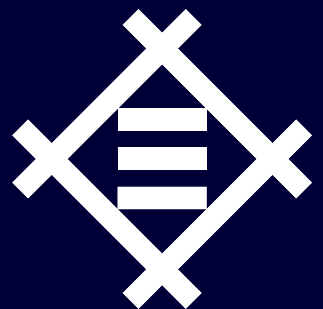


360°
business
innovation.



MITSUI & CO., LTD.

Integrated Report 2020



MITSUI & CO.

Publication of an Integrated Report



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

These words from the first president of the former Mitsui & Co.,* Takashi Masuda, represent our foundation. His words urge us to avoid becoming overly focused on near-term profit. Rather, we must realize growth by creating businesses that contribute to society's long-term development.

In May 2020, Mitsui released a revised version of its Mission, Vision, Values, our corporate management philosophy to coincide with the announcement of Medium-term Management Plan 2023–Transform and Grow. Revised for the first time in 16 years, the new philosophy puts Takashi Masuda's message front and center and includes a vision whereby “As Challengers and Innovators, we create and grow business while addressing material issues for sustainable development.”

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

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

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

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

August 2020


Masami Iijima

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

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

Our Information Systems

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

Integrated Report 2020	Purpose	Corporate Site
P.14 Mitsui's Corporate Culture P.32 Mitsui's Collective Impact P.24 Corporate Management Philosophy P.132 Mitsui & Co. Group Conduct Guidelines	I would like to know more about Mitsui's corporate philosophy, management vision, and corporate culture, as these make up the foundation for management decision-making.	 <p>Company</p> <p>https://www.mitsui.com/jp/en/company/index.html</p> <ul style="list-style-type: none"> • Top Message • Corporate Mission, Vision, Values • Organization • Major Subsidiaries & Associated Companies • History
P.26 Megatrends and Business Environment P.27 Materiality	I would like to know more about management issues as well as the social issues that Mitsui identifies as business risks and opportunities.	
P34–37 Track Record of Challenge & Innovation P.38 A Business Model That Maximizes Our Comprehensive Strength P.65–73 Medium-term Management Plan 2023—"Transform and Grow"	I would like to know more about the drivers that give Mitsui its competitiveness.	
P.44 Sustainability Management—Tackling Climate Change through Our Businesses P.50 Human Resources Strategy for a Pool of Diverse Professionals P.116 An Organization with Integrity P.27 Materiality P.65–73 Medium-term Management Plan 2023—"Transform and Grow"	I would like to know more about ESG issues that impact the sustainability of Mitsui's business model.	 <p>Sustainability</p> <p>https://www.mitsui.com/jp/en/sustainability/index.html</p> <ul style="list-style-type: none"> • Message from the Chairperson of the Sustainability Committee • Sustainability at Mitsui & Co. • Mitsui & Co.'s Materiality • Sustainability Report • ESG Related Policies and Data
P.118 Human Rights and Supply Chain Management P.119 Stakeholder Engagement	I would like to know more about the relationship Mitsui has with its major stakeholders.	
P.4 Mitsui's Value Creation P.12–29 Continuous Value Creation P.30–53 Strategic Edge	I would like to know more about Mitsui's strategies for realizing a sustainable business model through its businesses.	
P.42 Indicators We Focus on in Our Financial Strategies P.65–73 Medium-term Management Plan 2023—"Transform and Grow"	I would like to know more about the KPIs Mitsui uses to measure the results of each strategy.	
P.76 Results by Operating Segment P.78–91 Segment Strategies P.70–73 Strategic Focus P.74 Initiatives in Digital Fields	I would like to know more about Mitsui's earnings structure.	
P.114 Global Group Risk Management P.100–111 Mitsui's Corporate Governance	I would like to know more about Mitsui's governance, which guides a corporation on a path to improving corporate value in a sustainable manner.	 <p>Investors</p> <p>https://www.mitsui.com/jp/en/ir/index.html</p> <ul style="list-style-type: none"> • Financial Results • Mitsui & Co. Investor Day • Medium-term Management Plan • Business Model • Corporate Governance • Risk Factors • IR Library (Securities Reports, Business Reports, etc.) • IR Meetings

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

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

A Cautionary Note on Forward-Looking Statements:

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

Editorial Policy

The integrated reports we have published to date have conveyed the attractiveness of the Mitsui Group from various angles. *Integrated Report 2020* is our third publication in this series, and we endeavored to advance its usefulness as a communications tool by diving deeper into what makes the Mitsui Group attractive, while also taking a systematic approach to explaining our strategies to improve Mitsui's corporate value sustainably over the long term. We hope that this report can help further an understanding of the Mitsui Group's long-term competitive advantages in a rapidly changing business environment.

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

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

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This section summarizes a variety of data about Mitsui.

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

- GRI (Global Reporting Initiative), Sustainability Reporting Standard
- Ministry of the Environment, Japan, Environmental Accounting Guidelines 2005
- ISO 26000 (Guidance on social responsibility)
- IIRC (International Integrated Reporting Council), International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry, Japan, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation



Mitsui's Value Creation

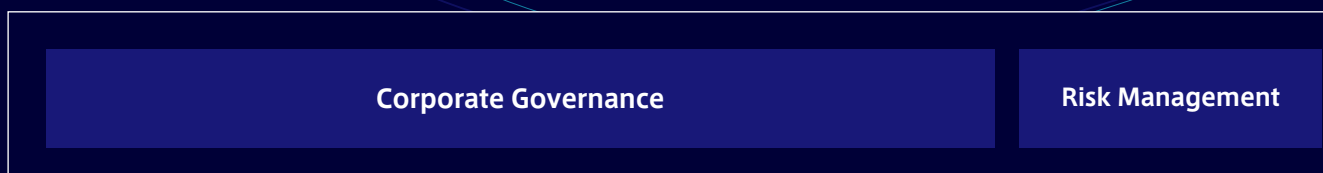
Roadmap to Value Creation with "Challenge and Innovation" DNA

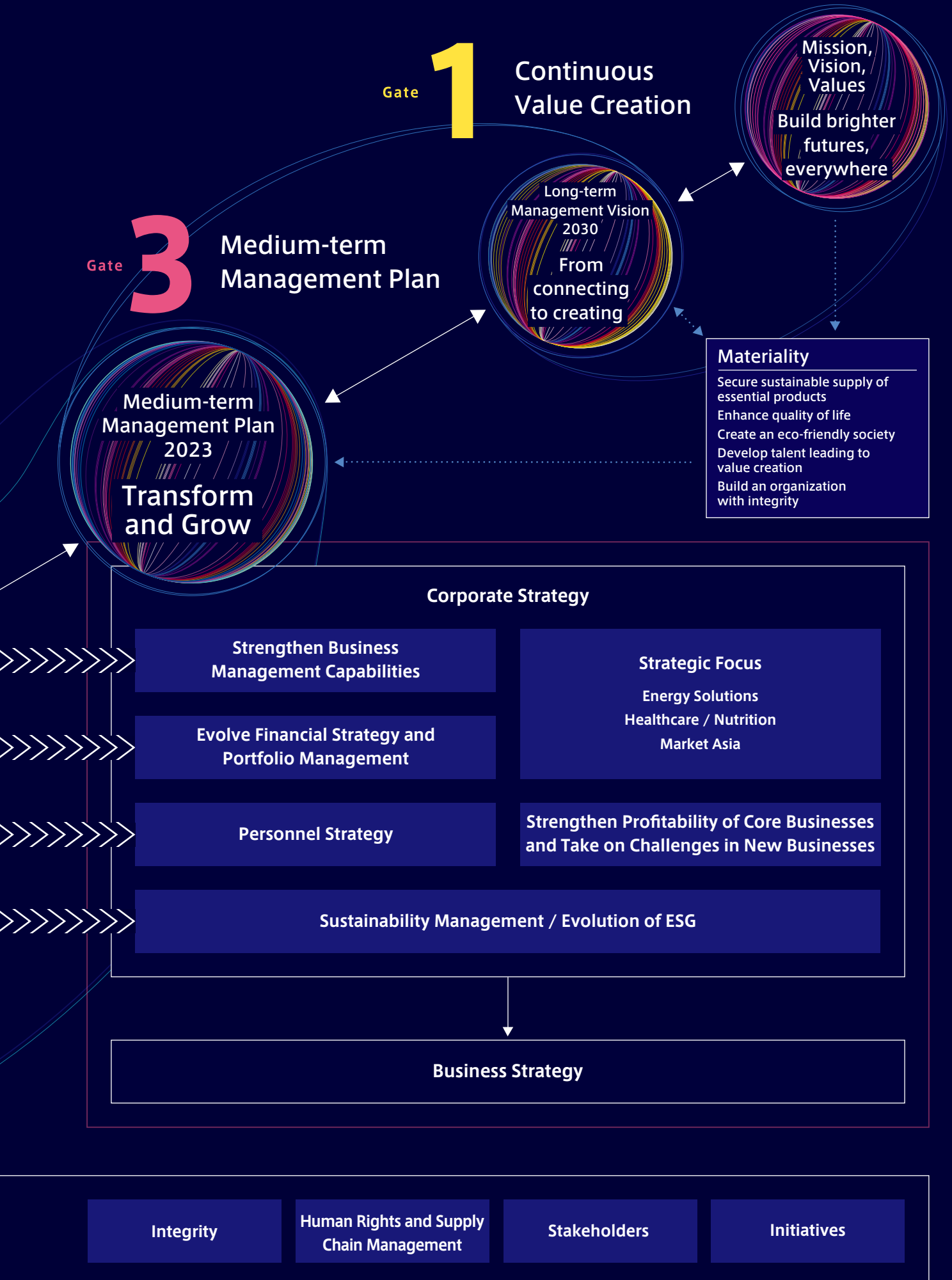
Mitsui has created value for industry for many years, while evolving its own business models in response to trends of the times and changes in society. Mitsui continues to contribute to the sustainable development of society through its business activities, by drawing up and executing business strategies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

Gate 2 Strategic Edge



Gate 4 Management Foundation





CEO Message



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

Tatsuo Yasunaga
President and Chief Executive Officer

Understanding the business environment: Opportunities amid the COVID-19 pandemic

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

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

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

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

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

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

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

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

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

^{*} Now Chief Digital Information Officer (CDIO)

Looking back on the previous medium-term management plan

During the period of the previous medium-term management plan, we successfully bolstered our profit base in Resources & Energy, and strengthened non-resource areas, particularly Machinery & Infrastructure and Lifestyle, in line with the plan's key initiatives of "Build a robust profit base and thoroughly strengthen existing businesses"

and "Establish selected new growth areas." In the focus areas of environment and health, we further developed our LNG business and expanded the business base of our healthcare business. We also strengthened cash flow management, implementing flexible capital allocation including for shareholder returns, in accordance with the cash flow allocation framework, while tightening investment discipline.

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

Nevertheless, the challenges that remain from the previous plan are clear. The first of which is the urgent need to further improve the profitability of our existing businesses. While building up quality assets is important, we must first ensure that we raise the profitability of individual projects. We must also focus management resources on growth areas where we can demonstrate Mitsui's strengths and establish new revenue pillars. In the previous plan, we designated Mobility, Healthcare, Nutrition & Agriculture, and Retail & Services as our four growth areas, but I want to further refine these and establish a system so

Expecting the rate of change in the structure of society and industry to accelerate further,
we view digitalization and decarbonization as opportunities to further accelerate our growth.



that we can sharpen our business activities. We expect the rate of change in the structure of society and industry to accelerate further, and so, in addition to strengthening our resistance to downturns through risk management and by reducing costs, we view digitalization and decarbonization as opportunities to further accelerate our growth.

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

Despite continued uncertainty about the future due to COVID-19, we announced our Medium-term Management Plan 2023 on May 1, 2020. Even now, it is unclear what level of recovery can be expected upon resumption of economic activity at the end of the COVID-19 pandemic, and it is extremely difficult to foresee its quantitative impact. There was much discussion within the Company as to whether we should even announce this new management plan in May. Ultimately, however, we decided that it was

important to share Mitsui’s business direction based on a certain set of assumptions with internal and external stakeholders, and that the plan may also act as a compass for employees during this uncertain time. I hope that sharing our thoughts and what we believe to be the path for Mitsui will lead to valuable dialogue with our many stakeholders—customers, business partners, shareholders, etc. We plan to revise and disclose quantitative plans as appropriate and will continue to exercise highly transparent management.

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

Mitsui’s target of 400 billion yen in profit for the year ending March 2023 is not a large increase from 391.5 billion yen in profit for the year ended

March 2020. However, we plan to achieve 240 billion yen in profit for the year in non-resource areas, which would be a record and higher than the 170 billion yen planned for resources. While it is hard to envision a situation where commodity prices rise and remain high due to the ongoing impact of COVID-19, we are steadily growing our non-resource business base as a counterbalance to our resource business.

In resource areas we are being conservative with iron ore and coking coal price estimates due to concerns about a global downturn in demand in the short and medium term. Furthermore, amid expectations that a return to previous oil and gas price levels from the rapid decline witnessed since the beginning of the year will take time, the outlook is for the harsh business environment in Resources and Energy to continue for the next three years. Nevertheless, during this period there will be no change to our policy of enhancing our strengths. We will pursue thorough cost reductions in existing businesses and maintain competitiveness while pushing ahead with the development of new deposits at our Australian iron ore operations and with LNG projects in Mozambique and the Russian Arctic Circle.

Conversely, in non-resource areas, I believe we will achieve strong growth over the coming three years and I have high expectations in particular for contributions to earnings resulting from growth in ICT core businesses, from digital and EC enhancement of retail business, recovery of market and trading businesses in chemicals, and IPP and FPSO start-ups.

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

accelerating measures to enhance competitiveness through restructuring.

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

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

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

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

With regard to shareholder returns, we have

Mitsui & Co.'s reason for being is to create and nurture new businesses and industries.

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

In closing: Mitsui's Mission, Vision, Values

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

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

the expectations of our stakeholders and society at large.

Taking the opportunity for reflection presented by the announcement of the new medium-term management plan, our relocation to the new head office building, and the renewal of our MVV, I have been considering the question of what kind of company I want Mitsui & Co. to be. The answer, of course, is in the Japanese rendering of our name. The name "Mitsui Bussan" was chosen by Takashi Masuda, the first president of the former Mitsui & Co.,* because the characters in Japanese signify creation, or birth. This is a reflection of Mitsui & Co.'s reason for being, which is to create and nurture new businesses and industries.

Now, amid the unpredictability created by the COVID-19 pandemic, we have an opportunity to reflect again on our mission, our values, and our goals, and return to Mitsui's origins to pursue transformation and growth.

August 2020

Tatsuo Yasunaga
Representative Director,
President and Chief Executive Officer

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

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Mitsui's Corporate Culture

What supports the Mitsui Group's "Challenge & Innovation"?

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



Hideyuki Murakami

CEO, Kaset Phol Sugar Ltd.

Leading by example, to accomplish our mission

I am the CEO of a Thailand-based sugar manufacturing company jointly managed by Mitsui and Mitsui Sugar Co., Ltd. We are in the process of building a new production line with a view to shifting toward high-value-added products with dramatically better quality and providing the world with a stable supply of sugar, a daily necessity. As many of the personnel at our operating sites do not understand English, we are concentrating unstinting efforts on talent development and organizational reform. My predecessors created the business from almost nothing, working in a new frontier, not speaking the local dialect. An absolute determination to accomplish the mission and to continue growing by thinking and acting independently are in Mitsui's DNA. I want to share with employees our mission of providing people around the world every day with our sugar made with dedication from sugarcane carefully grown by our local farmers. Through patient dialogue with local personnel and other employees, I aim to increase the numbers of those who embrace this mission. By combining this approach with an emphasis on strict discipline, we will continue to evolve and improve the company.

Acceptance of diverse individuals that fosters mutual respect

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

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



Noriko Kawai

User Experience Transformation Department,
Integrated Digital Strategy Division



Ricardo Alvarez

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

Empathize with long-term vision and professionalism

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

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

Continue to pursue challenge and innovation with conviction

After joining Mitsui & Co. (Asia Pacific) Pte. Ltd., which is headquartered in Singapore, I was involved in the acquisition of PT. Kingsford Holdings as a project member, and I was seconded to the company in 2017. Since then, I have mainly been responsible for the post-acquisition integration process.

We need to pay more attention than ever to risks as a variety of issues have emerged due to the spread of COVID-19. Nonetheless, we will unwaveringly pursue opportunities to grow the new business. The operating company at which I am currently seconded has grown to become the leader in Indonesia's pharmaceutical packaging industry. Looking ahead, we want to make the company No. 1 in Southeast Asia and then No. 1 in Asia. In this way, we will become a significant arm of Mitsui's Non-Resource Area. In executing a prepared strategy, nothing is more important than gaining the buy-in from frontline employees. For this reason, providing persuasive explanations that get the acceptance from our frontline employees is one of my major tasks and sources of motivation.

Attitude to continuously pursue Challenge and Innovation is part of Mitsui's DNA. When you take on new initiatives, you face a range of issues. However, I have learned that professionals stick to their guns and, while taking occasional criticism on board, are uncompromising in the pursuit of their ultimate objectives. Mitsui has a corporate culture that allows all employees to tackle ambitious goals together while improving themselves in friendly competition.



Subiantoro

Director, PT. Kingsford Holdings
(seconded)

Mitsui's Corporate Culture



Christopher Furman

CEO
Ventura Foods LLC

A true partner who will enable our continued growth

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

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

Working sincerely to meet nation-building expectations

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

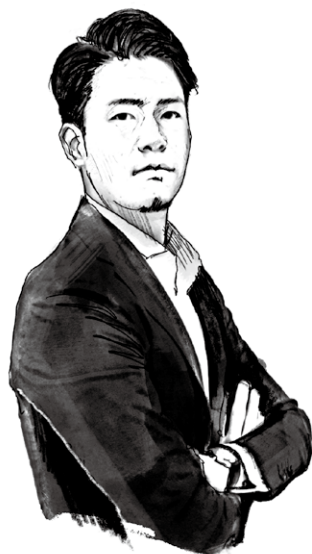
On the other hand, I will never forget that the cooperation of our host countries Qatar and Abu Dhabi enabled us to maintain stable supplies to important customers when supplies were struggling to keep up with demand at the time of the Great East Japan Earthquake.

While the scale of energy development is large, I have learned that building consensus by responding to each matter with sincerity in the process of negotiations is the most important thing. Changing in step with society is in Mitsui's DNA. As climate change countermeasures become an increasingly pressing issue, we will continuously consider value which we can provide and cater to society's needs accordingly.



Hiroe Nagamatsu

Group Corporate Strategy Department,
Oil and Gas Resources Development
Division



Hiroto Yamada

Business Consulting Department,
Corporate Development Division

A corporate culture that fosters reforms

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

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

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

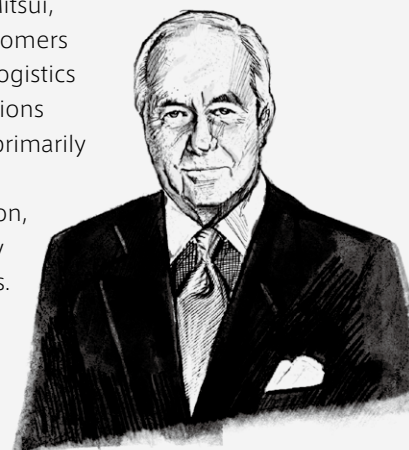
A Partner's View of Mitsui

Taking on the challenge of further growth and innovation with Mitsui

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

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

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



Roger S. Penske

Chairman,
Penske Corporation

Dialogue

“Mitsui is People” Going Forward

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



**Izumi
Kobayashi**
External Director



**Jenifer
Rogers**
External Director



**Hirotatsu
Fujiwara**
Facilitator
Representative Director,
Senior Executive
Managing Officer

“Mitsui is People”

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

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

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

Empowerment of Women

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

Kobayashi In a variety of situations, I have met Mitsui’s female employees, and my impression is that they are all extremely capable. However, as I

mentioned earlier, we should consider whether such talent is being fully used by the Company. Unfortunately, there are as yet no female employees who have been promoted in-house to director. Although the situation is improving steadily, promotion based on length of service remains. As a result, promotion to director inevitably takes a long time. For this reason, I believe it is worth considering a flexible approach to promotion that, regardless of gender, is not exclusively focused on length of service. Further, I have many opportunities to speak with mid-career female employees in frontline businesses. While I get the impression that up to a certain level female employees work in frontline businesses and work overseas, but when they rise above a certain rank in many instances they are assigned to non-business divisions. I would like to see more female employees receiving promotions and playing important roles in business divisions. To earn promotion, however, irrespective of their gender, employees have to experience trials and produce results. In other words, the issue at hand for the Company and its managers is whether they are able to provide female employees with such opportunities. Given that the outstanding capabilities of female employees are evident, I urge the management team to think over whether they are prepared to entrust female employees with important tasks. I suspect that unconscious bias has come into play in this regard.

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

More than one-quarter of Mitsui’s employees are women, and the number of female managers is increasing. The Company puts in order a system that facilitates female activities, and in that sense, is ahead of its peers. Role models play an important part in empowering women. In addition, the Company

Dialogue — “Mitsui is People” Going Forward



needs a system that evaluates managers whereas their cultivation of diversity in organizations plays a part. There really are a lot of female high performers, and I hope frontline businesses can become as diverse as the Board of Directors has become.

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

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

Global Talent

Fujiwara Mitsui is engaged in a variety of businesses around the world. Since the establishment of the Company, we have been involved in the trading business, and present-day Mitsui has become deeply embedded in a range of regions and contributes to nation building. As our intention is to remain deeply involved in local businesses as well as nation building, we have been considering the best way to foster and assign global talent. As part of these efforts, we are conducting programs aimed at developing regionally hired staff. Moreover, we are promoting such employees to executive positions in overseas affiliated companies.

Rogers Since becoming a director five years ago, I have visited local offices in the United States, Australia, Mexico, and Singapore, and I can confirm that a number of regionally hired staff are playing

pivotal roles there. However, in many cases a Japanese employee transferred from Japan heads these businesses. For this reason, I feel that there is something akin to an invisible wall in the sense that no matter how hard local employees work they cannot get promotion to the top of the organization. Motivating local high performers to make even greater contributions to operations calls for a change in assumptions not only about salaries but also with regard to promotion as well as the establishment of a system that reflects this new mind-set.

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

Fujiwara As Ms. Rogers pointed out, at this moment the Human Resources & General Affairs Division is developing systems focused on global talent management. We are accelerating initiatives aimed at



cultivating friendly rivalry among regionally hired staff and staff hired in Japan on a global basis so as to refine their abilities as well as add to their experience.

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

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



Talent Development

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

Kobayashi Considering that Mitsui has diverse talent working in regions around the world, I think

that the Company should make it clearer to the leaders of frontline businesses that talent development is one of the very things among their important jobs. The senior management team needs to set out the development of the next generation of leaders as an important mission and to evaluate progress toward achievement of this mission.

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

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

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

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

Rogers As Ms. Kobayashi said, there exists room for reconsidering the system under which all employees are promoted in the same way and via the same routes. A system ought to be established that appropriately recognizes the professional status of employees who do not have subordinates but instead focus on honing their expertise. Such a system would enable specialists to work with vitality and contribute to the Company. Further, the mindset of supervisors is important. Supervisors should discuss with each subordinate his or her strengths and the types of work

Dialogue—“Mitsui is People” Going Forward

suited to them. Utilizing each person's individuality in this way is sure to bring about a range of innovations. Realizing such a dynamic not only calls for a nuanced approach on the part of supervisors but also requires each employee to take greater responsibility for their own careers.

Work Styles in the “New Normal” Era

Fujiwara As a result of the spread of COVID-19, working from home has become the primary work style. Meanwhile, the head office building to which we relocated in May 2020 has various innovative features, including spaces for interaction among employees and spaces for focusing on work. What are your opinions on work styles that incorporate working both from home and at the office in the “New Normal” era?

