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# Medium-term Management Plan

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## CFO Message



**Takakazu Uchida**

Representative Director,  
Executive Vice President  
Chief Financial Officer (CFO)

### 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 among other factors. Although profit for the year attributable to owners of the parent also trended firmly, it declined by ¥22.7 billion year on year to ¥391.5 billion, as a result of impairment losses on oil and gas development assets, stemming from the fall in commodities in February and March 2020.

Given the firmness of core operating cash flow, we provided a total return to shareholders of approximately ¥200 billion in the fiscal year ended March 31,

2020. We achieved this return by maintaining the annual dividend at ¥80 per share—which was in line with our April 2019 forecast—and by a ¥50 billion share buyback, which was announced in October 2019, together with the commencement of another ¥50 billion share buyback in March 2020.

As for the quantitative targets of the previous medium-term management plan, which ended on March 31, 2020, profit for the year attributable to owners of the parent was below target, mainly due to the aforementioned factors. However, core operating cash flow remained solid throughout the period of the plan, and we largely achieved the 10% ROE target.

### 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. As for shareholder returns, dividends above the minimum amount earmarked for dividend payments and three share buybacks led to a total allocation of ¥510 billion. We realized free cash flow after shareholder returns of ¥220 billion.

In the fiscal year ended March 31, 2019, an additional acquisition of IHH 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 to conduct a comprehensive revision of cash allocation, which included an increase in asset recycling, we were able to execute this investment

without placing undue burden on our finances. Furthermore, during the six fiscal years after introducing our cash flow allocation framework, we increased shareholder returns significantly, providing cumulative total shareholder returns of ¥880 billion.



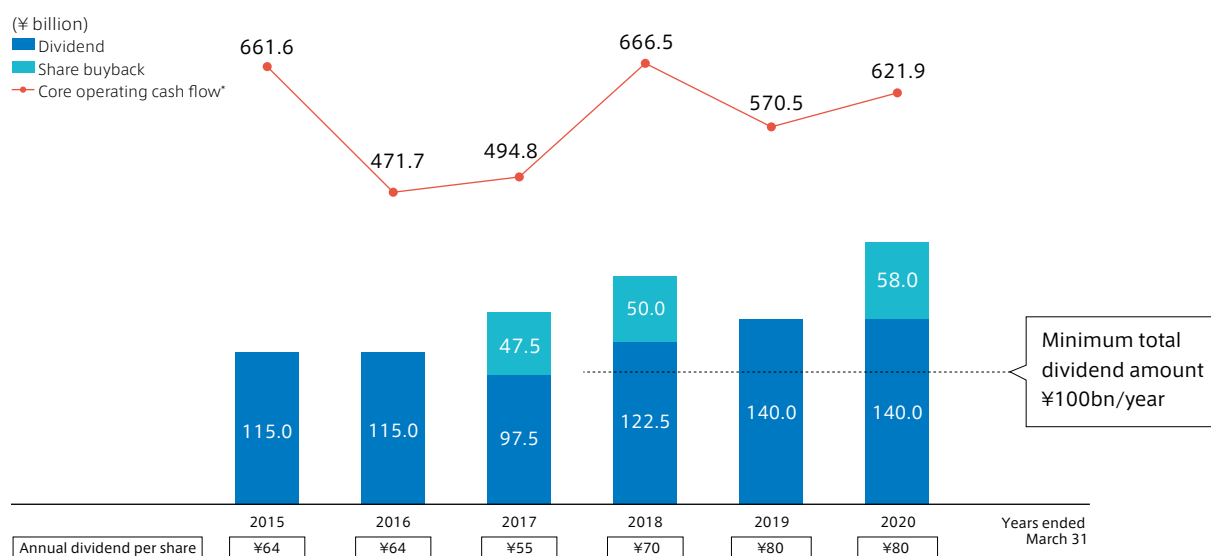
Please see page 64 for cash flow allocation results of the previous medium-term management plan.

## 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



\* Cash flows from operating activities minus cash flows from changes in working capital

## CFO Message

maintenance of existing businesses, and for the minimum annual dividend. Accordingly, we will allocate these net amounts to growth investment and additional shareholder returns in an even more flexible and strategic manner.

The forecast for cash flow allocation under the new plan is as shown in the table. However, we will flexibly and strategically revise cash flow allocation as appropriate in light of overall consideration of business conditions and the progress of initiatives. Mitsui will pursue medium- to long-term growth opportunities that emerge as conditions change after the COVID-19 crisis, allocate cash with a view to improving capital efficiency, and raise the total shareholder returns ratio compared with that achieved during the previous plan.

Further, the launch of the current plan marked our introduction of return on invested capital (ROIC) as an in-house indicator for performance management. Our aim is to promote awareness of ROIC enhancement in respective business fields and projects. This indicator takes into account not only invested capital but also working capital. By heightening awareness of capital efficiency in each business field, we will lift capital efficiency and ROE Companywide. ROIC-focused measures will evolve portfolio management and boost the effectiveness of management-driven cash allocation.

The dramatic changes in near term business conditions that have resulted from the worldwide spread of COVID-19—particularly the sudden downturns in commodity markets, share prices, and the currencies of emerging countries toward the end of the previous fiscal year—are exerting a certain amount of downside pressure on Mitsui's balance sheet. As of March 31, 2020, the net debt-to-equity ratio, an indicator of leverage, had increased to 0.91x. When hybrid finance is taken into consideration, however,

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.

## Digital Transformation

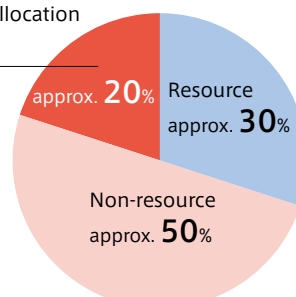
### —Our Initiatives

Under the leadership of the Chief Digital Information Officer (CDIO), we are stepping up the pace of our Companywide 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

Medium-term Management Plan 2023 Cash Flow Allocation

Cash-In	Core operating cash flow	¥1,500bn
	Asset recycling	¥900bn
Cash-Out	Post FID investment, maintenance CAPEX	¥1,500bn–¥1,700bn
	Growth investments (Strategic focus/new)	¥300bn–¥500bn
	Share buyback + Additional dividend	Management allocation
	Dividend (Minimum)	¥400bn

Management allocation



digital transformation initiatives themselves are one of the sources of our competitiveness.

In the area of consolidated financial results and financial reporting, we have been able to upgrade and increase the efficiency of operations for financial results preparation since we began using SAP Financial Consolidation in earnest in 2017 and thereby putting in place systems that facilitate accurate, efficient financial reporting from Group companies. Also, we have made progress in improving business processes, establishing workflows, and digitalizing documents. The benefits of the aforementioned initiatives is the fact that we were able to announce financial results for the fiscal year ended March 31, 2020, and the new medium-term management plan on schedule, despite our having to adopt telework systems on a worldwide basis as part of COVID-19 preventative measures. Having completed the transfer of overseas core systems to SAP S/4 HANA last year, we plan to complete the transition of domestic SAP core systems to HANA this year. Going forward, we plan to utilize machine learning and high-speed data platforms.

With respect to financial transactions, in 2018 we became the first corporation in Asia to use CLS Bank International<sup>\*1</sup> for currency settlements. Since then, we have continued to incorporate software as a service (SaaS) for financial transactions. For example, we have significantly increased productivity by utilizing financial transaction digital platforms, such as Finastra Misys,<sup>\*2</sup> 360T,<sup>\*3</sup> and Confirmation.com,<sup>\*4</sup> and by digitalizing transactions and balance confirmations. Participation in these initiatives is creating a virtuous cycle by helping develop the advanced,

FinTech that venture companies are tackling, which in turn is providing us with even greater attachment to leading-edge technologies and services.

In addition, we are using Computer-Assisted Audit Techniques (CAAT) to detect and analyze fraudulent acts. Also, we are developing and utilizing original credit-rating models, an initiative that we have been advancing for some time in credit management. Other initiatives include promoting the utilization of

machine learning for credit-rating decisions and the utilization of Robotic Process Automation (RPA) to automate work tasks and reporting.

Given the diverse array of businesses that Mitsui is engaged in around the world, one of its important responsibilities is to keep enhancing the functions that form the foundations of business management. More specifically, we must maintain a strong internal control system; build efficient business processes; and collect, analyze, and report information appropriately. In tandem with efforts to incorporate rapidly emerging advances in AI and digital technology and pursue digital transformation proactively, we want to increase corporate value by further demonstrating robust and advanced capabilities.

## 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.

August 2020

<sup>\*1</sup>. CLS Bank International provides settlement infrastructure for foreign exchange transactions, which is used by major financial institutions around the world. Through margin settlement for each currency, the infrastructure enables users to curb settlement risk and increase the efficiency of settlement operations.

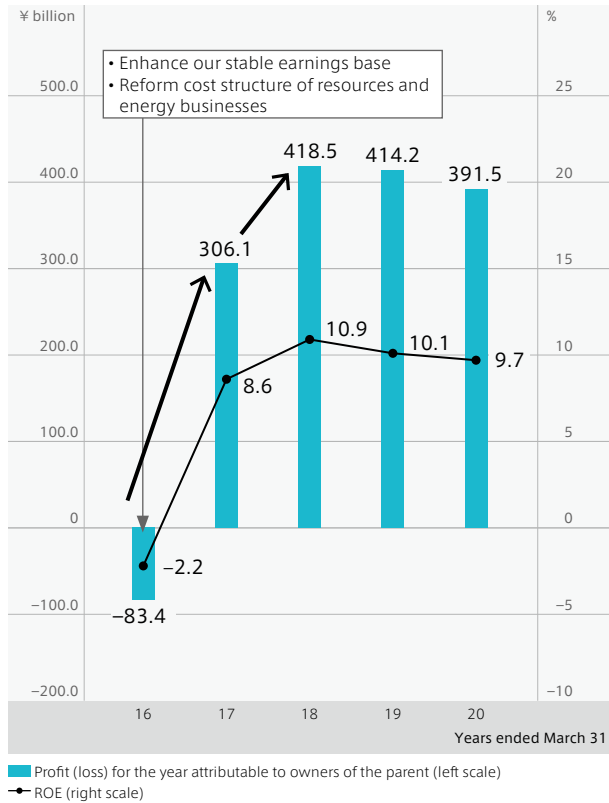
<sup>\*2</sup>. A portal for the automation of contract verification in relation to foreign currency and currency option transactions. The services offered leave records of contract verifications and enable users to increase operational stability, save time, and reduce the burden of administrative processing duties.

<sup>\*3</sup>. A digital technology-enabled portal focused on foreign currency exchange brokerage. The services offered enable efficient, fair implementation that is compliant with international codes of conduct.

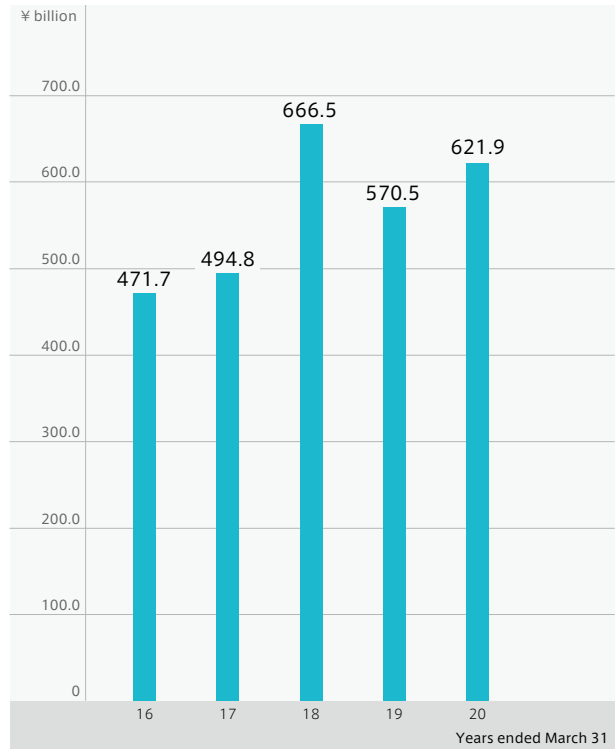
<sup>\*4</sup>. A portal for the confirmation of account transaction and financial transaction balances at the end of accounting periods, which is used in North America and Europe by central banks and major certified public accountant offices. The services offered enable significant reduction of the risk of such fraudulent acts as impersonation and document falsification and enable the paperless, efficient performance of duties at the end of accounting periods.

