related businesses in such areas as electricity and gas retail, solar power generation and storage batteries, energy procurement, and energy-saving consultation and by advancing initiatives linked to electricity trading.

- **Next-Generation Fuels**
  (Bioethanol, sustainable aviation fuel)
  While closely monitoring technological innovations, manufacturing cost reductions, and the incentives of respective regions, we will accelerate the introduction of bioethanol, sustainable aviation fuel, and other next-generation fuels. Amid projections of growth in demand for gasoline, we will commercialize next-generation ethanol in such countries as China and India.

- **Hydrogen and Carbon Management**
  (Hydrogen, carbon credits)
  In the short to medium term, we will pursue projects engaged in local production for local consumption, which is a field being driven by the progressive support systems of governments. As for the long term, Mitsui will build transportation supply chains. Also, plans call for the advancement of competitive carbon credit projects and carbon capture, utilization, and storage (CCUS) projects.

- U.S. subsidiary ForeFront Power's distributed solar power generator
- LanzaTech's plant for the production of sustainable aviation fuel
- A hydrogenation plant in Brunei

Energy Solutions

Key Megatrends

- Global GDP
- Decoupling of GDP and CO2 emissions

Energy Solutions
Healthcare / Nutrition

In the healthcare and nutrition sector, based on business foundations mainly comprising IHH Healthcare Ltd. (IHH), we will pursue multifaceted initiatives related to nutrition for presymptomatic diseases and disease prevention, and medical and healthcare data. In these ways, Mitsui will accelerate business growth and create added value unique to the Company.

External Environment

In emerging countries, mainly in Asia, medical expenditures are growing in accordance with population growth, the aging of societies, the expansion of middle-income classes, and increasing rapidly as disease patterns change resulting from economic development. Meanwhile, medical service is not keeping up with demand, and a widening of the supply-demand gap is projected. Further, we expect healthcare valuechains to extend further into the wellness field due to such factors as demand in the area of presymptomatic diseases and disease prevention and to the popularization of online medical consultations, which have been attracting attention as a method of preventing the spread of COVID-19. Therefore, multifaceted value creation including digital technology utilization is required.

Enhancement of the Value of the Hospital Business

In 2011, Mitsui initially acquired an equity interest in IHH. Since becoming IHH’s largest shareholder in 2019, we have been further increasing our influence on business management and steadily implementing growth strategies in close collaboration with the company’s management team. Going forward, we intend to expand our business foundation, especially focusing on IHH, through (1) regional expansion by growing business in China, India, and other countries; (2) functional expansion by integrating and/or spinning out hospital ancillary businesses such as examination and diagnostics; and (3) business expansion by leveraging the huge amounts of medical data collected by IHH. Also, with our sights set on the “New Normal” emerging worldwide as a result of the current COVID-19 pandemic, we will realize sustained growth by utilizing online medical consultations and AI to transform methods of providing healthcare and to heighten consumer trust.

Utilization of Healthcare Data to Create New Value

Data is expected to become the “currency” of the next generation. We will implement value creation aimed at utilizing data to propose solutions that improve the management of hospitals and to promote medical expenditure reductions and personalized medicine in such ancillary areas as insurance, drug discovery, presymptomatic disease measures, and disease prevention. While realizing this will not be easy, such as the measures it takes to ensure information security, we will promote data acquisition, accumulation, and mutual usage primarily in hospital, examination, diagnostics, and logistics businesses with a view to realizing better medical care and healthcare. In the future, we will implement multifaceted initiatives with our sights set on expanding into the wellness field, and we will contribute to create a better tomorrow where people smile and live healthy, enriched lives.

Market Asia

In addition to maintaining and expanding resources and infrastructure businesses—which we originally have strength in—we aim to build businesses that mainly target middle-income consumers, who are driving high economic growth. As for consumer businesses, due to the penetration of digital technologies, power is gradually shifting toward customers who won access to information and enjoy an increasingly advantageous position. Further, the millennial generation*, who are digital natives, are expected to give additional impetus to this trend. Accordingly, Mitsui will capitalize on its comprehensive strengths to build platforms that provide Asian consumers with the products that they need.

External Environment

High-growth area

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<tr>
<th>Demand and Consumption</th>
<th>Supply</th>
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<tr>
<td>Growing influence of the middle-income classes, millennials, and Generation Z*</td>
<td>Rising energy demand</td>
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<td>Acceleration of digital technology penetration</td>
<td>Increasing environmental awareness and environmental restrictions</td>
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<td>Heightening health awareness</td>
<td>Introduction of government policies encouraging local production for local consumption and the upgrading of industry</td>
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Consumer Businesses Leveraging Digital Technologies

Mitsui will help Asians realize the quality of life to which they aspire by combining the Company’s unique functions and businesses to build a differentiated consumers’ ecosystem* rooted in Asia.

Examples of Our Initiatives

Food and Retail

We will cater to diversifying food needs through such businesses as a dairy products business in Indonesia and a curry restaurant business in India.

Retail Finance

By utilizing the huge volume of customer data gathered through our motorcycle retail finance business in Southeast Asia and by utilizing AI technology jointly developed with a partner, we have created an original credit and collection scoring system that is enhancing our risk adaptation capabilities.

Healthcare

In addition to the hospital business, we will help upgrade Asia’s health and wellness services through such initiatives as the development of an integrated prevention and healthcare platform.

Resources and Infrastructure Businesses

Mitsui’s core businesses in the areas of mineral & metal resources, energy, and social infrastructure have robust business foundations in Asia. Going forward, we will promote initiatives in new fields to strengthen and evolve these business foundations. Such efforts will entail moving forward with the development of distributed energy generation businesses and other energy solutions businesses, downstream businesses, and such peripheral value-added businesses as computerized construction systems.
Initiatives in Digital Fields

Under our digital transformation (DX) initiative that started with the previous medium-term management plan, the Mitsui Group is effecting a transformation of its high-value-added business model by utilizing its on-site operational know-how and technologies, as well as digital technologies, backed by its broad base of business assets. Approximately 130 projects were examined during the previous medium-term management plan, and roughly 50 projects went on to the experimental stage, with 10 of these projects graduating to the operational stage.

The COVID-19 pandemic has underscored the importance of our digital transformation (DX) initiative. Under the new management plan, we are accelerating both offensive and defensive DX initiatives with the aim of creating businesses across the entire Company.

Business Transformation & Innovation with Digital

In Mitsui’s DX framework, the objective is to reduce costs through efficiency gains and optimization (Solution 1: S1) and expand sales (Solution 2: S2), improving the quality of existing businesses. Furthermore, we are creating new businesses and business models (Transformation: T) from a standpoint that differs from existing businesses. Mitsui is striving toward the realization of its “Transform and Grow” vision by overlaying this DX framework on its corporate strategies in Medium-term Management Plan 2023.

Mitsui engages in a broad range of businesses in many countries and regions. In other words, we have a diverse and varied perception of the real world (based on actual experiences). By using the data we gather to recreate a digital version of the world (a virtual space), we are able to conduct analyses and make predictions about the future, and feed this back to the real world. By repeating this process, we aim to increase the efficiency of our real-world operations.

Medium-term Management Plan 2023

Over the short to medium term, by thoroughly implementing S1/S2, we aim to amass Quick Wins while strengthening and advancing the profitability of existing businesses in the Mitsui Group, including trading operations. Using our accumulated know-how and knowledge, we are targeting Big Wins that create a future business foundation, including in new domains, by implementing T for next-generation businesses with a medium- to long-term view.

Structure for Advancing DX Strategy

The Information Strategy Committee has been established as an advisory body to the Corporate Management Committee and chaired by the Chief Digital Information Officer (CDIO). Members include directors, executive officers, operating officers of relevant business units, and general managers of relevant corporate staff divisions. This committee formulates Companywide information and IT strategies, key policies related to building business foundations and advancing information strategies, and monitoring efforts. The Information Strategy Committee met a total of five times during the fiscal year ended March 31, 2020, confirming Digital Transformation initiatives, discussing changes to work styles related to the move to new offices in 2020, reviewing work processes, and deliberating upgrades to core systems. The minutes of the Information Strategy Committee meetings are periodically reported to the Corporate Management Committee and the Board of Directors, and referred to in decisions on management policy for Mitsui.

With the aim of accelerating DX initiatives, the Integrated Digital Strategy Division was newly created to integrate offensive and defensive DX promotion organizations in 2019. Additionally, a front-facing organization was established to respond to each business division and regional division, and the Center of Excellence (CoE) was established as a cross-functional organization to promote DX. These two organizations will also work to accelerate DX initiatives.

DX Case Study: Asset Foundation of Existing Businesses

Along with MODOC, Inc., Mitsui collects FPSO operations data for analysis by AI to contribute to stable operations (improve operating rates), with the objective of improving the quality of the FPSO business and maximizing lifecycle value.

In January 2020, our FPSO operation in Brazil was designated by the World Economic Forum (WEF) as the most advanced plant in the world, leading the Fourth Industrial Revolution.

DX Case Study: New Technology Deployment

In 2018, Mitsui participated in AI FUND, L.P., a fund created by Andrew Ng, a world-renown researcher in artificial intelligence, with a focus on the AI field. In 2019, AI FUND and Mitsui created BEARING.ai, an AI company in the field of streamlining shipping operations, the first major application of deep learning algorithms to analyze vessel fuel economy and offer services for optimizing shipping routes. Field experiments are currently being conducted with leading shipping companies.
Results by Operating Segment
(Fiscal year ended March 31, 2020, IFRS after reflecting modification associated with structural reorganization)

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<th>Business Unit</th>
<th>Iron &amp; Steel Products</th>
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<td>(41.6)</td>
<td>(44.5)</td>
<td>(133.4)</td>
</tr>
<tr>
<td>Other</td>
<td>(7.7)</td>
<td>(85.5)</td>
<td>(136.7)</td>
<td>(51.6)</td>
</tr>
<tr>
<td>Non-current Assets</td>
<td>324.4</td>
<td>1,284.0</td>
<td>1,607.6</td>
<td>1,634.7</td>
</tr>
<tr>
<td>Investments for Using the Equity Accounted for Using the Equity Method</td>
<td>46.9</td>
<td>388.5</td>
<td>344.7</td>
<td>58.9</td>
</tr>
<tr>
<td>Other Non-current Assets</td>
<td>18.3</td>
<td>179.5</td>
<td>137.6</td>
<td>358.1</td>
</tr>
<tr>
<td>Number of Employees (Consolidated)</td>
<td>305</td>
<td>278</td>
<td>401</td>
<td>653</td>
</tr>
<tr>
<td>Number of Employees (Non-consolidated)</td>
<td>1,505</td>
<td>634</td>
<td>888</td>
<td>17,017</td>
</tr>
</tbody>
</table>

Composition by Operating Segment

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Iron &amp; Steel Products</th>
<th>Mineral &amp; Metal Resources</th>
<th>Energy</th>
<th>Machinery &amp; Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Operating Cash Flow</td>
<td>34%</td>
<td>38%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>17%</td>
<td>13%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Equity in Earnings (Loss)</td>
<td>17%</td>
<td>14%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Energy</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Machinery &amp; Infrastructure</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

*1. Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.
*2. Free cash flow is calculated from core operating cash flow and differs from free cash flow calculated using conventional accounting methods.

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Iron &amp; Steel Products</th>
<th>Mineral &amp; Metal Resources</th>
<th>Energy</th>
<th>Machinery &amp; Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the Year Attributable to Owners of the Parent</td>
<td>38.3</td>
<td>17.3</td>
<td>8.6</td>
<td>(25.6)</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>(16.4)</td>
<td>47.7</td>
<td>0.1</td>
<td>(26.4)</td>
</tr>
<tr>
<td>Selling, General and Administrative Expenses</td>
<td>(12.5)</td>
<td>105.4</td>
<td>49.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(129.2)</td>
<td>(57.6)</td>
<td>(49.7)</td>
<td>(10.8)</td>
</tr>
<tr>
<td>Equity in Earnings (Loss)</td>
<td>13.1</td>
<td>59.2</td>
<td>45.2</td>
<td>88.4</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>24.6</td>
<td>226.0</td>
<td>141.1</td>
<td>134.6</td>
</tr>
<tr>
<td>Free Cash Flow*2</td>
<td>10.1</td>
<td>195.0</td>
<td>112.7</td>
<td>51.6</td>
</tr>
<tr>
<td>Net Investment Cash Flow</td>
<td>7.5</td>
<td>49.8</td>
<td>107.1</td>
<td>44.7</td>
</tr>
<tr>
<td>Investment Cash Flow (IN)</td>
<td>8.8</td>
<td>6.7</td>
<td>13.7</td>
<td>73.4</td>
</tr>
<tr>
<td>Investment Cash Flow (OUT)</td>
<td>-1.3</td>
<td>-56.5</td>
<td>-120.8</td>
<td>-118.1</td>
</tr>
<tr>
<td>Free Cash Flow*2</td>
<td>10.1</td>
<td>195.0</td>
<td>112.7</td>
<td>51.6</td>
</tr>
</tbody>
</table>

Note: Figures for the Energy Segment and the Machinery & Infrastructure Segment reflect transfers carried out following this organizational restructuring, excluding independent numbers.
Segment Strategies

Iron & Steel Products Segment

Iron & Steel Products Business Unit

Business Activities
To respond to diverse industrial and latent customer needs, we procure, supply, sell, and invest in processing, functional trading, parts production and service businesses for iron and steel products, both in Japan and in various overseas regions.