Kobayashi I think that we have made a very good discovery, namely that work styles we had thought of as problematic are in fact feasible. Some work, however, cannot be done entirely from remote locations and is better suited to being done by coworkers meeting directly, even if they are separated by partitions. On the other hand, there is no need to go all the way to the office to do work that can be done remotely. At other companies, I have heard of cases where employees work at the office due to their superior's lack of IT literacy. It is important that each employee is given various options and that companies put in place systems guaranteeing the availability of these options.

Rogers The Company used its relocation to a new building as an opportune moment to launch the Work-X (Workplace Experience) team, which is tasked with taking on initiatives that change employees' mindset and encourage collaboration. Changing values with respect to work is difficult unless greater trust is developed between superiors and

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

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

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

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

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



Message from the Chairperson of the Sustainability Committee



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

Shinichiro Omachi

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

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

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

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

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

August 2020

Corporate Management Philosophy (Mission, Vision, Values)

Mission

Build brighter futures, everywhere

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

Vision

360° business innovators

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

Values

Our core values as challengers and innovators

Seize the initiative

We play a central role in driving transformation.

Thrive on diversity

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

Embrace growth

We drive our collective growth by continuously growing as individuals.

Act with integrity

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

Our Spirit Expressed through MVV

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

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

Mission

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

360°business innovators	The driving force for everything we do is our people. We believe the power of individuals can create a thriving organization, and we are accelerating our evolution as a company playing a more central role in value creation and business development. We are a united group of individuals who consider every angle in the constant search for business transformation. This is who we are.
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Values

Our core values as challengers and innovators	Everyone is different. This diversity provides the strength when we share the same values in our work, harnessing our individuality while coming together for a common purpose. We will embody our role as challengers and innovators by sharing core values.
Seize the initiative	Mitsui has a history of overcoming adversity—frequently finding new opportunities for growth amid upheavals in the business environment. The source of this resilience is a mentality that has no fear of continuous transformation. With curiosity and an inquiring spirit, we each play a leading role in our ongoing search for new challenges and the next innovation.
Thrive on diversity	Information now spreads worldwide in an instant, and the intersection of cultures and different ways of thinking is producing innovation at every turn. This diversity of thought and action is one of the most powerful forces of innovation, and the open-mindedness that has been a part of Mitsui's corporate culture since our earliest days is surely set to be an even greater part of our success in the years ahead.
Embrace growth	Individual strengths. Individual desires. Individual dynamism. Without these unique characteristics in our people, every difficult challenge would be our last. Our personal challenge is to maintain professional skill, adapt readily to change and be committed to high-quality work. In this way, our personal growth feeds the growth of our team and our business.
Act with integrity	Our work must always be something we can look back on with pride. As an organization of professionals with integrity and a strong sense of social responsibility, our high aspirations must be tackled with humility and self-discipline, and with a strong sense of fairness in a complex, interwoven society. We must approach our customers and business partners with the respect that we ourselves hope to merit.

Megatrends and Business Environment

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

Megatrends

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



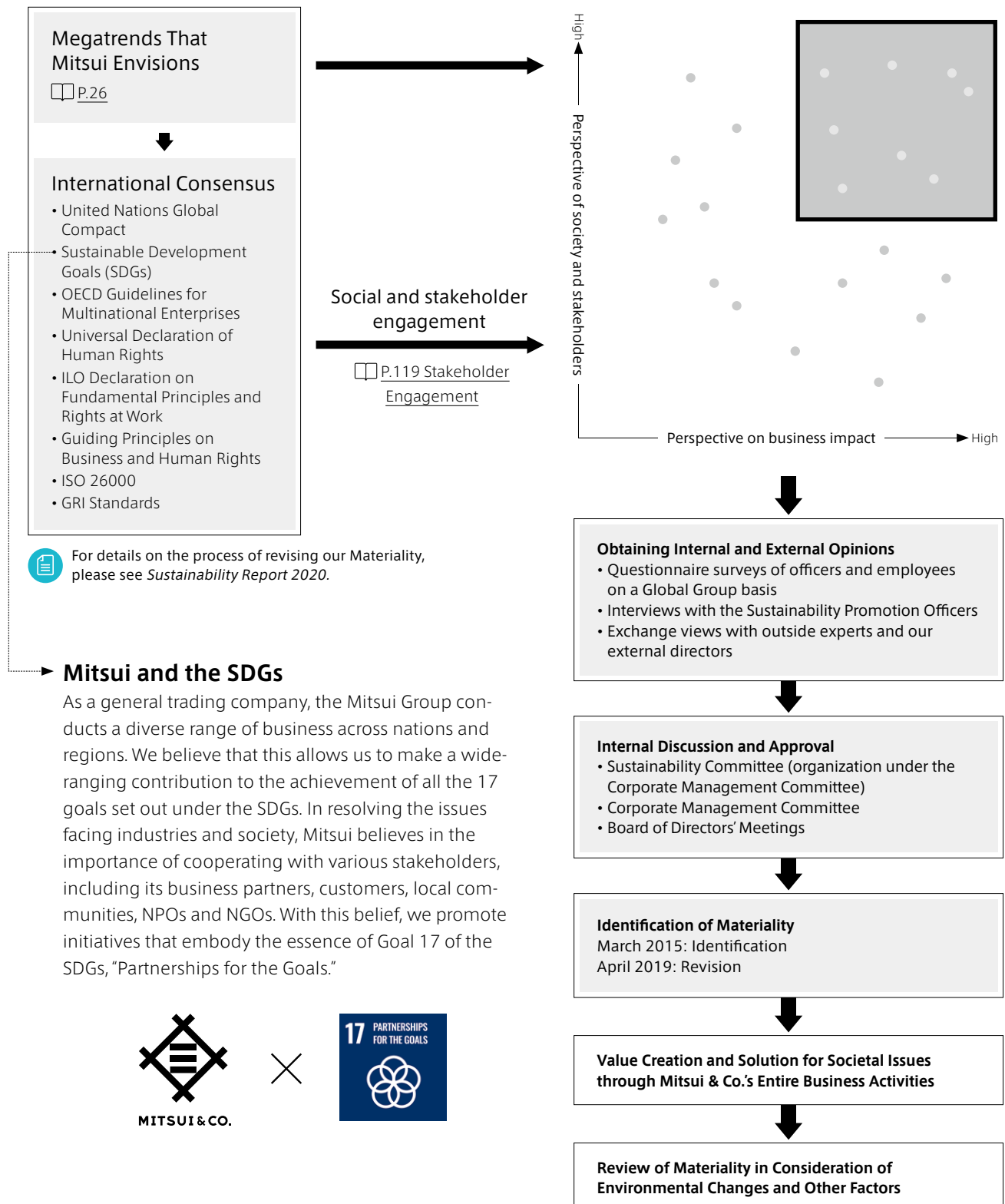
Business Environment

Segments	Awareness of Internal and External Environments
Iron & Steel Products P.78	<ul style="list-style-type: none"> ■ Slower growth in crude steel output worldwide ■ More sophisticated needs for materials for mobility applications ■ Acceleration toward a low-carbon society and a circular economy
Mineral & Metal Resources P.80	<ul style="list-style-type: none"> ■ Evidence of climate change and growing needs to reduce environmental load
Energy P.82	<ul style="list-style-type: none"> ■ Increase in importance of addressing climate change, acceleration toward a low-carbon society ■ Expanding demand for clean energy and renewable energy ■ Weaker demand for transportation fuel, risk of prolonged low prices for crude oil and gas
Machinery & Infrastructure P.84	<ul style="list-style-type: none"> ■ Increase in core infrastructure demand and digital infrastructure demand ■ Shift to the 3Ds (decarbonization, decentralization, and digitalization) ■ Stronger demand for transportation and mobility infrastructure services ■ Acceleration of changes in industry structures from diversification of user needs
Chemicals P.86	<ul style="list-style-type: none"> ■ Increase in importance of addressing climate change ■ Acceleration toward a circular economy ■ Acceleration of digital technology ■ Greater awareness of health, needs for high-value-added foods
Lifestyle P.88	<ul style="list-style-type: none"> ■ Increase in sophistication and diversification of food consumption and consumer needs ■ Faster acceleration of digital technology ■ Structural changes in business due to climate change and technological innovation ■ Expansion in healthcare service gap in emerging countries, growth of medical value chain into wellness field
Innovation & Corporate Development P.90	<ul style="list-style-type: none"> ■ Business development using digital data ■ Increasing needs for contactless services ■ Expansion in business related to digital infrastructure as data traffic increases ■ Increase in importance of addressing climate change
Overseas Regional Business Units P.92	<ul style="list-style-type: none"> ■ Increase in importance of addressing climate change ■ Acceleration of digital technology

Materiality






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

Identification and Review of Materiality



Material Issues of Focus (Materiality)

Mitsui & Co.'s Materiality

Mitsui & Co.'s Approach	Recognition of Societal Issues	Major Risks and Opportunities
<p>Secure sustainable supply of essential products</p> 	<ul style="list-style-type: none"> • Population growth and expanding demand for resources, energy, raw materials, food, manufactured products, etc. • Improvement of production and supply capacity to respond to climate change • Safety and security of food and manufactured products 	<ul style="list-style-type: none"> • Supply failures of resources, energy, raw materials, food, manufactured products, etc., caused by climate change, COVID-19, etc. • Reputational damage resulting from safety and health problems affecting the final consumers of food and manufactured products
<p>Enhance quality of life</p> 	<ul style="list-style-type: none"> • Infrastructure development in developing and emerging countries • Aging infrastructure in developed countries • Health maintenance, provision of health-care, nursing, and welfare services • Consideration for indigenous peoples in relation to resource development and other activities • Expanding responsibility and increasing importance toward consideration for human rights in supply chains (e.g., labor practices and impact on local communities) 	<ul style="list-style-type: none"> • Reputational damage resulting from safety and health problems affecting infrastructure users • Decline in competitiveness due to the diversification of information dissemination methods and fund procurement means • Decline in service standards and other issues due to a shortage of healthcare personnel • Reputational damage resulting from human rights violations and environmental loads in supply chains
<p>Create an eco-friendly society</p> 	<ul style="list-style-type: none"> • Global warming, climate change • Water resource shortages • Circular economy • Environmental pollution • Loss of biodiversity 	<ul style="list-style-type: none"> • Impact of tighter policies and regulations as part of the transition to a low-carbon society • Impact of new technologies and the creation of new markets on supply and demand in existing business areas • Disruption of business operations due to the impact of cyclones, hurricanes, and other physical impacts linked to climate change • Impacts on the natural environment, such as the large-scale use of water in business operations • Impact of leakage of hazardous chemicals • Increase of environmental costs due to the destruction/deterioration of eco-systems
<p>Develop talent leading to value creation</p> 	<ul style="list-style-type: none"> • Innovation platforms • Diversity & inclusion • Improvement on creativity through work style innovation and career development for diverse human resources 	<ul style="list-style-type: none"> • Decline in the quality and competitiveness of human resources due to market and environmental changes • Outflows of employees due to the loss of career development opportunities for diverse human resources
<p>Build an organization with integrity</p> 	<ul style="list-style-type: none"> • Raising integrity awareness, including ensuring compliance among all officers and employees • Reinforcement of corporate governance and internal control 	<ul style="list-style-type: none"> • Compliance violations, including anti-competitive actions, corruption, and bribery, resulting from a lack of integrity awareness on the part of officers and employees • Business stagnation, scandals, and other situations resulting from dysfunctional corporate governance and internal control, leading to a failure to take appropriate management decisions, and the loss of stakeholder confidence as a consequence of such situations • Information security problems • Loss of customers and damage to our corporate reputation resulting from the suspension of important business processes in the event of natural disasters, terrorist attacks, epidemics, or other contingencies

	Opportunities	Major Initiatives
	<ul style="list-style-type: none"> Improvement of production and supply capacity through responding to the effects of climate change, COVID-19, etc. Enhancement of competitiveness through the establishment of traceability and responsible marketing leading to demand expansion 	<ul style="list-style-type: none"> Stable and efficient supply of resources, raw materials, and manufactured products (such as metals, chemicals, energy, and food) through building optimal supply chains from upstream to downstream Supply manufactured food and products with ensured safety and security. Manage risks related to food safety and security with traceability management and by periodically holding food safety seminars
	<ul style="list-style-type: none"> Development of sustainable infrastructure for improvement of living standards in developing and emerging countries Changes in disease structure due to population growth/economic development and increase in healthcare needs due to aging Creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities Market expansion by meeting diversifying consumer needs Improvement of value and reliability across entire value chains through consideration for the environment, human rights, labor, and local communities in the entire supply chains 	<ul style="list-style-type: none"> Advance the updating of local and social infrastructures that are essential for sustainable growth and development through our renewable energy, water treatment, railway and communications businesses Contribute to the development of healthcare in terms of access, quality and efficiency by responding to diverse medical needs in a growing and rapidly aging population Provide products and services that satisfy diversifying consumer needs Respect human rights as a group, taking action accordingly, and promote respect for human rights in collaboration with various relevant parties, including our business partners
	<ul style="list-style-type: none"> Accelerating market changes in the mobility area resulting from rising environmental awareness and the tightening of regulations Expansion of markets for environment-related business areas, such as renewable energy Demand for high-efficiency power plants Creation of new business models based on the circular economy Handling of products and services that contribute to the creation of a low-carbon society by conserving energy and reducing greenhouse gas emissions 	<ul style="list-style-type: none"> Continuously revise our asset portfolio with an awareness of enhancing our resistance to climate change-related risks Advance businesses that help reduce CO₂ emissions, such as renewable energy business and modal shift Take initiatives to realize a circular economy (promote 3Rs, recycling) Promote businesses that secure water resources and sustainable water usage
	<ul style="list-style-type: none"> New value creation initiatives Improvements in productivity, efficiency, and motivation along with accelerating work style innovation Recruitment of competitive talent through selection processes centering on abilities and personal qualities, and fair and diverse recruitment activities Fine-tuned human resource development with an increased emphasis on diversity Appropriate appointment and deployment of personnel on a global consolidated basis Improvement of corporate competitiveness by creating innovations through diversity management promotion 	<ul style="list-style-type: none"> Hire and assign the right personnel to the right positions, train personnel to take charge of creating new value in Global Group management Basic policy of fair recruitment, purely based on an individual's abilities and aptitude Accept diversity and respect diversity & inclusion Promote "Work-X" to make new work styles possible, in order to create work environments where employees are motivated and continue to grow along with the Company. Promote work style reforms that flexibly allow for diverse work styles Initiatives to promote health management and compliance with Industrial Safety and Health Law
	<ul style="list-style-type: none"> Organizational revitalization and improvement in the Company's reputation through initiatives to raise the integrity awareness of officers and employees, including measures to ensure compliance Sustainable improvement of corporate value through achievement of highly effective corporate governance and continuous review 	<ul style="list-style-type: none"> Advance the creation of an organization with integrity on a Global Group basis Establish and enhance the compliance framework and provision of compliance education/training to further ensure the compliance awareness of our employees Improve communication and foster a "speak up" culture Build a corporate governance structure that focuses on improving transparency and accountability, as well as one that clarifies the division of roles between management supervision and business execution Identify material risks while considering the frequency, impact and tolerance of risks, from a Companywide view of all-encompassing risks. Advance initiatives to hedge against and control risks



Please see *Sustainability Report 2020* for details on our initiatives and targets.

Gate

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Strategic Edge

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Human Resources Strategy for a Pool of Diverse Professionals

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Business Impact from COVID-19 and Our Response

Mitsui's Collective Impact

Mitsui's Reason for Being, Value Creation

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

Track record of Challenge & Innovation

□ P.34

Business model for growth
that leverages trading and
business management

□ P.38

Clients

Pool of diverse
professionals

□ P.50

Local
communities

Business partners

Our pool of diverse professionals actively
leveraging the Group's comprehensive
strengths and networks

□ P.50

Taking the initiative to create
new business for sustained creation
of new value

Contributing to the sustainable
development of society

CASE

Cameron LNG Project in the U.S.

Mitsui participates in the Cameron LNG project, which produces and sells LNG in Louisiana in the U.S. Production commenced on all three trains of the project in May 2020.

Mitsui has secured long-term access to four million tons of LNG annually, some of which will be transported on its own LNG tankers, for sale on the global market.



Creating industrial value, both quantitatively and qualitatively, which far exceeds that of Mitsui acting on its own

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

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

Mitsui's collective impact on display

1	LNG	History, reputation and expertise from participation in 11 projects since the 1970s
2	EPC contract	Infrastructure business • Track record in infrastructure project business • Formulated optimal EPC contract for construction of LNG liquefaction facilities and project management
3	Trading	• LNG sales experience • Sales capabilities in LNG, including relationships with end customers in Japan, leveraged to optimize distribution
4	LNG tankers	• With eight LNG tankers chartered by Mitsui that include four owned tankers, established flexible logistics structure • Aim to strengthen and expand LNG tanker business

End customers, including Japan

Track Record of Challenge & Innovation (Core Businesses)



©Sakhalin Energy

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

- 1969** Established Mitsui Oil Exploration Co., Ltd.
- 1971** Signed a basic contract for the development of an LNG facility on Das Island in Abu Dhabi
- 1985** Participated in Western Australia LNG project
- 1989** Participated in Qatar LNG project
- 1994** Signed development contracts for the Sakhalin II petroleum and natural gas projects
- 2008** Acquired partial interest in Mozambique's Area 1 project
- 2010** Acquired working interest in shale gas in the Marcellus area in the U.S.
- 2010** Discovered world-class gas field in Mozambique's Area 1 project
- 2011** Acquired working interest in shale oil in Eagle Ford area in the U.S.
- 2013** Acquired interest in Tempa Rossa onshore oil field in Italy
Entered into natural gas liquefaction tolling agreement and joint venture agreement for the Cameron LNG project in the U.S.
- 2016** Acquired working interest in Kipper gas and condensate field in Australia
Made final investment decision for Greater Enfield oil field development project in Australia
Acquired stakes in Kaikias oil and gas development project in the Gulf of Mexico
- 2018** Acquired AWE Limited, an oil and gas company in Australia
- 2019** Made final investment decision for the Mozambique LNG project
Participated in Arctic LNG 2 project in Russia, made final investment decision
Commenced production at Greater Enfield project in Australia
- 2020** Commenced production at Tempa Rossa oil field in Italy



- 1960s** Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals
- 1994** Established P.T. PAITON ENERGY, an electric power company in Indonesia
- 2001** Participated in Penske Automotive Group, a major automobile retailer in the U.S.
- 2004** Jointly acquired 13 power generating assets with International Power (currently ENGIE)
- 2005** Commenced charter for first FPSO
- 2006** Acquired gas distribution business in Brazil
Invested in Thai Tap Water Supply Public Company Limited, a water supply company in Thailand
- 2014** Invested in cogeneration power projects in Thailand
Signed time charter parties for LNG ships for the Cameron LNG project
Invested in VLI S.A., a Brazilian integrated logistics company, owned and operated by Vale S.A.
- 2015** Acquired shares in Petrobras Gás S.A. in Brazil, thereby expanding the gas distribution business in the country
Participated in Penske Truck Leasing, Co., L.P., one of the largest truck leasing firms in the U.S.
- 2017** Sold interest in First Hydro, a pumped-storage power generation business in the U.K.
- 2018** Decided to move forward with gas-fired power plant project in Chonburi, Thailand
- 2019** Invested in second major gas-fired power plant in Rayong, Thailand



- 1960s** Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals
- 1972** Established Intercontinental Terminals Company LLC, a chemical tank terminal business in the U.S.
- 2004** Commenced commercial production of methanol at International Methanol Company in Saudi Arabia
- 2006** Invested in Onslow salt field in Western Australia
- 2008** Established Mitsui Bussan Plastics Trade Co., Ltd. (now MITSUI & CO. PLASTICS LTD.) in merger of Mitsui Bussan Plastics Co., Ltd., Mitsui Bussan Plastics Kansai Co., Ltd., and Nippon Trading Co., Ltd.
Launched chemical tank terminal business at the Port of Antwerp in Europe
- 2015** Commenced commercial production of methanol at Fairway Methanol LLC in the U.S.
- 2016** Invested in Hexagon Composites ASA, a Norwegian CFRP pressure tank manufacturer
- 2017** Participated in ETG Group Limited, which trades in agricultural products and sells agricultural supplies, mainly in East Africa and Indian Ocean Rim regions
Acquired Latitude® wheat seed treatment fungicide business assets from Monsanto Company in the U.S.
- 2018** Invested in coating manufacturing and sales business in Europe
Participated in Adelnor, a Mexican agricultural supply company
- 2019** Participated in Ouro Fino Química Ltd., an agrochemical sales company in Brazil, and Belchim Crop Protection NV/SA, an agrochemical sales company in Europe

Track Record of Challenge & Innovation (Strategic Focus)



Energy Solutions

- 1994** Signed development contracts for the Sakhalin II petroleum and natural gas projects
- 2013** Entered into natural gas liquefaction tolling agreement and joint venture agreement for the Cameron LNG project in the U.S.
- 2014** Invested in LanzaTech, a company that develops next-generation fuels using microorganism gas fermentation technology in the U.S.
- 2016** Invested in Hexagon Composites ASA, a Norwegian CFRP pressure tank manufacturer
- 2017** Acquired a distributed solar generation business from SunEdison, Inc. in the U.S. and integrated it with Forefront Power LLC
- 2018** Invested in Yushan Energy Taiwan Co., a developer of offshore wind power plants in Taiwan
- 2019** Made final investment decision for the Mozambique LNG project
Made final investment decision for the Arctic LNG 2 project in Russia
Sold interest in C2C Power wind & solar power generation portfolio in Canada
Participated in EV Connect Inc., which operates and manages EV charging stations in the U.S.
Business collaboration with ALL NIPPON AIRWAYS Co., Ltd. and LanzaTech Inc. for expanding the sustainable aviation fuel production and delivery business
Participated in next-generation ethanol production project in China



Healthcare / Nutrition

- 1976** Established AIM SERVICES CO., LTD. with major U.S. contract food service company ARA (currently Aramark Corporation)
- 1991** Acquired feed additive business from Monsanto Company in the U.S., and established Novus International, Inc.
- 2007** Formed capital and business alliance with Sogo Medical Co., Ltd.
- 2008** Created the Medical Healthcare Division
- 2010** Participated in a pharmaceutical development support business in Asia with Parkway Group Healthcare Pte. Ltd., a company under the IHH umbrella
- 2011** Invested in Asia's largest private hospital group, Integrated Healthcare Holdings SB (currently IHH Healthcare Bhd.)
- 2016** Acquired equity stake in DaVita Care Pte. Ltd., a dialysis clinic operator in Asia
Invested in Asia's largest hospital for middle-income patients, Columbia Asia Group
Invested in PHC Holdings Corporation, a medical equipment manufacturer
- 2017** Acquired stake in Soda Aromatics Co., Ltd.
- 2018** Reinforced senior living properties business in the U.S.
Invested in Thorne Research, Inc., a manufacturer and supplier of high-quality supplements in the U.S.
- 2019** Acquired additional shares of IHH Healthcare Berhad (IHH), Asia's largest private hospital group, thereby becoming IHH's largest shareholder
Established healthcare fund to capture demand from the growing Chinese healthcare market
Sold interest in Columbia Asia Healthcare, an Asian hospital group
- 2020** Participated in Ceva Santé Animale SA, an animal health company in France
Becoming a subsidiary of preventative healthcare service provider, Hoken Dohjinsha

STRATEGIC FOCUS



Market Asia

Enhance quality of life

- 1960s** Supported Japanese automakers to establish production bases in Asia
- 1994** Participated in sugar production company in Thailand
- 1997** Established PT. Bussan Auto Finance as sales and financing company for motorcycles in Indonesia
- 2011** Invested in Asia's largest private hospital group, Integrated Healthcare Holdings SB (currently IHH Healthcare Bhd.)
- 2013** Participated in a processing plant under Minh Phu Seafood Joint Stock Company, a shrimp producer and processor in Vietnam
- 2014** Participated in project to construct and operate a container terminal in Indonesia
- 2015** Entered into contract for integrated railway systems and trackwork for underground transit system in Indonesia
- 2016** Participated in DaVita Care Pte. Ltd., a leading provider of dialysis services in Asia
- 2017** Participated in project to develop and operate a shopping center and railway station commercial complex, etc., in Taiwan
- 2018** Participated in FKS Food & Agri Pte Ltd., an integrated food enterprise in Southeast Asia
- 2019** Acquired additional shares of IHH Healthcare Berhad (IHH), Asia's largest private hospital group, thereby becoming IHH's largest shareholder
Established healthcare fund to capture demand from the growing Chinese healthcare market

Create an eco-friendly society

- 2016** Expanded initiatives in Japan, South Korea, and China together with the Spain-based Gestamp Automoción S.A., a global leader in manufacturing automotive stamping components
- 2018** Invested in Yushan Energy Taiwan Co., a developer of offshore wind power plants in Taiwan
- 2019** Participated in a project in China which produces ethanol from flue gas

History of Mitsui

1950s

Facilitated import of daily necessities into Japan and exports after controls were lifted

- ▶ 1947 Daiichi Bussan Kaisha, Ltd. established
- ▶ 1959 Daiichi Bussan Kaisha, Ltd. integrated with other trading companies (Mitsui & Co.'s great amalgamation) and changed its name to Mitsui & Co., Ltd.