## Performance Highlights

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

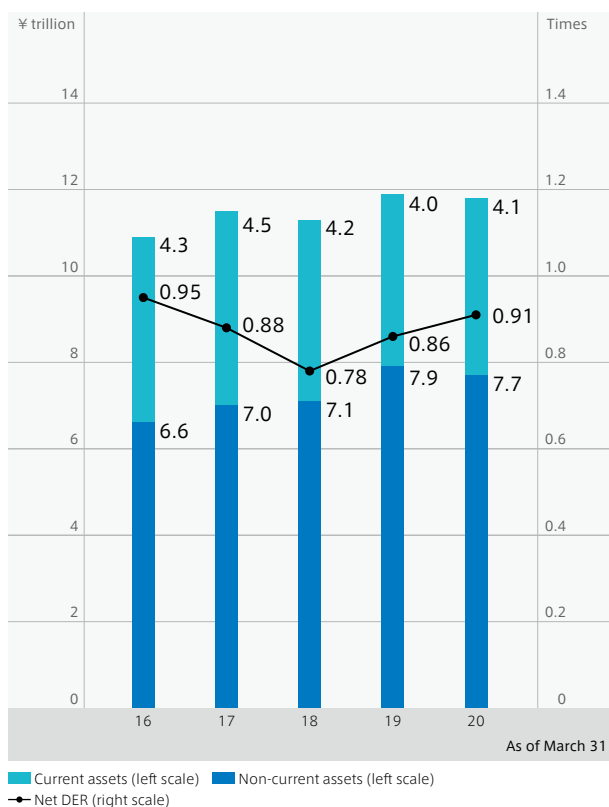


### Core Operating Cash Flow\*

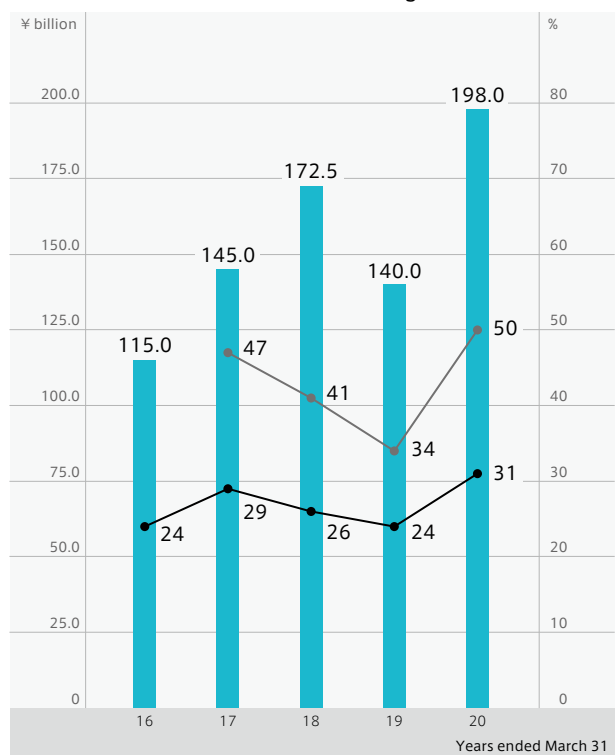


\* Cash flows from operating activities minus cash flows from changes in working capital

### Total Assets / Net DER



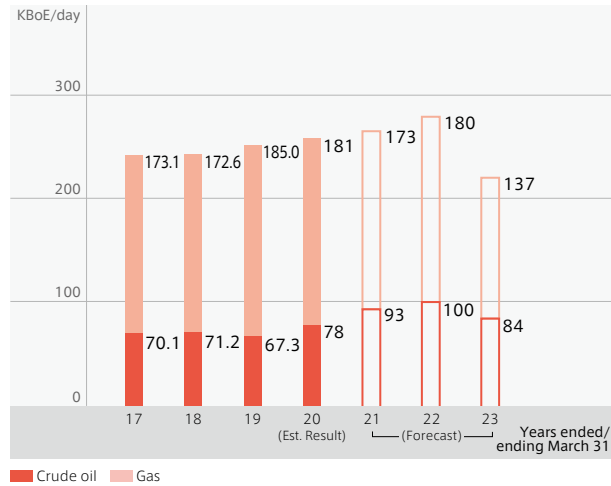
### Total Shareholder Return Amount / Total Shareholder Returns as a Percentage



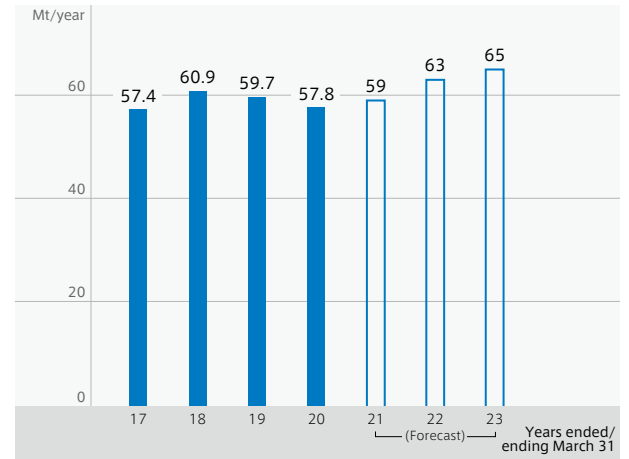
<sup>1)</sup> Amount of shareholder returns divided by core operating cash flow  
<sup>2)</sup> Amount of shareholder returns divided by profit for the year  
<sup>3)</sup> The total shareholder returns as a percentage of profit for the year for 2016 was omitted due to a loss.

## Equity Share of Production

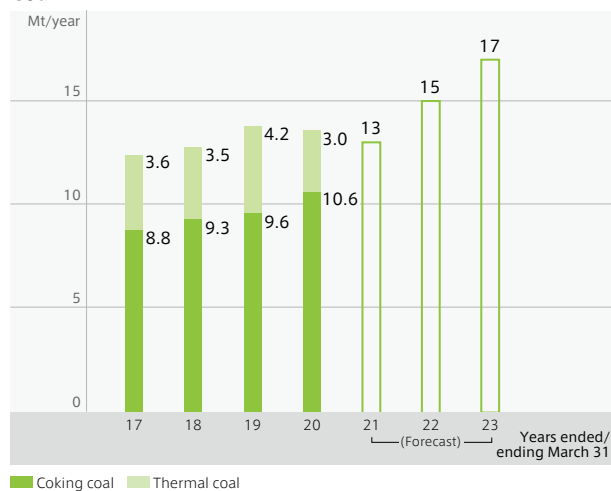
### Crude Oil & Gas



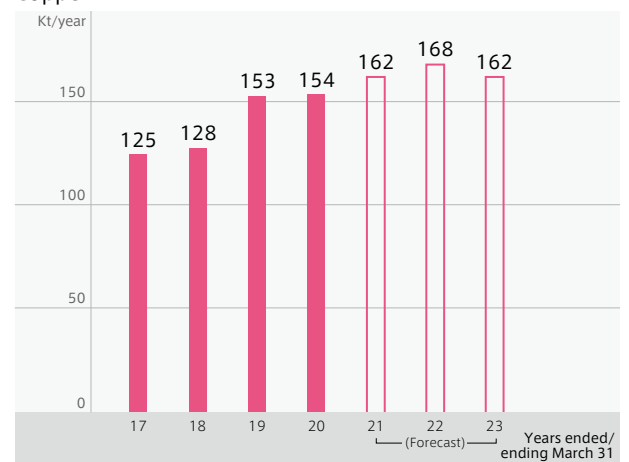
### Iron Ore



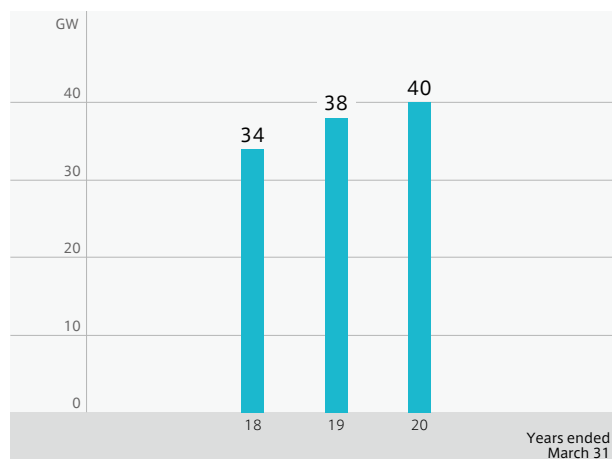
### Coal



### Copper



## Power Generating Capacity (Gross)

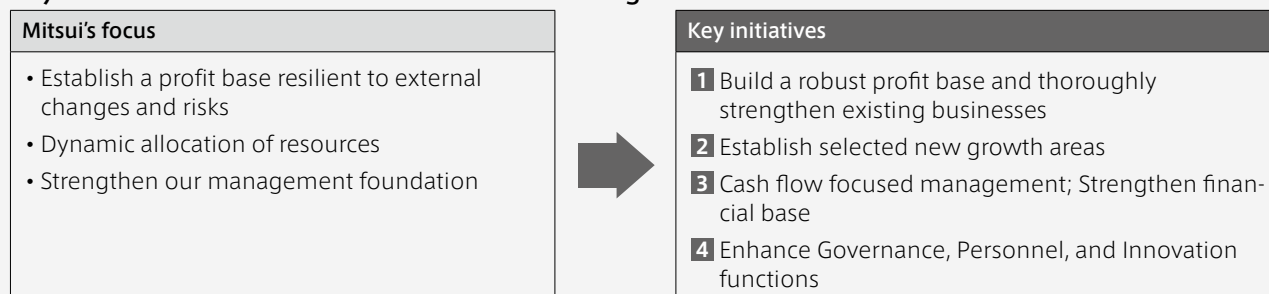




## Review of the Previous Medium-term Management Plan

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 business 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



### 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.



### 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	<ul style="list-style-type: none"> <li>Maintained and expanded iron ore business base Decided to develop South Flank mine and Robe River JV new mining areas</li> <li>Raised quality of coking coal portfolio Sale of interest in Bengalla coal mine (thermal coal), purchase of interest in Grosvenor coal mine (metallurgical coal)</li> </ul>	 <p>Coal handling and preparation plant at Grosvenor coal mine</p>
Energy	<ul style="list-style-type: none"> <li>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.</li> <li>Started production in the E&amp;P business (Greater Enfield in Australia, Tempa Rossa in Italy)</li> <li>Enhanced trading functions in LNG/crude oil</li> </ul>	 <p>Crude oil processing facilities at Tempa Rossa in Italy</p>
Machinery & Infrastructure	<ul style="list-style-type: none"> <li>Progressed with new power generation</li> <li>Advanced Development &amp; Sell strategy (sale of C2C power generation business in Canada)</li> <li>Expanded FPSO business</li> </ul>	
Chemicals	<ul style="list-style-type: none"> <li>Participated in European paint manufacturing business</li> <li>Progressed environment-related businesses</li> </ul>	

## 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
- Expanded business base for agricultural inputs, crop protection and seeds
- Entered U.S. prepared food business
- 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)

## Column

## 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.



Arctic LNG 2 plant in Russia

©Novatek

## 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.



Shrimp farming (black tiger shrimp)

## 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

Unit: ¥ billion

		Cumulative results for FY March 2018 to FY March 2019 (a)	Results for FY March 2020 (b)	Cumulative results for the last three years of the previous medium-term management plan (a) + (b)	Review of three-year cumulative plan (Disclosed in May 2017)
Cash-In	Core Operating Cash Flow*1 ... [1]	1,240.0	620.0*2	1,860.0*2	1,700.0
	Asset Recycling ... [2]	530.0	250.0	780.0	700.0
Cash-Out	Investment and Loans ... [3]	(1,490.0)	(420.0)	(1,910.0)	(1,700.0)–(1,900.0)
	Shareholder Returns ... [4]	(310.0)	(200.0)*3	(510.0)	(300.0)
Free Cash Flow*3 after Shareholder Returns*4 ... [1]+[2]+[3]+[4]		(30.0)	250.0*2	220.0*2	200.0–400.0

\*1. Cash flows from operating activities minus cash flows from changes in working capital

\*2. Includes ¥50bn increase in operating cash flow associated with application of IFRS 16 "Leases"

\*3. Free cash flow that excludes the effects of changes in working capital and time deposits

\*4. From the fiscal year ended March 31, 2019, cash flows of some lease transactions, which had previously been recorded as changes in working capital, are 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 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 this foundation and thoroughly managing risks. In addition to ongoing issues from the previous medium-term management plan, we will address new issues that have emerged as a result of the COVID-19 pandemic.

### Previous Medium-term Management Plan





# Transform and Grow

2021

2022

2023

In line with our renewed corporate management philosophy (MVV) 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 and Grow: Six Corporate Strategies

### Transform

- ▶ Raise profitability in line with invested capital and increase ROE
- ▶ Transform the mindset, behavior patterns, and work style of each employee

- 1 Strengthen business management capabilities**
- 2 Evolve financial strategy and portfolio management**
- 3 Personnel strategy**

### Grow

- ▶ Strengthen growth areas where Mitsui's comprehensive strength is effective
- ▶ Engage with changing trends such as digitalization

- 4 Strategic focus**
  - Energy Solutions
  - Healthcare / Nutrition
  - Market Asia
- 5 Strengthen profitability of core businesses and take on challenges in new businesses**

### 6 Sustainability management / Evolution of ESG

Continue to advance sustainability management

- ▶ Key themes of Medium-term Management Plan 2023: Climate change, Circular economy, and Business and human rights
- ▶ Strengthen governance: Further improve Board effectiveness



### Quantitative Targets

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.