Progress under Previous Medium-term Management Plan (top) and Targets in Medium-term Management Plan 2023 (bottom)

- Repositioned within steel product value chain, streamlined and optimized businesses. Still need to maximize the value of investment projects.
- A professional group leveraging the power of steel and other materials to create products and services that anticipate industry challenges and potential needs of customers. Work to develop and improve the value of businesses in terms of both investment and trading in the four domains of mobility, infrastructure, energy, and logistics, based on the themes of next-generation mobility, energy solutions, circular economy, and digital economy.

Individual Strategies

- Mobility: We contribute to the development and manufacture of key parts for next-generation mobility. We aim to maximize enterprise value of Gestamp Automoción S.A. through initiatives to increase return on investment and deeper involvement in management, while working to strengthen peripheral trading business and implement new initiatives for next-generation businesses.
- Infrastructure: We intend to strengthen and expand inspection, maintenance and repair (IMR) businesses in the Electrical Arc Furnace, infrastructure processing, steel logistics and scrap businesses, and extend the operating life of infrastructure.
- Energy: We contribute to energy solutions through the stable supply of energy and the renewable energy & energy conservation businesses. We also pursue highly functional trading in the oil and gas field, and will establish a business foundation in the renewable energy sector centered on GRI Renewable Industries, S.L. and GEG Holdings Limited.
- Logistics: We are taking initiatives to expand the value at NIPPON STEEL TRADING CORPORATION, and to launch a digital platform business.

Impact from COVID-19 and Response Policies

- Slowdown in growth in global steel production, including China and Japan. Local production for local consumption in emerging countries.
- Needs are becoming more sophisticated for materials, especially in next-generation mobility (lighter and stronger materials)
- Readjustment of steel production, processing and supply chains in response to low-carbon and circular economy
- Impacts materialized with weaker demand for steel products; lower operating rates at affiliated companies as economic activity stalled.

Vision

A professional group leveraging the power of steel and other materials to create products and services that anticipate industry challenges and the potential needs of customers

- Mobility: Promote electric vehicles and seek to reduce the weight of vehicle frames
- Logistics: Digital transformation to reform distribution
- Infrastructure: Promote Electrical Arc Furnace and IMR businesses
- Energy: Contribute to the stable supply of energy

Mitsui & Co. Steel Overseas branches
- Work together as one team

Mitsui & Co.
- Comprehensive strengths, business management capabilities

Contribute to the Development and Manufacture of Key Parts for Next-Generation Mobility

- Electric vehicle powertrains
  - Develop products for electric vehicle powertrains and secure related steel products
  - Highly functional trading in electrical steel, production of motors for electric vehicles, specialty steel for powertrains
- Reduce weight of vehicles and strengthen materials
  - Tap into market growth for advanced materials
  - Automotive parts business (Gestamp), use of multi-materials
- Batteries
  - Develop demand for electric vehicles and hydrogen fuel cells, etc.
  - Battery boxes for electric vehicles
  - Heat-resistant stainless steel for fuel cell battery cases

Major Subsidiaries & Associated Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Businesses</th>
<th>Capitalization Interest (%)</th>
<th>Annual Earnings (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitsui &amp; Co. Steel Ltd</td>
<td>Sales, export, import of steel products</td>
<td>VAR: 6.1</td>
<td>4.1</td>
</tr>
<tr>
<td>NIPPON STEEL TRADING CORPORATION</td>
<td>Sales, export and import of steel products</td>
<td>VAR: 19.9</td>
<td>6.9</td>
</tr>
<tr>
<td>Gestamp Automoción S.A.</td>
<td>Manufacture of automotive components</td>
<td>VAR: 3.9</td>
<td>2.1</td>
</tr>
<tr>
<td>GRI Renewable Industries</td>
<td>Manufacture of wind turbine towers and foundations</td>
<td>25.0</td>
<td>(0.3)</td>
</tr>
<tr>
<td>GTECH &amp; CO., LTD</td>
<td>Investment in steel processing company</td>
<td>10.8%</td>
<td>6.7</td>
</tr>
</tbody>
</table>
Mineral & Metal Resources Segment

Mineral & Metal Resources Business Unit

- Mineral & Metal Resources Business Unit

Business Activities
We ensure a secure and stable supply of mineral and metal resources essential to society through our business investments and trading activities across the value chain. We also promote recycling business in anticipation of sustainability and the circular economy.

Business Environment
- The Chinese economy has continued to expand despite the uncertainties in the global economy including U.S.–China trade friction. As the presence of Europe, the U.S. and Japan declines, India and Southeast Asia have become more prominent.
- The movement to reduce emissions of greenhouse gases has gained momentum as evidence of climate change becomes more apparent.
- Amid growing needs to reduce environmental load, it is inevitable to reduce the use of fossil fuels, promote electric vehicles, and increase the ratio of renewable energy.

Progress under Previous Medium-term Management Plan (top) and Targets in Medium-term Management Plan 2023 (bottom)
- Built a solid earnings base, improved invested asset value: iron ore, developed new iron ore deposits to replace existing deposits; coking coal, optimized asset portfolio; copper, improved invested asset value.
- Addressed changes in business environment, new business development: implemented new initiatives in recycling businesses and reduced emissions of greenhouse gases.
- In addition to reinforcing underground resource business, aim to balance economic viability and sustainability by combining with recycling business, with eyes on sustainability and the circular economy.
- Implement measures in response to changes in global environment (low-carbon society), and create businesses in the value chain by taking on challenges in new domains.

Individual Strategies

Iron ore
- We are developing new iron ore deposits at Robe River and BHP South Flank, to establish a solid earnings base in the iron ore mining business in Australia, and contributing to increase the value of Vale S.A.

Coal
- We are developing new coal operations in Australia, contributing to increase the value of XSMK.

Copper
- We are aiming to optimize the value of existing assets in Chile and strengthening functions through the value chain.

Others
- We are developing initiatives and establishing an earnings base for recycling business.
- We are creating a value chain in secondary battery raw materials.
- We are responding to changes in the industry structure toward a low-carbon society and promoting ESG initiatives.

Impact from COVID-19 and Response Policies
- Impact on lower production and sales in mining operations, and lower trading volume due to weaker demand.
- Along with operations in each business, we are taking thorough measures to prevent the spread of COVID-19 and minimizing its impact on operations.
Energy Segment

Energy Business Unit I

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 expanding and accelerating initiatives in the energy solutions field, centered on next-generation fuels, and renewable energy generation, a growth domain. We are also engaged in operations that help reduce the impact of greenhouse gases, while creating unique value added.

Progress under Previous Medium-term Management Plan (top) and Targets in Medium-term Management Plan 2023 (bottom)

- Expanded and improved quality of robust upstream asset portfolio, including UNEE, advanced midstream and downstream trading functions, and made progress on optimizing physical distribution
- Expanded efforts in distributed HS power sources, advanced electric power trading functions, made progress on commercialization of next-generation fuels, deepened collaboration with other divisions, created new business unit
- Maintain and expand medium- and long-term profitability by evolving our competitive business portfolio based on the dual challenges. Create new value in the energy value chain
- Expand and accelerate efforts in the energy solutions field: Formulate and execute Groupwide strategies to drive creation of next-generation businesses, leverage comprehensive strengths by integrating businesses

Individual Strategies

Energy Business Unit I

- Upstream oil and gas development: By becoming more involved in projects, maximize value of existing assets and sharpen cost competitiveness
- Refining & business model: Leverage knowledge and networks in existing businesses to advance low-carbon businesses, and evolve the business portfolio

Energy Business Unit II

- LNG: Steadily launch Arctic LNG 2 and Mozambique LNG development projects, enhance profitability and maximize value of existing projects
- Strategically advance our balanced and highly competitive LNG supply portfolio by improving capital efficiency and recycling assets

Trading

- Increase profitability with a greater awareness of capital efficiency and risk management while monitoring demand needs. Build logistics flows with an eye on transition to non-fossil fuels
- Create, improve and optimize LNG sales portfolio that contributes to maximizing value of upstream operations

Renewable energy generation and related businesses

- Expand and accelerate initiatives in distributed power sources, storage batteries, retail and logistics. Advance toward an integrated service provider for end consumers

Next-generation fuel business

- Create a next-generation fuel business portfolio, commercializing next-generation ethanol and bio jet fuel business

Hydrogen and carbon management

- Create business model for hydrogen value chain. Create business model for carbon management in offset operations, such as emissions credits

Impact from COVID-19 and Response Policies

- We will collaborate with operators to continuously and thoroughly review capex/opex, and aim to strengthen cost competitiveness further
- In the trading business, we are paying even closer attention to managing credit and other risks. We are also monitoring demand recovery trends by region and by product

Equatorial Guinea LNG

Mozambique LNG

Cameron LNG

Abu Dhabi LNG / Qatargas I-II / Oman LNG Projects

Tangguh LNG

Comprehensive Strength of Energy Solutions

Mitsui partner

Major Subsidaries & Associated Companies

Company Name

Mitsui Oil Exploration Co., Ltd.
Mitsui E&P Middle East B.V.
Mitsui E&P Australia Pty Limited
Mitsui & Co. Energy Trading Singapore Pte. Ltd.
Mitsui & Co. Mozambique Area 1 Limited

Businesses

Exploration, development and production of oil and natural gas
Exploration, development and production of oil and natural gas in Middle East
Exploration, development and production of oil and natural gas in Oceania
International trading of petroleum products and crude oil
Exploration, development and production of LNG in Mozambique

Domestic Interest (%)

18/3 19/3 20/3 20/3

Annual Earnings (¥ billion)

74.3 11.5 24.8 22.0

89.7 3.5 6.5 5.7

100.0 3.9 (0.3) (14.2)

100.0 (4.4) 0.8 7.2

50.1 (3.4) (3.2) 11.2
Impact from Covid-19 and Response Policies

- There has been progress with the shift to a low carbon society and digital transformations. Also, the shift to renewable energy and digital infrastructure has been increasing due to the COVID-19 pandemic.
- Renewable energy sources have significantly increased on the back of the trend toward the 3Ds.*1 Also, power-supply adjustment needs for gas-fired power are robust following this increase in renewable energy sources.
- Global cargo volume is on a downward trend following US-China trade friction and global economic stagnation due in part to the prolonged spread of COVID-19.
-改革 and diversification of transportation and mobility infrastructure services, including energy conservation, new fuel, and electrification, is increasing, as is demand for mass transit. Also, LNG trading is diversifying.
- Carbon-related technologies are evolving and changes in the industrial structure are accelerating. Also, the service platform market for end users is expanding.

Individual Strategies

<table>
<thead>
<tr>
<th>Area</th>
<th>Our Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area development / distributed power generation</td>
<td>Upgraded power systems improve quality of asset portfolio through continuous replacement, enhance profits from existing businesses, selectively focus on new, high-quality projects (distributed power), promote the independence of existing businesses, and win bids for new projects.</td>
</tr>
<tr>
<td>Resources and social infrastructure</td>
<td>Enhance the value of existing businesses through stable operations and bid on investments, improve profitability in the FPSO business by winning bids for new projects and enhancing operational systems.</td>
</tr>
<tr>
<td>New infrastructure domains</td>
<td>Enhanced profit base in existing businesses and postpone efforts toward the next-generation energy services, platform-base infrastructure, and digital infrastructure businesses. Also implement efficiency improvement of allocative and IT.</td>
</tr>
<tr>
<td>Automobiles, construction machinery and railways</td>
<td>Enhance profit base in existing businesses, expand into new businesses in upstream operations (Strengthen EV/FCV business, platforms in Asia, mid-term shift and downstream operations (servicesleasing/sharing and other E training/education).</td>
</tr>
<tr>
<td>Ships and aerospace</td>
<td>Enhance profit base of existing businesses (leasing/trading/maintenance services). Replace and improve quality of port, cities, railways, and integrated services.</td>
</tr>
</tbody>
</table>

- We will continue efforts to enhance the quality of existing assets, establish profit bases, and transform the nature of our operations. We will also demonstrate our comprehensive strengths in a manner that goes beyond our existing business domains and step up initiatives toward digital transformations.
- We will implement Groupwide management, strengthen EV/FCV initiatives, and incorporate growth from the MaaS*3 domain. We will also expand platforms to capture growth in Asia.
- We will realign a well-balanced business portfolio through business development and management-type investments. In addition, we will enhance asset quality by promoting recycling and establishing next-generation platforms.

Segment Strategies

- Infrastructure Projects Business Unit
- Mobility Business Unit II
- Mobility Business Unit I

Business Activities

- We contribute to the development of countries and the creation of better lives through the reliable, long-term supply of indispensable social infrastructure such as power, gas, water, railways and logistics. While strengthening contact points with end users including consumers, we provide sales, financing, leasing, 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.

- Kazumasa Nakai, Managing Officer, Chief Operating Officer, 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

Machinery & Infrastructure Segment

- Impact on customer base from government efforts to develop new fuel, various policies promoting new fuel, efforts of vehicle manufacturers toward the electrification of various types of vehicles, and efforts of vehicle manufacturers toward the electrification of commercial vehicles.
- Impact on customer base from government efforts to develop new fuel, various policies promoting new fuel, efforts of vehicle manufacturers toward the electrification of various types of vehicles, and efforts of vehicle manufacturers toward the electrification of commercial vehicles.