1960–1970s

In view of Japan's high dependence on overseas sources for key materials, Mitsui invested in the development of its own sources of mineral resources and energy with the aim of ensuring their stable supply to Japan

- ▶ 1969 Established Mitsui Oil Exploration Co., Ltd.

Supporting overseas business development of Japanese products

- ▶ Promoted export sales of iron and steel products, machinery and chemicals, invested in overseas production and sales operations of Japanese automotive and motorcycle makers
- ▶ Introduced overseas technologies and business models to Japan

1980–1990s

Further strengthened functions, including IT (information technology), FT (financial technology), and LT (logistics technology)

Accelerated the planning and development of large-scale LNG projects in accordance with efforts to diversify Japan's energy supply sources

- ▶ 1994 Signed development contracts for the Sakhalin II petroleum and natural gas projects

Acquired and developed large-scale businesses overseas

- ▶ 1991 Acquired feed additive business from Monsanto Company
- ▶ 1994 Established P.T. PAITON ENERGY, an independent power company in Indonesia

2000–

Long-term initiatives in developing resources and energy businesses to enhance our ability to provide a sustainable supply

- ▶ 2019 Made final investment decision for the Mozambique LNG project

Responding to new needs for enhancing industry and enriching lifestyles

- ▶ 2011 Invested in Asia's largest private hospital group, Integrated Healthcare Holdings SB (currently IHH Healthcare Bhd.)

Developing infrastructure businesses that contribute to nation building and industrial promotion in countries around the world

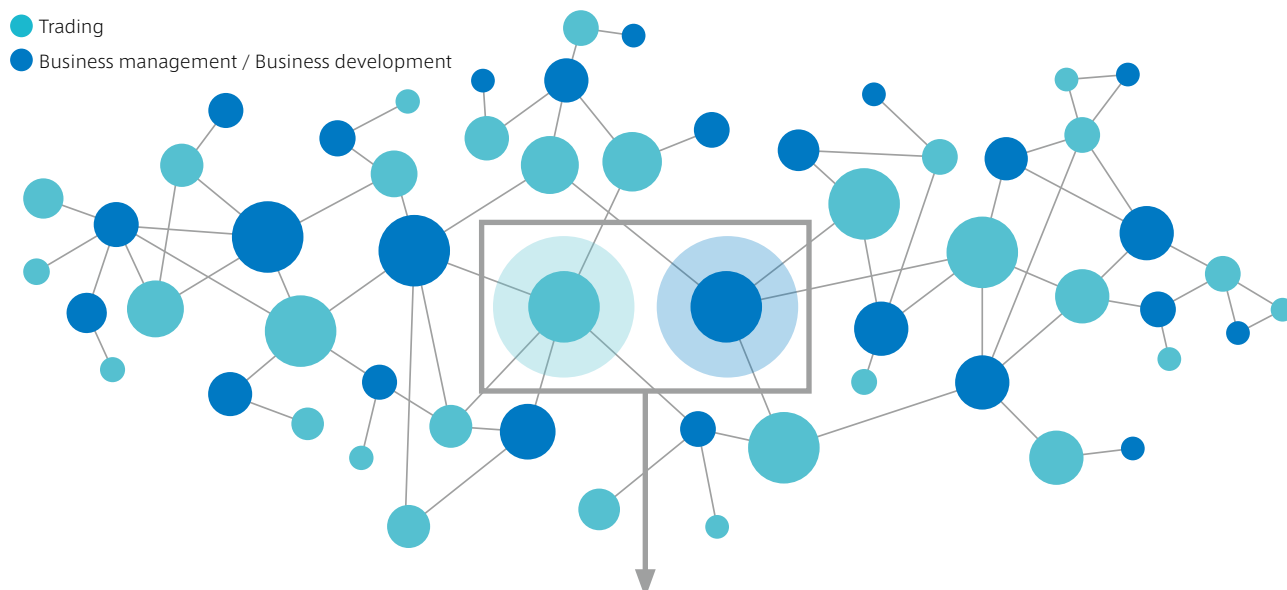
- ▶ 2017 Invested in Moatize Coal Mine and the Nacala rail and port infrastructure project in Mozambique

A Business Model That Maximizes Our Comprehensive Strength

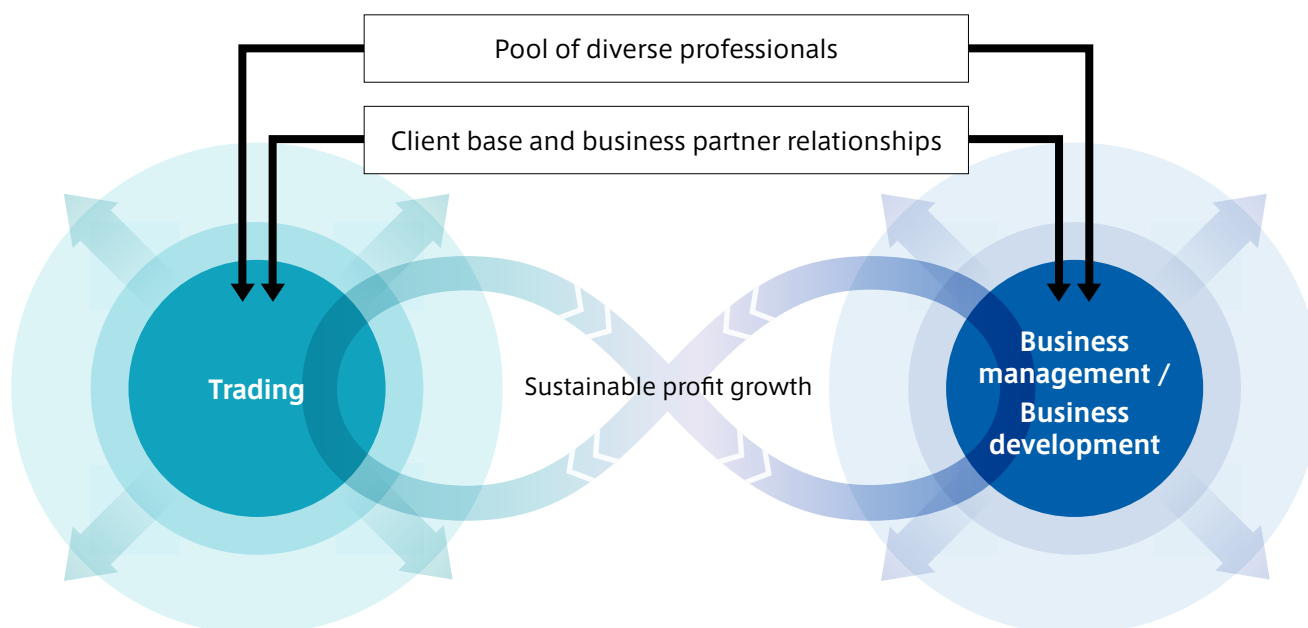
Through our original business of trading, Mitsui has cultivated expansive networks comprising a wide range of clients and has leveraged these networks to carry out business investments. Mitsui gets involved in management of the projects in which we have invested in an effort to enhance their value. In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

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

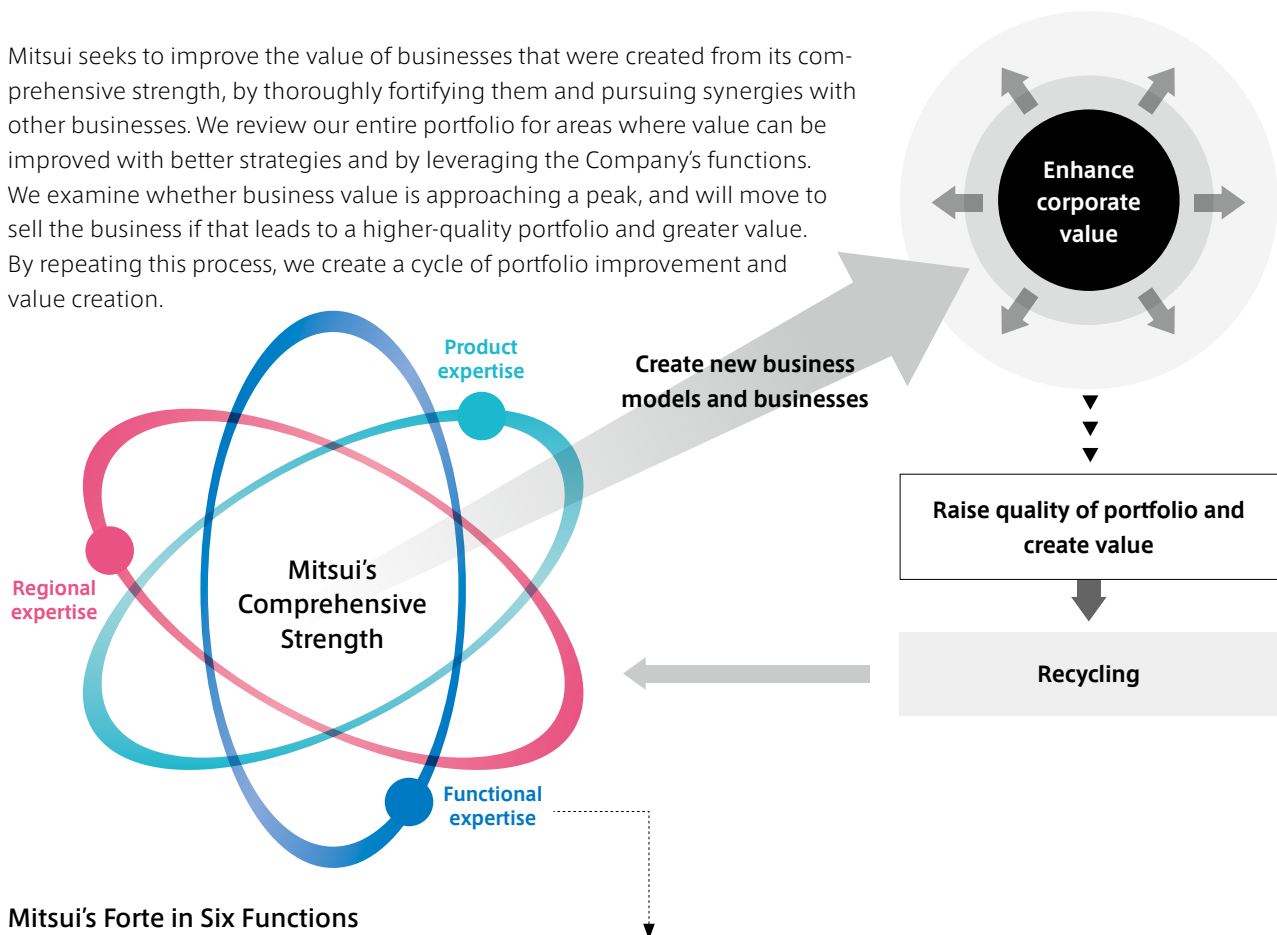
Mitsui's Business Portfolio



Business Model for Growth That Leverages Trading and Business Management



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

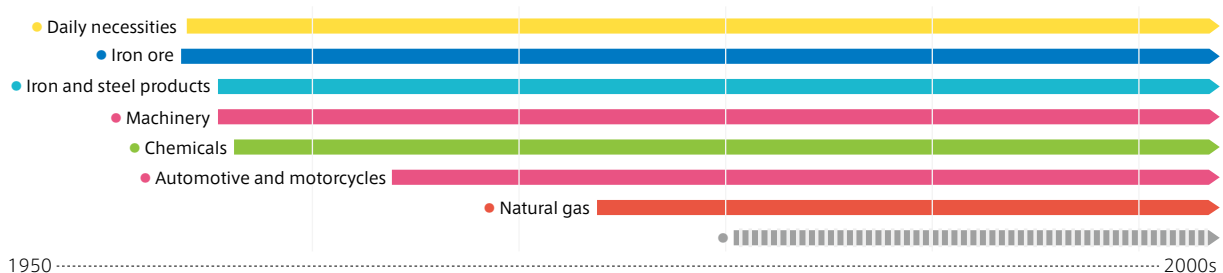


Mitsui's Forte in Six Functions

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

The diverse range of products that general trading companies handle—born to be diversified

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

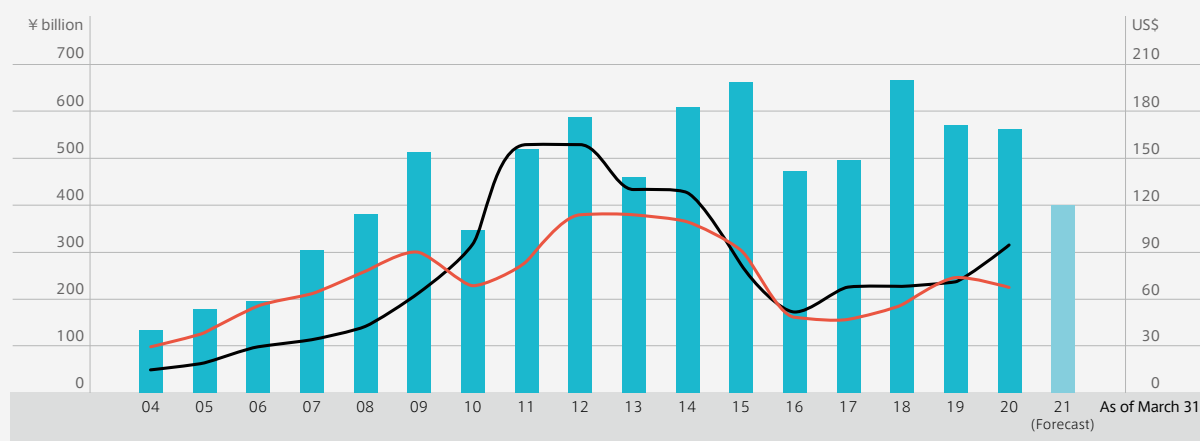


Portfolio Management and Financial Strategy

Diverse Business Portfolio Resilient to Downward Pressure

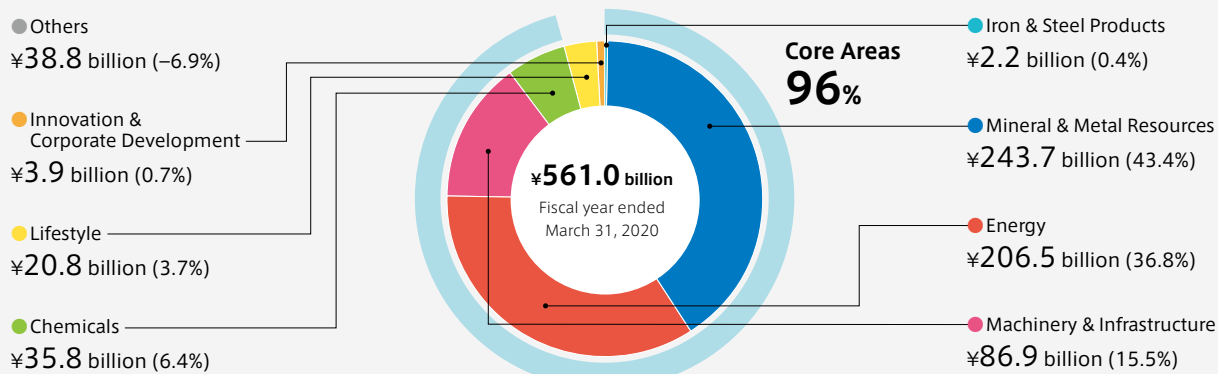
Mitsui has carried out business investments by leveraging the experience and client base it has amassed through trading in a wide range of industries. Mitsui aims to further enhance the value of its investments by leveraging its business management capabilities and comprehensive strengths. At the same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

Core Operating Cash Flow*



■ Core operating cash flow (left scale) — Iron ore (right scale) — Crude oil (JCC) (right scale)

* Cash flows from operating activities minus cash flows from changes in working capital. Core operating cash flow for the fiscal year ended March 31, 2020 (above) is calculated by additionally deducting the repayments of lease liabilities.



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

Practicing Disciplined Portfolio Management and Maintaining a Stable Financial Base

By practicing disciplined portfolio management, Mitsui has strategically allocated our limited capital to areas that are of importance to the Group, to further strengthen our business portfolio with the aim of sustainable growth and social development.

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

Basic philosophy of portfolio management

- ① Strengthening earnings bases of existing businesses and leveraging economies of scale
- ② Generating inter-business synergies through strategic positioning in the value chain
- ③ Acquiring new function platforms
- ④ Expanding into new business fields and taking on the challenge of creating innovative new business models

FOCUS The Portfolio Management Committee's Role and Yearly Cycle of Portfolio Management

Establishment of a strategy for the overall portfolio of Mitsui

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

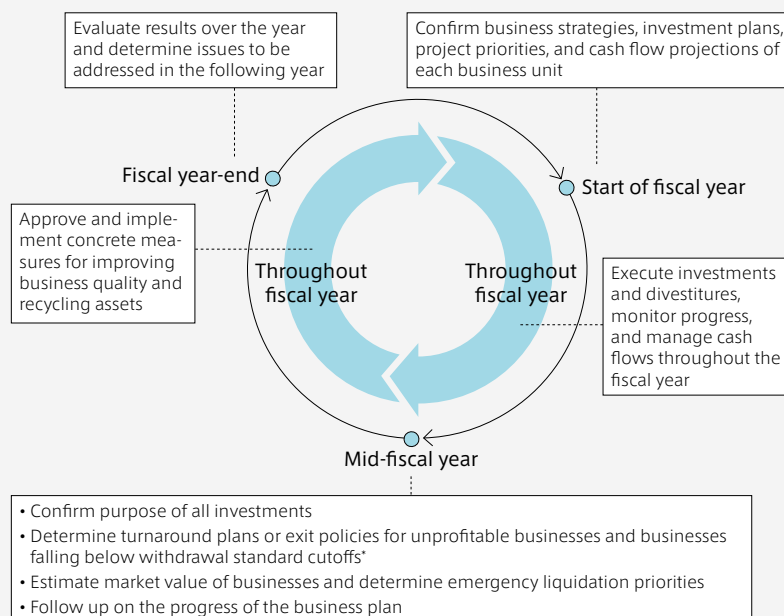
Establishment of investment and finance policies

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

Regular monitoring of Mitsui's overall portfolio

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

* Withdrawal standard cutoffs include risk-return ratio, core operating cash flow, insolvency indicators, and other profitability standards as well as qualitative standards.



Balance sheet (As of March 31, 2020)
¥ trillion

Current assets 4.1	Other liabilities 2.8
Non-current assets 7.7	Interest-bearing debt* ¹ 4.9 (3.5)
	Shareholders' equity* ² 3.8
	Non-controlling interests 0.3

*1. Figures in parentheses are "net interest-bearing debt."
*2. In this report, "shareholders' equity" means total equity attributable to owners of the parent.

Basic Approach to Financial Strategy

We aim to ensure liquidity and maintain a healthy financial position.

Maintaining a sufficient amount of liquidity to cover the repayment of interest-bearing debt

Keep enough liquidity, mainly cash in hand, to cover approximately two years of repayments

Hold necessary liquidity on our balance sheet even in emergency situations, including the drying up of market liquidity

Steadily procure funds over the long term in accordance with asset liquidity

• Procure funds for long-term investment and loan projects based on funding periods of approximately 10 years

↓
Minimize refinancing risks

• Utilize government financial agencies and project finance for large-scale projects in developing countries

↓
Address country risks

Maximize funding efficiency throughout our consolidated Group

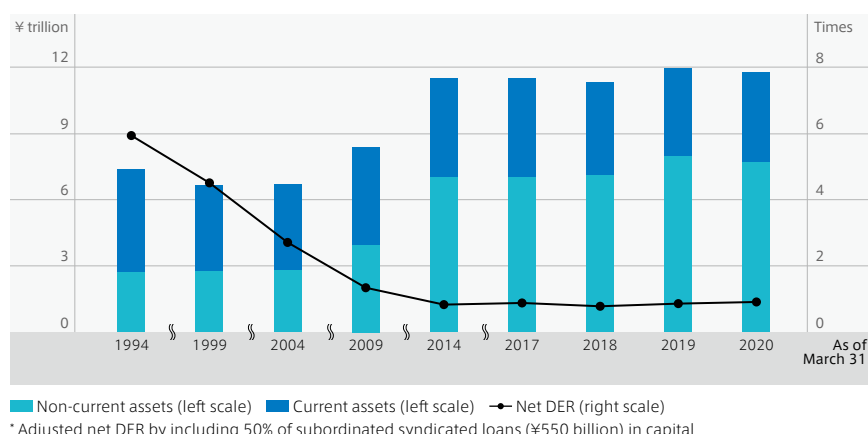
Create an in-house banking process in which funding can be procured and surpluses deployed efficiently in each region according to need

↓
Effectively leverage liquidity and lines of credit

Indicators We Focus on in Our Financial Strategies

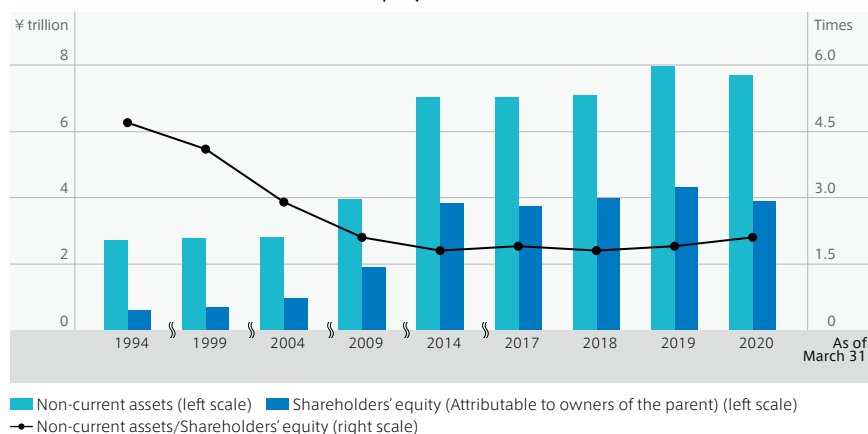
In 2014, Mitsui introduced a framework for cash flow allocation. The purpose of this framework is to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation by making a balanced allocation of cash, gained from operating cash flow and asset recycling,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

Net DER*



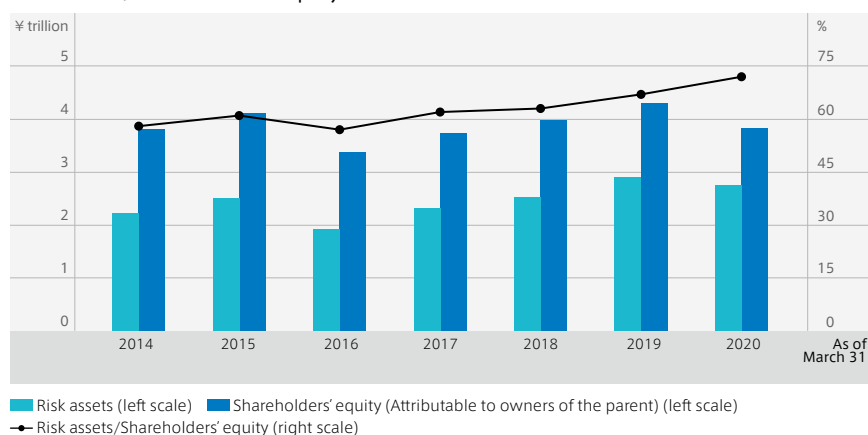
Concomitant with the shift in business composition from trading to investment, our investment assets and fixed assets have been increasing. When business investments of fixed assets that are relatively high risk or take longer to generate returns, leverage needs to be reduced, and we have in fact deleveraged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

Non-Current Assets / Shareholders' Equity



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

Risk Assets / Shareholders' Equity



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

Lifecycle Management of Business Investments

01

Project Incubation

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

02

Analysis, Evaluation, and Deliberation

Investment decisions are made based on analysis of qualitative factors as well as the required profitability ratio and other quantitative standards.^{*1} Moreover, a variety of factors are evaluated in making decisions, including the ability to execute business plans, Mitsui's functions to be utilized, probability of increasing value, conditions of contracts with other related parties, risk analysis and management measures (including ESG-related risks), value of the business, period of project execution, and internal control effectiveness. Investment candidates are screened and final decisions are made after deliberations by relevant committees.