Core operating cash flow

**¥550 bn**  
(Fiscal year March 2023)

¥561.0 bn  
(Fiscal year March 2020)\*

Profit for the year

**¥400 bn**  
(Fiscal year March 2023)

¥391.5 bn  
(Fiscal year March 2020)

ROE

**10%**  
(Fiscal year March 2023)

9.7%  
(Fiscal year March 2020)

Core operating cash flow for the fiscal year ended March 2020 has been revised to deduct payment of lease liabilities.

## Medium-term Management Plan 2023—"Transform and Grow"

## 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

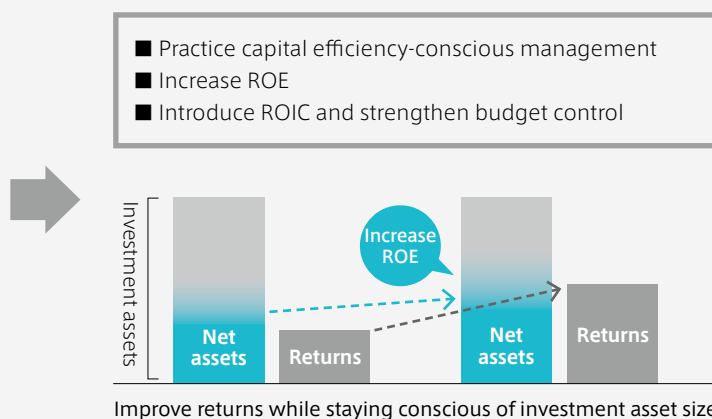
- Expand knowledge across organizations
- Introduce diverse professional talent

#### Foster and deploy business management talent

- Prioritize placements 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

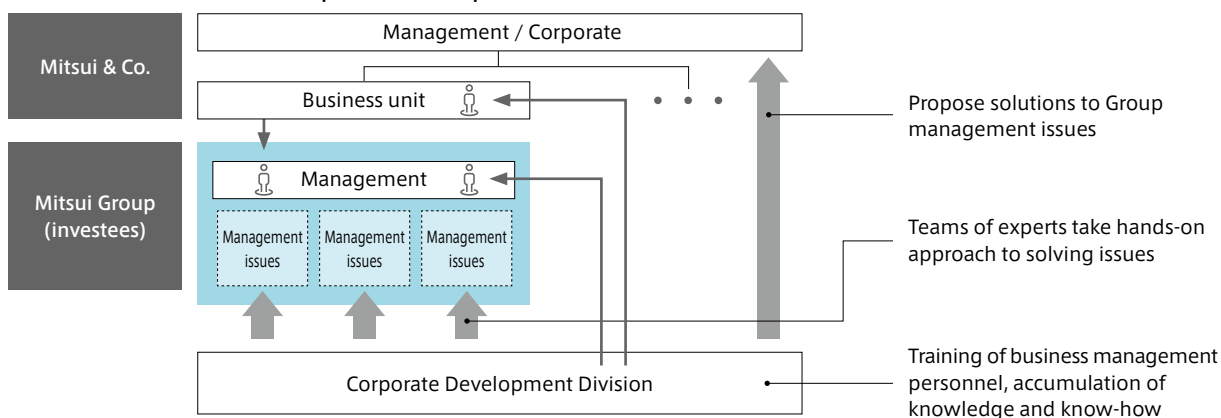


### Strengthening Business Management Capabilities: Leveraging the Corporate Development Division

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 PMI 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



## 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.56).

## 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.

### Local Depth for Global Reach, Global Reach for Local Depth

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

### Diversity & Inclusion

- 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



### Strengthen Diverse Individuals

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

### New Mission, Vision, Values

## 4 Strategic Focus P.70

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

Hospitals and their ancillary businesses  
IHH as central platform  
Medical data/integrated facility management  
Nutrition, food protein



Secure a sustainable  
supply of products



Enhance quality  
of life

### Market Asia

Promotion of the  
digital economy and DX  
Consumer platforms  
Next-generation mobility  
Emerging economies and Japan

360°  
business  
innovation.

## Medium-term Management Plan 2023—"Transform and Grow"

## 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.

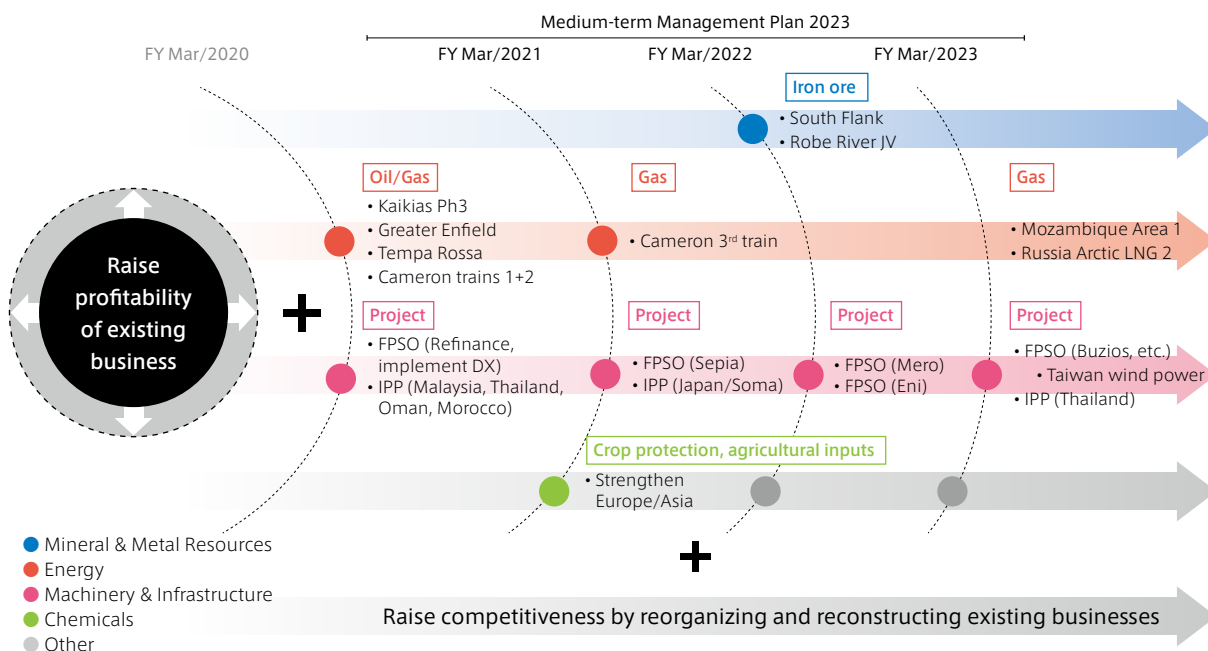
<b>Mineral &amp; Metal Resources</b>	Iron ore, coking coal, copper, recycling	<ul style="list-style-type: none"> <li>■ Maintain and expand iron ore volumes, and Raise quality of coking coal assets</li> <li>■ Expand, and raise quality of copper and Promote recycling business</li> </ul>
<b>Energy</b>	Oil, gas, renewable energy, new energy	<ul style="list-style-type: none"> <li>■ Increase oil and gas production volume and deposits, raise LNG production capacity, and Raise competitiveness of existing assets</li> <li>■ Increase trading income, and Expand renewable and new energy businesses</li> </ul>
<b>Machinery &amp; Infrastructure</b>	Power generation, marine energy, gas distribution, automotive, shipping	<ul style="list-style-type: none"> <li>■ Raise quality of asset portfolio, and Promote DX/optimize operations</li> <li>■ Transform existing business, upgrading trading functions</li> </ul>
<b>Chemicals</b>	Methanol, tank terminal, coating materials, personal care, environmental chemicals, agri-science, wellness	<ul style="list-style-type: none"> <li>■ Increase sophistication in trading, enhance network</li> <li>■ Stronger resilience in existing businesses, raise profitability</li> <li>■ Recycle, reuse, commercialization and application of environmental-focused new materials and technologies</li> </ul>

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 (DX), the Company aims to create new businesses spanning business units, in addition to improving the productivity and competitiveness of existing businesses.

### 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

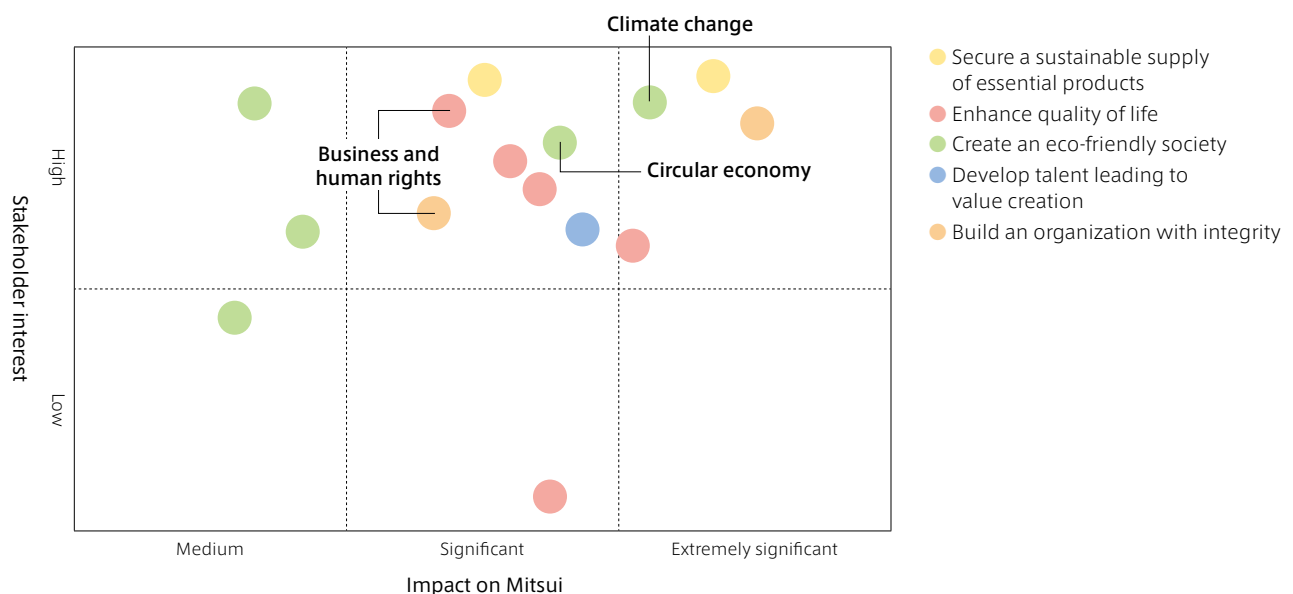




## 6 Sustainability Management / Evolution of ESG

With a focus on the impact to its operations and public demand and expectations, Mitsui mapped out important sustainability issues to determine the issues it should tackle on a Companywide basis during the period of the management plan, excluding issues toward which it is already engaging. As a result, 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.

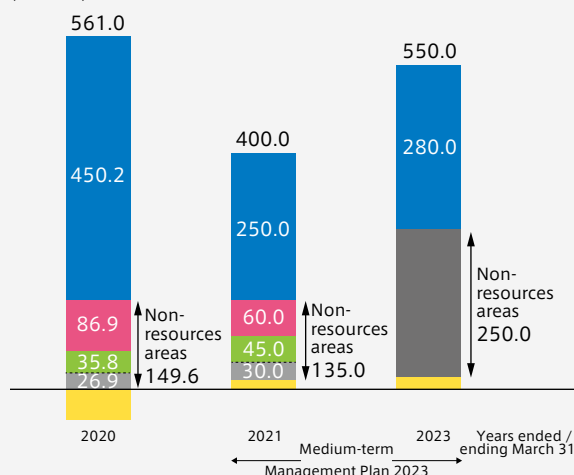
Mitsui will continue to strengthen corporate governance and improve the effectiveness of the Board of Directors.



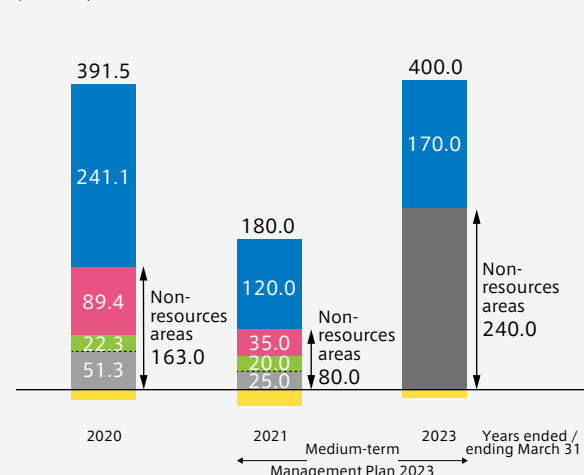
### Quantitative Targets

In the fiscal year ending March 31, 2021, Mitsui expects profit for the year to fall sharply compared with the fiscal year ended March 31, 2020, due to the spread of COVID-19. However, management estimates that core operating cash flow will be ¥400 billion. Mitsui will steadily execute the corporate strategy outlined in the management plan, and aim to quickly return to a growth trajectory.