- Electric power
  - Total power generating capacity of approximately 11.1 GW
  - Project operation
  - Well-balanced power generation portfolio in terms of region and fuel

- 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

- Offshore energy
  - Robust structure for collaboration with MOOEC, Inc.
  - Ambitious project achievement for Petrolog Biratero, S.A.—Petrobras
  - Satellite profits from 18 FPSO/FSO

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

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

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

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

- Medium-term Management Plan

- Construction equipment
  - Leveraging of comprehensive strengths in the construction, building, and infrastructure business
  - Equipment and machine tool businesses, etc.

- Major Subsidiaries & Associated Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Businesses</th>
<th>Ownership Interest (%)</th>
<th>Annual Earnings (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Consolidated) Power generating businesses</td>
<td>Investment in power generation businesses</td>
<td>Var</td>
<td>46.4</td>
</tr>
<tr>
<td>(Consolidated) FPSO/FPSO leasing businesses</td>
<td>FPSO/FPSO leasing</td>
<td>Var</td>
<td>9.1</td>
</tr>
<tr>
<td>(Consolidated) gas related businesses</td>
<td>Gas distribution businesses in Brazil and Middle East</td>
<td>100.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Mitsui &amp; Co. Plant Systems, Ltd</td>
<td>Services of various plants, electric power facilities, and transportation with MODEC, Inc.</td>
<td>100.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Petrolog Automotive Group, Inc.</td>
<td>Diversified international transportation services</td>
<td>16.5</td>
<td>11.1</td>
</tr>
<tr>
<td>(Consolidated) track leasing and rental businesses</td>
<td>Track leasing, rental, and logistics services</td>
<td>100.0</td>
<td>4.3</td>
</tr>
<tr>
<td>(Consolidated) Rolling stock leasing businesses</td>
<td>Freight car and locomotive leasing with MOOEC, Inc.</td>
<td>Var</td>
<td>4.3</td>
</tr>
<tr>
<td>(Consolidated) railroad vehicle businesses</td>
<td>Light rail vehicles for FCV</td>
<td>Var</td>
<td>4.3</td>
</tr>
<tr>
<td>(Consolidated) Construction &amp; industrial machinery businesses</td>
<td>Construction &amp; industrial machinery businesses</td>
<td>Var</td>
<td>4.3</td>
</tr>
<tr>
<td>NUS, Inc</td>
<td>Integrated freight transportation</td>
<td>Var</td>
<td>2.3</td>
</tr>
</tbody>
</table>
Business Environment

- Increasing importance of carbon management and creation of a circular economy as a necessity to address climate change and environmental issues
- Global expansion of the oil to chemicals trend as oil refiners shift to chemical production
- Growing needs for increased food production due to growth of the world economy as well as population growth. High-value-added needs resulting from a rising middle income class and rising awareness of health and environmental issues
- Decrease in production in manufacturing businesses for durable consumer goods as well as decrease in trading volume amid slump
- Strengthened initiatives in health domain, where needs are growing for disease prevention and day-to-day health management
- Value creation through material design in response to changing trends
- Contribution to improve quality of life and realization of a sustainable society through the stable supply of materials

Progress under Previous Medium-term Management Plan (top) and Targets in Medium-term Management Plan 2023 (bottom)

- Expanded environment-related businesses toward realization of a sustainable society
- Participated in paint business in Europe to address environmental issues and develop products to address diverse customer needs
- Strengthened initiatives in health domain, where needs are growing for disease prevention and day-to-day health management
- Value creation through material design in response to changing trends
- Contribution to improve quality of life and realization of a sustainable society through the stable supply of materials

Individual Strategies

- Reduce environmental burden by expanding environment-related businesses
- Engage in new growth opportunities
- Increase profits in existing businesses

Impact from COVID-19 and Response Policies

- Decrease in production in manufacturing businesses for durable consumer goods as well as decrease in trading volume amid slump in demand.
- Further improve proposal abilities to customers and enhance our network.
- Implement thorough risk management measures and strengthen competitiveness by reducing costs.

Focus Businesses

Materials and Infrastructure Business toward Realizing a Hydrogen based Society

In its Medium-term Management Plan 2023, Mitsui has positioned energy solutions as a growth area, and is focusing on hydrogen energy as a promising clean energy of the future in response to demands for a low carbon society. Specifically, in the FCEV-related business, Mitsui supports the creation of a supply chain with FCEV hydrogen tanks manufactured by Hexagon Composites ASA in Norway, the world’s largest manufacturer of lightweight pressurized tanks. We also supported the development of infrastructure for realizing a hydrogen society through FirstElement Fuel, Inc., a company that develops and operates hydrogen refueling stations in California.

Integrated Agricultural Input Business

Mitsui is engaged in the agricultural input distribution business, centered on Latin America. In particular, we are promoting the use of biopesticides that enhance the natural immune system of plants, and optimize the use of chemical fertilizers based on soil analysis. Amid the increasing use of biopesticides made from fungus and plant extract, the Company’s subsidiary, Certis USA L.L.C., is stepping up efforts to achieve agricultural practices in harmony with the environment as a leading firm in the biopesticides industry.

Major Subsidiaries & Associated Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Businesses</th>
<th>Ownership Interest (%)</th>
<th>Annual Earnings (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MMTX Inc.</td>
<td>Investment in methanol producing business in the United States and sale of products</td>
<td>100%</td>
<td>2.9</td>
</tr>
<tr>
<td>SHARK BAY SALT PTY LTD</td>
<td>Production of salt</td>
<td>100%</td>
<td>1.0</td>
</tr>
<tr>
<td>MITSUI &amp; CO. PLASTICS LTD</td>
<td>Sales of plastics and chemicals</td>
<td>100%</td>
<td>3.8</td>
</tr>
<tr>
<td>Consolidating Mitsui AgricScience International</td>
<td>Investments in crop protection businesses in Europe and the Americas</td>
<td>100%</td>
<td>1.7</td>
</tr>
</tbody>
</table>
**Lifestyle Segment**

- **Food Business Unit**
- **Retail Business Unit**

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

**Values**
- Values are changing from products to experiences, and from mass to personalization. We expect the propensity to spend to increase in upstream and downstream areas, reinforced functions by creating a holding company for the domestic intermediate distribution business
- In Japan and overseas, we leverage our quality control capabilities, which we have cultivated domestically through our product development and proposal capabilities, which we have acquired through our development center and Group companies such as Bussan Food Materials Co., Ltd.

**Initiatives in the intermediary distribution domain**
- In the intermediary distribution field, Mitsui & Co. Retail Holdings Co., Ltd. was established in June 2020 as an umbrella for domestic Group intermediary distribution companies in order to organically and flexibly take advantage of digital solutions functions to differentiate its products, services and sales floors. We manufacture and provide to consumers optimal products and services while expanding points of contact with customers in the retail business, centered on e-commerce.

**Examples of Initiatives (Food, Retail, Healthcare services)**

- **Global logistics network for food**
  - We endeavor to ensure a reliable supply of quality food through our networks that connect global bases, including those in Japan, to major food production assets across a wide range of product lines.

- **Quality control and product development capabilities, and emphasis on sustainability**
  - In Japan and overseas, we leverage our quality control capabilities, which we have cultivated domestically through Group companies such as Nisshin Foods Inc., Ltd., and Nisshin Ochibashi Sugar Co., Ltd., as well as our product development and proposal capabilities, which we have acquired through our development center and Group companies such as Bussan Food Materials Co., Ltd.

- **Initiatives in the intermediary distribution domain**
  - In the intermediary distribution field, Mitsui & Co. Retail Holdings Co., Ltd. was established in June 2020 as an umbrella for domestic Group intermediary distribution companies in order to organically and flexibly take advantage of digital solutions functions to differentiate its products, services and sales floors. We manufacture and provide to consumers optimal products and services while expanding points of contact with customers in the retail business, centered on e-commerce.

- **Initiatives in the fashion and textile businesses**
  - Domestic and overseas brand retail businesses, planning and manufacturing of clothing products (OSM)
  - Develop procurement business for textile materials and inquire

**Integrated services businesses**
- Mitsui, ARI SERVICES CO., LTD. and Mitsui & Co. Foresight Ltd. offer integrated services, including food, cleaning and facility management, to companies, hospitals, schools, and sports & leisure facilities (MAZDA Stadium, etc.). We aim to become the No. 1 provider in Japan by further expanding the business.

**Major Businesses within the Food and Food Product Value Chain**

**Group company functions in the intermediary distribution domain**
- We are striving to create new value in services for consumers that use digital technologies, while focusing in demand prediction, procurement and logistics.

**Impact from COVID-19 and Response Policies**
- Restrictions on social gatherings have had a negative impact on the restaurant industry and fashion industry, especially luxury brands, but it has hastened growth in e-commerce and digital media.
- In the hospital business, stay-at-home orders have reduced demand for healthcare for patients with mild conditions and medical sources. Meanwhile, we have marshaled all our capabilities to provide resources to national hospitals accepting COVID-19 patients. We are also accelerating efforts to use digital technology including online medical consultations.

**Major Subsidiaries & Associated Companies**

- **Company Name**
- **Businesses**
- **Domestic Interest (%)**
- **Overseas Interest (%)**
- **Annual Sales (Net sales) 2019**
- **Annual Profit (Net profit) 2019**

**Mitsui Sugar Co., Ltd.**
- Manufacture of refined sugar
- 33.5
- 3.3
- 21
- 13

**Mitsui FOODS, Inc.**
- Investments in edible oil products company
- 99.0
- 3.4
- 19

**Mitsui & Co. Retail Holdings Co., Ltd.**
- Distribution
- 77.1
- 6.6
- 10
- 7

**Mitsui & Co. Services Co., Ltd.**
- Contract services
- 50.0
- 2.5
- 4.8

**Mitsui & Co., Ltd. Integrated Report 2020**
Innovation & Corporate Development Segment

• IT & Communication Business Unit
• 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 businesses 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.

Business Environment
• Needs are growing for digital infrastructure to accommodate the increase in data traffic, in addition to the increasing needs for contactless services.
• Functions of insurance risk management are becoming more important due to an increase in natural disasters, alongside growing business opportunities for environmental derivatives.
• It has become harder to hire domestic workers, and rising personnel costs have increased the need to seek out greater efficiency with robots.

Progress under Previous Medium-term Management Plan (top) and Targets in Medium-term Management Plan 2023 (bottom)
• Solid performance at a major domestic affiliated company, including MITSUI KNOWLEDGE INDUSTRY CO., LTD., which posted record-high profits. Promoted the hiring and training of young managers.
• Progressed domestic real estate business steadily, participated in buyouts in Japan and Asia. Enhanced functions of Corporate Development Division.
• Reinforce existing businesses, centered on major domestic affiliated companies in Japan, create new businesses, co-create with other divisions through ICT.
• Create new value by combining knowledge in financing, real estate and logistics businesses with group-wide experience and networks.

Individual Strategies

ICT
• Further strengthen profit base of major domestic affiliated companies such as MITSUI KNOWLEDGE INDUSTRY CO., LTD. and Mitsui Bussan Electronics Ltd.
• Create new businesses using new technologies and business models
• Drive to create new businesses and facilitate digital transformation by pairing together knowledge of industry and business from other business units with knowledge in the ICT area

Corporate Development
• Thoroughly strengthen existing businesses, such as by reinforcing relationships with existing customers, expanding the customer base, strengthening the management foundation, including IT, and improving functions.
• Implement initiatives for value improvement in real estate and real state development responding to the needs of regions and fields, while progressing procurement, development including redevelopment, and realization of profits.
• Contribute to our business transformation and expand the pool of management talent while continuing to assign employees to management positions at companies in which we have invested.

Impact from COVID-19 and Response Policies
• Suspension of operation and transportation, decline in sales due to weaker demand and rental income in real estate, suspension of fund launches as well as asset recycling.
• Demand increase in some businesses led by stay-at-home demand.
• Pursue sales activities and improve business efficiency through using IT, and enhance investment disciplines.

New Initiatives
• Automation Inc.
  • Automation was established jointly with GLP Japan Inc. in 2019. Using sorting robot systems made by Chenguang Liubao Robotics Co., Ltd., Automation is developing Robotics as a Service businesses for automating logistics facilities.

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 sales of semiconductor-related products. Mitsui Bussan Secure Directions provides cyber security services. Centred on these three companies, we promote ICT-related businesses in Japan. Also, MITSUI KNOWLEDGE INDUSTRY and Mitsui Bussan Electronics began talks about a merger in April 2021 with the aim of leveraging business synergies and creating new customers.

QVC Japan, Inc.
Television shopping company in Japan that operates under the U.S.-based Qurate Retail Group.

World Hi-Vision Channel, Inc.
Since 2007, World Hi-Vision Channel has been operating ‘BS12two’, a 24/7 free-to-air BS channel.

MBK Real Estate LLC
MBK Real Estate ("MBRE") entered into the senior living properties business in the U.S. in 1990. The company now owns 33 properties with approximately 3,600 units. In January 2020, a private fund was launched for Japanese investors for the investment in senior living properties in the U.S. MBRE aims to enter income-generating businesses, such as fund management revenue, by adding a private fund to its exit strategies.