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

Meeting Structure	Proposals	Amount
Council of Investment and Finance Proposals	Investment, loan, and guarantee proposals, project entailing acquisition of business assets or other such project	Over ¥5.0 billion
Corporate Management Committee	Total investment, loan, and guarantee amount on a consolidated basis	Over ¥15.0 billion
	Among investment, loan, and guarantee proposals, matters to be resolved by the Board of Directors	—
Board of Directors	Disposal and acquisition of important business assets	Over ¥40.0 billion

- In accordance with the Specially Designated Business Management System, separate discussions are held, when necessary, regarding business domains with high qualitative risks pertaining to ESG and other factors.
- Introduced internal carbon pricing system in April 2020^{*2}

03

Final Investment Decision and Execution

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

04

Project Development

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

Risk Management

Project management (budgets, construction period, credit, contracts, finances, environmental concerns, etc.)

05

Business Operation and Management

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

06

Asset Recycling

Businesses we have invested in are continually evaluated based on growth potential, the ability to increase value with Mitsui's functions, and strategic benefits. If it is deemed that a business' viability is beginning to peak, we will consider new strategies, such as merging businesses into other companies, or the possibility of asset recycling, and then put these plans into effect.

^{*1} Quantitative standards considered include consolidated internal rate of return, ratio of consolidated investments and loans outstanding to guarantees, and risk-return ratio. The risk-return ratio is the ratio between the amount of risk assets associated with a specific project and the profit for the year projected to be generated through Mitsui's equity holdings in the project.

Risk assets refer to the maximum amount of anticipated loss on operating receivables and investments, assets such as property, and off-balance-sheet positions such as liability on guarantee belonging to the Group, calculated by multiplying internally established risk weight according to latent risks such as credit and market risks.

^{*2} For more information on the internal carbon pricing system, please refer to page 45.

Sustainability Management—Tackling Climate Change through Our Businesses

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

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

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

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

Major Risks and Opportunities Related to Climate Change

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

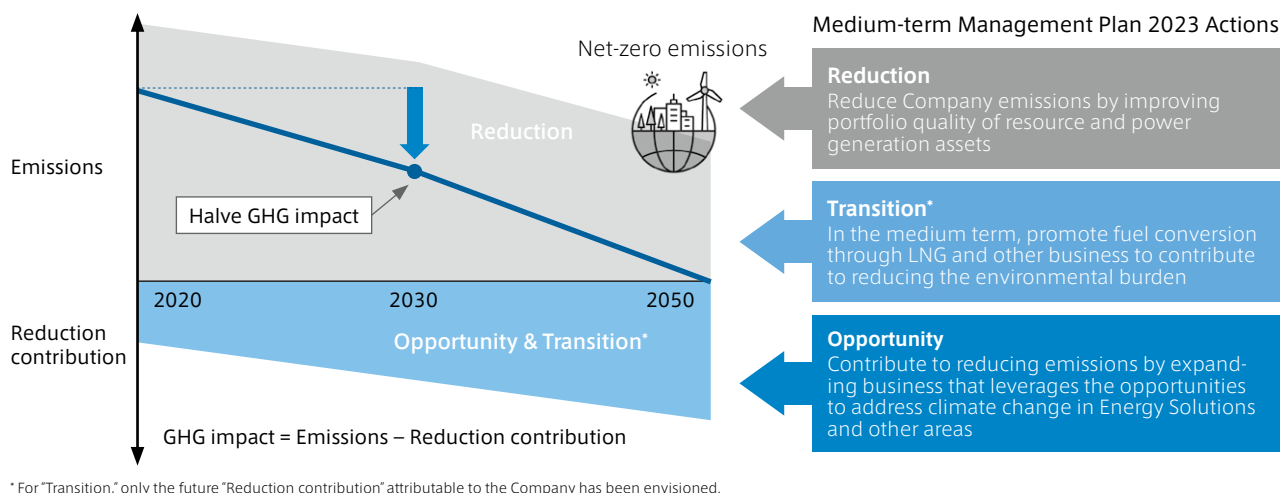
Transition risks	Policy and legal risks	<ul style="list-style-type: none"> Shift to the use of energy with low carbon emissions due to various national and regional policies (changes in energy and power mix) Government-imposed restrictions on greenhouse gas emissions, with carbon taxes and cap-and-trade emissions-credit schemes
	Technology risks	<ul style="list-style-type: none"> Changes in supply and demand in markets for existing commodities and services, the obsolescence of existing production equipment and facilities, or impairment of the value of Mitsui's ownership interests accompanying the introduction of new technologies geared toward climate change or the development and dissemination of alternative products
	Market risks	<ul style="list-style-type: none"> Increases in demand for low-carbon products and services or fossil fuel-related products and services Fund procurement risks due to the adoption of decarbonization policies by financial institutions and insurance companies
Physical risks	Acute risks	<ul style="list-style-type: none"> Interruption of the operations of project companies in Australia and the United States, etc., due to cyclones and hurricanes
	Chronic risks	<ul style="list-style-type: none"> Impact of global warming on agricultural and marine products or impediments to operations accompanying rising sea levels

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

Segment	Risks	Opportunities
Iron & Steel Products	<ul style="list-style-type: none"> Decrease in demand for materials and drilling equipment for the energy sector 	<ul style="list-style-type: none"> Reform of steel production, processing and supply chains responding to low carbon society Increase in demand for maintenance businesses to contribute to extending life of infrastructure Increase in demand for lighter vehicles and highly efficient motors accompanying spread of electric vehicles
Mineral & Metal Resources	<ul style="list-style-type: none"> Decrease in demand for raw materials (iron ore, coal) due to increase in Electrical Arc Furnace usage in anticipation of efforts to reduce greenhouse gases Increase in the cost of environmental measures and carbon taxes Increase in the difficulty for obtaining environmental permits 	<ul style="list-style-type: none"> Expansion of recycling businesses in response to circular economy Increase in demand for raw materials for secondary batteries, copper, and aluminum accompanying the spread of vehicle electrification
Energy	<ul style="list-style-type: none"> Decrease in demand for fossil fuel and the subsequent decrease in the value of upstream assets 	<ul style="list-style-type: none"> Expansion of LNG and gas businesses that have a relatively low environmental impact Increase in demand for biofuel, hydrogen, and other next-generation energy
Machinery & Infrastructure	<ul style="list-style-type: none"> Change in the social conditions surrounding coal-fired thermal power businesses Change in the supply and demand of existing businesses accompanying the creation of new technologies and new markets Impact of extreme weather on cargo transportation volumes 	<ul style="list-style-type: none"> Development of renewable energy generation businesses Increase in demand for storage batteries that help address increased volatility in power grids Circular economy and sharing
Chemicals	<ul style="list-style-type: none"> Change in demand for fossil fuel-derived chemicals Change in industrial structures due to strengthening of environmental restrictions 	<ul style="list-style-type: none"> Increase in demand for recycling in anticipation of a recycling-based society Increase in demand for biochemicals and energy-saving materials Increase in demand for forests as a source of absorption and emission credit businesses
Lifestyle	<ul style="list-style-type: none"> Change in food-producing regions accompanying global warming, etc. Impact on supply chains of extreme weather 	<ul style="list-style-type: none"> Rising need for securing food resources and securing stable food supplies
Innovation & Corporate Development	<ul style="list-style-type: none"> Increase in insurance claims accompanying a rise in physical risks 	<ul style="list-style-type: none"> Increase in demand for insurance accompanying a rise in physical risks Increase in business opportunities in relation to environmental derivatives

Aiming for Net-Zero Emissions in 2050

Mitsui has set a goal of achieving net-zero emissions by 2050. As a pathway to that goal, we aim to reduce GHG impact by 50% in 2030 compared to the impact in 2020.



1 Medium-term Management Plan 2023

GHG impact is the Company's GHG Emissions net of the Reduction contribution resulting from Opportunity & Transition. We aim to reduce the 2030 GHG impact to half of that in 2020.

To this end, we will pursue three main initiatives. Reduction initiatives will optimize our resource and power-generation asset portfolio to reduce emissions. Transition initiatives will help realize a low-carbon society by advancing the shift from coal-fired to LNG-fired thermal power generation. Opportunity initiatives will utilize measures focused on climate change as opportunities to advance new businesses.

2 Introduction of an internal carbon pricing system

At Mitsui, we introduced an internal carbon pricing system in April 2020 in order to increase the medium- to long-term resilience of businesses emitting large volumes of GHG, and to encourage the development of projects that are effective at reducing GHG emissions. Regarding new business projects, in projects with potential risks or opportunities from GHG regulations, etc., we have added analysis of the potential impact of a 2°C scenario to project screening factors, as well as the reasonableness of countermeasures in the event these risks are realized. We will also use the internal carbon pricing system for assessing risks in existing projects.

GHG-Related Initiatives

Mitsui has been conducting GHG emission surveys in Japan since the fiscal year ended March 31, 2006, and overseas since the fiscal year ended March 31, 2009. Previously, we disclosed Scope 1 and Scope 2 GHG emissions based on the control approach of the GHG Protocol.* As of the fiscal year ended March 31, 2020, we disclosed the Scope 3, Category 15 indirect GHG emissions of investment-based energy businesses, investment-based mineral and metal resources businesses, and investment-based thermal power generation businesses that do not fall under the classification of either Scope 1 or Scope 2, and we disclosed the Scope 1 and Scope 2 GHG emissions of the businesses of affiliated companies in all business fields. We have extended the scope of disclosure to reflect our corporate strategy, which entails continuously reforming our portfolio with a focus on resilience to risks arising from climate change and utilizing our wide-ranging business development to take on opportunities flexibly.

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

* GHG Protocol is a GHG emissions calculation and reporting standard formulated through an initiative led by the WRI (World Resources Institute) and the WBCSD (World Business Council for Sustainable Development).



For more information on our environmental data, please refer to *Sustainability Report 2020*.

GHG Emissions

Unit: Thousand t-CO₂e

	2018.3	2019.3	2020.3
Scope 1+2	3,985	3,776	3,820
Scope 3 (Investment)	–	–	32,000

Note: Scope includes greenhouse gas emissions of the Company, consolidated subsidiaries, and un-incorporated joint ventures in the Mineral & Metal Resources and Energy sectors (Scope 1 and Scope 2, including gas generated at times of production).

Management Foundation Risk Management and Governance Concerning Climate Change

ESG Due Diligence Checklists and the Specially Designated Business Management System

Decisions are made on the selection of new businesses and on whether or not to implement new businesses following deliberations at respective committees based on quantitative standards such as profitability and on qualitative evaluations (→ page 43 “Lifecycle Management of Business Investments”). As part of these evaluation efforts, respective business divisions conduct environmental, social, and governance (ESG) impact assessments using ESG due diligence checklists that, with reference to international standards, summarize environmental and social risks for each business division. Factors covered by these assessments include climate change, pollution prevention, ecosystems, water stress, and human rights.

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

Business Domains Subject to Specially Designated Business Management System

Business Domain		Key Points for Screening
		Applicable to All Four Business Domains <ul style="list-style-type: none"> Significance and social value of the business itself Significance of Mitsui engaging in this business
1	Environment-related business Business that has a large impact on the environment Examples: Coal-fired power plant business, offshore oil field business, etc.	<ul style="list-style-type: none"> Contributions of such businesses to the environment and society Measures to mitigate environmental load (incl. climate change, biodiversity loss, water risk) Safety assurance and work environment For development business, appropriate consideration for and understanding of the human rights of local residents and other related parties, and other related matters Compliance with environmental laws, regulations and guidelines, etc.
2	Medical, healthcare and bioethics related business Business related to the fields of medical and healthcare, business related to the development of technologies relating to the human genome, genetic analysis, genetic recombination, and other relevant matters, or business that handles products to which these technologies are applied Examples: Business with a high public profile in the medical and healthcare fields (dialysis, pharmaceutical drug manufacturing business), development of new drugs using genetic analysis technology, etc.	<ul style="list-style-type: none"> Ethical screening based on the guidelines of three Japanese government ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI) Approval by the ethics committee of the research institute in question, acquisition of informed consent, checking of processes, etc.
3	Projects receiving subsidies All projects that directly or indirectly receive subsidies from governmental and administrative agencies, or other such entities, both within and outside of Japan	<ul style="list-style-type: none"> Evaluation in light of Mitsui's management philosophy (MVV) Social impact and ensuring accountability and process transparency Determination of the interests of stakeholders, and resultant considerations and responses Responsibility and capability over the medium to long term as the operator of a business with a high public profile
4	Business harboring other unusual reputation risks Business that may be in conflict with public order and morality, Mitsui's management philosophy, etc., and business with a high public profile Examples: Business involving utilization of sensitive personal information, social infrastructure business, etc.	<ul style="list-style-type: none"> Evaluation in light of Mitsui's management philosophy (MVV) Social impact and ensuring accountability and process transparency Determination of the interests of stakeholders, and resultant considerations and responses Responsibility and capability over the medium to long term as the operator of a business with a high public profile

CASE Mitsui's Forests

We own forests in 74 locations that cover a total of roughly 44,000 hectares, which is approximately 0.1% of Japan's total land area. Over many years, we have maintained and managed our forests, which have an estimated public value of approximately ¥200.0 billion.^{*1} In addition, all of our forests have obtained the FSC® certification (FSC®-C057355) and SGEI certification, which are both international standards. It is also estimated that Mitsui's forests absorb and sequester roughly 160,000 tons of CO₂ and accumulate approximately 10 million tons of CO₂ per year.^{*2} These factors demonstrate how we contribute to the mitigation of climate change-related risks through responsible forest management.



“Mitsui's forests” in Owani-machi, Aomori

^{*1} This was calculated based on *Evaluation of the Value of Ecosystem Services with Respect to the Biodiversity Preservation Activities of Companies*, Ministry of the Environment.

^{*2} This was calculated through the use of the Tier 2 approach in “Chapter 4: Forest Land” of 2019 *Refinement to the 2006 IPCC Guidelines on National Greenhouse Gas Inventories*. The calculation method has been changed from the previous calculation method based on the Tier 1 approach of the 2006 *IPCC Guidelines* to a calculation method based on the aforementioned Tier 2 approach in order to refine calculations from the fiscal year ending March 31, 2021, onward.

Governance in Support of Climate Change Countermeasures

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

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



Initiatives of the Sustainability Committee to Date

FY2018	FY2019	FY2020
<ul style="list-style-type: none"> • Policy deliberations for coal-related business initiatives • Report on latest trends in climate change issues • Discussion on information disclosure policy for environment-related data • Deliberations on enhanced disclosures of non-financial information in consideration of the external environment 	<ul style="list-style-type: none"> • Deliberations on enhanced disclosures of non-financial information • Discussion on reviewing Materiality • Report on external environment in relation to climate change • Discussion on declaration of support for TCFD 	<ul style="list-style-type: none"> • Discussion on climate change scenario analyses • Discussion on key priorities established in relation to sustainability • Discussion on the introduction of internal carbon pricing system • Discussion on establishment of GHG-related targets



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

Environmental & Societal Advisory Committee

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

Sustainability Management—Tackling Climate Change through Our Businesses

CASE Business Impact Assessments Associated with Transition Risks (Scenario Analysis)

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

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

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

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

(2) Selected Scenarios

We have used the following scenarios taken from *World Energy Outlook*, which is published by the internationally recognized International Energy Agency (IEA):

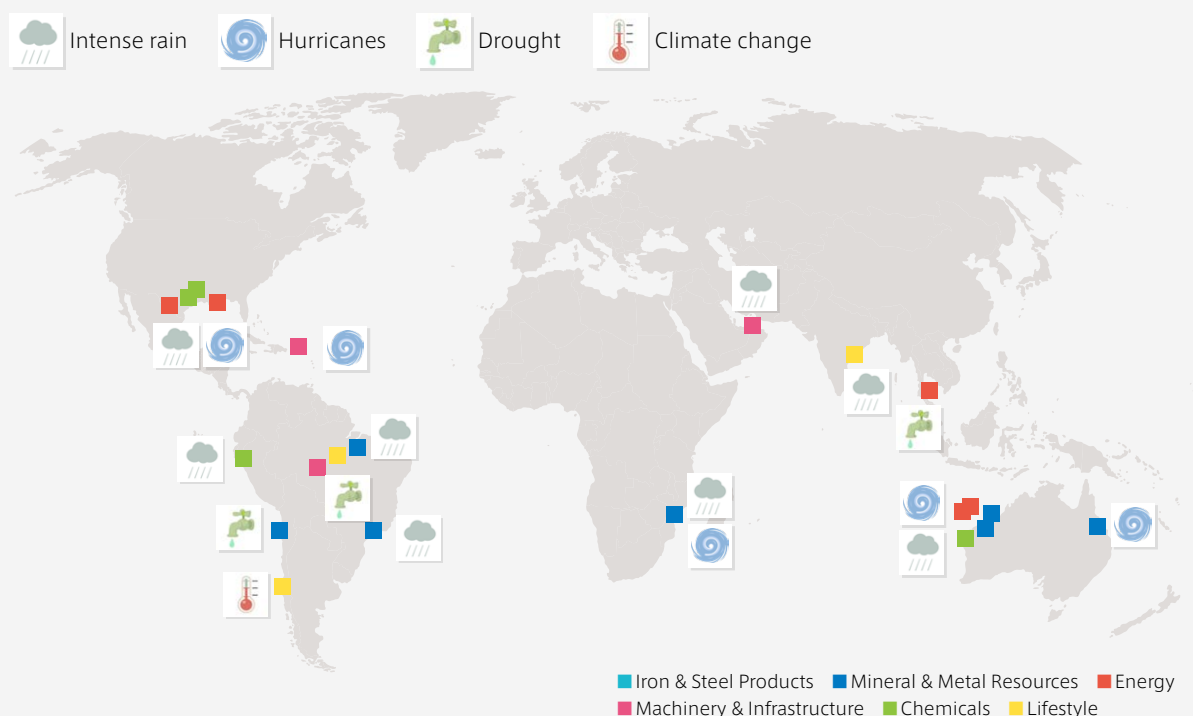
- New Policies Scenario (NPS): Scenario based on the GHG reduction target submitted to the United Nations by respective countries
- Sustainable Development Scenario (SDS): Scenario needed to uphold the Paris Agreement, which seeks to keep global warming within 2.0°C of the pre-Industrial Revolution level

(3) Analysis Results

	Evaluation of the impact on existing businesses	Countermeasures
Oil and gas development businesses and LNG businesses	With reference to short-term market levels and the outlooks of multiple third-party organizations, Brent Crude is expected to trend between \$30 and \$80 per barrel in the medium to long term. Even under the SDS, which is a more conservative scenario than the NPS, the Company's highly cost-competitive assets are expected to maintain their advantages to a certain extent.	While the energy industry faces the dual challenges of the need to realize increased volume and improved quality, renewable energy is expanding steadily. Meanwhile, fossil fuel will remain an indispensable energy source for the time being. We will strengthen the cost competitiveness of new business projects while considering the carbon costs. At the same time, we will focus our efforts on gas and LNG projects, which have comparatively low environmental burdens.
Coal businesses	The SDS is premised on further spread of the Electrical Arc Furnace method and on substitutes for coking coal being realized through innovative steel technologies, which have yet to be established. Ongoing verification of the possibility of realizing new steel technologies and of their impact is required.	We will pay close attention to trends in new technologies and to progress in relation to the Electrical Arc Furnace method and the policies of respective countries. At the same time, over the medium to long term a steady increase in demand for high-quality coking coal centered on India and Southeast Asia is expected. While providing stable supplies to customers, we will strengthen our competitiveness.
Thermal power generation businesses	Even based on the SDS, the impact on existing businesses will be limited as businesses contracted under long-term power purchase agreements—in which a consideration is paid for generation capacity rather than for generation volume—account for the majority (96% as of March 31, 2020) of the Company's power generation business portfolio.	In stages, we intend to lower coal-fired thermal power as a percentage of our equity share of power generation capacity and increase the percentage of renewable energy, including hydropower, to 30% by 2030.

CASE Major Physical Risks and Countermeasures

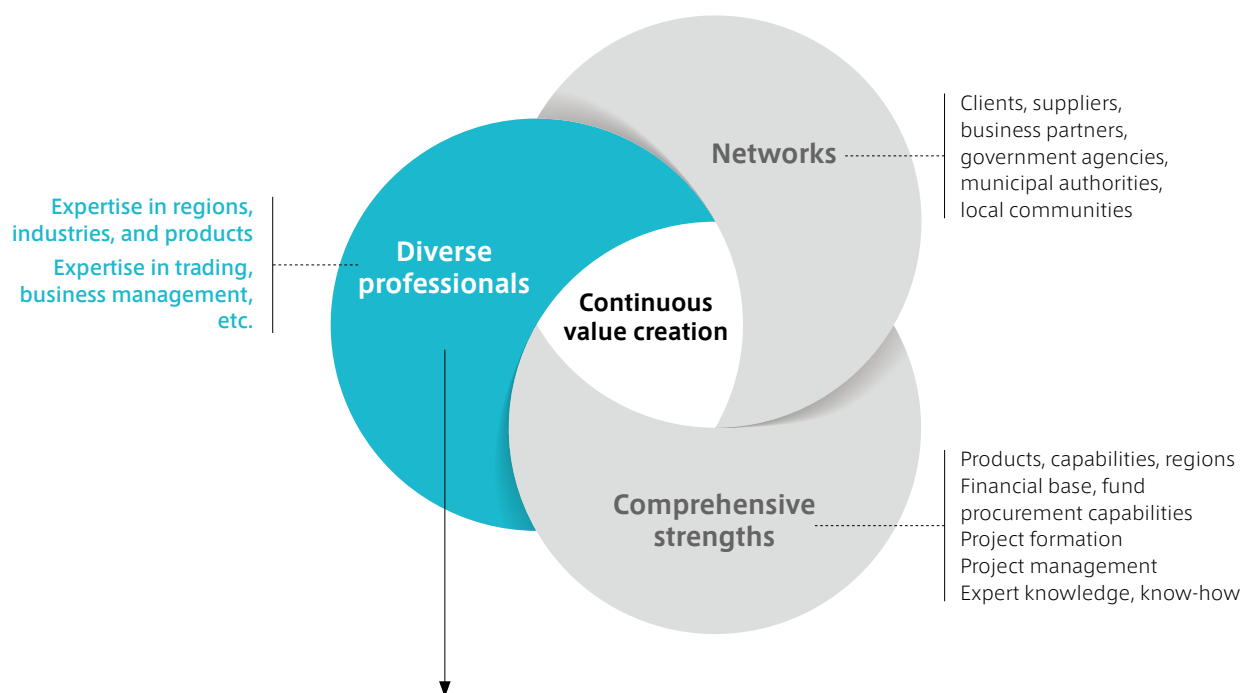
Under the NPS scenario, the physical risks would be relatively higher because the target agreed under the Paris Agreement to keep global warming within 2.0°C of the pre-Industrial Revolution level would not be met. Mitsui has carried out a survey of the impact of physical risks over the past five years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



The major physical risks facing assets owned by Mitsui include the potential for localized storms, particularly strong tropical hurricanes and cyclones arising in the Atlantic and South Pacific, to cause negative impacts on operations in our mineral and metal resources projects. Furthermore, in cases of severe damage to production plants or facilities or infrastructure, such as the roads, railways and ports used for shipments, there is a risk that production or shipments could be suspended for long periods until these facilities are restored. On top of Mitsui's own investments, in cases when Mitsui suppliers suffered significant damage, there is the risk of the overall supply chain failing, including failures to receive supplies of raw materials. Mitsui implements measures such as taking out insurance coverage, establishing crisis management policies, and upgrading facilities as necessary. Furthermore, we are also considering the establishment of a system to assess whether each of these measures is being appropriately arranged.