**Core Operating Cash Flow**  
(¥ billion)



**Profit for the Year**  
(¥ billion)



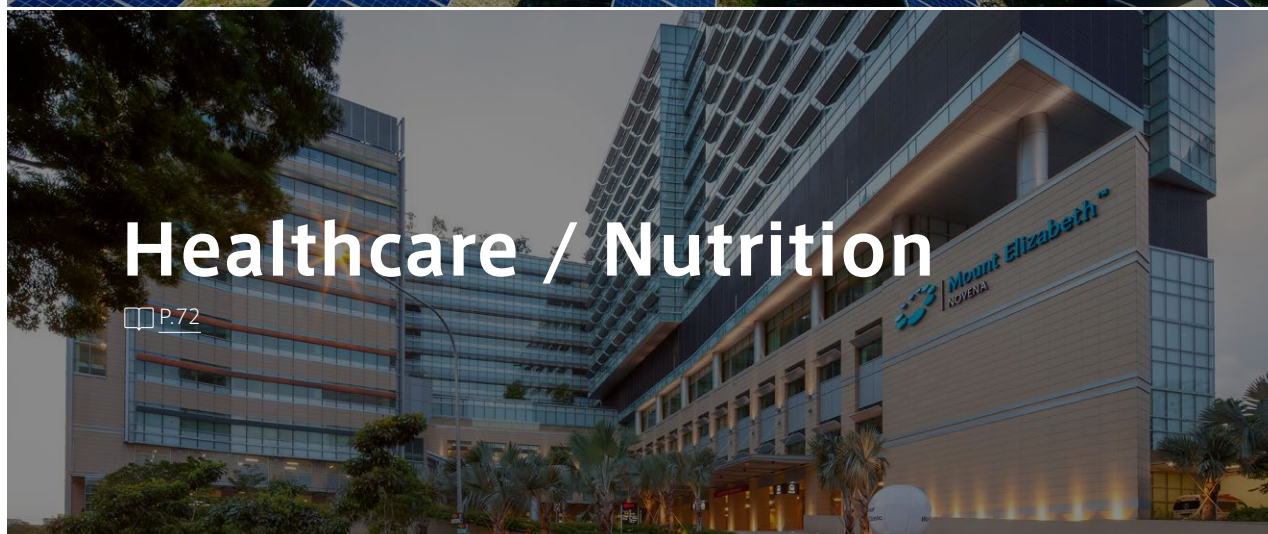
Legend: Resources & Energy (Blue), Machinery & Infrastructure (Pink), Chemicals (Green), Other business areas (Grey), Headquarters & eliminations (Yellow).

Note: Core operating cash flow for the fiscal year ended March 2020 has been revised to deduct payment of lease liabilities.



## Strategic Focus

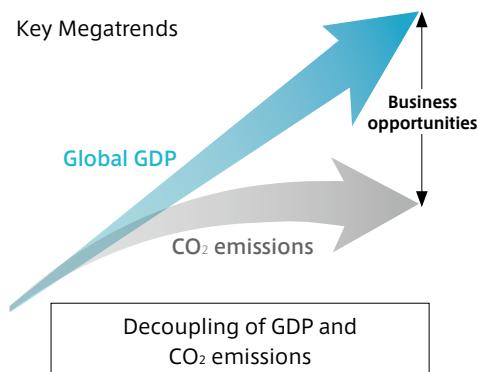
Building on the strategies that we pursued during the term of the previous medium-term management plan, we have established a strategic focus on fields that promise conspicuous growth and where we can realize our comprehensive strengths. Over the medium to long term, Mitsui will develop these businesses 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 CO<sub>2</sub> 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.



U.S. subsidiary ForeFront Power's distributed solar power generator

#### 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.



LanzaTech's plant for the production of sustainable aviation fuel

#### 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.



A hydrogenation plant in Brunei



## Healthcare / Nutrition

In the healthcare and nutrition sector, based on business foundations mainly comprising IHH Healthcare Bhd. (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

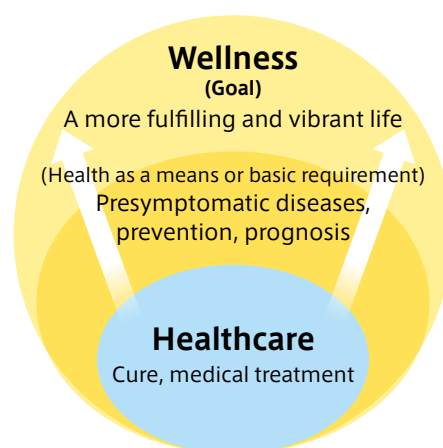
In emerging countries, mainly in Asia, medical expenditures are growing in accordance with population growth, the aging of societies, the expansion of middle-income classes and increasing rapidly as disease patterns change resulting from economic development. Meanwhile, medical service is not keeping up with demand, and a widening of the supply–demand gap is projected. Further, we expect healthcare value chains 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

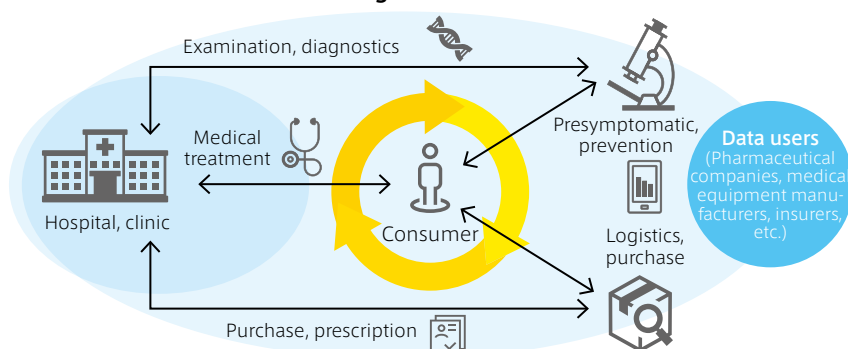
In 2011, Mitsui initially acquired an equity interest in IHH. Since becoming IHH's largest shareholder in 2019, we have been further increasing our influence on business management and steadily implementing growth strategies in close collaboration with the company's management team. Going forward, we 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.



### Data Accumulation and Mutual Usage



## 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.

\* Those born between the early 1980s and the mid-1990s

### External Environment

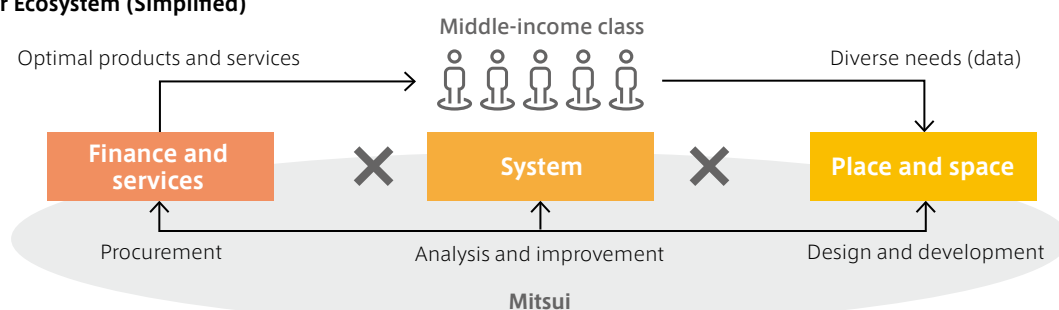
High growth rate	
<b>Demand and Consumption</b> <ul style="list-style-type: none"> <li>• Growing influence of the middle-income classes, millennials, and Generation Z*</li> <li>• Acceleration of digital technology penetration</li> <li>• Heightening health awareness</li> </ul>	<b>Supply</b> <ul style="list-style-type: none"> <li>• Rising energy demand</li> <li>• Increasing environmental awareness and environmental restrictions</li> <li>• Introduction of government policies encouraging local production for local consumption and the upgrading of industry</li> </ul>

\* The generation born in or after the mid-1990s

### 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 consumer "ecosystem" rooted in Asia.

#### Consumer Ecosystem (Simplified)



### 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. → page 72

### 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.

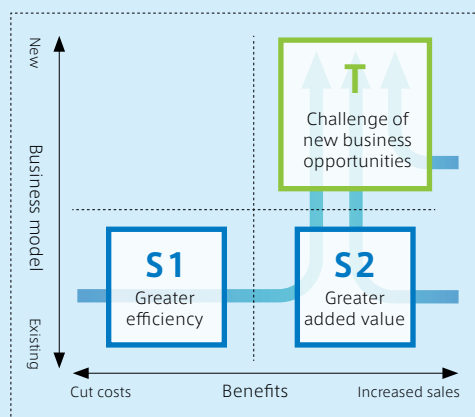
The COVID-19 pandemic has underscored the importance of our digital transformation (DX) initiative. Under the new management plan, we are accelerating both offensive and defensive DX initiatives with the aim of creating businesses across the entire Company.

### 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.

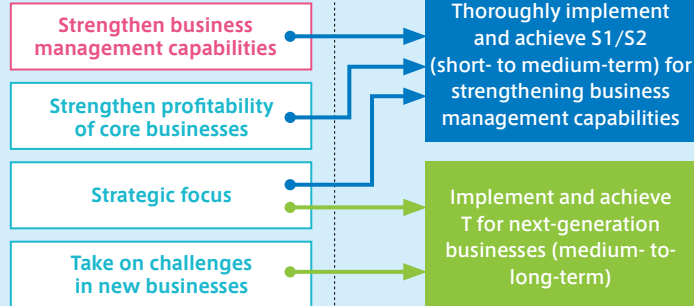
#### DX Framework



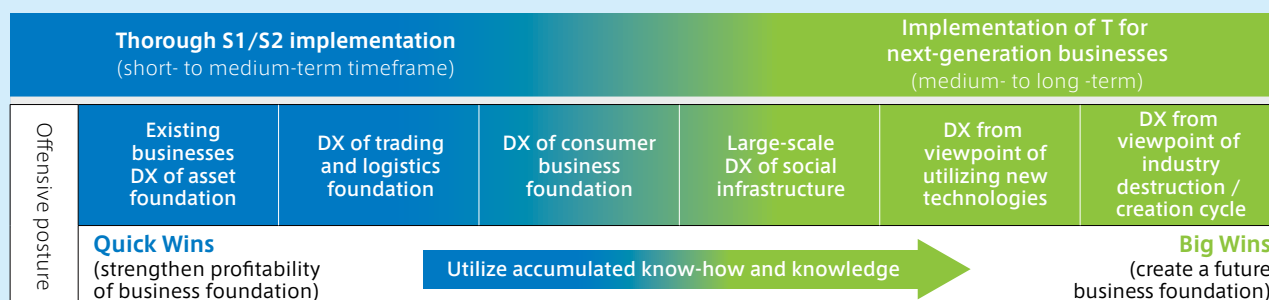
S: Solution T: Transformation

#### Medium-term Management Plan 2023

##### Transform and Grow



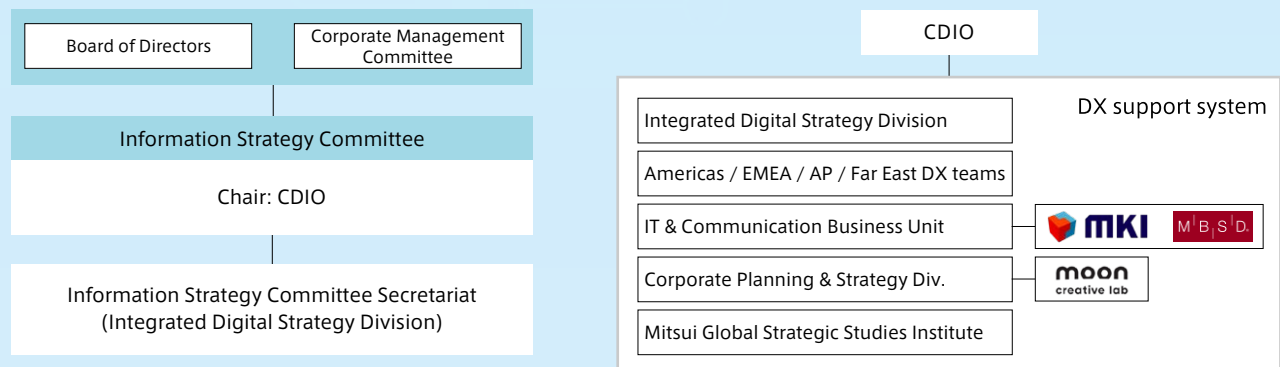
Over the short to medium term, by thoroughly implementing S1/S2, we aim to amass Quick Wins while strengthening and advancing the profitability of existing businesses in the Mitsui Group, including trading operations. Using our accumulated know-how and knowledge, we are targeting Big Wins that create 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).<sup>\*</sup> 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.

<sup>\*</sup> Mitsui created the Chief Digital Officer (CDO) position ahead of other general trading companies in 2017. In 2020, Mitsui started a new information strategy promotion structure under the CDIO, which combines the functions of the Chief Information Officer (CIO) and the CDO.