Initiatives in Buyout Fund Businesses
Mitsui has been operating buyout fund businesses in Japan, through MBK Investments Ltd., and in Asia, through collaboration with Advantage Partners, LLP. We also invested in Art Capital Partners Co., Ltd. in the fiscal year ended March 31, 2020; Mitsui participated in a buyout fund operating company located in Germany.

Major Subsidiaries & Associated Companies

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Businesses</th>
<th>Ownership Interest (%)</th>
<th>Annual Earnings (¥ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QVC Japan, Inc.</td>
<td>TV shopping using a 24-hour dedicated channel</td>
<td>40.0</td>
<td>9.3</td>
</tr>
<tr>
<td>MITSUI KNOWLEDGE INDUSTRY CO., LTD.</td>
<td>Planning, development and sales of information and communication systems</td>
<td>100.0</td>
<td>2.1</td>
</tr>
<tr>
<td>A Mitsui Leasing, Ltd.</td>
<td>Leasing and financing business</td>
<td>100.0</td>
<td>4.0</td>
</tr>
<tr>
<td>MBK Real Estate LLC</td>
<td>Domestic warehousing businesses and international transportation services</td>
<td>100.0</td>
<td>2.3</td>
</tr>
<tr>
<td>MBK Real Estate LLC</td>
<td>Real estate sales, leasing, management and consulting</td>
<td>100.0</td>
<td>2.3</td>
</tr>
<tr>
<td>MBK Real Estate LLC</td>
<td>Real estate asset management</td>
<td>100.0</td>
<td>2.3</td>
</tr>
</tbody>
</table>
Product and Regional Expertise

Mitsui has a unique organizational structure that is built upon the two axes of product and regional expertise. Under this organization, we engage in 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 16 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 Group-wide 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 16 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.

Chief Operating Officers of the Overseas Regional Business Units

Sayu Ueno
Executive Managing Officer, Chief Operating Officer of Americas Business Unit

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

Motoaki Uno
Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit

Organization Chart

(As of April 1, 2020)
Board of Directors and Independent Directors
As of June 19, 2020

Directors

<table>
<thead>
<tr>
<th>Years as a Director / Number of Company Shares Held</th>
<th>Representative Director, Senior Executive Managing Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 / 24,975 shares</td>
<td>Shinichiro Omachi</td>
</tr>
<tr>
<td>2019 / 3,485 shares</td>
<td>Takeshi Uchiyamada</td>
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<tr>
<td>2017 / 3,485 shares</td>
<td>Samuel Walsh</td>
</tr>
<tr>
<td>2015 / 26,506 shares</td>
<td>Yoshio Kometani</td>
</tr>
<tr>
<td>2014 / 28,786 shares</td>
<td>Kenichi Hori</td>
</tr>
<tr>
<td>2013 / 3,485 shares</td>
<td>Tatsuo Yasunaga</td>
</tr>
<tr>
<td>2012 / 3,485 shares</td>
<td>Yukio Takebe</td>
</tr>
<tr>
<td>2011 / 3,485 shares</td>
<td>Masami Iijima</td>
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<tr>
<td>2009 / 0 shares</td>
<td>Masako Egawa</td>
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<tr>
<td>2008 / 0 shares</td>
<td>Izumi Kobayashi</td>
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<tr>
<td>2007 / 0 shares</td>
<td>Jenifer Rogers</td>
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<td>2006 / 0 shares</td>
<td>External Director</td>
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<td>1975 / 0 shares</td>
<td>External Director</td>
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<td>1974 / 0 shares</td>
<td>External Director</td>
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Independent Directors

<table>
<thead>
<tr>
<th>Years as a Director / Number of Company Shares Held</th>
<th>Representative Director, Senior Executive Managing Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 / 18,645 shares</td>
<td>Miki Yoshikawa</td>
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<tr>
<td>2019 / 26,506 shares</td>
<td>Tatsuo Yasunaga</td>
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<tr>
<td>2018 / 28,786 shares</td>
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<td>External Director</td>
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<tr>
<td>1974 / 3,485 shares</td>
<td>External Director</td>
</tr>
</tbody>
</table>

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MITSUI & CO., LTD. Integrated Report 2020

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Audit & Supervisory Board Members

As of June 19, 2020

Table: Full-time and Independent Audit & Supervisory Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years as an Audit &amp; Supervisory Board Member</th>
<th>Number of Company Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makoto Suzuki</td>
<td>Full-time Audit &amp; Supervisory Board Member</td>
<td>2019</td>
<td>78,521 shares</td>
</tr>
<tr>
<td>Kimihiro Shiotani</td>
<td>Full-time Audit &amp; Supervisory Board Member</td>
<td>1994</td>
<td>1,710 shares</td>
</tr>
<tr>
<td>Hiroshi Ozu</td>
<td>External Audit &amp; Supervisory Board Member</td>
<td>1974</td>
<td></td>
</tr>
<tr>
<td>Kimihiro Mori</td>
<td>External Audit &amp; Supervisory Board Member</td>
<td>1990</td>
<td></td>
</tr>
</tbody>
</table>

* As of June 19, 2020

Managing Officers

As of June 19, 2020

Table: Managing Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years as an Audit &amp; Supervisory Board Member</th>
<th>Number of Company Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tatsuo Yasunaga</td>
<td>President and Chief Executive Officer; Head of Crisis Management Headquarters</td>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>Yukio Takebe*</td>
<td>Chief Financial Officer; Corporate Staff Unit (Global Strategic Planning &amp; Administration Division, Global Strategy Division, Finance Division, Risk Management Division, General Manager of EMEA (Europe, the Middle East and Africa Business Unit, Chief Operating Officer of Business Continuity Management); Director of Mitsui &amp; Co. Europe PLC</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>Kenichi Hara*</td>
<td>External Audit &amp; Supervisory Board Member; Chairman, Audit &amp; Supervisory Board Committee</td>
<td>1995</td>
<td></td>
</tr>
<tr>
<td>Yoshiro Kometani*</td>
<td>External Audit &amp; Supervisory Board Member; Chairman, Audit &amp; Supervisory Board Committee</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Motoaki Uno</td>
<td>External Audit &amp; Supervisory Board Member; Chairman, Audit &amp; Supervisory Board Committee</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Shinichiro Omachi*</td>
<td>External Audit &amp; Supervisory Board Member; Chairman, Audit &amp; Supervisory Board Committee</td>
<td>2000</td>
<td></td>
</tr>
</tbody>
</table>

* Senior Executive Managing Officers
Mitsui's Corporate Governance

In terms of strengthening corporate governance, the Company worked to improve diversity among members of the Board of Directors. At the same time, an even greater number of discussions 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

Advisory Bodies

History of the Governance System

Directors and Audit & Supervisory Board Members

100
MTSUI & CO., LTD. Integrated Report 2020

80
Management Foundation

101
MTSUI & CO., LTD. Integrated Report 2020

Management Foundation
Board and Other Meetings Held in the Fiscal Year Ended March 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>Subject</th>
<th>Notes</th>
</tr>
</thead>
</table>
| Nov 12, 2019 | Free Discussion | 1. Conglomerate Management Strategies  
2. Mitsui Diversity Management |            |

Free discussion among all members of BOD and ASB.

The first free discussion held in the fiscal year ended March 31, 2019, was evaluated very positively in the evaluation of effectiveness in the same year, we organized the free discussion continuously during the fiscal year ended March 31, 2020.

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 while the Board of Directors retains a supervisory role over Managing Officers' business activities. Chief Operating Officers of the 16 Headquarter Business Units and the 3 Overseas Regional Business Units serve concurrently as Managing Officers and engage in business operations for the consolidated Group in a responsive and flexible manner.

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

Board of Directors

The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has maintained a number of Directors that is suitable for having substantial discussions. The tenure of Directors is one year, and Directors can be reappointed without obstruction. The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has maintained a number of Directors that is suitable for having substantial discussions. The tenure of Directors is one year, and Directors can be reappointed without obstruction. 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 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 have majorities of external members, including their chairpersons. 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 the discretion of the Board. In the fiscal year ended March 31, 2020, 15 meetings were held.

Number of proposals/reports to the Board FYE March 2020

<table>
<thead>
<tr>
<th>Type of Proposals/Reports</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate strategy, sustainability and other matters related to governance</td>
<td>25</td>
</tr>
<tr>
<td>Financial results and other related matters</td>
<td>7</td>
</tr>
<tr>
<td>Matters related to Audit &amp; Supervisory Board members and independent auditor (including ‘Key Audit Matters’ update, Interim Review on the 100th Fiscal Year Audit, Internal Auditing)</td>
<td>6</td>
</tr>
<tr>
<td>Matters related to risk management, internal controls and compliance</td>
<td>3</td>
</tr>
<tr>
<td>Matters related to human resources</td>
<td>3</td>
</tr>
<tr>
<td>Individual projects/matters</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
</tr>
</tbody>
</table>

Sustainability, Internal Control or Risk Management-Related Reports to the Board FYE March 2020

- The status of internal control regarding FYE March 2020 was reported to the Board of Directors on April 8, 2020, immediately after the ending of such FYE.
- The status of internal control, quality control, and performance-related reports to the Board FYE March 2020 are as follows:
  1. Financial Instruments and Foreign Exchange
  2. Financial Instruments and Foreign Exchange
  3. Financial Instruments and Foreign Exchange
  4. Financial Instruments and Foreign Exchange
  5. Financial Instruments and Foreign Exchange
  6. Financial Instruments and Foreign Exchange
  7. Financial Instruments and Foreign Exchange
  8. Financial Instruments and Foreign Exchange
  9. Financial Instruments and Foreign Exchange
  10. Financial Instruments and Foreign Exchange
  11. Financial Instruments and Foreign Exchange
  12. Financial Instruments and Foreign Exchange
  13. Financial Instruments and Foreign Exchange
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  31. Financial Instruments and Foreign Exchange
  32. Financial Instruments and Foreign Exchange
  33. Financial Instruments and Foreign Exchange
  34. Financial Instruments and Foreign Exchange
  35. Financial Instruments and Foreign Exchange
  36. Financial Instruments and Foreign Exchange
  37. Financial Instruments and Foreign Exchange
  38. Financial Instruments and Foreign Exchange
  39. Financial Instruments and Foreign Exchange
  40. Financial Instruments and Foreign Exchange
  41. Financial Instruments and Foreign Exchange
  42. Financial Instruments and Foreign Exchange
  43. Financial Instruments and Foreign Exchange
  44. Financial Instruments and Foreign Exchange
  45. Financial Instruments and Foreign Exchange
  46. Financial Instruments and Foreign Exchange
  47. Financial Instruments and Foreign Exchange
  48. Financial Instruments and Foreign Exchange
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  61. Financial Instruments and Foreign Exchange
  62. Financial Instruments and Foreign Exchange
  63. Financial Instruments and Foreign Exchange
  64. Financial Instruments and Foreign Exchange
  65. Financial Instruments and Foreign Exchange
  66. Financial Instruments and Foreign Exchange
  67. Financial Instruments and Foreign Exchange
  68. Financial Instruments and Foreign Exchange
  69. Financial Instruments and Foreign Exchange
  70. Financial Instruments and Foreign Exchange

* The status of internal control regarding FYE March 2020 was reported to the Board of Directors on April 8, 2020, immediately after the ending of such FYE.

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 multi-faceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner. A meeting of the Audit & Supervisory Board Members is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the fiscal year ended March 31, 2020, 24 meetings were held.

The main items considered and discussed at the Audit & Supervisory Board meetings include: Audit activities, audit plans and work assignments; Assessment of the Independent Auditor; Audit activities conducted by full-time Audit & Supervisory Board Members; Major issues and due process relating to matters to be discussed at the Board of Directors' meetings; Major issues and resolutions relating to the internal control system on a Global Group basis; and Monitoring of progress on discussions between the Company and the Independent Auditor about various issues including “Key Audit Matters.” Each Audit & Supervisory Board Member has a duty to audit the following issues: (i) in the area of business auditing, execution of duties by Directors, decision-making processes at the Board of Directors and others, and the status of operation and improvement of the internal control systems, and (ii) in the area of financial auditing, the independence of the Independent Auditors, the system of financial reporting, accounting policies and holding or receiving of financial information, financial statements, reports from the Independent Auditors, and the system of corporate information disclosure.
Mitsui’s Corporate Governance

Summary of Evaluation of the Effectiveness of the Board of Directors

Every fiscal year, the effectiveness of the Directors of Mitsui is evaluated through a process that entails confirming efforts being undertaken in the fiscal year to address the challenges identified in the previous fiscal year’s assessment and identifying issues to be addressed in the next fiscal year, with an emphasis on PDCA cycles to improve the effectiveness of the Board of Directors. Based on the results of the effectiveness evaluation of the Board of March 2019, the Board and the Audit Committee addressed the following points during the March 2020 period:

- Effectiveness Evaluation for the Fiscal Year Ended March 31, 2020

Based on the results of the self-assessment and third-party evaluation, and the following discussions at the External Members’ Meeting in February 2020 and the Governance Committee and Corporate Management Committee meetings in March 2020, the Board of Directors reviewed its effectiveness evaluation at a meeting in April 2020.