Human Resources Strategy for a Pool of Diverse Professionals

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



Frameworks developing diverse professionals and supporting their activities

1 An extensive range of career options

We are offering each employee more options in terms of opportunities to demonstrate their abilities and to choose their career paths, thereby enhancing management personnel, business management personnel, and highly specialized personnel.

2 A variety of growth opportunities

We are supporting the further growth of employees by enabling them to work and tackle ambitious initiatives in a wider range of fields through provision of various opportunities based on each individual's particular stage of development.

4 A focus on results

To help employees maintain a healthy sense of tension and continue growing, pursuing self-reform, taking on challenges, and working hard, we provide understandable appraisal and compensation that reflect employees' contributions and realization of capabilities.

3 Autonomous career planning

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

Introduction of Share-Based Compensation Plan for Employees

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

Diverse Talent

In the Mitsui & Co. Group, employees who come from a wide variety of backgrounds in terms of nationality, gender, values, and other attributes play active roles globally. We implement “diversity management,” under which each and every member of our diverse human resources recognizes and respects each other, inspires each other to exert their capabilities to the fullest, brings new value to our business, and creates innovation. This allows us to enhance the competitiveness of the Mitsui & Co. Global Group.

The Development of Global Talent

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

Empowerment of Women

Mitsui has numerous female employees, who work in a wide variety of business domains. Aiming to “Thrive on Diversity” and accelerate business creation, we want women to account for 10% of our managers by the fiscal year ending March 31, 2025. As of July 2020, 7.4%* of Mitsui’s managers are women. With the aforementioned target in mind, we have established Women Leadership Initiatives, which are steadily fostering the next generation of female leaders and creating a range of various role models for female leaders. Also, through this initiative, we provide female employees with organizational development instruction and support to enhance self-awareness, which are required of leaders. In addition, the initiative includes opportunities to engage in dialogue with external directors to help promote the further empowerment of female employees.

* For the number of female personnel in managerial positions, please see □□ page 124 of the “ESG Data Book.”

Faisal Ashraf, Managing Director, Mitsui & Co. India Pvt. Ltd.



Since joining Mitsui & Co. India Pvt. Ltd. as a local hire, Mr. Ashraf has primarily been engaged in the Mineral & Metal Resources Segment working and accumulating experience in Tokyo, Kuala Lumpur, and Dubai. Having become Mitsui & Co. India’s first locally hired managing director in April 2020, he continues tirelessly pursuing “Challenge & Innovation.”

Mitsui Engagement Survey 2018

Results

Response percentage worldwide^{*1}: **89%**

Employee engagement^{*2}: **59%**

Respected as an individual: **80%**

^{*1}. Workers at Mitsui’s operating bases in Japan and overseas, including regionally hired staff

^{*2}. Employees’ enthusiasm for work, including a self-motivated approach to tackling work or a sense of attachment to the Company

Environments That Encourage “Challenge & Innovation”

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



Features of the new office floors

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

Business Impact from COVID-19 and Our Response

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

Specific Impacts		
Affected business area		
Energy	▶▶▶	<div>Decline in commodity prices Weaker demand</div> <p>Restrictions on the movement of people and cargo have led to a sharp drop in demand for jet fuel, gasoline and other transportation fuels. Crude oil prices fell on the uncertain economic outlook, and profitability worsened in petroleum-related businesses.</p>
Mobility	▶▶▶	<div>Decline in operation rate Weaker demand</div> <p>Mobility-related demand has decreased. Demand and the operating rate for automobile-related businesses (production, sales, and financing), railways and aircraft leasing has dropped.</p>
Healthcare	▶▶▶	<div>Decline in operation rate Weaker demand</div> <p>Healthcare demand is down from patients with mild afflictions and medical tourism has slumped, leading to lower operating rates in the hospital business.</p>
Iron & Steel Products, Chemicals	▶▶▶	<div>Weaker demand Decline in commodity prices</div> <p>Demand weakened for durable consumer goods such as automobiles. Profitability has worsened in businesses related to iron & steel products and chemicals, for which the Company supplies materials.</p>
Overall	▶▶▶	<div>Delays in asset recycling and IPOs</div> <p>Decreased activity in financial markets has caused delays in planned IPOs and the divestiture of assets.</p>



Action Plan for the Fiscal Year Ending March 31, 2021

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

▶ Maintaining existing businesses and relationships with customers and partners

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

▶ Minimizing damage

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

▶ Sharply reducing costs and reviewing investment plans

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

Mitsui's Response

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

▶ Encouraging working from home

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

▶ Promoting work with digital tools

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

* For internal controls related to information systems and information security, please refer to page 113.

▶ Launching Work-X initiative for a new work style

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

A New Work Style in a "New Normal"

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

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

Impact on Mitsui's Strategies

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

Strategic Focus

Energy Solutions
Healthcare / Nutrition
Market Asia

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

Initiatives for DX

IT tools that enable telework and online work have become more inevitable. We will accelerate efforts to create new businesses for which digital technology is utilized and enable new work styles with digital tools. □□ P.74



Gate

3

Medium-term Management Plan

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Organization Chart

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.



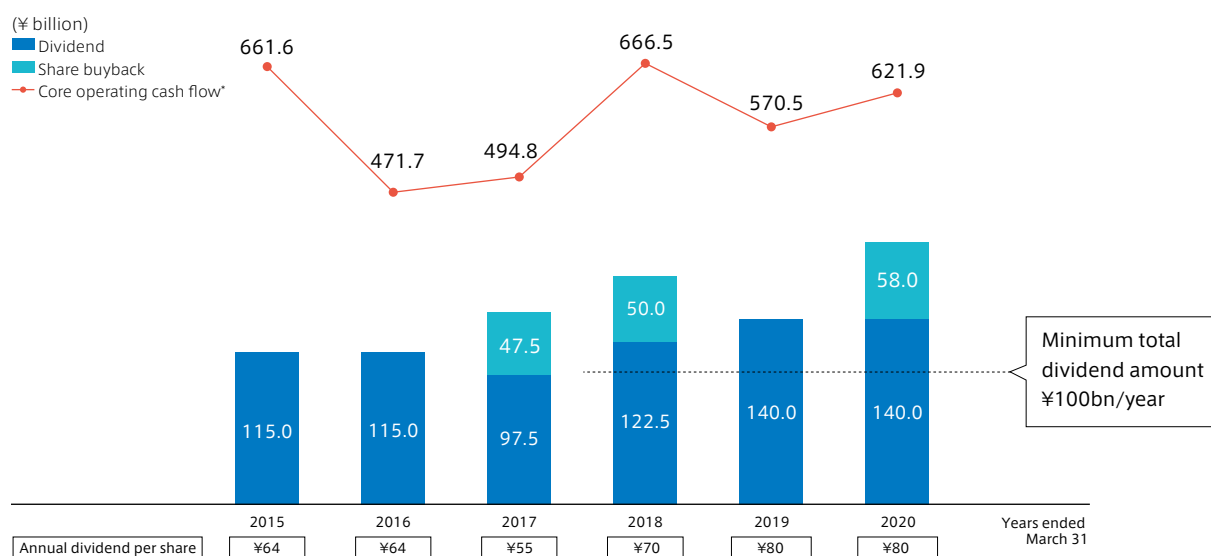
Please see page 64 for cash flow allocation results of the previous medium-term management plan.

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

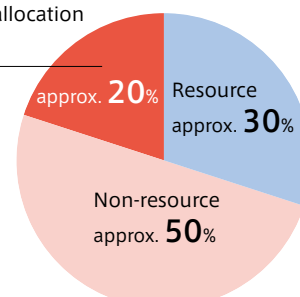
—Our Initiatives

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^{*1} 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,^{*2} 360T,^{*3} and Confirmation.com,^{*4} 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

^{*1}. 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.

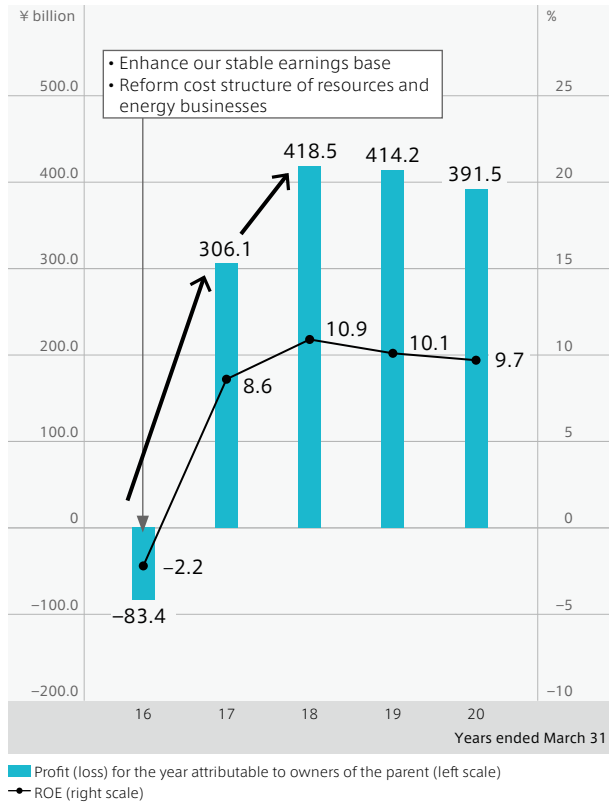
^{*2}. A portal for the automation of contract verification in relation to foreign currency and currency option transactions. The services offered leave records of contract verifications and enable users to increase operational stability, save time, and reduce the burden of administrative processing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

^{*3}. 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.

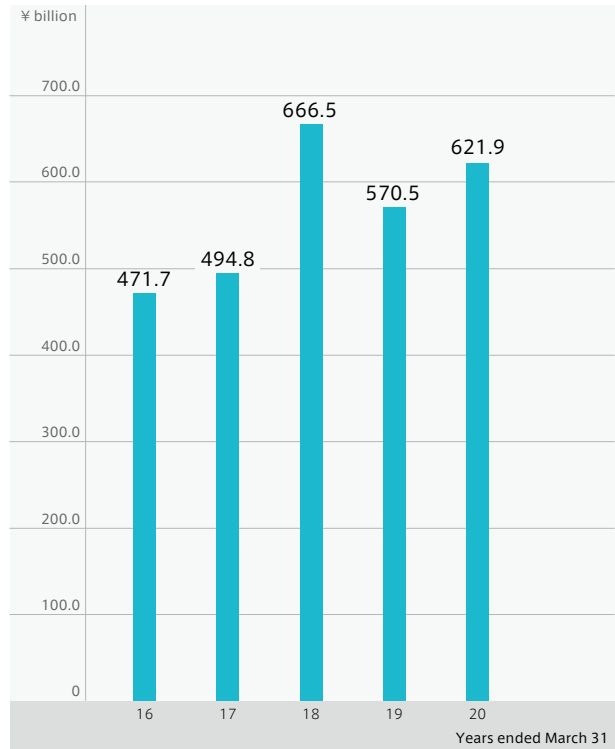
^{*4}. A portal for the confirmation of account transaction and financial transaction balances at the end of accounting periods, which is used in North America and Europe by central banks and major certified public accountant offices. The services offered enable significant reduction of the risk of such 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

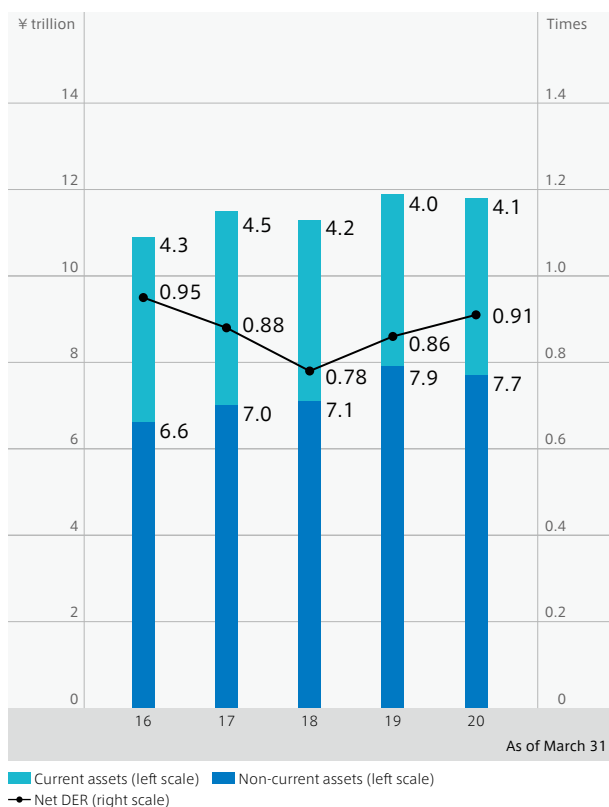


Core Operating Cash Flow*

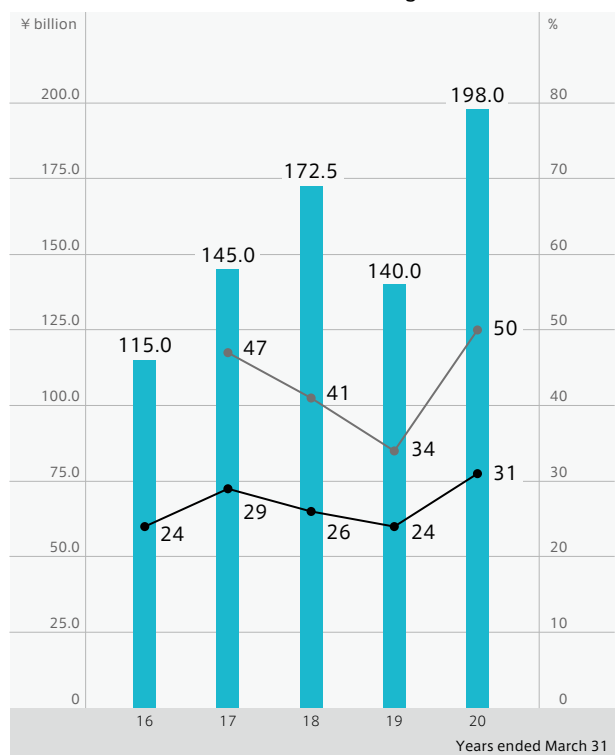


* Cash flows from operating activities minus cash flows from changes in working capital

Total Assets / Net DER



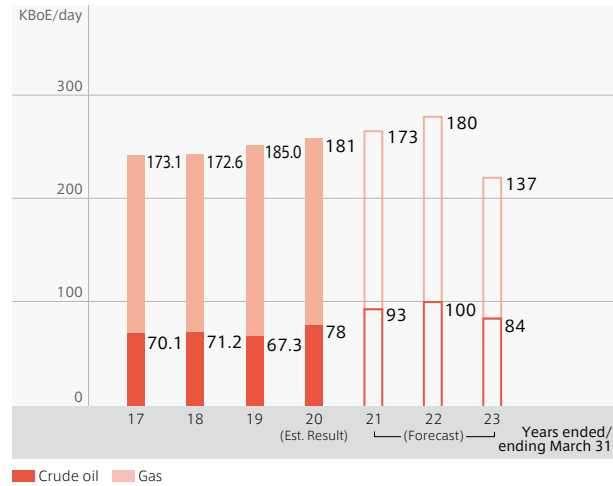
Total Shareholder Return Amount / Total Shareholder Returns as a Percentage



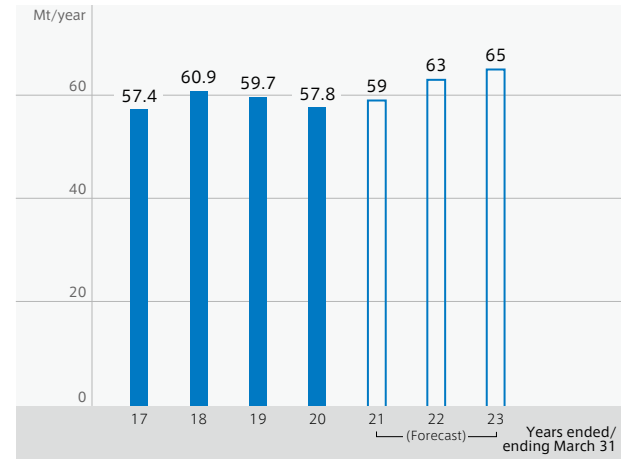
¹⁾ Amount of shareholder returns divided by core operating cash flow
²⁾ Amount of shareholder returns divided by profit for the year
³⁾ The total shareholder returns as a percentage of profit for the year for 2016 was omitted due to a loss.

Equity Share of Production

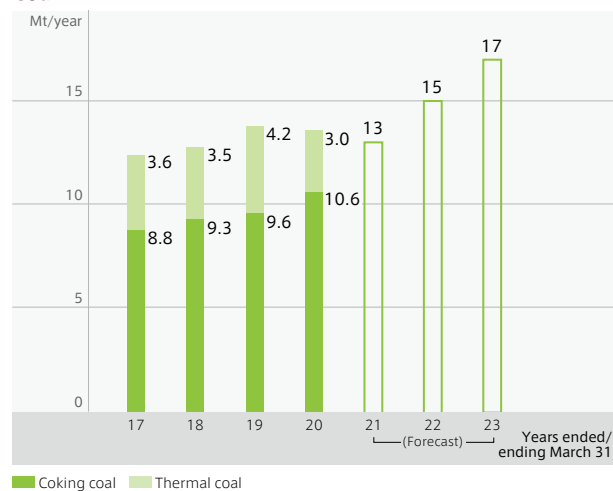
Crude Oil & Gas



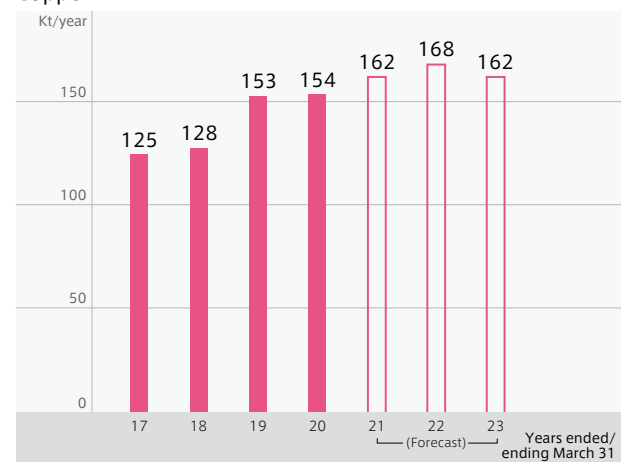
Iron Ore



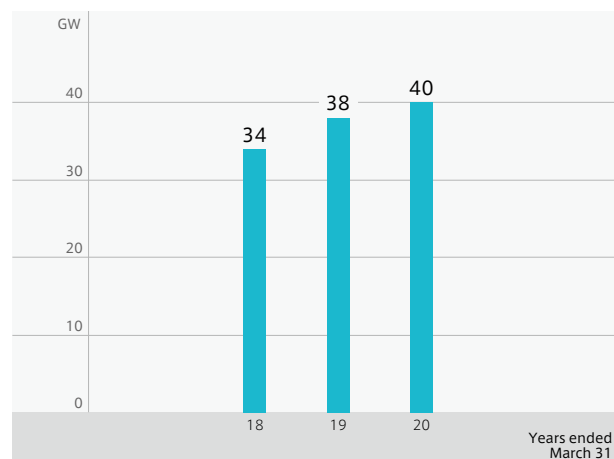
Coal



Copper



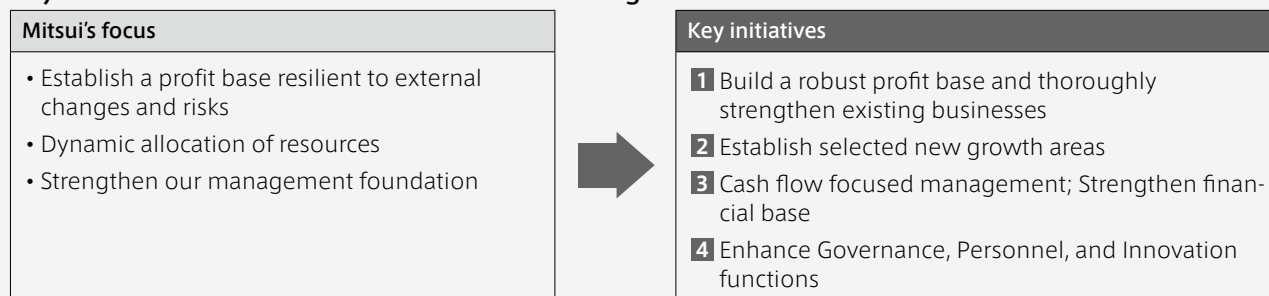
Power Generating Capacity (Gross)



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

Growth Areas

- Became the principal shareholder in IHH Healthcare, Asia's largest private hospital group
- Invested in Thorne Research, Inc., a supplier of high-quality supplements in the U.S.
- Accelerated initiatives for promoting MaaS
- 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"

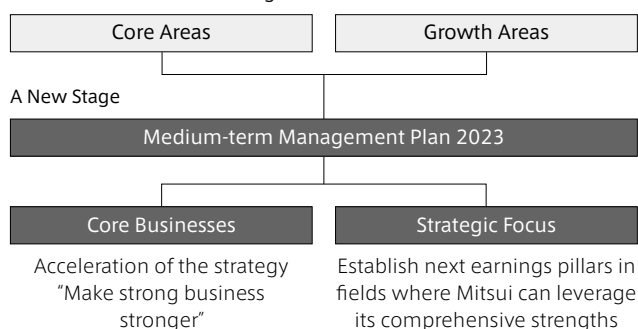
*3. Free cash flow that excludes the effects of changes in working capital and time deposits

*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

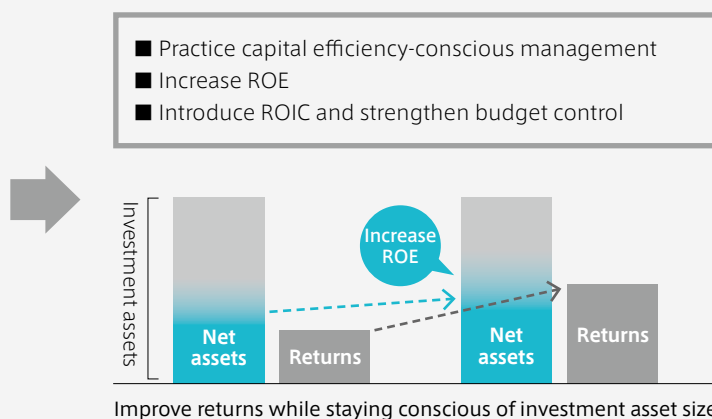
- Expand knowledge across organizations
- Introduce diverse professional talent

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

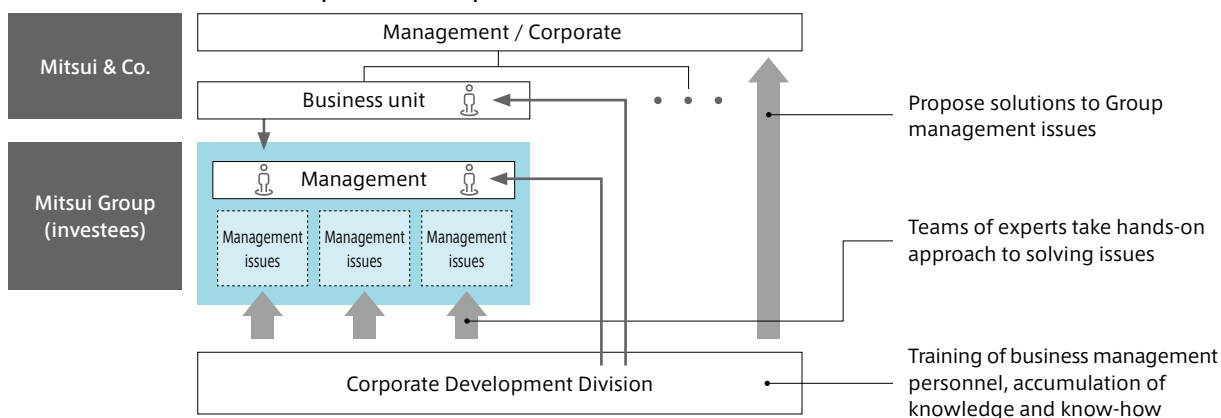


Strengthening Business Management Capabilities: Leveraging the Corporate Development Division

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.