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 MODEC, Inc., Mitsui collects FPSO<sup>\*</sup> 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.

<sup>\*</sup> FPSO: Floating production, storage, and offloading system (caption) monitoring center for offshore plants (Brazil)



Monitoring center for offshore plants (Brazil)

### 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.

AI FUND

BEARING.ai

## Results by Operating Segment

(Fiscal year ended March 31, 2020, IFRS after reflecting modification associated with structural reorganization)

	Iron & Steel Products	Mineral & Metal Resources	Energy <sup>*1</sup>	Machinery & Infrastructure <sup>*1</sup>
Billions of yen				
Business Unit	Iron & Steel Products Business Unit	Mineral & Metal Resources Business Unit	Energy Business Unit I Energy Business Unit II Energy Solutions Business Unit	Infrastructure Projects Business Unit Mobility Business Unit I Mobility Business Unit II

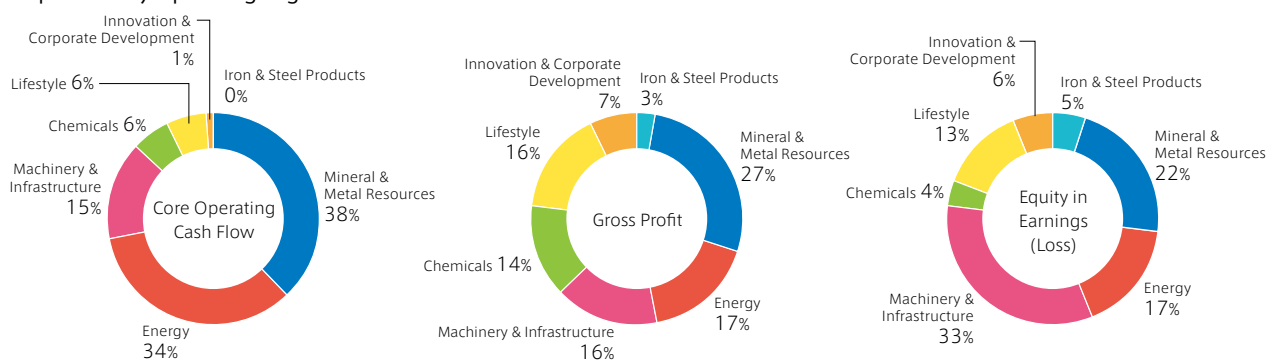
Core Operating Cash Flow	2.6	244.8	219.8	96.3
Net Investment Cash Flow	7.5	(49.8)	(107.1)	(44.7)
Investment Cash Flow (IN)	8.8	6.7	13.7	73.4
Investment Cash Flow (OUT)	(1.3)	(56.5)	(120.8)	(118.1)
Free Cash Flow <sup>*2</sup>	10.1	195.0	112.7	51.6

Gross Profit	24.6	226.0	141.1	134.6
Equity in Earnings (Loss)	13.1	59.2	45.2	88.4
Dividend Income	1.9	25.2	52.7	5.1
Selling, General and Administrative Expenses	(27.2)	(41.6)	(44.5)	(133.4)
Other	(7.7)	(85.5)	(136.7)	(5.3)
Profit (Loss) for the Year Attributable to Owners of the Parent	4.7	183.3	57.8	89.4

Assets	539.6	1,921.9	2,566.3	2,360.3
Non-current Assets	324.4	1,284.0	1,607.6	1,634.7
Property, Plant and Equipment	10.0	327.6	781.0	279.1
Investments Accounted for Using the Equity Method	249.2	388.4	344.3	900.6
Other Investments	46.9	388.5	344.7	98.9
Other Non-current Assets <sup>*3</sup>	18.3	179.5	137.6	356.1

Number of Employees (Non-consolidated)	305	278	401	853
Number of Employees (Consolidated)	1,505	634	888	17,017

### Composition by Operating Segment






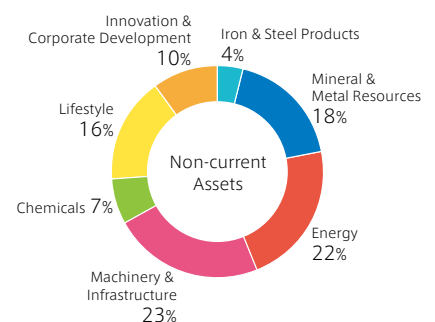
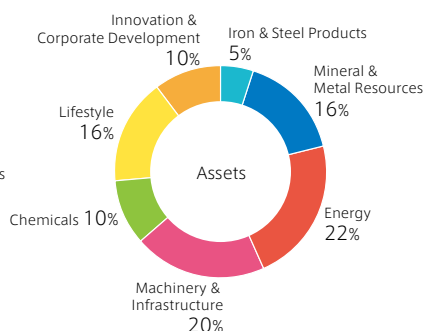
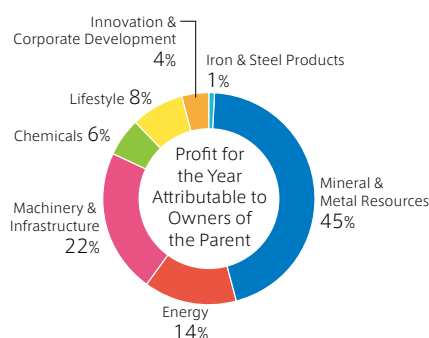
Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.

\*1. On April 1, 2020, the Energy Solutions Business Unit was established through organizational restructuring. Figures for the Energy Segment and the Machinery & Infrastructure Segment reflect transfers carried out following this organizational restructuring, excluding employee numbers.

\*2. "Free cash flow" is calculated from core operating cash flow and differs from free cash flow calculated using conventional accounting methods.

\*3. "Other non-current assets" includes non-current receivables, investment property, intangible assets, and deferred tax assets.

Chemicals	Lifestyle	Innovation & Corporate Development ©QVC Japan, Inc.	Others / Adjustments and Eliminations	Company Total
				
Basic Materials Business Unit Performance Materials Business Unit Nutrition & Agriculture Business Unit	Food Business Unit Retail Business Unit Healthcare & Service Business Unit	IT & Communication Business Unit Corporate Development Business Unit		
38.3	37.3	8.6	(25.8)	621.9
(16.4)	47.7	0.1	(26.4)	(189.1)
12.8	105.3	49.8	4.4	274.9
(29.2)	(57.6)	(49.7)	(30.8)	(464.0)
21.9	85.0	8.7	(52.2)	432.8
116.8	134.9	60.1	1.3	839.4
11.5	35.0	17.0	(0.2)	269.2
2.7	4.2	3.3	1.4	96.5
(101.9)	(139.3)	(64.5)	(32.5)	(584.9)
(6.8)	(2.8)	(1.3)	17.4	(228.7)
22.3	32.0	14.6	(12.6)	391.5
1,217.7	1,907.6	1,198.3	94.6	11,806.3
511.0	1,134.0	736.8	449.4	7,681.9
212.4	204.4	118.4	188.5	2,121.4
165.1	613.3	210.7	9.4	2,881.0
82.8	250.5	184.7	87.4	1,484.4
50.7	65.8	223.0	164.1	1,195.1
738	834	476	1,791	5,676
5,238	10,642	6,301	3,399	45,624





## Segment Strategies

# Iron & Steel Products Segment

## ■ Iron & Steel Products Business Unit



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

### 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.



**Koichi Fujita**  
Managing Officer,  
Chief Operating Officer  
of Iron & Steel Products  
Business Unit

### Business Environment

- 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

### 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

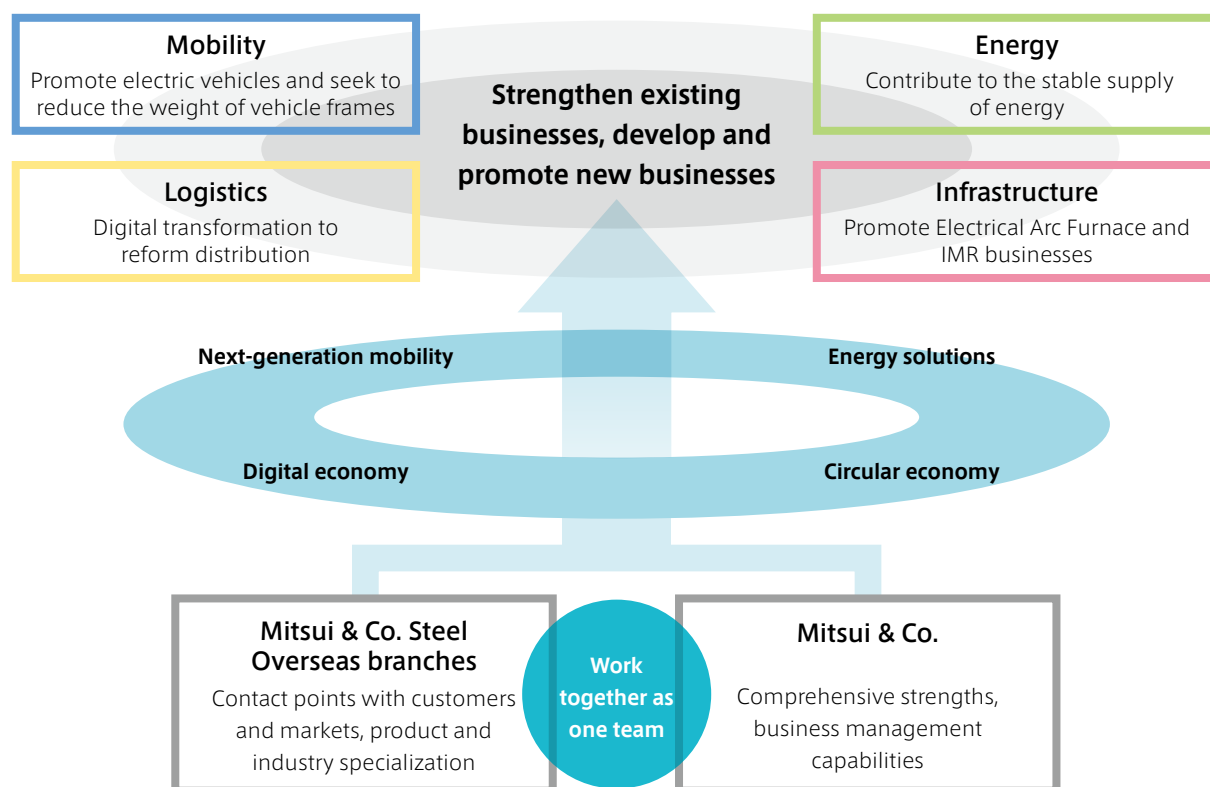
Area	Our Approach
Mobility	We contribute to the development and manufacture of key parts for next-generation mobility. We aim to maximize enterprise value of Gestamp Automoción S.A. through initiatives to increase return on investment and deeper involvement in management, while working to strengthen 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

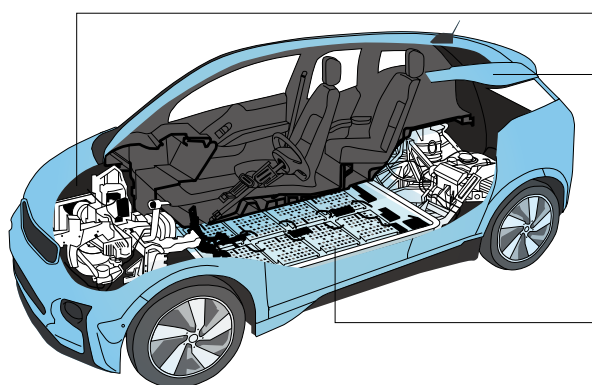
- Impact materialized with weaker demand for steel products; lower operating rates at affiliated companies as economic activity stalled.
- Pace of recovery in economic activity varies by region, but we already started to streamline businesses, including cost reductions.

## 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



#### 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

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
Mitsui & Co. Steel Ltd.	Sales, export, import of steel products	Var.	6.1	4.1	3.8
NIPPON STEEL TRADING CORPORATION	Sales, export and import of steel products	19.9	—	6.9	4.5
Gestamp companies	Manufacture of automotive components	Var.	3.9	2.3	2.4
GRI Renewable Industries	Manufacture of wind turbine towers and flanges	25.0	(0.1)	(2.4)	(0.2)
Game Changer Holdings Inc.	Investment in steel processing company	100.0	6.7	3.9	1.4

# Mineral & Metal Resources Segment

## ■ Mineral & Metal Resources Business Unit



Iron ore business / Robe River iron mine (Australia)

### 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.



Yuki Koderu

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

### 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 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

Area	Our Approach
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 improving the value of the Australia coal mining business and the Mozambique operations and contributing to optimize the portfolio.
Copper	• We aim to maximize the value of existing assets in Chile and strengthening functions through the value chain.
Others	<ul style="list-style-type: none"> <li>• We are developing initiatives and establishing an earnings base for recycling business.</li> <li>• We are creating a value chain in secondary battery raw materials.</li> <li>• We are responding to changes in the industry structure toward a low-carbon society and promoting ESG initiatives.</li> </ul>

### 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 operators in each business, we are taking thorough measures to prevent the spread of COVID-19 and minimizing its impact on operations.