Self-evaluation
Implementied in December 2019
14 directors and 5 audit committee members (ex. external members) completed the questionnaire. In comparison with the previous fiscal year’s results, the results have improved significantly.

Third-party Evaluation
Implemented from January to February 2020
14 directors and 5 audit committee members (ex. external members) evaluated the Directors’ effectiveness.

In addition to the self-evaluation method, third-party evaluation was conducted for the Board of Directors’ effectiveness for the fiscal year ended March 31, 2020, as a result of which the Board of Directors reviewed the effectiveness of its own Board of Directors in the fiscal year ended March 31, 2020.

Effectiveness evaluation method
In addition to self-evaluation, third-party evaluation is conducted by appointing a third-party evaluation organization.

Effectiveness Evaluation for the Fiscal Year Ended March 31, 2020

Based on the results of the self-assessment and third-party evaluation, and the following discussions at the External Members’ Meeting in February 2020 and the Governance Committee and Corporate Management Committee meetings in March 2020, the Board of Directors reviewed its effectiveness evaluation at a meeting in April 2020.

Initiatives
Evaluation of questionnaire carried out on March 31, 2020

- Furthers improvement of the management
- Effective deliberation of business projects
- Clarification of strategic position of the relevant business
- Accelerated early distribution of board materials
- Prominent discussion on individual business projects
- Increased efficiency through active use of written resolutions ensuring efficient deliberation time
- Board of Directors meetings were held to discuss the Company’s direction and business strategy in a free and open manner in the External Members’ Meeting and full discussions with external directors, with the scope of topics for further understanding of overall strategy reporting by the business units.
- The reports to the Board of Directors were made regarding the risk management systems or a Company’s and multi-business basis, and based on this report, risks are pointed out and examined.
- Opportunities and risks for acquiring necessary knowledge through the meetings of external directors and advanced briefing are appropriately secured, and there is also an adequate system for coordination between external directors and the management, accounting auditors, and the Internal Audit Department.

- As a result of summarizing the above, the Board of Directors judged that the effectiveness of the Board of Directors was appropriately ensured in the fiscal year ended March 31, 2020.

Further improving the effectiveness

1. Further improvement of the management of the Board of Directors

- Provision of information on individual business projects at the consideration
- Subsequent progress reports on matters approved by the Board of Directors
- Extension of time for prior briefing about important matters
- Providing information in assured
- Enhancement of presentation and discussion stage for improvement projects
- Enhancement of preliminary briefing and continuous improvement by the Secretariat
- Effective deliberation of business projects
- Clarification of strategic position of the relevant business
- Effective deliberation of business projects
- Increased efficiency through active use of written resolutions ensuring efficient deliberation time
- Board of Directors meetings were held to discuss the Company’s direction and business strategy in a free and open manner in the External Members’ Meeting and full discussions with external directors, with the scope of topics for further understanding of overall strategy reporting by the business units.
- The reports to the Board of Directors were made regarding the risk management systems or a Company’s and multi-business basis, and based on this report, risks are pointed out and examined.
- Opportunities and risks for acquiring necessary knowledge through the meetings of external directors and advanced briefing are appropriately secured, and there is also an adequate system for coordination between external directors and the management, accounting auditors, and the Internal Audit Department.

Remuneration of Directors and Audit & Supervisory Board Members

Structures of remuneration

- Share performance-linked restricted stock
- Stock-based remuneration
- Non-equity performance-related bonus
- Performance-related bonus

- Additional improvement of free discussion that does not involve third parties
- Further improvement of the effectiveness of the Board of Directors in discussions on overall strategy
- Additional improvement of free discussion that does not involve third parties
- Further improvement of the effectiveness of the Board of Directors in discussions on overall strategy
- Additional improvement of free discussion that does not involve third parties
- Further improvement of the effectiveness of the Board of Directors in discussions on overall strategy
- Additional improvement of free discussion that does not involve third parties
Mitsui's Corporate Governance

1. Amount paid as individual bonuses
The total amount calculated by the method shown above is distributed to each Directors 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 ¥100 million, and 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: ¥700 million × 10 / 10 points = ¥70 million
Executive Vice President: ¥700 million × 7 / 64 points = ¥109.37 million
Senior Executive Managing Officer: ¥700 million × 6 / 64 points = ¥65.62 million

Remuneration system of share performance-linked restricted stock
This 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 sustainable 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 at the fiscal year under a certain stock restriction period, to Directors (shares allocated under the System will be referred to below as the “Shares”) in addition to basic fixed remuneration and a 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 rate of the Company’s share price*1 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 rate of the Company’s share price*1 greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX)*2, the number of Shares after valuation will be determined as follows in linkage with the share performance, etc.:

1. If the growth rate of the Company’s share price*1 is equal to or greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX)*2, the number of Shares after valuation will be determined as the entire number of Shares issued*3.
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 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.

Number of Shares after valuation = Number of Shares × TOPIX growth rate / 150%

*1 This is the growth rate of Mitsui’s share price during a valuation period defined as three months immediately prior to the month in which the final day of the valuation period falls, where the Tokyo Stock Price Index (TOPIX) was calculated using 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.
*2 This is the growth rate of three months immediately prior to the month in which the final day of the valuation period falls.

3. Number of Shares to be acquired without compensation determined according to the following points.

Growth rate of Mitsui’s share price (G) = (E - 1) × 150%

where E is the TOPIX growth rate for the growth rate period.

4. In addition to the above amounts, a total of ¥468 million was paid to 102 retired Directors, and ¥41 million to 12 retired Audit & Supervisory Board Members, as pensions (representing recipients*1) 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 those amounts were appropriate.

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 deciding matters, 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 fiscal year ended March 31, 2020 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 resolutions of the Board of Directors on December 19, 2018, which was approved as appropriate by the Remuneration Committee. 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 remuneration system of share performance-linked restricted stock was decided by a resolution of the Board of Directors at a meeting held on July 3, 2019. 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 by 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, 2020

<table>
<thead>
<tr>
<th>Category of position</th>
<th>Number of recipients</th>
<th>Basic remuneration</th>
<th>Bonus</th>
<th>Compensation</th>
<th>Total remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (excluding External Directors)</td>
<td>11</td>
<td>¥714,000</td>
<td>¥372,000</td>
<td>¥1,092,000</td>
<td></td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board Members (excluding External Audit &amp; Supervisory Board Members)</td>
<td>4</td>
<td>¥132,000</td>
<td>—</td>
<td>—</td>
<td>¥132,000</td>
</tr>
<tr>
<td>External Directors</td>
<td>5</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>External Audit &amp; Supervisory Board Members</td>
<td>3</td>
<td>¥104,000</td>
<td>—</td>
<td>—</td>
<td>¥104,000</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>¥1,020,000</td>
<td>¥372,000</td>
<td>¥1,440,000</td>
<td></td>
</tr>
</tbody>
</table>

Remuneration of Directors is determined according to the Remuneration System for Directors, which includes the following processes. This system is applicable to Directors who are elected on the same day as the date of the Board of Directors’ resolution. It will be specifically calculated using the following formula:

Number of shares after valuation = Number of Shares × TOPIX growth rate / 150%

where E is the TOPIX growth rate for the growth rate period.

For retired Directors, pensions (representing recipients) 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.

The amount paid as individual bonuses included in the above amounts was paid to 102 retired Directors, and ¥41 million to 12 retired Audit & Supervisory Board Members, as pensions (representing recipients) determined by the Remuneration Committee.

*1. The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year ended March 31, 2020.

*2. The above amounts, a total of ¥468 million was paid to 102 retired Directors, and ¥41 million to 12 retired Audit & Supervisory Board Members, as pensions (representing recipients) determined by the Remuneration Committee.

*3. Amounts less than ¥1 million were rounded off.
External Directors / External Audit & Supervisory Board Members Selection Criteria

- **Selection Criteria: External Directors**
- **External Directors**
  - With the prospective persons' 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

#### Hironobu Koizumi
- Mr. Koizumi has deep insight in organizational management and risk management for generating innovation, which he has accumulated through his experience working as the representative of private sector financial institutions and a multinational development bank. He 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, 2020, he served as a member of the Remuneration Committee, and contributed to the discussions related to the design of a remuneration system for Officers and evaluation of Officers. In addition, as chair of the Nomination Committee, he exercised strong leadership in enhancing the transparency of the procedures for the appointment of executives, including the CED. In view of these points, we have appointed Mr. Koizumi as another External Director so that he may continue to advise and supervise the Company's management.

#### Jennifer 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 a house counsel. She makes meaningful contributions 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, 2020, she served as a member of the Governance Committee, actively providing her opinions with the aim of creating a highly transparent governance system. In view of these points, we have appointed Ms. Rogers for another term as External Director so that she may continue to advise and supervise the Company's management.

#### Jerry Walsh
- Mr. Walsh has broad international experience and excellent management skills cultivated through his long years working in upper management within 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 vast 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, 2020, he served as a member of the Governance Committee, actively providing his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on his global corporate management experience and expertise and knowledge related to capital policy and business investment. We have appointed Mr. Walsh for another term as External Director so that he may continue to advise and supervise the Company's management.

#### Takeshi Uchiyamada
- Mr. Uchiyamada has been involved in research on environmental and safety technologies at Toyota Motor Corporation, which could result in a "smart mobility society" called for by today's society, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, 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, 2020, he served as a member of the Nomination Committee, and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CED. In view of these points, we have appointed Mr. Uchiyamada for another term as External Director so that he may continue to advise and supervise the Company's management.
Mitsui's Corporate Governance

- **Criteria for Independence of External Members (Directors/Audit & Supervisory Board Members)**
  - External members: Full-time Audit & Supervisory Board Members of Mitsui who do not fall under any of the following items are to be judged to have independence.
  - Person who is currently or was in the past 10 years an execu-
tive director, executive officer, manager, employee, advisor, officer, etc. (hereinafter referred to as "executing person") of Mitsui or Mitsui's consolidated subsidiaries
  - Person or the executing person of a corporation holding either directly or indirectly 10% or more of the total number of the equity rights
  - Person whose major business partner is Mitsui or Mitsui's consolidated subsidiaries (1) or the executing person of the same
  - Major business partner is the person whose major business partner is Mitsui or Mitsui's consolidated subsidiary (2) or the executing person of the same.
  - Independent auditor of Mitsui or Mitsui's consolidated subsid-
ary or employee, etc. of that

- **External Members Meetings**
  - External Members Meetings are periodically held for the purpose of exchanging information and opinions regarding important matters in management among external members, or among external members, Internal Directors, Full-time Audit & Supervisory Board Members and on Managing Officers. The meetings were held 15 times during the fiscal year ended March 31, 2020, where information and opinions were exchanged regarding matters such as the corporate management policy, audits, the operation of operating segments and human resource development.

- **Support Systems**
  - For External Directors, before regular and extraordinary meetings of the Board of Directors, respectively; results and plans of the internal control system are discussed by Full-time Audit & Supervisory Board Members. The Board of Directors and the meetings of Audit & Supervisory Board Members as remote meetings using a web confer-
tence system. Mitsui sets up a usage environment of such web confer-
ence systems on the officers PCs and provides support to the Directors and Audit & Supervisory Board Members can discuss matters effectively even at remote meetings. 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 Meetings**
  - External Members Meetings are periodically held for the purpose of exchanging information and opinions regarding important matters in management among external members, or among external members, Internal Directors, Full-time Audit & Supervisory Board Members and on Managing Officers. The meetings were held 15 times during the fiscal year ended March 31, 2020, where information and opinions were exchanged regarding matters such as the corporate management policy, audits, the operation of operating segments and human resource development.

- **Coordination between Supervisors of External Directors or Auditing by External Audit & Supervisory Board Members, 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 are responsible for auditing the work of the Company and its consolidated subsidiaries. They provide information to the Independent Auditors as and when necessary to assist the Independent Auditors in auditing the work of the Company and its consolidated subsidiaries.

- **Policy on Training for Directors and Audit & Supervisory Board Members**
  - Upon assumption, opportunities are given to Directors and Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc., of Mitsui, the Company’s internal systems and related laws and regulations, corporate governance and internal controls to ensure that they may fulfill their duties, including legal responsibilities, in the respective roles (fiduciary duties) expected of Directors or Audit & Supervisory Board Members, which are mandated by the shareholders.

- **Policy Related to Acquisition and Holding of Cross-Shareholdings**
  - The Company defines listed shares held for reasons other than purely for investment returns as cross-shareholdings. These are acquired and held in accordance with the following policy.
  1. The purpose of cross-shareholdings, in investees for which the equity method applies is to improve the corporate value of the investees and increase the equity method based profit and dividends to be received through participation in the manage-
ment of the investees. Cross-shareholdings in other companies that employ the equity method applicable (investments (including deemed shareholdings) are categorized as ‘listed shares for general investment purposes’ and regarded as a means of creating business opportunities and building, maintaining, strengthening business and collaborative relationships.
  2. Investment purposes and methods applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors reviews the meaning and policy on holding such shares, including a verification of the rationale in relation to the Company’s 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, the Company is to sell such assets, thereby reducing the cross-shareholdings.