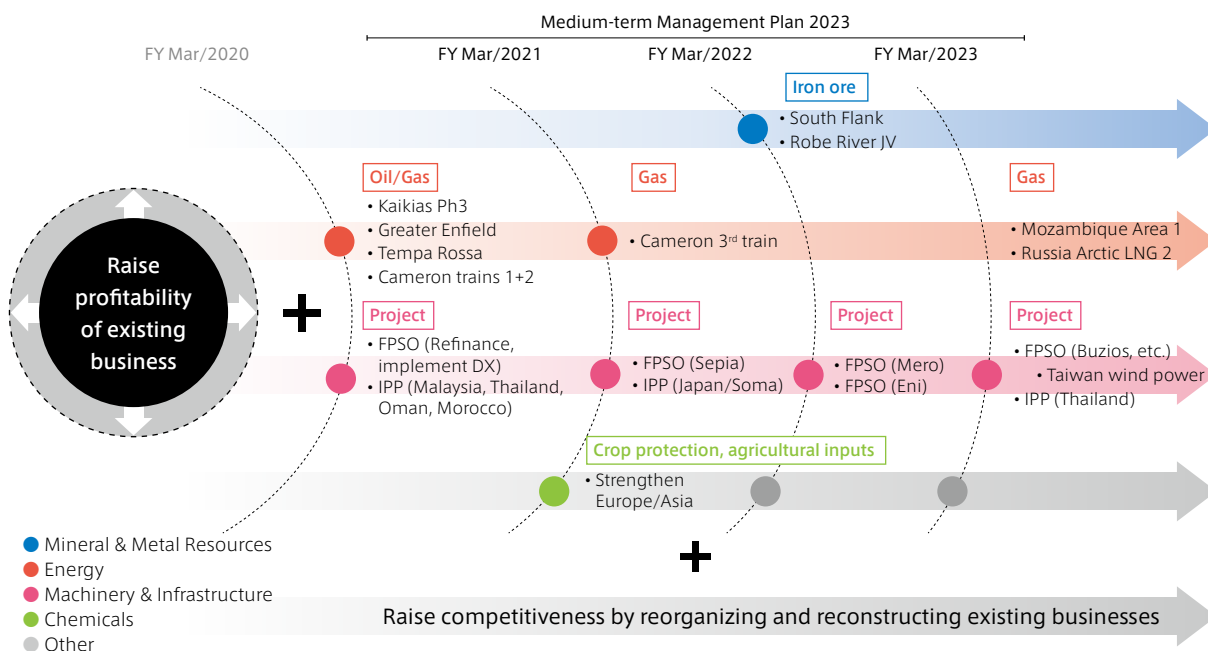
Mineral & Metal Resources	Iron ore, coking coal, copper, recycling	<ul style="list-style-type: none"> ■ Maintain and expand iron ore volumes, and Raise quality of coking coal assets ■ Expand, and raise quality of copper and Promote recycling business
Energy	Oil, gas, renewable energy, new energy	<ul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

Mitsui has created values by connecting various countries, regions and industries, thereby expanding its potential as a general trading company. To instill a "creative" mindset and behavior patterns in its own businesses, the Company will accelerate initiatives centered on the Moon Creative Lab, a business creation platform. Through digital transformation (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.

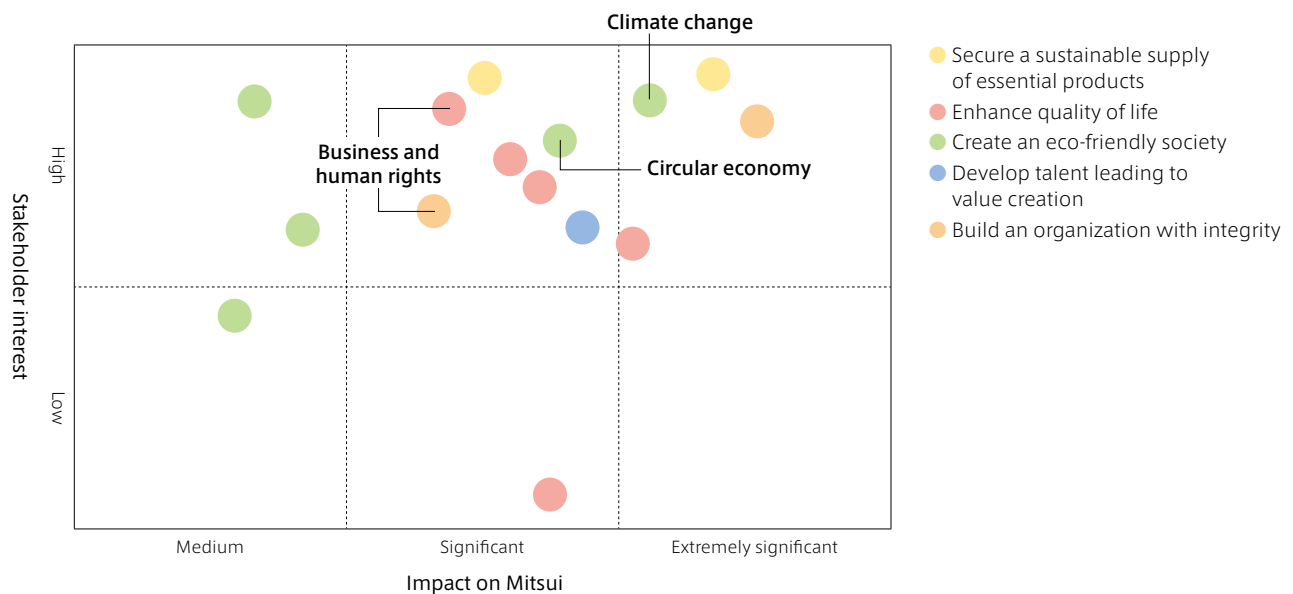
Strengthen profitability and pursue new business



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.

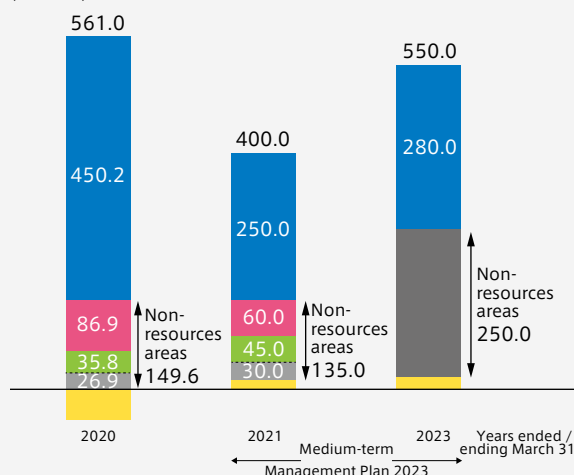
Mitsui will continue to strengthen corporate governance and improve the effectiveness of the Board of Directors.



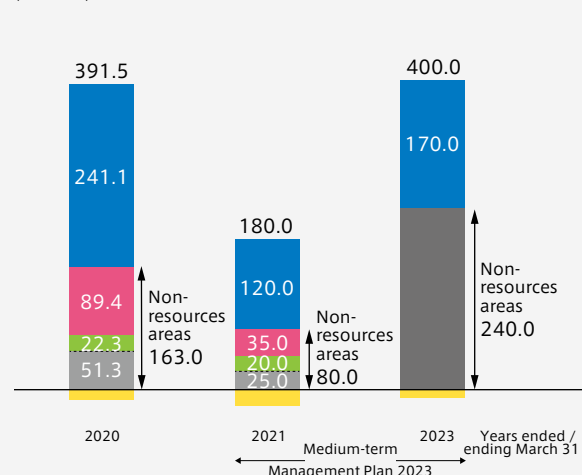
Quantitative Targets

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)

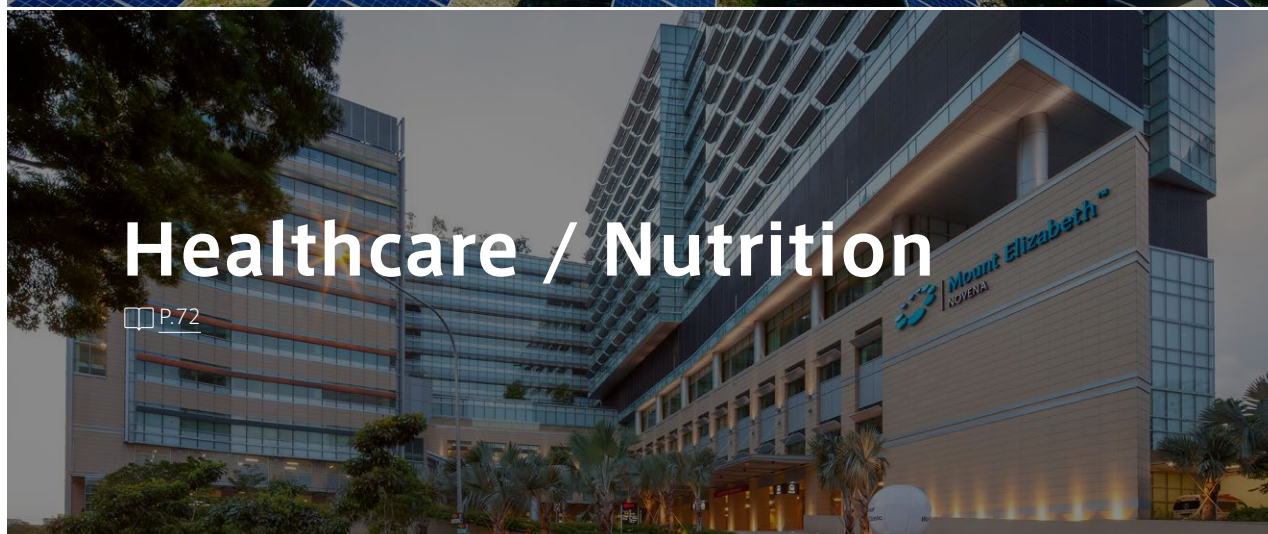


■ Resources & Energy ■ Machinery & Infrastructure ■ Chemicals ■ Other business areas ■ Headquarters & eliminations

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

Strategic Focus

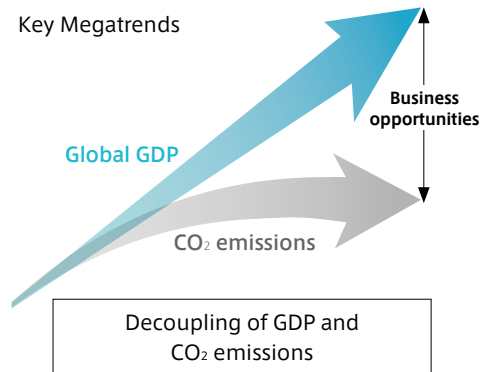
Building on the strategies that we pursued during the term of the previous medium-term management plan, we have established a strategic focus on fields that promise conspicuous growth and where we can realize our comprehensive strengths. Over the medium to long term, Mitsui will develop these businesses 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 CO₂ emissions, thereby giving rise to new business opportunities. In response to the issue of climate change, Mitsui will expand and accelerate initiatives focused on businesses that are likely to experience medium- to long-term growth.



Climate Change Countermeasures

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

1. Reduction

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

2. Transition

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

3. Opportunity

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

Opportunities in Energy Solutions

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

New Downstream Electricity (Distributed power supply, energy management services, retail)

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



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

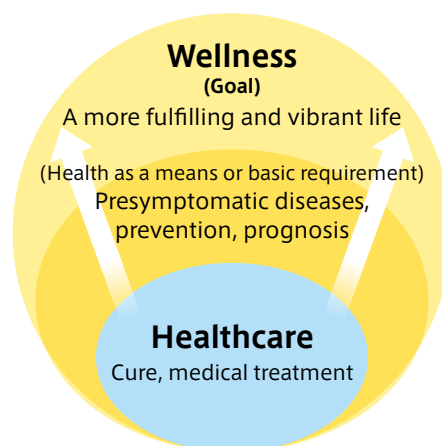
In emerging countries, mainly in Asia, medical expenditures are growing in accordance with population growth, the aging of societies, the expansion of middle-income classes and increasing rapidly as disease patterns change resulting from economic development. Meanwhile, medical service is not keeping 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

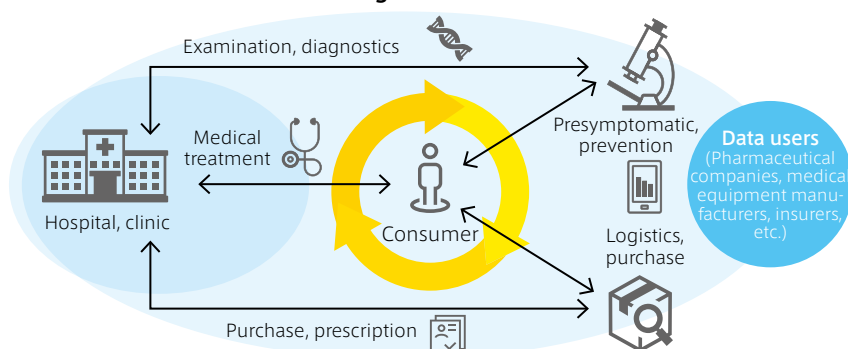
In 2011, Mitsui initially acquired an equity interest in IHH. Since becoming IHH's largest shareholder in 2019, we have been further increasing our influence on business management and steadily implementing growth strategies in close collaboration with the company's management team. Going forward, we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

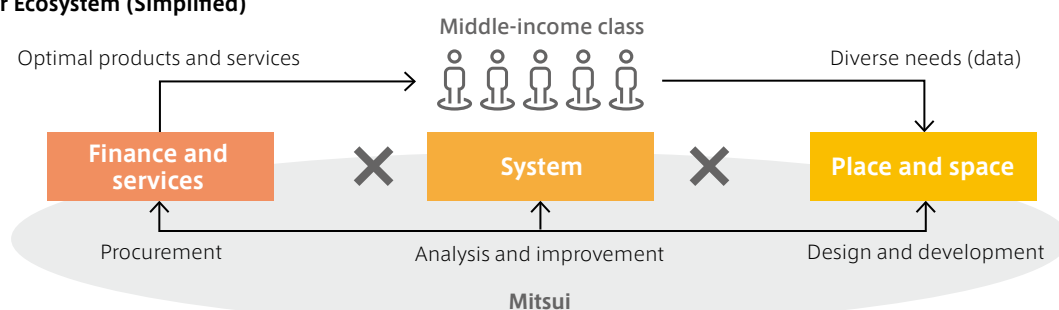
High growth rate	
Demand and Consumption <ul style="list-style-type: none"> • Growing influence of the middle-income classes, millennials, and Generation Z* • Acceleration of digital technology penetration • Heightening health awareness 	Supply <ul style="list-style-type: none"> • Rising energy demand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

* 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.

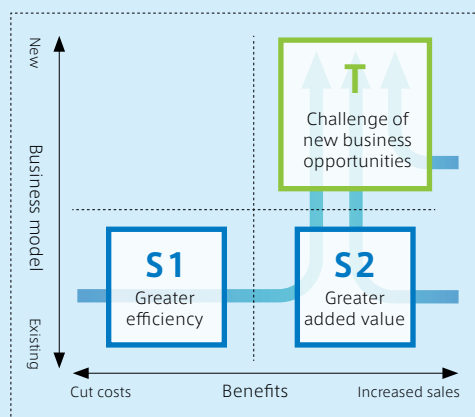
The COVID-19 pandemic has underscored the importance of our digital transformation (DX) initiative. Under the new management plan, we are accelerating both offensive and defensive DX initiatives with the aim of creating businesses across the entire Company.

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.

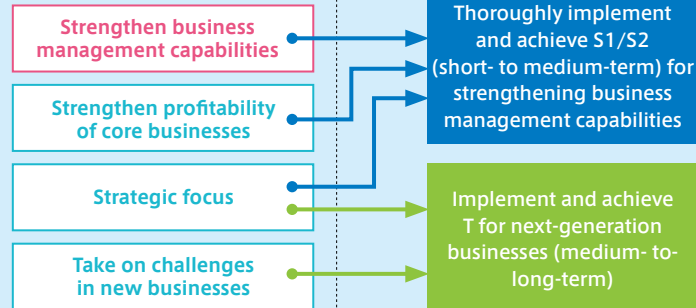
DX Framework



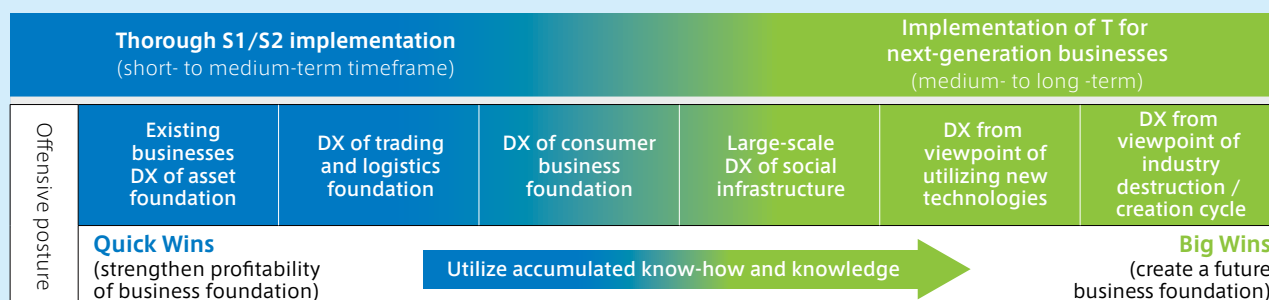
S: Solution T: Transformation

Medium-term Management Plan 2023

Transform and Grow



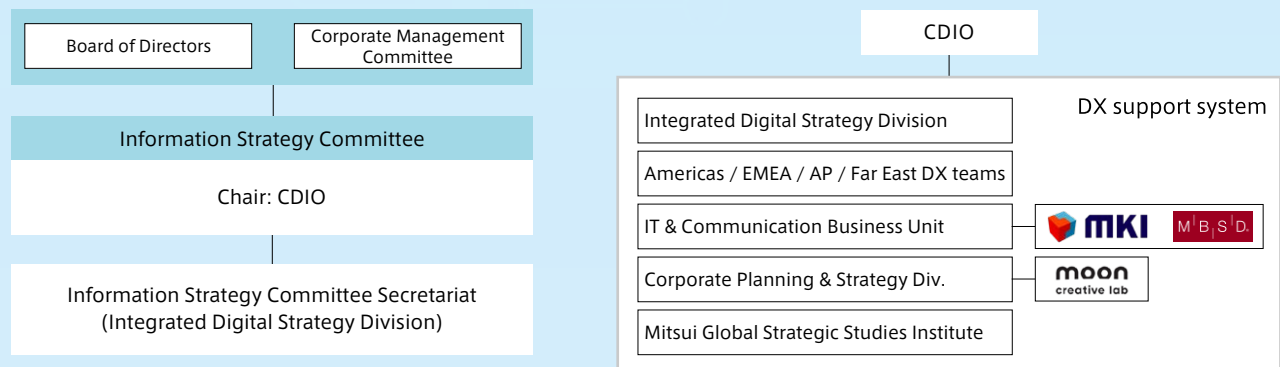
Over the short to medium term, by thoroughly implementing S1/S2, we aim to amass Quick Wins while strengthening and advancing the profitability of existing businesses in the Mitsui Group, including trading operations. Using our accumulated know-how and knowledge, we are targeting Big Wins that create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

^{*} 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^{*} 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.

^{*} 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 ^{*1}	Machinery & Infrastructure ^{*1}
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

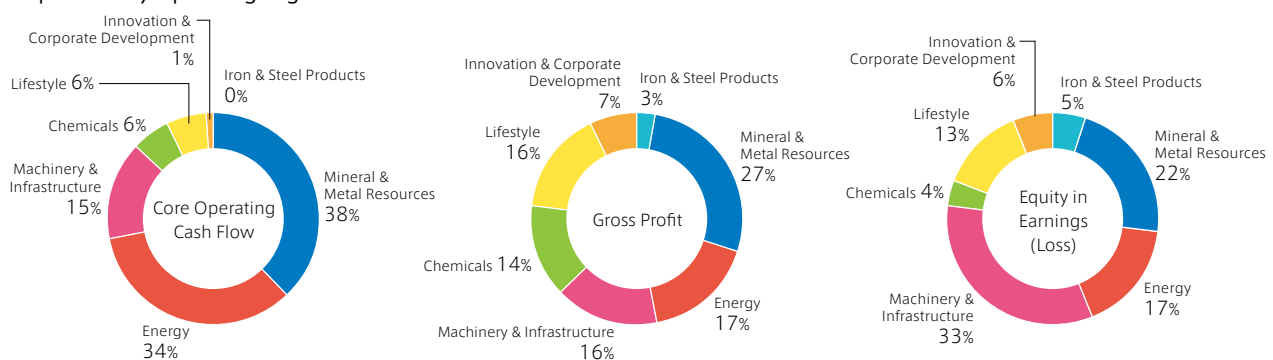
Core Operating Cash Flow	2.6	244.8	219.8	96.3
Net Investment Cash Flow	7.5	(49.8)	(107.1)	(44.7)
Investment Cash Flow (IN)	8.8	6.7	13.7	73.4
Investment Cash Flow (OUT)	(1.3)	(56.5)	(120.8)	(118.1)
Free Cash Flow ^{*2}	10.1	195.0	112.7	51.6

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 ^{*3}	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






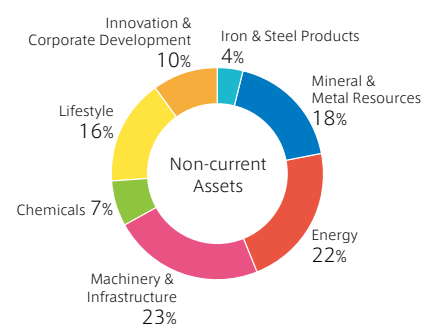
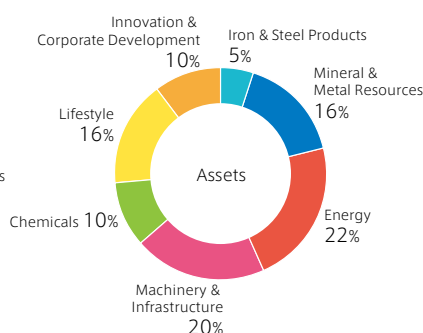
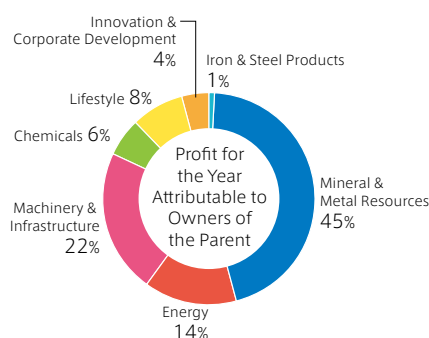
Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.