## Major Businesses

Product	Name <sup>*1</sup>	Location	FY Mar/2020 Equity Production	Main Partner	Equity Ratio <sup>*5</sup>	Revenue Recognition
Iron ore	Robe River	Australia	21.5 million tons	Rio Tinto	33.00%	Consolidated (partially accounted for by equity method)
	Mt. Newman / Yandi / Goldsworthy / Jimblebar	Australia	19.4 million tons	BHP	7.00%	Consolidated (partially accounted for by dividend)
	Vale	Brazil	16.9 million tons <sup>*3</sup>	Vale	5.58%	Dividend
Coal	South Walker Creek / Poitrel	Australia	2.0 million tons <sup>*3</sup>	BHP	20.00%	Equity method
	Kestrel	Australia	1.4 million tons <sup>*3</sup>	EMR / Adaro	20.00%	Consolidated
	Moranbah North / Grosvenor <sup>*2</sup> / Capcoal / Dawson	Australia	6.9 million tons	Anglo American	Various	Consolidated
	Moatize / Nacala	Mozambique	1.2 million tons <sup>*3</sup>	Vale	Moatize: approx. 15%	Moatize: Dividend
					Nacala: approx. 50%	Nacala: Equity method
Copper	Collahuasi	Chile	62.4 thousand tons <sup>*3</sup>	Anglo American Glencore	11.03%	Equity method
	Anglo American Sur	Chile	37.0 thousand tons <sup>*3</sup>	Anglo American Codelco	9.50%	Equity method
	Caserones	Chile	33.0 thousand tons <sup>*3</sup>	JX Nippon Mining & Metals Mitsui Mining & Smelting	22.63%	Other
Nickel	Coral Bay	Philippines	3.5 thousand tons <sup>*4</sup>	Sumitomo Metal Mining	18.00%	Equity method
	Taganito	Philippines	4.7 thousand tons <sup>*4</sup>	Sumitomo Metal Mining	15.00%	Dividend

<sup>\*1</sup> Includes JV names, company names, and project names

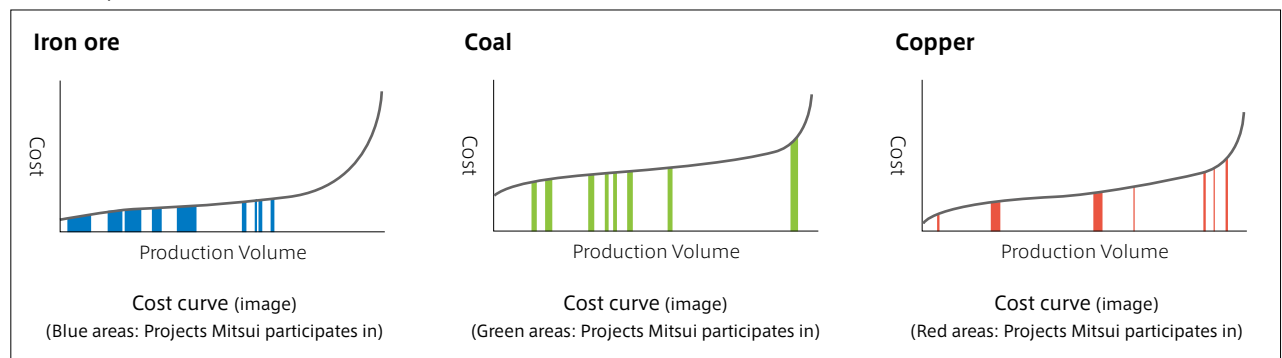
<sup>\*2</sup> To be acquired in the fiscal year ending March 31, 2021, and therefore does not include equity production (as of August 2020)

<sup>\*3</sup> Jan.–Dec. 2019 results

<sup>\*4</sup> Production capacity base

<sup>\*5</sup> As of the end of March 2020

## Cost Competitiveness of the Above Commodities



## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
(Consolidated) Iron ore mining operations in Australia	Mining and shipment of Australian iron ore	Var.	110.4	106.7	171.5
(Consolidated) Coal operations in Australia	(Consolidated) Coal operations in Australia	Var.	46.3	48.5	27.4
(Consolidated) Coal and rail & port infrastructure business in Mozambique	Investment in coal and rail & port infrastructure business in Mozambique	100.0	2.6	4.1	(20.6)
Oriente Copper Netherlands B.V.	Investment in the Chile-based copper company Inversiones Mineras Becrux SpA	100.0	2.6	(2.7)	(5.7)
Mitsui Bussan Copper Investment & Co., Ltd.	Investment in the Caserones copper mine in Chile	100.0	(22.6)	(2.3)	(0.9)
Japan Collahuasi Resources B.V.	Investment in the Collahuasi copper mine in Chile	91.9	6.3	9.1	8.9
Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.	Coal mining, power generation, ferrous alloy and chemical production and water pumping	20.2	5.1	5.1	5.9

## Segment Strategies

# Energy Segment

- Energy Business Unit I
- Energy Business Unit II
- Energy Solutions Business Unit



Cameron LNG  
©Cameron LNG

## 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.



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

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

**Toru Matsui**  
Managing Officer,  
Chief Operating Officer of  
Energy Solutions Business Unit

## Business Environment

- The dual challenge of balancing cleaner energy with more energy is an ongoing issue.
- Business opportunities are increasing in fields that help reduce environmental load amid growing social interest in climate change. The role and expectations of new energy solutions is increasing.
- Demand for energy will increase over the long term alongside growth in the world's population and economy, and fossil fuels will remain a primary energy source.

## 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 LNG, advanced midstream and downstream trading functions, and made progress on optimizing physical distribution
- Expanded efforts in distributed RE 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 challenge. 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

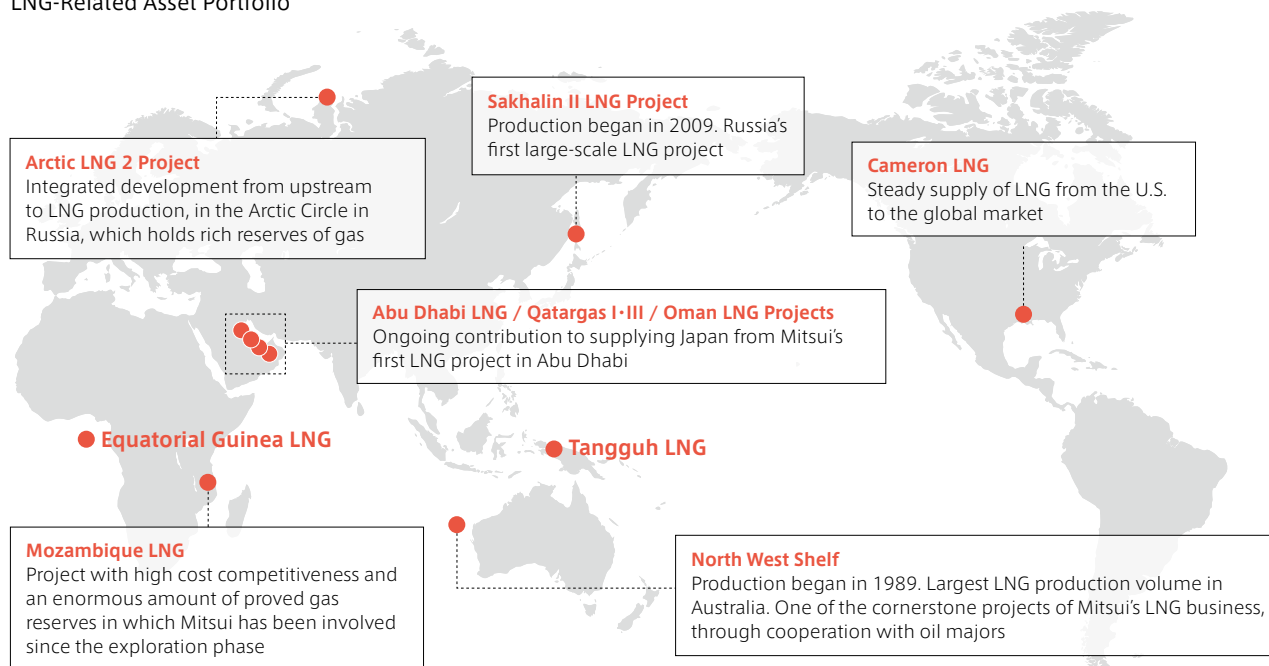
## Individual Strategies

Area	Our Approach
Upstream oil and gas development	<ul style="list-style-type: none"> <li>• By becoming more involved in projects, maximize value of existing assets and sharpen cost competitiveness</li> <li>• Reform E&amp;P business model, leverage knowledge and networks in existing businesses to advance low-carbon businesses, and evolve the business portfolio</li> </ul>
LNG	<ul style="list-style-type: none"> <li>• Steadily launch Arctic LNG 2 and Mozambique LNG development projects, enhance profitability and maximize value of existing projects</li> <li>• Strategically advance our balanced and highly competitive LNG supply portfolio by improving capital efficiency and recycling assets</li> </ul>
Trading	<ul style="list-style-type: none"> <li>• 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</li> <li>• Create, improve and optimize LNG sales portfolio that contributes to maximizing value of upstream operations</li> </ul>
Renewable energy generation and related businesses	<ul style="list-style-type: none"> <li>• Expand and accelerate initiatives in distributed power sources, storage batteries, retail and logistics. Advance toward an integrated service provider for end consumers</li> </ul>
Next-generation fuels	<ul style="list-style-type: none"> <li>• Create a next-generation fuel business portfolio, commercializing next-generation ethanol and bio jet fuel business</li> </ul>
Hydrogen and carbon management	<ul style="list-style-type: none"> <li>• Establish business model for hydrogen value chain. Create business model for carbon management in offset operations, such as emissions credits</li> </ul>

## Impact from COVID-19 and Response Policies

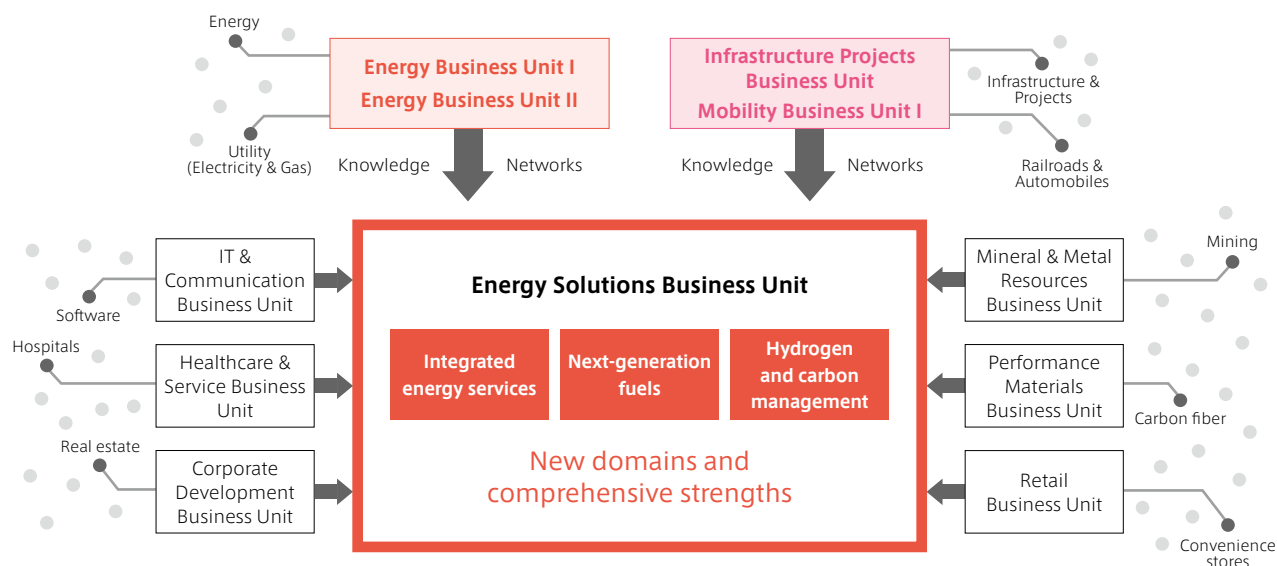
- We will collaborate with operators to continuously and thoroughly review capex/opex, and aim to strengthen cost competitiveness further.
- In the trading business, we are paying even closer attention to managing credit and other risks. We are also monitoring demand recovery trends by region and by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

## LNG-Related Asset Portfolio



## Comprehensive Strength of Energy Solutions

● Mitsui's partner



## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	74.3	11.5	24.8	22.0
Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas in Middle East	89.7	3.5	6.5	3.7
Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas in Oceania	100.0	3.9	(0.3)	(14.2)
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	100.0	(4.4)	0.8	7.2
Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of LNG in Mozambique	50.1	(3.4)	(3.2)	11.2



## Segment Strategies

# Machinery & Infrastructure Segment

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



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

## 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  
of Infrastructure Projects  
Business Unit

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

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

## Business Environment

- 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 U.S.–China trade friction and global economic stagnation due in part to the prolonged spread of COVID-19.
- Demand for 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.
- CASE\*2-related technologies are evolving and changes in the industrial structure are accelerating. Also, the service platform market for end users is expanding.