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

- **Internal Audits**
  - 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 perspec-
tives. These include the effectiveness and efficiency of opera-
tions, reliability in terms of financial reporting, compliance with laws and regulations, and the safeguarding of Company assets. The division also implements extraordinary audits of events that have brought about exceptional economic loss or have damaged the Company’s reputation, investigating the cause of such events and examining the adequacy of measures to prevent recurrence. Furthermore, audits are carried out on the Company’s financial state, body, processes and systems, and the methods and systems used to audit and control the Company’s financial state, body, processes and systems, with a view to ensuring the adequacy of internal controls regarding the credibility of financial reporting, pursuant to the Financial Instruments and Exchange Act.

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*Note: The content is a summary of Mitsui & Co., Ltd.’s Integrated Report 2020, focusing on key governance and corporate policies.*
Execution of Business Activities and Internal Controls

Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chairman of the Board of Directors, President and Chief Executive Officer (the company 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 once a month. The President and CEO, the President and Chief Executive Officer, taking into consideration the committees members.

Based on the basic design of internal controls provided for by the Board of Directors, 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 sub-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

Internal Auditing Division President and CEO Business Operating Organization (inside / outside of Japan)

Crisis Management Headquarters Corporate Management Committee

Compliance Committee*1

Develop, maintain and improve the effectiveness of the compliance structure

Portfolio Management Committee*1

Establish corporate portfolio strategy as well as investment and management plans, monitor our corporate portfolios, and examine important individual proposals

Disclosure Committee*1

Develop principles and basic policy for statutory disclosure and timely disclosure as well as the internal structure, in addition to discussing and determining the materiality and appropriateness of information to be disclosed

Information Strategy Committee*1

Plan Companywide information strategy and determine and monitor essential policies concerning the establishment of management platform and promotion of a structure for information strategy

J-SOX Committee*1

Develop, maintain and improve the effectiveness of the system for ensuring the reliability of our consolidated financial reporting

Sustainability Committee*1

Plan, design and propose a management approach that focuses on sustainability with respect to Mitsui and society as a whole

Diversity Promotion Committee*1

Make proposals regarding basic policy and the plan for diversity promotion, and formulate and implement target sets along with the plan

Risk Management System

In response to the DPJ incident, the Company established the “Specially Designated Business Management System” in April 2005. Under this system, internal review of the four business domains, “Environmental-related business;” “Medical, Healthcare and Bioethics-related businesses;” “Businesses with subsidiary;” and “Business harboring other unusual reputation risk” is strengthened. When examining these matters, reports from the Sustainability Committee or the Environmental & Societal Advisory Committee in which external experts participate, as well as reports from other external experts, will be obtained as necessary in addition, the Company appoints consultants with insights into environmental and social risk and human rights issues, and operates a similar internal control system. In addition, from its officers and employees, the Company appoints supervising officers to each affiliated company and has them conduct management based on the “Rules on Delegation of Authority for Supervising Officers of Affiliated Companies.”

Internal Controls

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 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

For risk management 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 Sustainability Committee, and the Crisis Management Headquarters develop and establish risk management structures on a Companywide basis and handle significant risks. Members of the corporate staff and 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, Companywide, 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 controls. The Company develops and maintains controls and internal controls over financial reporting, and also conducts management based on the “Rules on Delegation of Authority for Supervising Officers of Affiliated Companies.”

- Specially Designated Business Management System

In response to the DPJ incident, the Company established the “Specially Designated Business Management System” in April 2005. Under this system, internal review of the four business domains, “Environmental-related business;” “Medical, Healthcare and Bioethics-related businesses;” “Businesses with subsidiary;” and “Business harboring other unusual reputation risk” is strengthened. When examining these matters, reports from the Sustainability Committee or the Environmental & Societal Advisory Committee in which external experts participate, as well as reports from other external experts, will be obtained as necessary in addition, the Company appoints consultants with insights into environmental and social risk and human rights issues, and operates a similar internal control system. 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.”

- 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. 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.
Global Group Risk Management

Our broad range of businesses across the globe face various risks. In addition, the environment surrounding our management and businesses is undergoing rapid change, leading to higher levels of uncertainty. Amid these circumstances, we need to heighten our awareness of risks and carry out a swift response to address them. Issues resulting from changes in the external environment, which are difficult to address in our frontline operations, need to be resolved through collaboration between the front lines and management. To that end, we have in place the following risk management structure to ensure such collaboration.

1. In the Event of a Crisis

Pursuant to the Rules on the Crisis Management Headquarters, Mitsui established a Crisis Management Headquarters, headed by the President, as an organization to limit damage and loss by rapidly determining and implementing concrete measures to respond to crisis appropriately. Based on Rules on Business Continuity Management, in the event that business continuity is disrupted by earthquakes, flooding, terrorism, pandemics, power shortages, etc., and assuming that a crisis situation will be drawn out, Emergency Management Headquarters shall be established, headed by the Managing Director in charge of the Human Resources & General Affairs Division, for the purpose of quickly restoring and resuming distributed business operations in the wake of a disaster.

CASE *1. Credit risks, market risks, business risks arising from the businesses of subsidiaries, country risks, etc.*

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying value of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. For details, please refer to our Annual Securities Report for the fiscal year ended March 31, 2020 (P.28-).

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In addition to these specific material risks, Mitsui has identified the following major risks that could adversely impact its financial health, operating performance, and cash flows.

1. Risk of changes in global macroeconomic factors
2. Risk associated with laws and regulations
3. Risk due to competition
4. Risk associated with constraints of human resources
5. Interest rate risk
6. Risks regarding pension costs and defined benefit obligations

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying value of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. For details, please refer to our Annual Securities Report for the fiscal year ended March 31, 2020 (P.28-).
An Organization with Integrity

Takashi Masuda, the first president of the former Mitsui,* once said, “Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations.” Since then, the Mitsui Group has inherited the spirit of working with high aspirations to realize valuable business that is truly required by society.

We believe that business is built on a foundation of trust, and compliance is necessary to maintain and foster such trust. In our pursuit of compliance, it is not enough simply to follow laws, regulations, and norms. It is also extremely important that we continually verify the appropriateness of our words and actions against our sense of integrity. With these ideas forming the foundation of our business, Mitsui’s Corporate Management Philosophy (Mission, Vision, Values) also embodies these concepts of integrity that each and every employee on a Global Group basis cherishes while acting with an awareness of compliance.

Mitsui & Co. Group Conduct Guidelines—“With Integrity”

It is essential that Mitsui & Co. and each of the Mitsui Group’s companies act with the highest levels of integrity and compliance, sharing our approach toward integrity and compliance on a Group basis to continue achieving sustainable growth as a Group and earning the trust of society. With this in mind, in November 2018 we put together the Mitsui & Co. Group Conduct Guidelines—“With Integrity.” These guidelines are reflected in each company’s corporate philosophy (MVV) and business conduct guidelines. As every officer and employee across the entire Group puts these conduct guidelines into practice in their daily work activities, the Mitsui Group faithfully and sincerely respects the trust placed in us by society.

Initiatives to Build an Organization with Integrity

To continue to be a corporate group that is truly trusted by society, we are working to rigorously reinforce compliance awareness with each employee. We are also asking employees to maintain a proper awareness and level of dignity as a member of a corporation, or in other words, to act with integrity. In these ways, we are working to build an organization with integrity on a Global Group level.

Compliance Framework

Mitsui promotes compliance-related initiatives on a Global Group basis under the direction and supervision of the Chief Compliance Officer (CCO) and in collaboration with the Compliance Supervising Officers appointed in each of Mitsui’s business units, and branches and offices in Japan and overseas. Initiatives of these Groupwide efforts include heightening awareness of integrity and compliance, improving and strengthening compliance programs, and responding to specific compliance issues as they arise. Furthermore, Compliance Administrators have been established in each business unit to provide assistance to the Compliance Supervising Officers. Based on the frontline conditions in each business, the Compliance Supervising Officers and Compliance Administrators promote a thorough response to compliance, including the implementation of initiatives to prevent the occurrence or recurrence of compliance-related issues as well as the promotion of integrity.

Also, to serve as an organization that operates under the Corporate Management Committee, Mitsui established the Compliance Committee, which works to develop our compliance framework and maintain and improve its effectiveness. With the participation of external attorneys, the Compliance Committee meets twice a year to discuss the state of the action plans based on trends in compliance-related matters, arising issues, and the overall compliance framework. The minutes of the committee meetings are shared among all of our officers and employees.

Across the entire Group, we aim to bolster the management capabilities, including enhancing integrity, and strengthen compliance at affiliated companies through their own efforts by having each company thoroughly discuss and put into practice our “Guidelines on the Establishment of Compliance Systems at Affiliated Companies,” a set of key rules and principles that are the bare essentials for operating compliance systems at affiliated companies. Furthermore, we periodically hold the Mitsui & Co. Group CCO Meeting, attended by CCOs from domestic affiliated companies, and regional CCO meetings at overseas bases to share knowledge and exchange information and opinions on a Global Group basis, in addition to implementing compliance measures at overseas bases that are designed for each region.

Compliance Programs

We believe that even if detailed, fine-tuned integrity and compliance programs are formulated, their effectiveness cannot be reinforced without senior executives taking the lead in related initiatives. By leveraging the Mitsui & Co. Group Conduct Guidelines—“With Integrity,” the CCO blog, and other efforts, we are continuously striving to instill an awareness of compliance while providing as many opportunities as possible to learn about compliance, including training programs. In these ways, we share lessons and important points of concern on compliance. We have designated November of each year as ‘With Integrity Month,’ and have provided opportunities for every officer and employee to think more deeply about integrity by having the president give talks about integrity and having senior executives take the lead on reminding everyone that compliance and integrity are the foundation of our businesses. Any cases of compliance violations are handled strictly, including disciplinary actions, and measures to prevent a recurrence are formulated and implemented in accordance with our Working Regulations.

Fostering a “Speak Up” Culture

We believe that the essence of compliance lies in the development of an open working environment that reflects our management philosophy and values, so that problems can be prevented through smooth communication. At the same time, we strive to form open and innovative workplaces, and make concerted efforts to improve productivity and management capabilities while making workplaces better and encouraging employees to grow. Should problems occur, a report must be immediately made to superiors or to those in charge, so that appropriate action can be taken in a timely manner. We recognize the importance of discovering problems at an early stage, and we are actively fostering a culture in which people speak up when they become aware of issues. Senior executives continually disseminate the message that we can improve the Company by speaking up about issues.

The Company has established eight channels for reporting compliance-related matters within or outside of the administrative chain of command, including anonymous access to attorneys and independent organizations outside of Mitsui. The rules for the whistleblowing system prohibit any form of retaliation against or disadvantageous treatment of whistleblowers. We also clearly state that any infractions of this prohibition or any form of retaliation against or disadvantageous treatment of whistleblowers or investigators will be dealt with severely, thereby encouraging employees to speak up. Furthermore, Mitsui has introduced the Global Group Hotline, a special whistleblowing hotline for reporting and seeking advice regarding cases that breach the laws of Japan or another country in relation to anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to suspicion of such breaches. Under the system, the Compliance Department of the Legal Division of Head Office becomes a unified channel by which to receive whistleblowing reports from overseas trading affiliates, and other subsidiaries in Japan and overseas. Also, officers and employees of Group companies are able to seek advice directly through Mitsui’s whistleblowing system when the issues are related to officers and employees of Mitsui or when the issues could have a serious impact on the Mitsui Group.
Human Rights and Supply Chain Management

Respect for Human Rights

Mitsui & Co. regards respect for human rights, in accordance with international standards, as the foundation of its sustainability management. We have emphasized respect for human rights in both the Mitsui & Co. Group Conduct Guidelines and the Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd., and we have implemented various initiatives. Human rights initiatives in the corporate sector have become increasingly important in recent years. We recognize the need for human rights initiatives not only within Mitsui, but also across the entire supply chain. In August 2020, we formulated a Human Rights Policy to clarify our approach to human rights. This policy was approved by the Corporate Management Committee, and was reported to the Board of Directors' meeting.

Human Rights Due Diligence

In accordance with the United Nations Guiding Principles on Business and Human Rights, in the fiscal year ended March 2020, Mitsui appointed external experts and began conducting due diligence with regard to human rights in the supply chains of products handled by Mitsui and its overseas trading affiliates, as well as the main business operations of its consolidated subsidiaries.

Promotion of Supply Chain Management

Having diverse businesses around the world, Mitsui & Co. provides a wide range of services, from upstream to downstream, with as many as 20,000 suppliers. Together with our suppliers, we endeavor to correctly assess and solve ethical and social issues in supply chains in order to meet society’s demands, such as complying with laws, respecting human rights, complying with occupational health and safety laws, and reducing environmental load.

Sustainable Supply Chain Policy

Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since made efforts to ensure that all of Mitsui's suppliers fully understand its standards and cooperate in the implementation of the policy. We reviewed the policy based on society's changing expectations, and renamed it as the Sustainable Supply Chain Policy in August 2020.

Initiatives with Suppliers

Companywide uniform supplier communication forms

We send letters to all new suppliers (about 50,000 suppliers in total) requesting their understanding and cooperation in regard to our policies.

For details on the Promotion of Supply Chain Management, please see Sustainability Report 2020.