*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

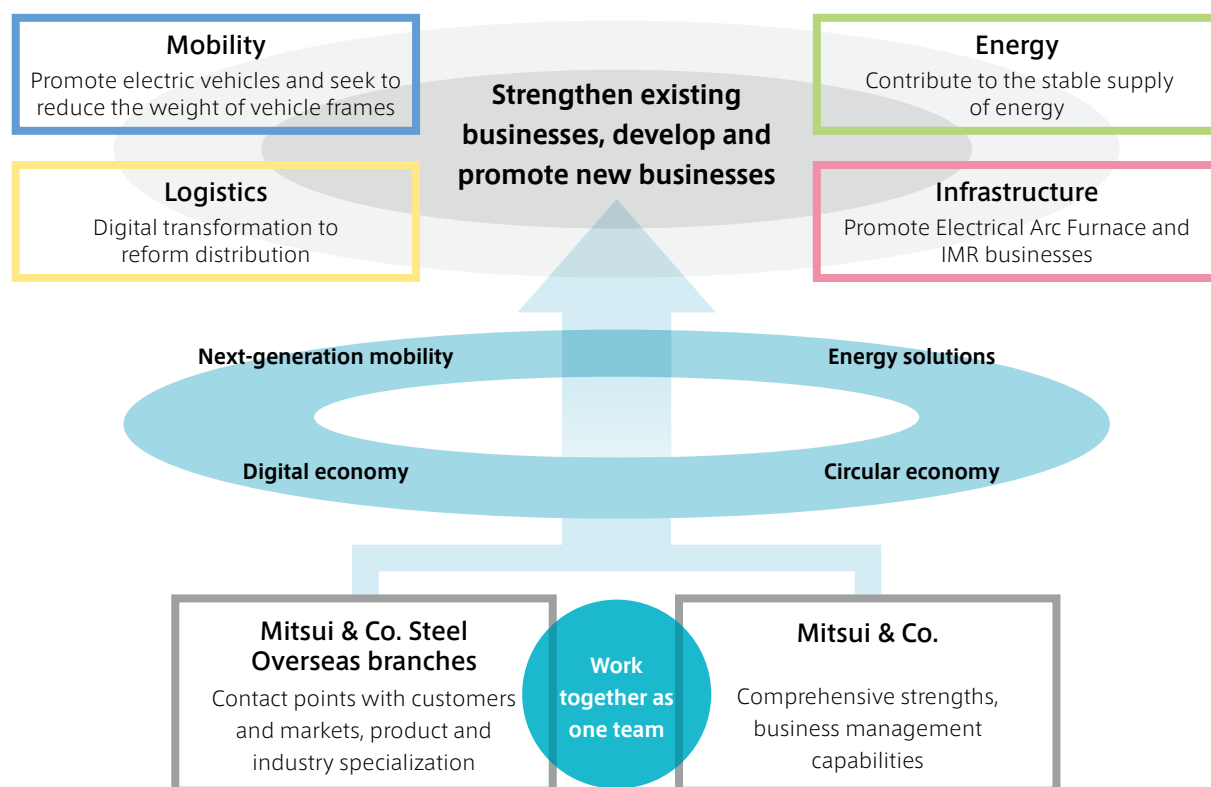
Area	Our Approach
Mobility	We contribute to the development and manufacture of key parts for next-generation mobility. We aim to maximize enterprise value of Gestamp Automoción S.A. through initiatives to increase return on investment and deeper involvement in management, while working to strengthen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

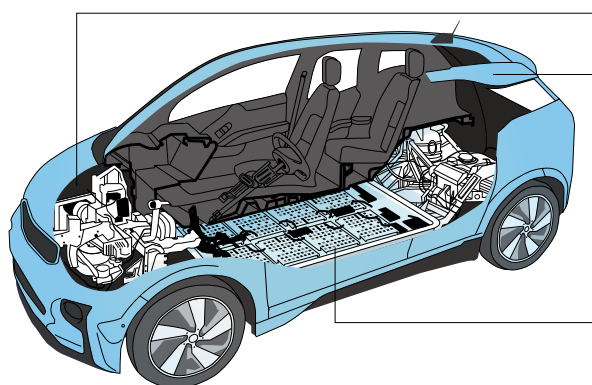
- Impact materialized with weaker demand for steel products; lower operating rates at affiliated companies as economic activity stalled.
- Pace of recovery in economic activity varies by region, but we already started to streamline businesses, including cost reductions.

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

Impact from COVID-19 and Response Policies

- Impact on lower production and sales in mining operations, and lower trading volume due to weaker demand.
- Along with 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 ^{*1}	Location	FY Mar/2020 Equity Production	Main Partner	Equity Ratio ^{*5}	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 ^{*3}	Vale	5.58%	Dividend
Coal	South Walker Creek / Poitrel	Australia	2.0 million tons ^{*3}	BHP	20.00%	Equity method
	Kestrel	Australia	1.4 million tons ^{*3}	EMR / Adaro	20.00%	Consolidated
	Moranbah North / Grosvenor ^{*2} / Capcoal / Dawson	Australia	6.9 million tons	Anglo American	Various	Consolidated
	Moatize / Nacala	Mozambique	1.2 million tons ^{*3}	Vale	Moatize: approx. 15%	Moatize: Dividend
					Nacala: approx. 50%	Nacala: Equity method
Copper	Collahuasi	Chile	62.4 thousand tons ^{*3}	Anglo American	11.03%	Equity method
				Glencore		
	Anglo American Sur	Chile	37.0 thousand tons ^{*3}	Anglo American	9.50%	Equity method
				Codelco		
Nickel	Coral Bay	Philippines	3.5 thousand tons ^{*4}	Sumitomo Metal Mining	18.00%	Equity method
	Taganito	Philippines	4.7 thousand tons ^{*4}	Sumitomo Metal Mining	15.00%	Dividend

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

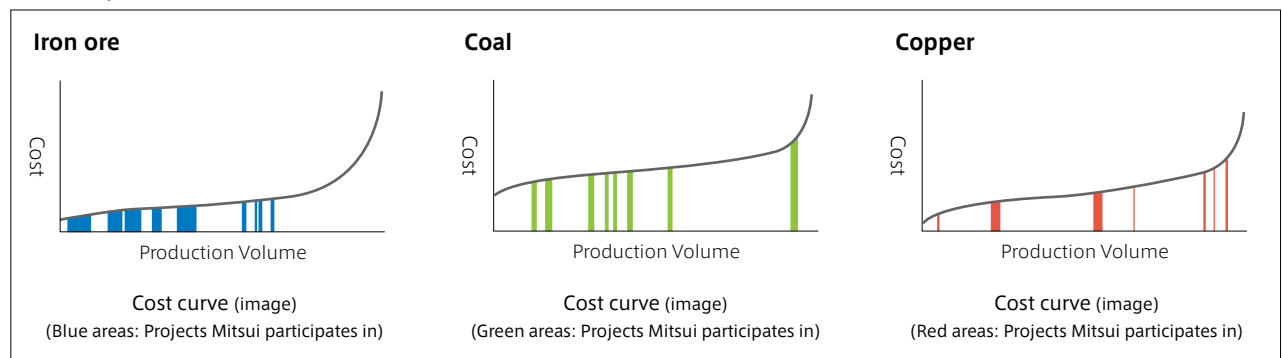
*2. To be acquired in the fiscal year ending March 31, 2021, and therefore does not include equity production (as of August 2020)

*3. Jan.–Dec. 2019 results

*4. Production capacity base

*5. As of the end of March 2020

Cost Competitiveness of the Above Commodities



Major Subsidiaries & 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

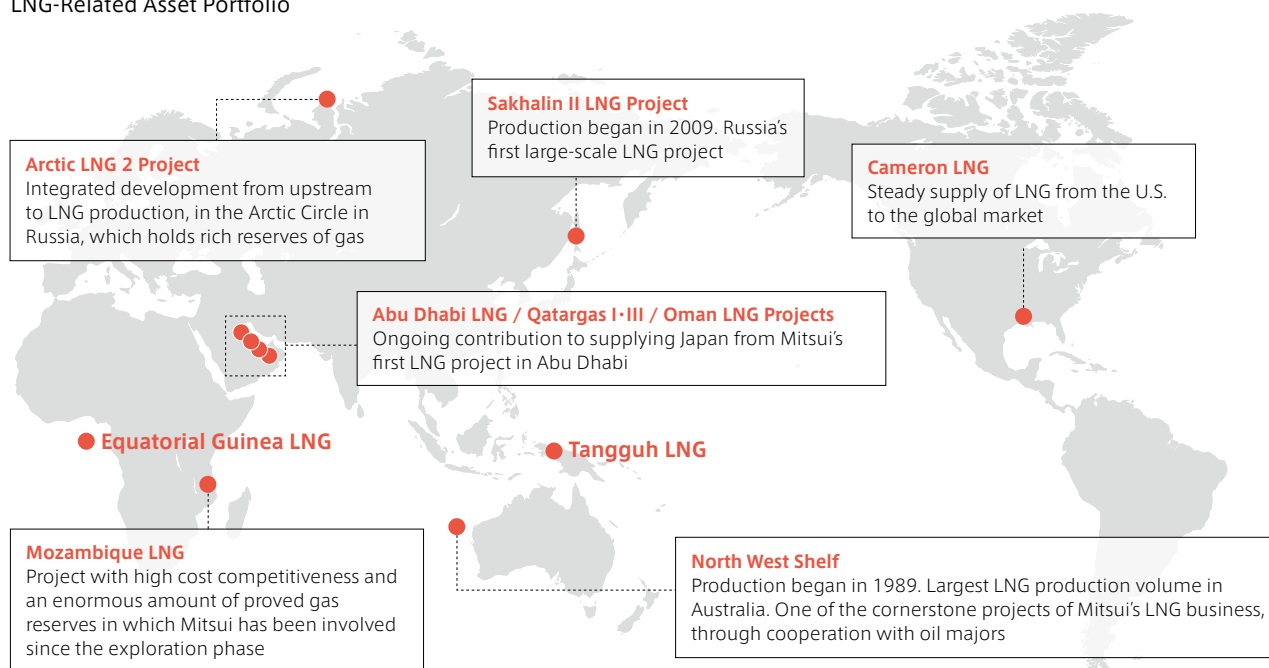
Individual Strategies

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

Impact from COVID-19 and Response Policies

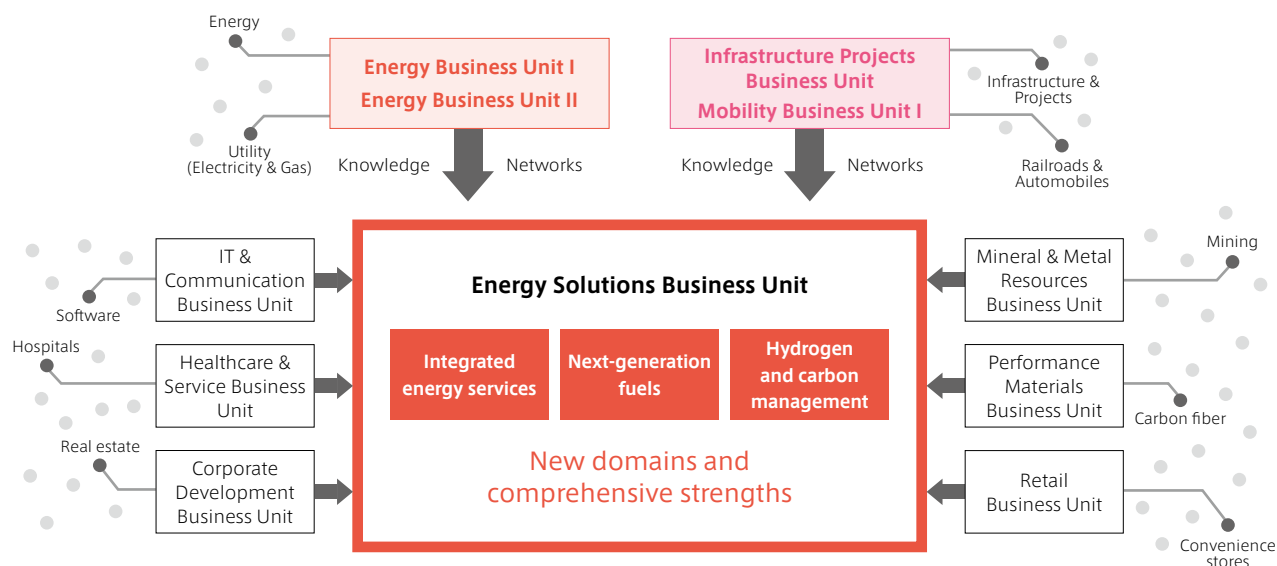
- We will collaborate with operators to continuously and thoroughly review capex/opex, and aim to strengthen cost competitiveness further.
- In the trading business, we are paying even closer attention to managing credit and other risks. We are also monitoring demand recovery trends by region and by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

LNG-Related Asset Portfolio



Comprehensive Strength of Energy Solutions

● Mitsui's partner



Major Subsidiaries & 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

160 affiliated companies




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

Renewable energy 14%

Coal 18%

Gas 68%

Graph 1

Fuel

Americas 28%

Asia and Australia 40%

Europe / Africa / Middle East 32%

Graph 2

Region

Major Subsidiaries & 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

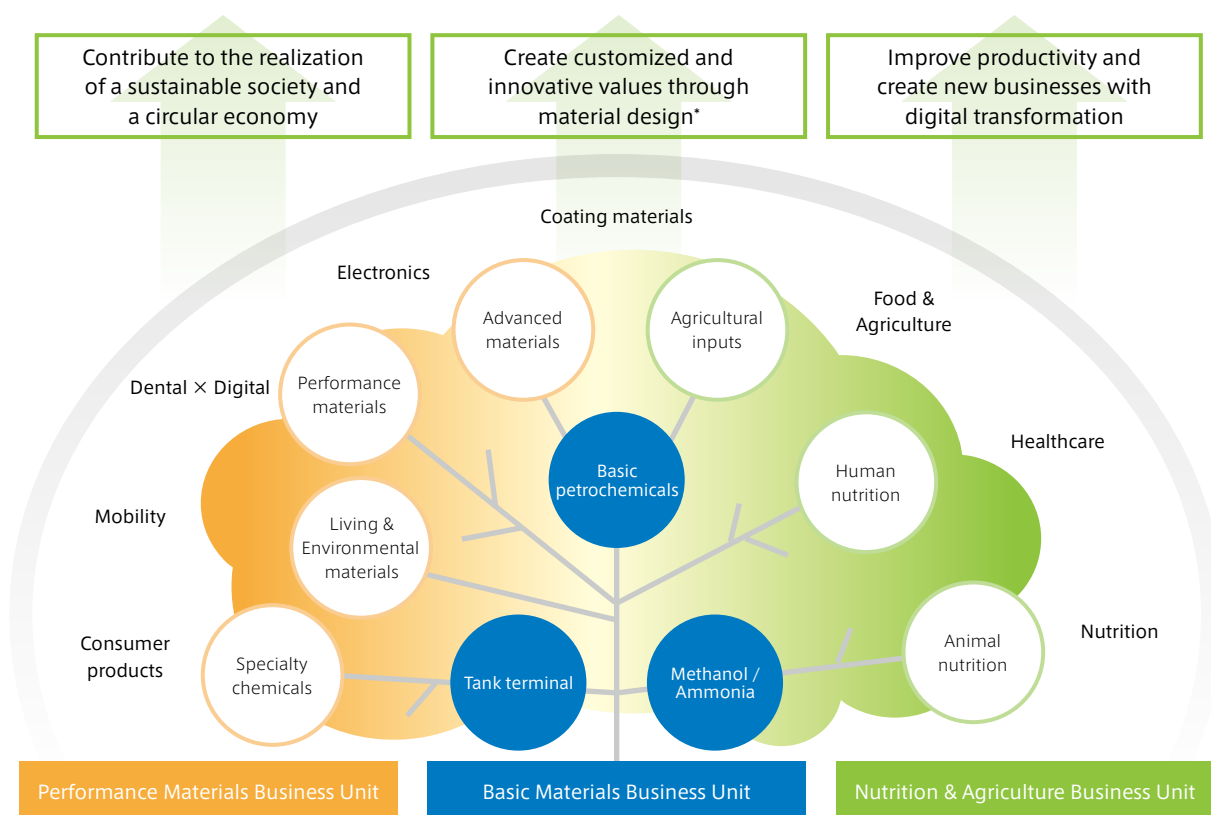
Individual Strategies

Area	Our Approach
Expand trading networks and enhance trading functions	<ul style="list-style-type: none"> • 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 • Enhance trading functions through utilizing specialized vessels
Engage in new growth opportunities	<ul style="list-style-type: none"> • Contribute to a recycling economy, such as plastic recycling, take on new business challenges to create a low-carbon society • Expand initiatives in personal care and dental fields
Increase profits in existing businesses	<ul style="list-style-type: none"> • Expand businesses through bolt-on investments, pursue operational excellence • Increase profitability by strengthening business management capabilities

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 & 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"> • 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. • Using science, we aim to add the value of by-products from the value chain, and to strengthen the recycling value chain.
Retail Business	<ul style="list-style-type: none"> • Based on consumer insight gained through digital functions, we will create differentiated products and services centered on the e-commerce domain. • 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.
Healthcare services	<ul style="list-style-type: none"> • 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. • We aim to expand the integrated services business by augmenting functions and expanding scale, and through consolidation.

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.

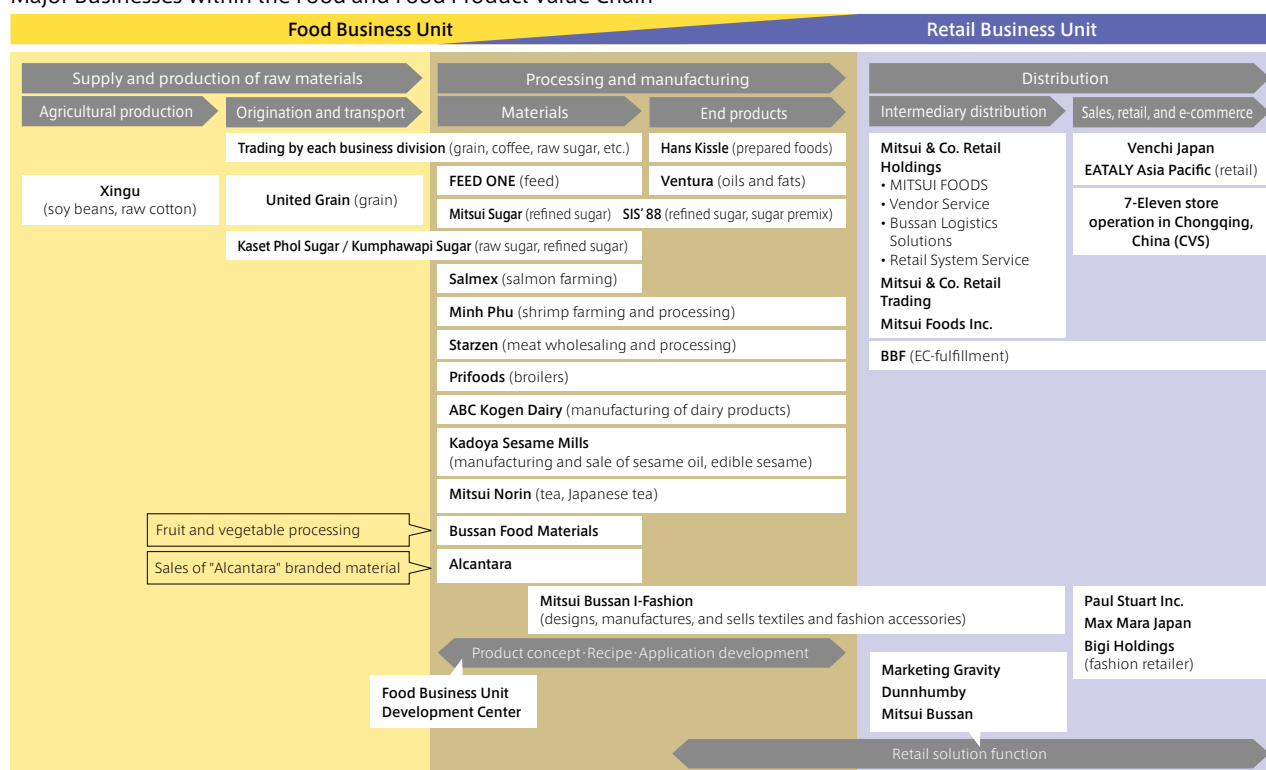
Initiatives in the fashion and textile businesses

- 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



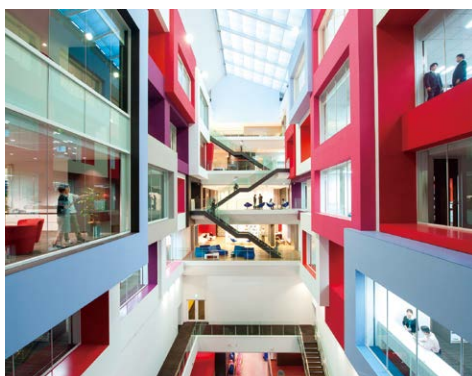
Major Subsidiaries & Associated Companies

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

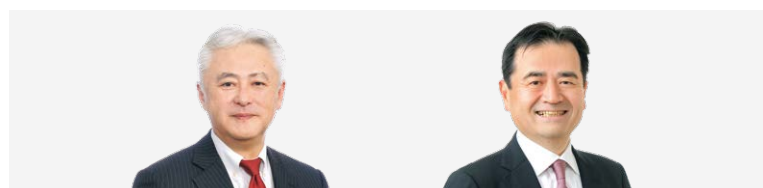
- IT & Communication Business Unit
- Corporate Development Business Unit



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"> • Further strengthen profit base of major domestic affiliated companies such as MITSUI KNOWLEDGE INDUSTRY CO., LTD. and Mitsui Bussan Electronics Ltd. • Create new businesses using new technologies and business models • 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
Corporate Development	<ul style="list-style-type: none"> • Thoroughly strengthen existing businesses, such as by reinforcing relationships with existing customers, expanding the customer base, strengthening the management foundation, including IT, and improving functions • Implement initiatives for value improvement in real estate and real state development responding to the needs of regions and fields, while progressing procurement, development including redevelopment, and realization of profits. • Contribute to our business transformation and expand the pool of management talent while continuing to assign employees to management positions at companies in which we have invested