\*1. Decarbonization, Decentralization, Digitalization \*2. Connected, Autonomous, Shared, Electric

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

- In existing business domains, we steadily completed construction work and strengthened our profit base through continued receipt of orders. We also enhanced asset quality through strategic recycling, promoted efforts in new frontiers, made progress toward next-generation businesses, and demonstrated our comprehensive strengths.
- We achieved trading growth in the ship and aerospace businesses, carried out additional investment in U.S.-based Penske Truck Leasing Co., L.P., and accelerated efforts toward the electrification of commercial vehicles. We also invested in the vehicle operating leasing business, among other efforts.
- 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 realize a well-balanced business portfolio through business development and management-type investments. In addition, we will enhance asset quality by promoting recycling and establish next-generation platforms.

\*3. Mobility as a Service

## Individual Strategies

Area	Our Approach
Centralized / distributed power generation	• (Centralized power) 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
Resources and social infrastructure	• Enhance the value of existing businesses through stable operations and bolt-on investments. Improve profitability in the FPSO business by winning bids for new projects and enhancing operational system
New infrastructure domains	• Reinforce profit base in existing businesses and promote efforts toward the next-generation energy service, platform-type infrastructure, and digital infrastructure businesses. Also, implement agrotech (combination of agriculture and IT).
Automobiles, construction machinery and railways	• Reinforce profit base in existing businesses, expand into new businesses in upstream operations (strengthen EV/FCV business, platforms in Asia, modal shift) and downstream operations (services/leasing/sharing and other MaaS earnings models)
Ships and aerospace	• Reinforce profit base of existing businesses (leasing/trading/maintenance services). Replace and improve quality of portfolio. Promote gas logistics


## Impact from COVID-19 and Response Policies

- Impact materialized with decline in production and sales of automobiles and motorcycles, lower usage of construction and mining machinery, decreases in passenger and cargo volume on ships, airlines and railways, and lower volumes in logistics operations.
- Downside risk from worsening financial conditions at customers in infrastructure business, even though there are exemption clauses in contracts.
- Support earnings by reducing costs, take BCP response by stringently monitoring credit risk and contract execution risk.

## Competitiveness


**Electric power**

- Total power generating capacity of approximately 11.1GW
- Project operatorship
- Well-balanced power generation portfolio in terms of region and fuel **Graph 1, 2**




**Next-generation businesses**

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



**Offshore energy**


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



©MODEC, Inc.


**Gas distribution**

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




**Automotive**

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




**Construction equipment**

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




**Rail**

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




**Ships**

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



**Aerospace**

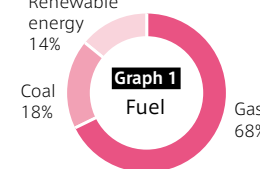
- Providing functional solutions for aircraft/engine leasing and freighter conversion, and aviation businesses
- Promoting space-related initiatives, such as the satellite deployment business



160 affiliated companies

**Graph 1**

**Fuel**



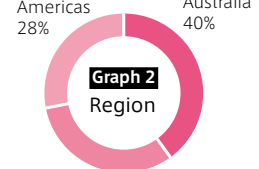
Renewable energy 14%

Coal 18%

Gas 68%

**Graph 2**

**Region**



Americas 28%

Asia and Australia 40%

Europe / Africa / Middle East 32%

## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
(Consolidated) Power generating businesses	Investment in power generation businesses	Var.	46.4	26.7	27.6
(Consolidated) FPSO/FSO leasing businesses	FPSO/FSO leasing	Var.	9.1	9.3	3.9
(Consolidated) Gas related businesses	Gas distribution businesses in Brazil and Mexico	100.0	7.7	6.5	11.3
Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation	100.0	4.2	2.6	3.6
Penske Automotive Group, Inc.	Diversified international transportation services	16.5	11.1	8.2	7.7
(Consolidated) Truck leasing and rental businesses	Truck leasing, rental, and logistics businesses	100.0	4.3	7.1	9.0
(Consolidated) Rolling stock leasing businesses	Freight car and locomotive leasing	Var.	4.5	3.3	2.8
(Consolidated) Asian motor vehicle businesses	Asian motor vehicle businesses	Var.	8.2	7.2	7.2
(Consolidated) Construction & industrial machinery businesses	Construction & industrial machinery businesses	Var.	4.7	7.1	6.0
VLI S.A.	Integrated freight transportation	20.0	2.3	2.7	(1.0)



## Segment Strategies

# Chemicals Segment

- Basic Materials Business Unit
- Performance Materials Business Unit
- Nutrition & Agriculture Business Unit



Australia salt field business / Shark Bay Salt

## Business Activities

Our chemicals business encompasses trade and investment in a range of industries, from upstream and midstream chemicals such as basic chemicals and fertilizer and inorganic resources, to downstream chemicals that meet diverse market needs, including functional materials, electronics materials, specialty chemicals, forestry and housing materials, agricultural input, fertilizers, feed additives, and flavor and fragrance chemicals. We are also pursuing new initiatives in the tank terminal business, carbon fiber, and human nutrition.



Takashi Furutani

Managing Officer,  
Chief Operating Officer  
of Basic Materials  
Business Unit

Takeo Kato

Managing Officer,  
Chief Operating Officer  
of Performance Materials  
Business Unit

Kohei Takata

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

## Business 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 refineries 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

## 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
- Provide solutions based on science that help improve nutrition and the health of people and animals

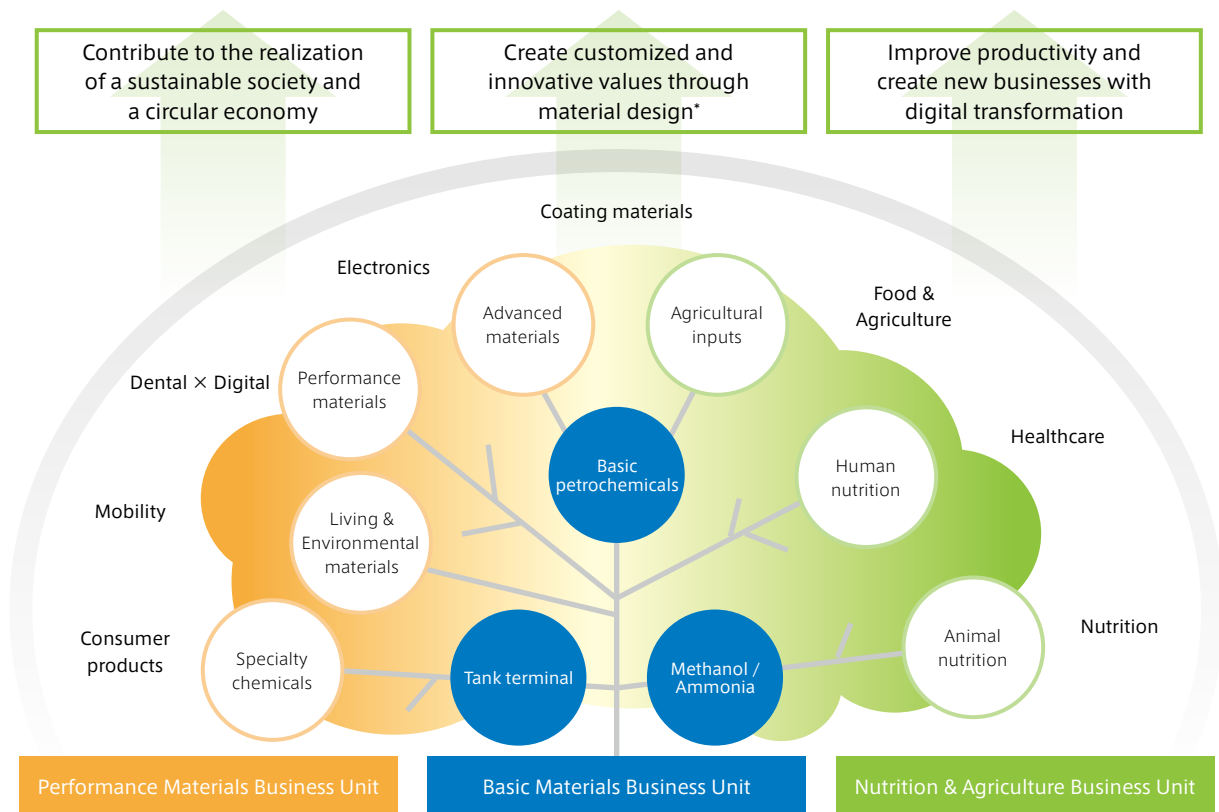
## Individual Strategies

Area	Our Approach
Expand trading networks and enhance trading functions	<ul style="list-style-type: none"> <li>• Advance trading functions in view of changes in trading flow and market structures as in-house production accelerates in major countries to meet demand, such as India and China</li> <li>• Enhance trading functions through utilizing specialized vessels</li> </ul>
Engage in new growth opportunities	<ul style="list-style-type: none"> <li>• Contribute to a recycling economy, such as plastic recycling, take on new business challenges to create a low-carbon society</li> <li>• Expand initiatives in personal care and dental fields</li> </ul>
Increase profits in existing businesses	<ul style="list-style-type: none"> <li>• Expand businesses through bolt-on investments, pursue operational excellence</li> <li>• Increase profitability by strengthening business management capabilities</li> </ul>

## 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.

## Seize New Growth Opportunities



\*Value-added proposals to add customized functions by combining and formulating materials in line with consumer contact needs

## 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.



Hydrogen stations of FirstElement Fuel, Inc. in the U.S.

**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 biostimulants 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.



Agricultural supply sales business in Latin America

## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
MMTX Inc.	Investment in methanol producing business in the United States and sale of products	100.0	2.9	7.2	1.6
SHARK BAY SALT PTY LTD	Production of salt	100.0	1.0	1.1	1.7
MITSUI & CO. PLASTICS LTD.	Sales of plastics and chemicals	100.0	3.8	3.8	3.4
(Consolidated) Mitsui AgriScience International	Investments in crop protection businesses in Europe and the Americas	100.0	1.7	1.3	2.4

## Segment Strategies

# Lifestyle Segment

- Food Business Unit
- Healthcare & Service Business Unit
- Retail Business Unit



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

## 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.



**Yoichiro Endo**  
Managing Officer,  
Chief Operating Officer  
of Food Business Unit

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

**Masato Sugahara**  
Managing Officer, Chief  
Operating Officer of Healthcare  
& Service Business Unit

## Business Environment

- Values are changing from products to experiences, and from mass to personalization. We expect the propensity to spend to increase as incomes and populations expand in emerging countries, along with changes in production sites and volumes as a result of innovations in manufacturing technologies.
- High-value-added needs are increasing, driven by spending patterns of millennials and Generation Z, the changing lifestyles of women in society, and growing interest in health, the environment and sustainability. The structure of the retail business is changing from the spread of digital technology and technological innovation, such as AI and robotics.
- There is a widening gap in healthcare supply and demand, while medical expenditures increase in emerging countries, especially in Asia. The use of digital technologies is accelerating across a wider spectrum of healthcare, such as remote diagnosis and the wellness field, including preventative healthcare. Demand is increasing for integrated, high-value-added services in the mature markets of food services and equipment management.

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

- Rebuilt key subsidiaries in food business, strengthened global logistics, drew up strategies for each of three major nutrients, and expanded business assets accordingly
- Acquired digital functions and strengthened points of contact with customers in distribution business, expanded new earnings bases in upstream and downstream areas, reinforced functions by creating a holding company for the domestic intermediate distribution business
- Optimized portfolio by recycling assets in healthcare business and turned the hospital business into a core asset by becoming the principal shareholder of IHH Healthcare Bhd. through an additional investment
- Develop the food business further downstream by leveraging existing assets, strengthen functions in manufacturing and marketing
- Use digital functions to create products and services in tune with consumer needs, deliver these products and services with optimized logistics networks, thereby realizing enriched and healthy lifestyles through our businesses
- Become a leader in transitioning to a wellness enriching peoples' lives from healthcare ecosystem centered on a hospital business

## Individual Strategies

Area	Our Approach
Food Business	<ul style="list-style-type: none"> <li>• We aim to strengthen our resilience to downward price pressure by augmenting the product lineup with high-value-added products, while pursuing higher quality, sustainability and traceability.</li> <li>• Using science, we aim to add the value of by-products from the value chain, and to strengthen the recycling value chain.</li> </ul>
Retail Business	<ul style="list-style-type: none"> <li>• Based on consumer insight gained through digital functions, we will create differentiated products and services centered on the e-commerce domain.</li> <li>• Using AI, robotics and other digital functions, we will strive to advance and improve demand chain management (DCM) and logistics functions while strengthening the distribution infrastructure foundation.</li> </ul>
Healthcare services	<ul style="list-style-type: none"> <li>• We aim to enhance value in the hospital business through expansion of regions, functions and businesses, and create a medical data platform through the accumulation and mutual use of healthcare data. We will offer high-value-added services to drugmakers and other companies by leveraging integrated functions in the pharmaceutical business.</li> <li>• We aim to expand the integrated services business by augmenting functions and expanding scale, and through consolidation.</li> </ul>

## Impact from COVID-19 and Response Policies

- Restrictions on leaving home and lockdowns 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 tourism. 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.