Human Rights Risk Assessment Process

1. Identification of human rights risks
2. Establishment of human rights risk items
3. Establishment of additional priority risk management items
4. Confirmation of risk severity
5. Implementation of human rights risk assessments

Questionnaires and on-site surveys

We consider interactive communication with our suppliers to be very important, and we work jointly on ideas for improvements with our partners, wherever needed. For this reason, we regularly conduct surveys targeting the suppliers of Mitsui and its subsidiaries to confirm the status of their adherence to our policies, and whether they have their own policies related to such areas as human rights and labor practices, occupational health and safety, business ethics, and environmental management. Starting from the fiscal year ended March 2020, Mitsui has surveyed suppliers that handle products in high-risk business domains, in accordance with human rights due diligence. In addition to these surveys, Mitsui audits suppliers using a checklist of items for compliance with its policies. When necessary, the Company provides advice and guidance to suppliers based on meetings with persons in charge at suppliers and inspections of manufacturing facilities.

Stakeholder Engagement

Through interactive communication with its stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from Mitsui. We will contribute to the realization of a sustainable society through our business activities while responding to changes in market environments.

Engagement for Business Creation

Employees

NPOs & NGOs

Clients & Business Partners

Stakeholders

Local Communities

Shareholders & Investors

Government Bodies

Timely and Accurate Disclosure of Information

Basic Approach

We determined the Corporate Disclosure Policy that stipulates the necessary procedures and disclosure requirements for Mitsui’s information in order for investors to form appropriate investment decisions. The policy works to ensure transparency in disclosures and our accountability to investors based on the facts. Under this policy, we are committed to the timely, appropriate, and fair disclosure of material information in a manner that ensures fair and equitable access by all investors.

As an organization that operates under the Corporate Management Committee, we established the Disclosure Committee, which comprises directors, executive officers, and the general managers of each relevant corporate staff division. The Disclosure Committee is in charge of determining the accuracy and adequacy of the documents for Statutory Disclosure, Timely Disclosure, and Material Voluntary Disclosure.

For more details on the Corporate Disclosure Policy, please refer to our website.


Results of IR activities in the fiscal year ended March 2020

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Meetings: 250
Mitsui & Co. signed and pledged its support for the UN Global Compact in October 2004, and has been participating as a corporate director of the Global Compact Network Japan (GCNJ), complying with the Global Compact as part of its own corporate guidelines. At present, as a member company of the GCNJ, Mitsui complies with and practices the principles of the Global Compact, and pursues SDGs on a Global Group basis.

| Human Rights | 1. Businesses should support and respect the protection of internationally proclaimed human rights; and 2. make sure that they are not complicit in human rights abuses. |
| Labor | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. the elimination of all forms of forced and compulsory labor; 5. the effective abolition of child labor; and 6. the elimination of discrimination in respect of employment and occupation. |
| Environment | 7. Businesses should support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly technologies. |
| Anti-Corruption | 10. Businesses should work against corruption in all its forms, including extortion and bribery. |

Sustainable Development Goals (SDGs)

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Other Initiatives

- TCFD (Task Force on Climate-related Financial Disclosures)
- World Economic Forum
- Forest Stewardship Council® (FSC®)
- RSPO (Roundtable on Sustainable Palm Oil)
- CLOMA (Japan Clean Ocean Material Alliance)
- CEFLEX (Circular economy for flexible packaging)
- ASI (Aluminium Stewardship Initiative)
- Japan Business Federation (Keidanren) (Committee on Responsible Business Conduct & SDGs Promotion, Committee on Population Issues, Committee on Diversity & Inclusion, Committee on Overseas Development Cooperation, Committee on Energy and Resources, Committee on Environment and Safety, Committee on Nature Conservation)
- Japan Foreign Trade Council (The Global Environment Committee, CSR Study Committee)
- Japan Business and Biodiversity Partnership
Fact Data Gate 5
Human Resources Data

<table>
<thead>
<tr>
<th>Breakdown of Employees (Consolidated)</th>
<th>2018.3</th>
<th>2019.3</th>
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<td>Overseas staff</td>
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<td>Managers</td>
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<td>Of whom overseas managers*</td>
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## U.S. GAAP

<table>
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<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>4,096.4</td>
<td>4,679.4</td>
<td>5,251.6</td>
<td>4,911.6</td>
<td>5,740.7</td>
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<td><strong>Gross Profit</strong></td>
<td>702.0</td>
<td>859.2</td>
<td>878.3</td>
<td>790.4</td>
<td>859.9</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>144.5</td>
<td>317.0</td>
<td>348.4</td>
<td>254.6</td>
<td>275.2</td>
</tr>
<tr>
<td><strong>Equity in Earnings of Associated Companies</strong></td>
<td>131.5</td>
<td>242.1</td>
<td>232.1</td>
<td>176.2</td>
<td>173.7</td>
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<tr>
<td><strong>Net Income Attributable to Mitsui &amp; Co., Ltd.</strong></td>
<td>149.7</td>
<td>306.7</td>
<td>434.5</td>
<td>307.9</td>
<td>422.2</td>
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<tr>
<td><strong>Consolidated Financial Position (At the Fiscal Year-End):</strong></td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>8,369.0</td>
<td>8,598.1</td>
<td>9,011.8</td>
<td>10,324.6</td>
<td>11,001.3</td>
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<tr>
<td><strong>Stock Price (Closing stock price on the Tokyo Stock Exchange) (yen)</strong></td>
<td>1,571</td>
<td>1,491</td>
<td>1,357</td>
<td>1,313</td>
<td>1,459</td>
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<tr>
<td><strong>Price Book-Value Ratio (PBR) (times)</strong></td>
<td>1.29</td>
<td>1.15</td>
<td>0.94</td>
<td>0.79</td>
<td>0.73</td>
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<tr>
<td><strong>Net Debt</strong></td>
<td>1,222.11</td>
<td>1,296.66</td>
<td>1,447.34</td>
<td>1,743.34</td>
<td>2,000.78</td>
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<tr>
<td><strong>Total Equity Attributable to Owners of the Parent</strong></td>
<td>2,128.73</td>
<td>2,287.17</td>
<td>1,885.47</td>
<td>2,115.80</td>
<td>2,287.10</td>
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<tr>
<td><strong>Return on Equity (ROE) (%)</strong></td>
<td>9.7%</td>
<td>7.7%</td>
<td>2.3%</td>
<td>10.1%</td>
<td>10.1%</td>
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<tr>
<td><strong>Return on Assets (ROA) (%)</strong></td>
<td>3.1%</td>
<td>2.6%</td>
<td>(0.7%)</td>
<td>2.7%</td>
<td>3.5%</td>
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<tr>
<td><strong>Net Cash Outflow (150.0)</strong></td>
<td>(3,486.7)</td>
<td>(3,198.2)</td>
<td>(2,470.0)</td>
<td>(3,405.0)</td>
<td>(2,452.1)</td>
</tr>
<tr>
<td><strong>Core Operating Cash Flow</strong></td>
<td>608.9</td>
<td>640.0</td>
<td>570.0</td>
<td>306.0</td>
<td>260.0</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>432.0</td>
<td>20.5</td>
<td>(291.9)</td>
<td>(183.0)</td>
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<tr>
<td><strong>Equity in Earnings of Associated Companies</strong></td>
<td>171.2</td>
<td>144.6</td>
<td>(132.0)</td>
<td>170.6</td>
<td>234.9</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>540.4</td>
<td>381.0</td>
<td>461.4</td>
<td>521.5</td>
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<tr>
<td><strong>Cash Dividend Payout Ratio (%)</strong></td>
<td>21.9%</td>
<td>28.0%</td>
<td>23.1%</td>
<td>25.5%</td>
<td>25.5%</td>
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<tr>
<td><strong>Net Debt to Equity Ratio (Net DER) (times)</strong></td>
<td>0.92</td>
<td>0.82</td>
<td>0.81</td>
<td>0.91</td>
<td>0.90</td>
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### Notes:
1. Figures for prior years have been restated in accordance with Accounting Standard Convergence (ASC) No. 2016-15, "Presentation of Financial Statements-Disclosures of Operations by Segment and Disclosures of Disaggregated Information about Contracts with Customers (Inclusion of Items of Other Comprehensive Income and Changes in Provisions)." 
2. Operating income is comprised of "gross profit," "selling, general and administrative expenses," and "provision for doubtful receivables." 
3. The stock price is the fiscal year-end closing price on the Tokyo Stock Exchange. 
4. Each figure is calculated based on the number of shares issued at fiscal year-end. 
5. Each share is considered to be a share of Mitsui & Co., Ltd. for the fiscal years ended March 31, 2012 and 2013. 
6. The price book-value ratio (PBR) is calculated based on the fiscal year-end closing stock price on the Tokyo Stock Exchange divided by shareholders' equity per share. 
7. Equity in earnings of associated companies is comprised of "gross profit," "selling, general and administrative expenses," and "provision for doubtful receivables.
8. The share price is the fiscal year-end closing price on the Tokyo Stock Exchange divided by equity attributable to owners of the parent per share.
9. The price book-value ratio (PBR) is calculated based on the fiscal year-end closing stock price on the Tokyo Stock Exchange divided by shareholders' equity per share.
10. The stock price is the fiscal year-end closing price on the Tokyo Stock Exchange divided by equity attributable to owners of the parent per share.

## IFRS

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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td><strong>Consolidated Operating Results (For the Fiscal Year):</strong></td>
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<tr>
<td><strong>Revenue</strong></td>
<td>5,731.9</td>
<td>5,404.0</td>
<td>4,759.7</td>
<td>4,364.0</td>
<td>4,892.1</td>
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<tr>
<td><strong>Gross Profit</strong></td>
<td>880.3</td>
<td>849.5</td>
<td>726.6</td>
<td>719.3</td>
<td>790.7</td>
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<tr>
<td><strong>Share of Profit (Loss) of Investments Accounted for Using the Equity Method</strong></td>
<td>171.2</td>
<td>144.6</td>
<td>(132.0)</td>
<td>170.6</td>
<td>234.9</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>144.5</td>
<td>317.0</td>
<td>348.4</td>
<td>254.6</td>
<td>275.2</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Owners of the Parent</strong></td>
<td>350.1</td>
<td>366.5</td>
<td>(83.4)</td>
<td>366.1</td>
<td>418.5</td>
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<tr>
<td><strong>Consolidated Financial Position (At the Fiscal Year-End):</strong></td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>11,491.3</td>
<td>12,202.9</td>
<td>11,101.5</td>
<td>11,306.7</td>
<td>11,945.8</td>
</tr>
<tr>
<td><strong>Stock Price (Closing stock price on the Tokyo Stock Exchange) (yen)</strong></td>
<td>1,459</td>
<td>1,612</td>
<td>1,295</td>
<td>1,612.5</td>
<td>1,822.5</td>
</tr>
<tr>
<td><strong>Price Book-Value Ratio (PBR) (times)</strong></td>
<td>0.91</td>
<td>0.91</td>
<td>0.94</td>
<td>0.75</td>
<td>0.73</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>3,815.8</td>
<td>4,099.8</td>
<td>3,379.7</td>
<td>3,732.2</td>
<td>4,262.9</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Owners of the Parent</strong></td>
<td>2,128.73</td>
<td>2,287.17</td>
<td>1,885.47</td>
<td>2,115.80</td>
<td>2,287.10</td>
</tr>
<tr>
<td><strong>Return on Equity (ROE) (%)</strong></td>
<td>9.7%</td>
<td>7.7%</td>
<td>2.3%</td>
<td>10.1%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Return on Assets (ROA) (%)</strong></td>
<td>3.1%</td>
<td>2.6%</td>
<td>(0.7%)</td>
<td>2.7%</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Net Cash Outflow</strong></td>
<td>(170.0)</td>
<td>(1,560.0)</td>
<td>(2,470.0)</td>
<td>(3,405.0)</td>
<td>(2,452.1)</td>
</tr>
<tr>
<td><strong>Core Operating Cash Flow</strong></td>
<td>621.9</td>
<td>570.5</td>
<td>517.6</td>
<td>466.5</td>
<td>570.5</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>432.0</td>
<td>20.5</td>
<td>(291.9)</td>
<td>(183.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Equity in Earnings of Associated Companies</strong></td>
<td>171.2</td>
<td>144.6</td>
<td>(132.0)</td>
<td>170.6</td>
<td>234.9</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>540.4</td>
<td>381.0</td>
<td>461.4</td>
<td>521.5</td>
<td></td>
</tr>
<tr>
<td><strong>Cash Dividend Payout Ratio (%)</strong></td>
<td>21.9%</td>
<td>28.0%</td>
<td>23.1%</td>
<td>25.5%</td>
<td>25.5%</td>
</tr>
<tr>
<td><strong>Net Debt to Equity Ratio (Net DER) (times)</strong></td>
<td>0.92</td>
<td>0.82</td>
<td>0.81</td>
<td>0.91</td>
<td>0.90</td>
</tr>
</tbody>
</table>

### Notes:
1. Figures calculated in accordance with IFRS standards for investments and loans, divestitures, and net cash outflow have not been disclosed for the fiscal year ended March 31, 2014.
2. Figures calculated in accordance with IFRS standards for investments and loans, divestitures, and net cash outflow have not been disclosed for the fiscal year ended March 31, 2020, interest-bearing debt is calculated by subtracting lease liabilities from long-term debt. However, past figures have not been retroactively revised to reflect this change.
5. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
6. In the U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
7. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
8. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
9. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
10. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
11. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.
Segment Information
Mitsui & Co., Ltd. and its subsidiaries
Years ended March 31, 2016, 2017, 2018, 2019 and 2020