## 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 Mitsui Norin Co., Ltd., Prifoods Co., Ltd., and Mitsui Sugar Co., Ltd., as well as our product development and proposal capabilities, which we have gained through our development center and Group companies such as Bussan Food Materials Co., Ltd.
- We created a sustainable food supply chain, utilizing by-products in biomass power generation, for example, and the production of marine and feed products through science and digital transformation.

**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

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

**Initiatives in the digital/merchandising business**

- By acquiring consumer data and insights, Mitsui is upgrading its 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.

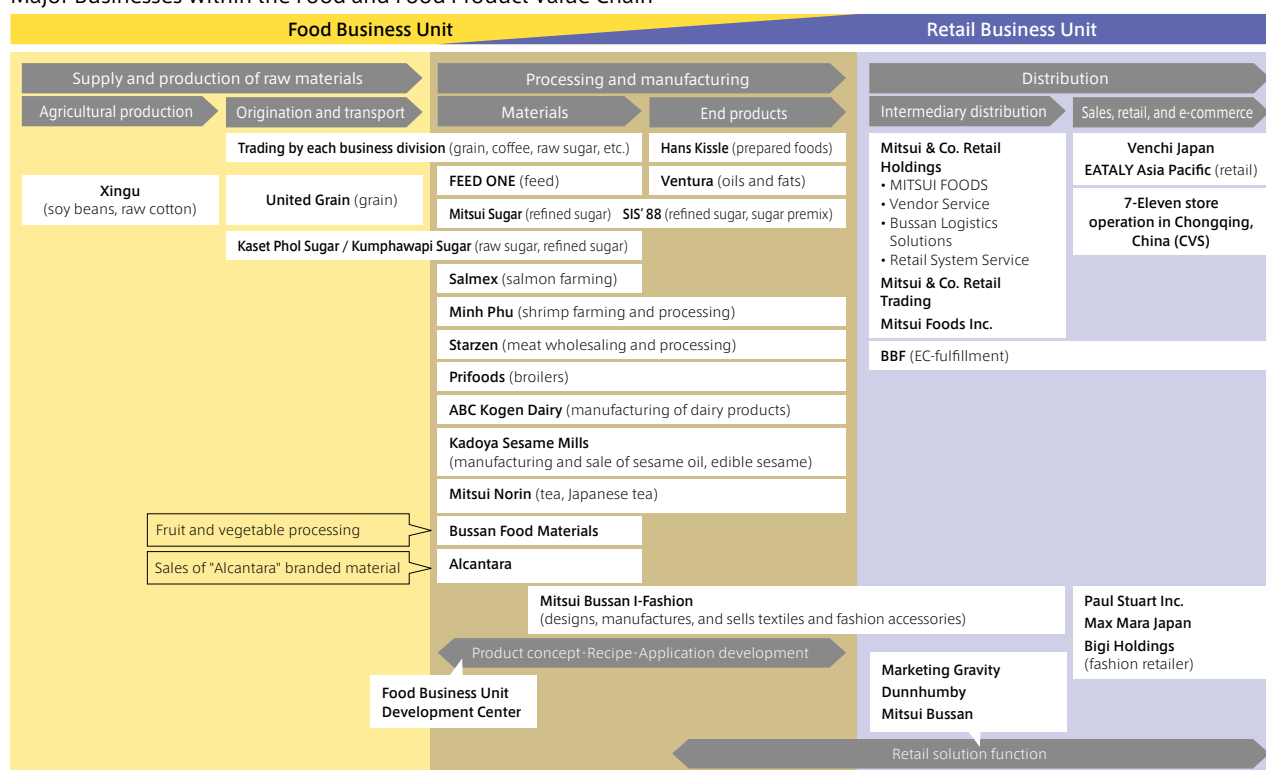
**Initiatives in the fashion and textile businesses**

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

**Integrated services businesses**

- Mitsui, AIM 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



## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	33.5	3.3	2.1	1.2
WILSEY FOODS, INC.	Investments in edible oil products company	90.0	3.4	3.3	3.9
IHH Healthcare Berhad	Healthcare related business	32.9	1.6	1.9	4.9
AIM SERVICES CO., LTD.	Contract food services	50.0	2.3	2.4	2.4

## Segment Strategies

# Innovation & Corporate Development Segment

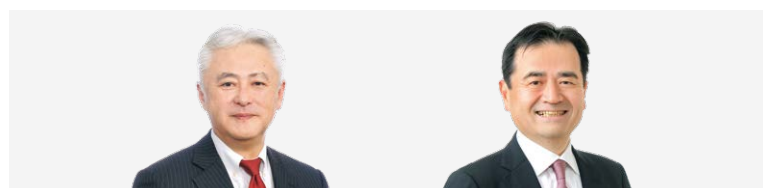
- IT & Communication Business Unit
- Corporate Development Business Unit



TV shopping / QVC Japan, Inc. (Japan) ©QVC Japan, Inc.

## Business Activities

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



Masahiro Moriyasu

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

Shinichi Kikuchi

Managing Officer,  
Chief Operating Officer  
of Corporate Development  
Business Unit

## Business Environment

- Initiatives are underway to connect to services with a diverse range of data being generated in digital society.
- 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 robotics.

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

- Solid performance at 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 groupwide experience and networks

## Individual Strategies

Area	Our Approach
ICT	<ul style="list-style-type: none"> <li>• Further strengthen profit base of major domestic affiliated companies such as MITSUI KNOWLEDGE INDUSTRY CO., LTD. and Mitsui Bussan Electronics Ltd.</li> <li>• Create new businesses using new technologies and business models</li> <li>• Strive 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</li> </ul>
Corporate Development	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> <li>• 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</li> </ul>

## 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 discipline.



## 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. Centered 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 "BS12TwellV," a 24/7 free-to-air BS channel.

**MBK Real Estate LLC**

MBK Real Estate ("MRE") 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. MRE aims to expand income-generating businesses, such as fund management revenue, by adding a private fund to its exit strategies.



Hillcrest of Loveland is the fund's first flagship property, located in Denver, Colorado.

**Initiatives in Buyout Fund Businesses**

Mitsui has been operating buyout fund businesses in Japan, through MSD Investments Ltd., and in Asia, through collaboration with Advantage Partners, LLP. We also invested in Ant Capital Partners Co., Ltd. In the fiscal year ended March 31, 2020, Mitsui participated in a buyout fund operating company located in Germany.

## New Initiatives

**Dynamic Plus Co., Ltd.**

Established in 2018, Dynamic Plus provides dynamic pricing services, which set flexible prices based on demand projections created with AI and big data, for services such as hotel, deliveries and tickets for sporting events such as professional baseball and J-League soccer matches, and entertainment tickets such as for concerts.

**DouYu Japan Inc.**

DouYu Japan is a joint venture with DouYu, a major live streaming service provider in China. It operates the live streaming service Mildom in Japan. The company aims to create a comprehensive platform for live streaming services, including real-time gameplay.

**+Automation Inc.**

+Automation was established jointly with GLP Japan Inc. in 2019. Using sorting robot systems made by China's Zhejiang Libiao Robotics Co., Ltd., +Automation is developing Robotics as a Service businesses for automating logistics facilities.



Zhejiang Libiao Robotics Co., Ltd.'s sorting robot systems at work in a logistics center

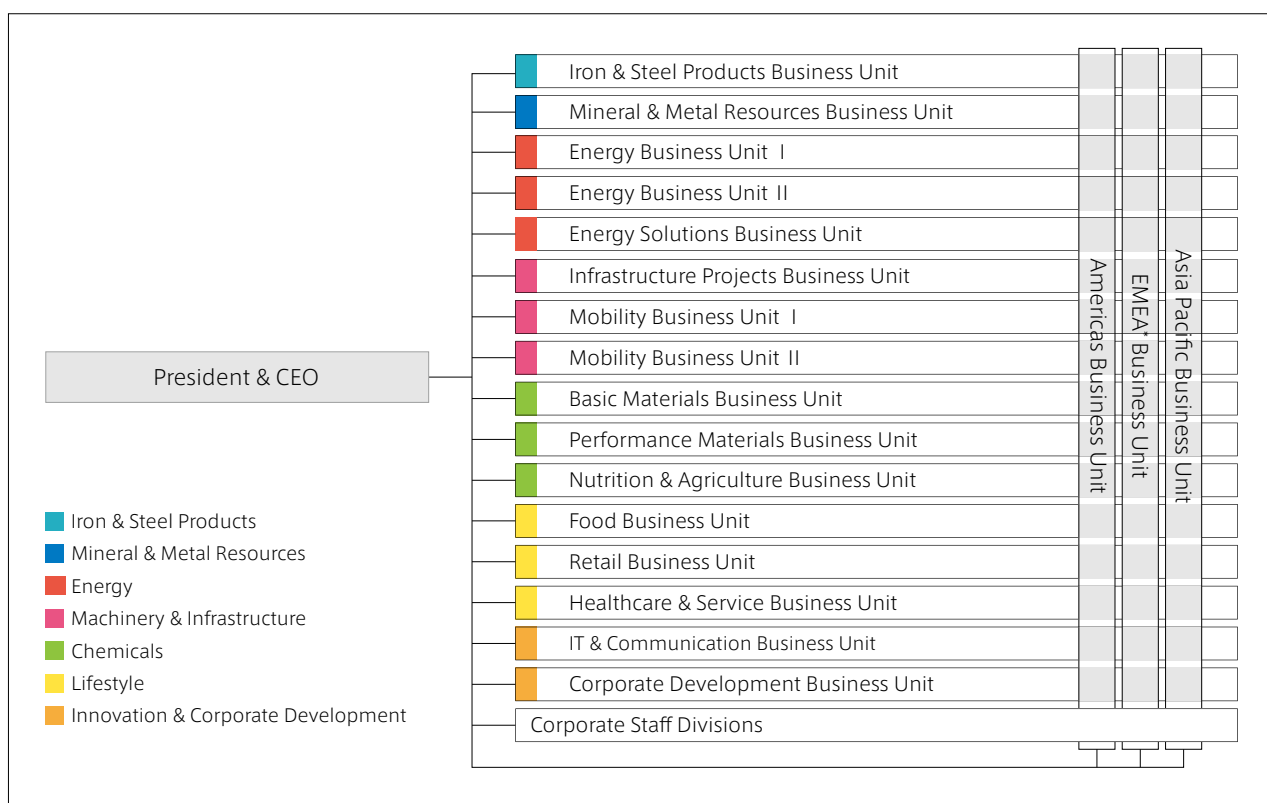
## Major Subsidiaries &amp; Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			18/3	19/3	20/3
QVC Japan, Inc.	TV shopping using a 24-hour dedicated channel	40.0	5.2	5.3	5.4
MITSUI KNOWLEDGE INDUSTRY CO., LTD.	Planning, development and sales of information and communication systems	100.0	2.1	3.5	4.2
JA Mitsui Leasing, Ltd.	Leasing and financing business	31.4	4.0	3.8	3.9
Mitsui & Co. Global Logistics, Ltd.	Domestic warehousing businesses and international integrated transportation services	100.0	2.3	2.3	2.9
Mitsui & Co. Real Estate Ltd.	Real estate sales, leasing, management and consulting	100.0	2.8	2.6	1.5
Mitsui & Co. Asset Management Holdings LTD.	Real estate asset management	100.0	2.0	1.9	1.9

## Product and Regional Expertise

Mitsui has a unique operational organization that is built upon the two axes of product and regional expertise. Under this organization, we engage in its business activities while leveraging the respective strengths provided by these two axes and pursuing collaboration between them. One strength provided by our product expertise is our 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 Groupwide businesses through collaborative initiatives between each Headquarter Business Unit. One strength provided by our regional expertise is our three Overseas Regional Business Units. We have divided the overseas markets on which we focus into three regions—the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific—and have put into place a trilateral structure that provides independence to each region. Acting as a cornerstone for our regional strategies, each Overseas Regional Business Unit is entrusted with the business operations in their respective area of responsibility. While collaborating with our Headquarter Business Units, the Overseas Regional Business Units manage a diverse array of businesses together with affiliated companies that operate under their jurisdiction. Furthermore, the Overseas Regional Business Units function as expert organizations that have thorough knowledge of information pertaining to their respective area of responsibility, and this knowledge is leveraged to form close relationships with prominent local companies. In these ways, the Overseas Regional Business Units provide the foundation for our global strategies.

By combining the product strategies of the 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.



\*EMEA: Europe, the Middle East and Africa.  
Note: China, Taiwan, South Korea, and the CIS region report directly to the Head Office.

### 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)