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>781,370</td>
</tr>
<tr>
<td>Core operating cash flow</td>
<td>158,846</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>6,284</td>
</tr>
<tr>
<td>Share of profit (loss) of investments accounted for using the equity method</td>
<td>173,282</td>
</tr>
<tr>
<td>Core operating cash flow</td>
<td>7,118</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td>3,061</td>
</tr>
<tr>
<td>Share of profit (loss) of investments accounted for using the equity method</td>
<td>13,102</td>
</tr>
</tbody>
</table>

Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Share of profit (loss) of investments accounted for using the equity method</td>
<td>13,102</td>
</tr>
</tbody>
</table>

Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

<table>
<thead>
<tr>
<th>Segment Information</th>
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<tr>
<td>Profit (loss) for the year</td>
<td>3,061</td>
</tr>
<tr>
<td>Share of profit (loss) of investments accounted for using the equity method</td>
<td>13,102</td>
</tr>
</tbody>
</table>

Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

<table>
<thead>
<tr>
<th>Segment Information</th>
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<tr>
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<td>3,061</td>
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<tr>
<td>Share of profit (loss) of investments accounted for using the equity method</td>
<td>13,102</td>
</tr>
</tbody>
</table>

Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

<table>
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<tr>
<th>Segment Information</th>
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<tbody>
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</tr>
<tr>
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<td>13,102</td>
</tr>
</tbody>
</table>

Note: 1. Other non-operating expenses (income), comprised of the Group's financial expenses and other financial expenses, were $3,149 million in the fiscal year ended March 31, 2020, $3,157 million in the fiscal year ended March 31, 2019, $3,135 million in the fiscal year ended March 31, 2018, $3,183 million in the fiscal year ended March 31, 2017, and $3,175 million in the fiscal year ended March 31, 2016. The amounts include interest on the Group's borrowings, except for the impact on certain expenses of the註記不等於損益表の「利息支出」に含まれ、記載の「その他非経常損益」に含む、株主に帰属する当期純利益の一部に投資損益勘定等の利益を含む。

2. The Group recognized the effects of the adoption of IFRS 15, Revenue from Contracts with Customers (Topic 606), as of January 1, 2018. The results of operations for the fiscal year ended March 31, 2016, before the adoption of IFRS 15, are presented in the notes to the consolidated financial statements.

3. The Group adopted IFRS 15, Revenue from Contracts with Customers (Topic 606), for the fiscal year ended March 31, 2018. The results of operations for the fiscal year ended March 31, 2017, before the adoption of IFRS 15, are presented in the notes to the consolidated financial statements.

4. The Group adopted IAS 16, Property, Plant and Equipment, effective March 31, 2019. In addition, the Group adopted IFRS 16, Leases, effective January 1, 2020. The results of operations for the fiscal year ended March 31, 2018, before the adoption of IFRS 16, are presented in the notes to the consolidated financial statements.

5. The Group adopted IFRS 16, Leases, effective January 1, 2019. In addition, the Group adopted IAS 16, Property, Plant and Equipment, effective March 31, 2018. The results of operations for the fiscal year ended March 31, 2019, before the adoption of IFRS 16, are presented in the notes to the consolidated financial statements.

6. The Group adopted IFRS 16, Leases, effective January 1, 2018. In addition, the Group adopted IAS 16, Property, Plant and Equipment, effective March 31, 2017. The results of operations for the fiscal year ended March 31, 2018, before the adoption of IFRS 16, are presented in the notes to the consolidated financial statements.

7. The Group adopted IAS 17, Leases, effective April 1, 2016. In addition, the Group adopted IFRS 15, Revenue from Contracts with Customers (Topic 606), effective January 1, 2018. The results of operations for the fiscal year ended March 31, 2016, before the adoption of IFRS 16, are presented in the notes to the consolidated financial statements.

8. The Group adopted IFRS 15, Revenue from Contracts with Customers (Topic 606), effective April 1, 2016. In addition, the Group adopted IAS 17, Leases, effective January 1, 2018. The results of operations for the fiscal year ended March 31, 2016, before the adoption of IFRS 16, are presented in the notes to the consolidated financial statements.

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Investor Information

As of April 1, 2020

Securities Identification Code
8031

Stock Exchange Listings
Tokyo, Nagoya, Sapporo, Fukuoka

Fiscal Year
From April 1 to March 31

General Shareholders’ Meeting
June

Administrator of the Register of Shareholders
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

Contact Information for the Above
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

American Depository Receipts

Ratio: 1ADR = 20 common shares
Exchange: OTC (Over-the-Counter)
Symbol: MITSY
CUSIP Number: 606827202

Depository and Registrar
Citibank, N.A. Shareholder Services
P.O. Box 43077,
Providence, Rhode Island 02940-3077,
U.S.A.
Tel: 1-877-248-4237 (Toll free in the U.S.)
1-781-575-4555 (Overseas Dial-In)
E-mail: citibank@shareholders-online.com
URL: www.citi.com/adr

As of March 31, 2020

Unit Share
100 shares

Number of Shareholders
301,833 shareholders

Number of Shares Issued
1,742,684,906 shares
(including 35,154,469 treasury shares)

Number of Shares Authorized
2,500,000,000 shares

Major Shareholders

The Master Trust Bank of Japan, Ltd. (trust account)
Japan Trustee Services Bank, Ltd. (trust account)
BNYM RE NORWEST/WELLS FARGO OMNIBUS
Japan Trustee Services Bank, Ltd. (trust account 9)
Japan Trustee Services Bank, Ltd. (trust account 5)
Nippon Life Insurance Company
JP MORGAN CHASE BANK 385151
Sumitomo Mitsui Banking Corporation
Japan Trustee Services Bank, Ltd. (trust account 7)
STATE STREET BANK WEST CLIENT – TREATY 505234

Trade Receivables

(As of March 31, 2020)
(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Gross</th>
<th>Hedged (ex. Insurance)</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>272.7</td>
<td>0.8</td>
<td>264.9</td>
</tr>
<tr>
<td>Malaysia</td>
<td>12.8</td>
<td>2.2</td>
<td>10.6</td>
</tr>
<tr>
<td>Mozambique</td>
<td>9.2</td>
<td>7.8</td>
<td>1.4</td>
</tr>
<tr>
<td>Chile</td>
<td>10.8</td>
<td>9.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Russia</td>
<td>2.5</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Italy</td>
<td>15.0</td>
<td>15.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>23.1</td>
<td>22.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>13.3</td>
<td>12.6</td>
<td>0.7</td>
</tr>
<tr>
<td>China</td>
<td>130.6</td>
<td>130.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>27.3</td>
<td>24.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>7.9</td>
<td>5.5</td>
<td>2.4</td>
</tr>
<tr>
<td>India</td>
<td>30.7</td>
<td>29.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Notes:
1. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.
2. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and Confirmed L/C.
3. The balance of "China" in the above table includes Hong Kong.

Trade Receivables

(As of March 31, 2020)
(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Gross</th>
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</tr>
<tr>
<td>Chile</td>
<td>10.8</td>
<td>9.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Russia</td>
<td>2.5</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Italy</td>
<td>15.0</td>
<td>15.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>23.1</td>
<td>22.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>13.3</td>
<td>12.6</td>
<td>0.7</td>
</tr>
<tr>
<td>China</td>
<td>130.6</td>
<td>130.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>27.3</td>
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</table>

Notes:
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2. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and Confirmed L/C.
3. The balance of "China" in the above table includes Hong Kong.

Investment Exposure by Country and Fund Operation

Investments, Loans, and Guarantees
(As of March 31, 2020)
(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Investments</th>
<th>Loans</th>
<th>Guarantees</th>
<th>Total</th>
<th>Hedged (ex. Insurance)</th>
<th>Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>883.2</td>
<td>45.8</td>
<td>165.5</td>
<td>918.8</td>
<td>88.8</td>
<td>845.2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>335.8</td>
<td>4.3</td>
<td>10.0</td>
<td>346.1</td>
<td>0.3</td>
<td>345.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>141.8</td>
<td>153.1</td>
<td>10.0</td>
<td>295.9</td>
<td>—</td>
<td>295.9</td>
</tr>
<tr>
<td>Chile</td>
<td>29.3</td>
<td>39.6</td>
<td>21.2</td>
<td>90.1</td>
<td>—</td>
<td>290.1</td>
</tr>
<tr>
<td>Russia</td>
<td>104.2</td>
<td>—</td>
<td>18.3</td>
<td>222.1</td>
<td>—</td>
<td>222.1</td>
</tr>
<tr>
<td>Italy</td>
<td>94.0</td>
<td>—</td>
<td>127.6</td>
<td>221.6</td>
<td>—</td>
<td>221.6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,010.0</td>
<td>2.5</td>
<td>60.4</td>
<td>1,072.9</td>
<td>—</td>
<td>1,072.9</td>
</tr>
<tr>
<td>Mexico</td>
<td>74.7</td>
<td>0.5</td>
<td>72.8</td>
<td>147.9</td>
<td>—</td>
<td>147.9</td>
</tr>
<tr>
<td>China</td>
<td>121.0</td>
<td>0.7</td>
<td>5.5</td>
<td>127.3</td>
<td>0.3</td>
<td>127.0</td>
</tr>
<tr>
<td>Thailand</td>
<td>79.4</td>
<td>1.8</td>
<td>35.6</td>
<td>117.9</td>
<td>—</td>
<td>117.9</td>
</tr>
<tr>
<td>Ireland</td>
<td>26.5</td>
<td>1.0</td>
<td>71.3</td>
<td>98.8</td>
<td>—</td>
<td>98.8</td>
</tr>
<tr>
<td>India</td>
<td>34.1</td>
<td>1.6</td>
<td>42.0</td>
<td>77.7</td>
<td>13.1</td>
<td>64.6</td>
</tr>
</tbody>
</table>

Notes:
1. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.
2. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and third-party guarantees.
3. "Investments" represent book value for accounting purposes on the basis of Japanese GAAP, not reflecting the effects of hedges in net investment hedging relationships.
4. The balance of "China" in the above table includes Hong Kong.

Trade Receivables

(As of March 31, 2020)
(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

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<tr>
<td>Indonesia</td>
<td>23.1</td>
<td>22.3</td>
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<tr>
<td>Mexico</td>
<td>13.3</td>
<td>12.6</td>
<td>0.7</td>
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<tr>
<td>China</td>
<td>130.6</td>
<td>130.6</td>
<td>0.0</td>
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<tr>
<td>Thailand</td>
<td>27.3</td>
<td>24.9</td>
<td>2.4</td>
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<tr>
<td>Ireland</td>
<td>7.9</td>
<td>5.5</td>
<td>2.4</td>
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<td>India</td>
<td>30.7</td>
<td>29.5</td>
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</tr>
</tbody>
</table>

Notes:
1. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.
2. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and Confirmed L/C.
3. The balance of "China" in the above table includes Hong Kong.

Composition of Shareholders

(%)
Mission
Build brighter futures, everywhere
Realize a better tomorrow for earth and for people around the world.

Vision
360° business innovators
As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

Values
Our core values as challengers and innovators

Seize the initiative
We play a central role in driving transformation.

Thrive on diversity
We foster an open-minded culture and multiply our strengths to achieve excellence.

Embrace growth
We drive our collective growth by continuously growing as individuals.

Act with integrity
We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

Mitsui & Co. Group Conduct Guidelines
With Integrity

Five Key Principles

01 We will comply with laws and regulations, and act to the highest ethical standards. We will respect human rights and never engage in discrimination of any kind.

02 We will respect the individuality and diversity of every employee, and foster a culture of open-mindedness.

03 We will engage in fair business practices, and respond to the trust placed in us by society with good faith and sincerity.

04 We will place value on the global environment, and contribute to the realization of prosperity and a high quality of life for society.

05 We will speak up with courage when we have doubts or feel that something is wrong, for the good of the company.

About Reports Issued by the Company

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<tr>
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<th>Contents</th>
<th>Media</th>
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<tr>
<td>Integrated Report (This booklet)</td>
<td>This is an integrated report prepared for all stakeholders to gain an understanding of Mitsui’s management strategies and business activities, as well as its initiatives toward sustainable value creation. For details, please see “Contents” on page 2.</td>
<td></td>
</tr>
<tr>
<td>Sustainability Report</td>
<td>The Sustainability Report is prepared to cover detailed non-financial ESG-related information of Mitsui. The report is aimed at our multistakeholders and is published annually.</td>
<td></td>
</tr>
<tr>
<td>Annual Securities Report</td>
<td>The Annual Securities Report is prepared pursuant to Article 24, Section 1 of the Financial Instruments and Exchange Act and is required to be submitted to the Tokyo Stock Exchange. Please refer to this report for more detailed financial information. It is issued in late June of each year.</td>
<td></td>
</tr>
<tr>
<td>Corporate Governance Report</td>
<td>In accordance with Japan’s Corporate Governance Code, the Company publishes a Corporate Governance Report that provides details on Mitsui’s basic corporate governance approach and structure. The Company is also required to submit this report to the Tokyo Stock Exchange. Please refer to the PDF link for more information.</td>
<td></td>
</tr>
</tbody>
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