Impact from COVID-19 and Response Policies

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

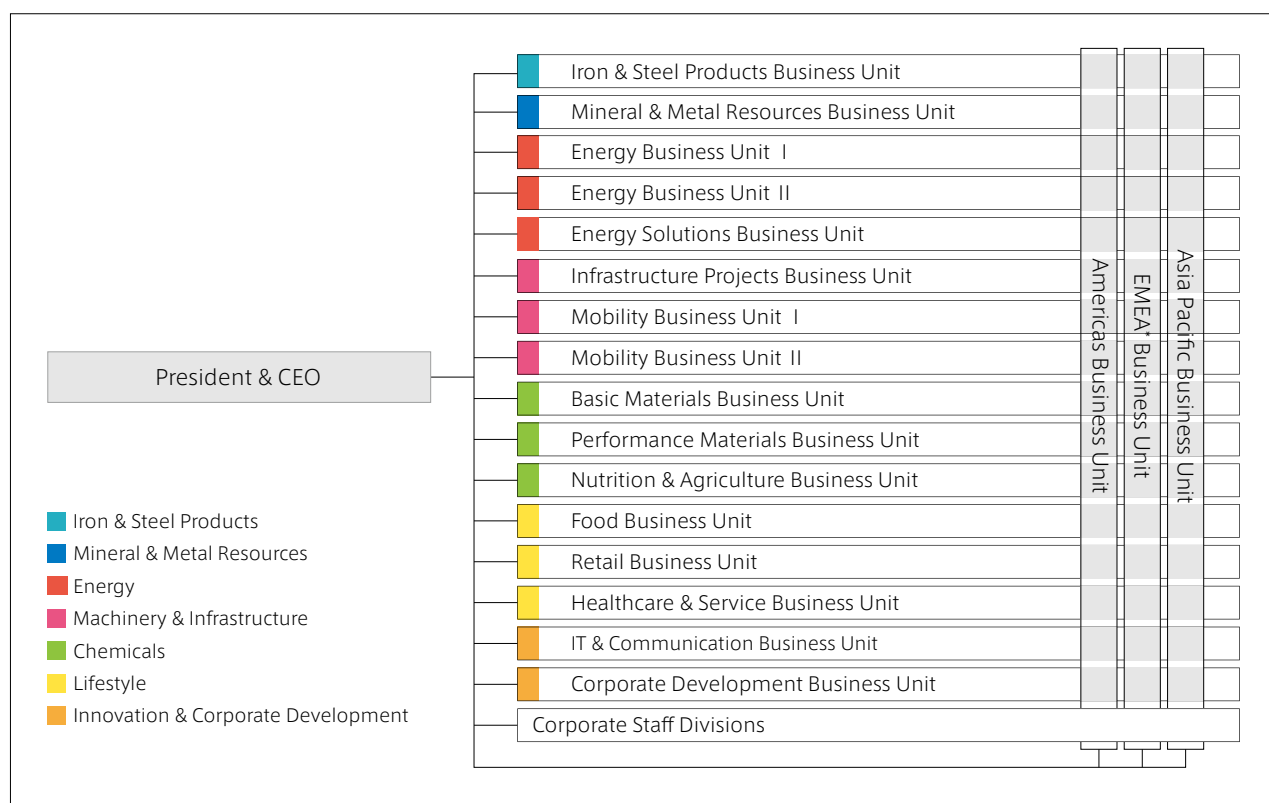
Major Subsidiaries & Associated Companies

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



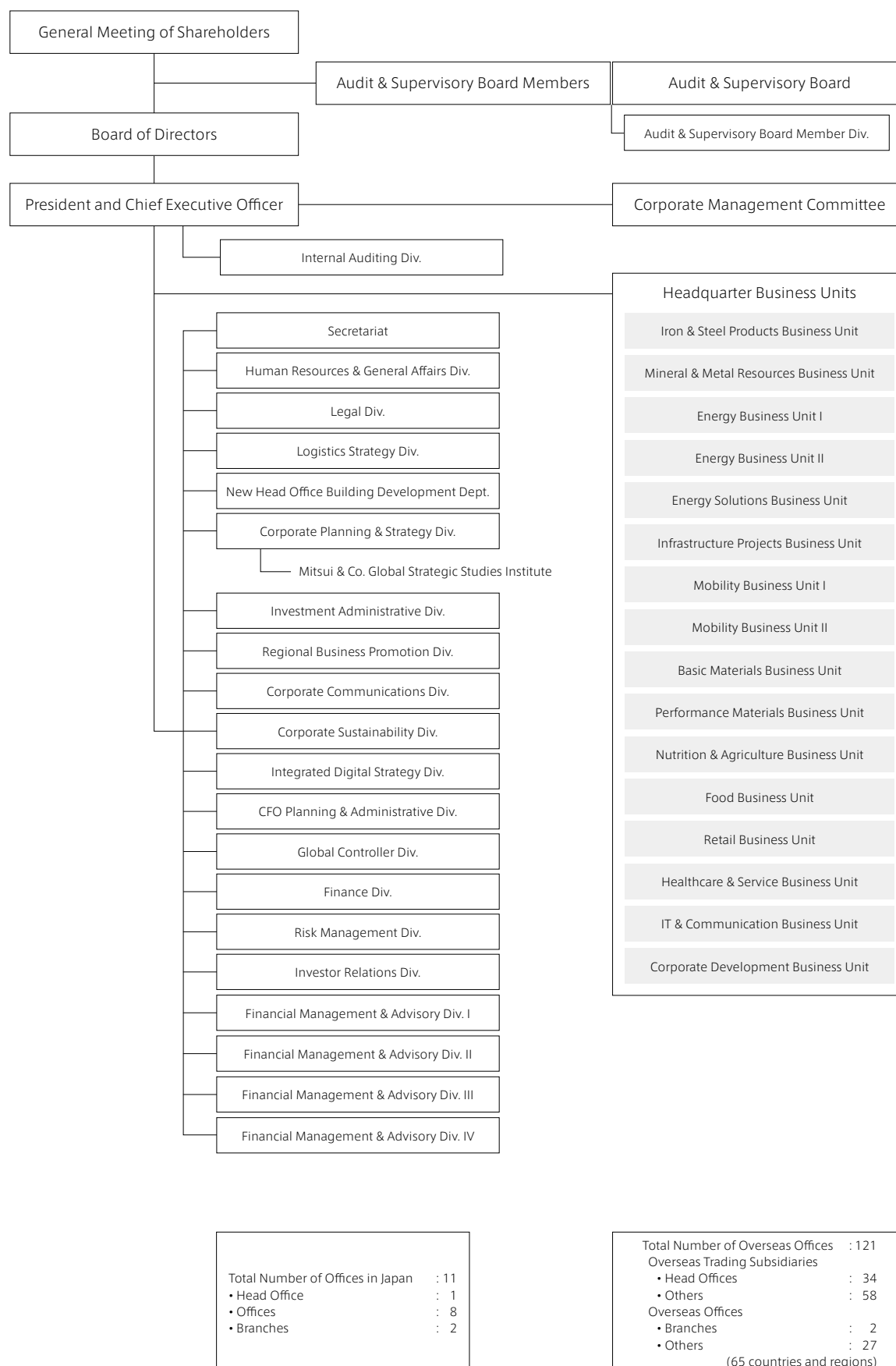
Sayu Ueno
Executive Managing Officer,
Chief Operating Officer of
Americas Business Unit

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)



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Evaluation by Society

Board of Directors and Independent Directors

As of June 19, 2020

Directors

Years as a Director / Number of Company Shares Held

Masami Iijima

12 years / 269,706 shares

Representative Director,
Chairman of the Board
of Directors



1974 Joined Mitsui & Co., Ltd.

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

Tatsuo Yasunaga

5 years / 149,071 shares

Representative Director,
President and Chief Executive
Officer



1983 Joined Mitsui & Co., Ltd.

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

Yukio Takebe

2 years / 38,154 shares

Representative Director,
Executive Vice President



1983 Joined Mitsui & Co., Ltd.

2019 Representative Director, Executive Vice President (current position)

Takakazu Uchida

2 years / 51,369 shares

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



1983 Joined Mitsui & Co., Ltd.

2020 Representative Director, Executive Vice President, Chief Financial
Officer (current position)

Kenichi Hori

2 years / 28,786 shares

Representative Director,
Senior Executive Managing Officer



1984 Joined Mitsui & Co., Ltd.

2019 Representative Director, Senior Executive Managing Officer
(current position)

Hirotsu Fujiwara

1 year / 46,721 shares

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



1984 Joined Mitsui & Co., Ltd.

2020 Representative Director, Senior Executive Managing Officer, CHRO,
CCO (current position)

Yoshio Kometani

1 year / 26,506 shares

Representative Director,
Senior Executive Managing Officer,
Chief Digital Information Officer
(CDIO)



1985 Joined Mitsui & Co., Ltd.

2020 Representative Director, Senior Executive Managing Officer, CDIO
(current position)

Shinichiro Omachi

New / 24,975 shares

Representative Director,
Senior Executive Managing Officer,
Chief Strategy Officer (CSO)



1984 Joined Mitsui & Co., Ltd.

2020 Representative Director, Senior Executive Managing Officer, CSO
(current position)

Miki Yoshikawa

New / 18,645 shares

Representative Director,
Senior Executive Managing Officer



1984 Joined Mitsui & Co., Ltd.

2020 Representative Director, Senior Executive Managing Officer
(current position)

Independent Directors

Years as a Director / Number of Company Shares Held

Izumi Kobayashi

6 years / 4,134 shares

External Director



- 1981 Joined Mitsubishi Chemical Industries, Ltd. (currently Mitsubishi Chemical Corporation)
- 1985 Joined Merrill Lynch Futures Japan Inc.
- 2001 President, Merrill Lynch Japan Securities Co., Ltd.
- 2002 External Director, Osaka Securities Exchange Co., Ltd.
- 2007 Vice Chairperson, Japan Association of Corporate Executives
- 2008 Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group
- 2014 External Director, Mitsui & Co., Ltd. (current position)

Jenifer Rogers

5 years / 5,799 shares

External Director



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

Samuel Walsh

3 years / 7,100 shares

External Director



- 1972 Joined General Motors Holden's Limited
- 1987 Joined Nissan Motor Australia
- 1991 Joined Rio Tinto Limited
- 2013 Chief Executive Officer, Rio Tinto Limited
- 2017 External Director, Mitsui & Co., Ltd. (current position)

Takeshi Uchiyamada

1 year / 3,485 shares

External Director



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

Masako Egawa

New / 0 shares

External Director



- 1980 Joined Tokyo Branch, Citibank, N.A.
- 1986 Joined New York Headquarters, Salomon Brothers Inc.
- 1988 Joined Tokyo Branch, Salomon Brothers Asia Securities (currently Citigroup Global Markets Japan Inc.)
- 1993 Joined Tokyo Branch, S.G. Warburg (currently UBS Securities Japan Co., Ltd.)
- 2001 Executive Director, Japan Research Center, Harvard Business School
- 2009 Executive Vice President, The University of Tokyo
- 2015 Professor, Graduate School of Commerce (currently Graduate School of Business Administration), Hitotsubashi University
- 2019 Vice-Chairman, Chair of Self-regulation Board, The Japan Securities Dealers Association (current position)
- 2020 Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University (current position)
- 2020 External Director, Mitsui & Co., Ltd. (current position)

Full-time and Independent Audit & Supervisory Board Members

As of June 19, 2020

Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company Shares Held

Makoto Suzuki

1 year / 78,521 shares

Full-time Audit & Supervisory Board Member



1981 Joined Mitsui & Co., Ltd.

2019 Full-time Audit & Supervisory Board Member (current position)

Kimiro Shiotani

1 year / 10,045 shares

Full-time Audit & Supervisory Board Member



1984 Joined Mitsui & Co., Ltd.

2019 Full-time Audit & Supervisory Board Member (current position)

Independent Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company Shares Held

Haruka Matsuyama

6 years / 2,069 shares

External Audit & Supervisory Board Member



1995 Appointed Assistant Judge at Tokyo District Court

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

2002 Partner at Hibiya Park Law Offices (current position)

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

Hiroshi Ozu

5 years / 1,710 shares

External Audit & Supervisory Board Member



1974 Appointed Public Prosecutor

2007 Vice Minister of Justice

2012 Attorney General

2014 Registered as Attorney at Law

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

Kimitaka Mori

3 years / 4,439 shares

External Audit & Supervisory Board Member



1980 Joined Shinwa Accountants (currently KPMG AZSA LLC)

2000 Representative Partner

2004 Director of Financial Services

2006 Board Member

2011 Chairman, KPMG FS Japan

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

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

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

Managing Officers

As of June 19, 2020

Managing Officers

* Corporate officer also serving as a director

President

Tatsuo Yasunaga*

President and Chief Executive Officer; Head of Crisis Management Headquarters

Executive Vice Presidents

Yukio Takebe*

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

Takakazu Uchida*

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

Senior Executive Managing Officers

Kenichi Hori*

Basic Materials Business Unit; Performance Materials Business Unit; Nutrition & Agriculture Business Unit; Corporate Development Business Unit; Chairman, Portfolio Management Committee

Hirotsu Fujiwara*

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

Yoshio Kometani*

Chief Digital Information Officer; Integrated Digital Strategy Division; Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II; Energy Solutions Business Unit; IT & Communication Business Unit; Chairman, Information Strategy Committee

Motoo Ono

Chief Representative of East Asia Bloc; Chairman of Mitsui & Co. (China) Ltd.

Shinsuke Kitagawa

President & CEO of Mitsui Global Strategic Studies Institute

Shinichiro Omachi*

Chief Strategy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Investment Administrative Division, Regional Business Promotion Division, Corporate Communications Division, Corporate Sustainability Division); Domestic Offices and Branches; Regional Blocs; Chairman, Sustainability Committee

Miki Yoshikawa*

Food Business Unit; Retail Business Unit; Healthcare & Service Business Unit

Executive Managing Officers

Hiroyuki Tsurugi

Chair & CEO of Mitsui & Co. (Australia) Ltd.; Chair of Mitsui & Co. (N.Z.) Ltd.

Shingo Sato

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

Osamu Toriumi

General Manager of Internal Auditing Division

Motoaki Uno

Chief Operating Officer of Asia Pacific Business Unit; CEO of Mitsui & Co. (Asia Pacific) Pte. Ltd.

Hiroshi Meguro

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

Koji Nagatomi

Country Chairperson in India; Chairperson & Director of MITSUI & CO. INDIA PVT. LTD.; Deputy Chief Operating Officer of Asia Pacific Business Unit; Director

& Chief Operating Officer of Consumer-Centric Business Development Unit, Mitsui & Co. (Asia Pacific) Pte. Ltd.

Sayu Ueno

Chief Operating Officer of Americas Business Unit; President and CEO of Mitsui & Co. (U.S.A.), Inc.

Hirohiko Miyata

Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit; Managing Director of Mitsui & Co. Europe PLC

Managing Officers

Kohei Takata

Chief Operating Officer of Nutrition & Agriculture Business Unit

Yumi Yamaguchi

Deputy Chief Strategy Officer; Deputy Chief Digital Information Officer

Reiji Fujita

President of Mitsui & Co. (Thailand), Ltd.; President of Mitsiam International, Limited

Takeo Kato

Chief Operating Officer of Performance Materials Business Unit

Yuki Kodera

Chief Operating Officer of Mineral & Metal Resources Business Unit

Yoshiki Hirabayashi

Chief Operating Officer of Retail Business Unit

Yoshiaki Takemasu

General Manager of Human Resources & General Affairs Division

Yoshimitsu Gushiken

General Manager of Finance Division

Shinichi Hori

General Manager of Osaka Office

Shinichi Kikuchihara

Chief Operating Officer of Corporate Development Business Unit

Masaharu Okubo

Chief Operating Officer of Energy Business Unit I

Motoyasu Nozaki

Chief Operating Officer of Energy Business Unit II

Masahiro Moriyasu

Chief Operating Officer of IT & Communication Business Unit

Tetsuya Daikoku

Chief Operating Officer of Mobility Business Unit I

Tatsuya Okamoto

Chief Operating Officer of Mobility Business Unit II

Yuji Mano

General Manager of Integrated Digital Strategy Division

Masato Sugahara

Chief Operating Officer of Healthcare & Service Business Unit

Kazumasa Nakai

Chief Operating Officer of Infrastructure Projects Business Unit

Tetsuya Shigeta

General Manager of Global Controller Division

Atsushi Kawase

General Manager of Financial Management & Advisory Division III

Koichi Fujita

Chief Operating Officer of Iron & Steel Products Business Unit

Yoshiyuki Enomoto

General Manager of Financial Management & Advisory Division II

Takashi Furutani

Chief Operating Officer of Basic Materials Business Unit

Yoichiro Endo

Chief Operating Officer of Food Business Unit

Takeshi Akutsu

General Manager of Corporate Planning & Strategy Division; Director of Mitsui & Co. Korea Ltd.

Makoto Sato

General Manager of Investment Administrative Division

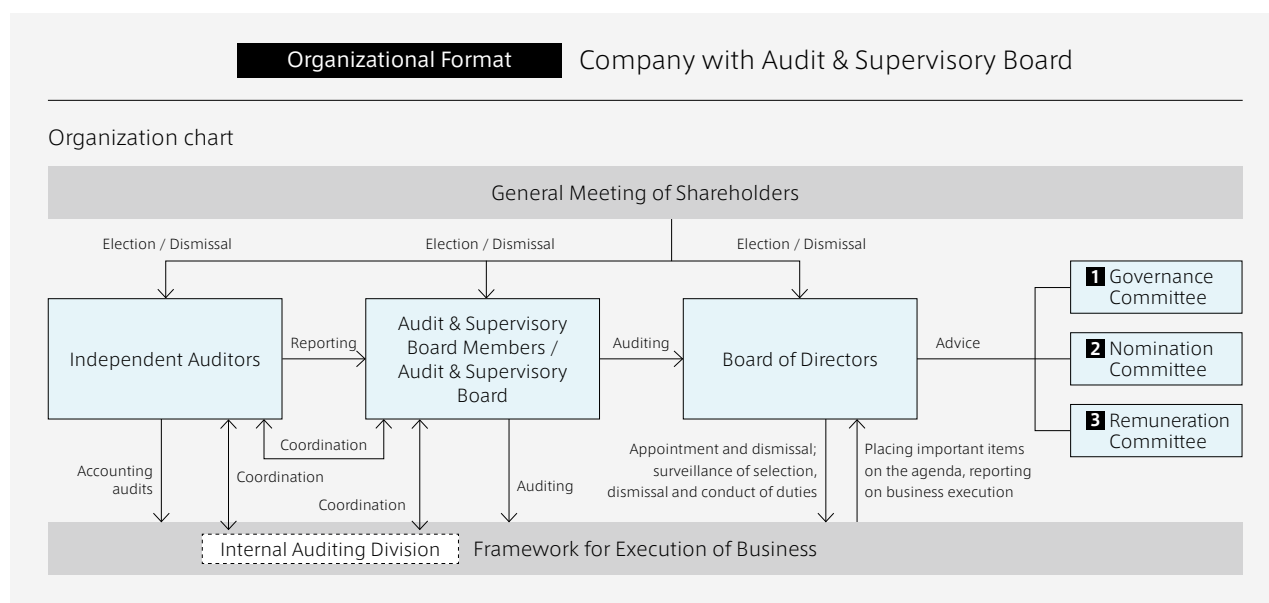
Toru Matsui

Chief Operating Officer of Energy Solutions Business Unit

Mitsui's Corporate Governance

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

Corporate Governance Framework



Directors and Audit & Supervisory Board Members

	Name	Female	Foreigner	Position at the Company	Term of Office Stipulated	Governance Committee ^{*1}	Nomination Committee ^{*1}	Remuneration Committee ^{*1}
Directors	Masami Iijima			Representative Director, Chairman of the Board of Directors	1 year ^{*3}	◎	○	
	Tatsuo Yasunaga			Representative Director, President and Chief Executive Officer		○	○	
	Yukio Takebe			Representative Director, Executive Vice President				
	Takakazu Uchida			Representative Director, Executive Vice President				○
	Kenichi Hori			Representative Director, Senior Executive Managing Officer				
	Hirotsu Fujiwara			Representative Director, Senior Executive Managing Officer				○
	Yoshio Kometani			Representative Director, Senior Executive Managing Officer				
	Shinichiro Omachi			Representative Director, Senior Executive Managing Officer		○		
	Miki Yoshikawa			Representative Director, Senior Executive Managing Officer				
	Izumi Kobayashi	○		Director (External) ^{*2}			◎	○
	Jenifer Rogers	○	○	Director (External) ^{*2}		○		
	Samuel Walsh		○	Director (External) ^{*2}		○		
	Takeshi Uchiyamada			Director (External) ^{*2}			○	
	Masako Egawa	○		Director (External) ^{*2}		○		○
Audit & Supervisory Board Members	Makoto Suzuki			Full-time Audit & Supervisory Board Member	4 years ^{*4}			
	Kimiro Shiotani			Full-time Audit & Supervisory Board Member				
	Haruka Matsuyama	○		Audit & Supervisory Board Member (External) ^{*2}		○		
	Hiroshi Ozu			Audit & Supervisory Board Member (External) ^{*2}			○	
	Kimitaka Mori			Audit & Supervisory Board Member (External) ^{*2}				◎

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

*2. Independent Director / Audit & Supervisory Board Member

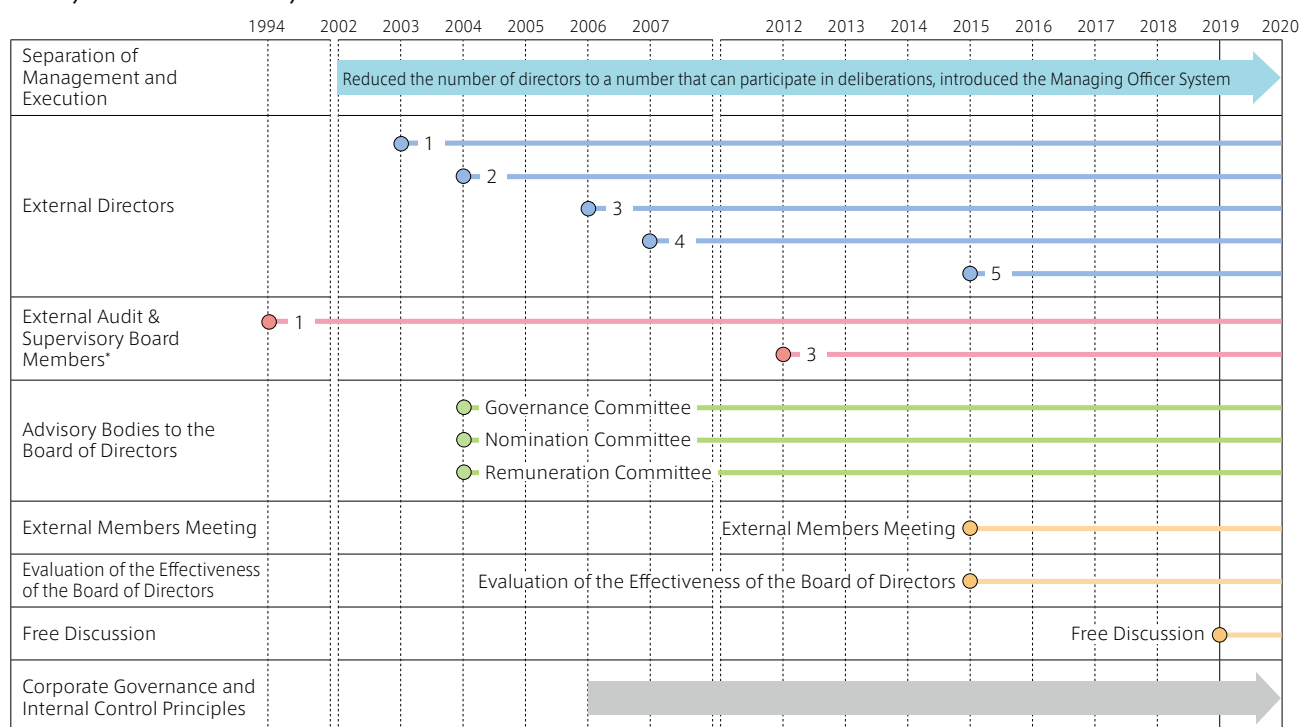
*3. The terms of Directors end at the conclusion of the ordinary General Meeting of Shareholders held in the fiscal year that ends within one year of the Director's appointment by the previous ordinary General Meeting of Shareholders.

*4. The terms of Audit & Supervisory Board Members end at the conclusion of the ordinary General Meeting of Shareholders held in the fiscal year that ends within four years of the Director's appointment by the previous ordinary General Meeting of Shareholders.

Advisory Bodies

Advisory bodies	1 Governance Committee	2 Nomination Committee	3 Remuneration Committee
Committee chair	Chairman of the Board of Directors	External member (External Director)	External member (External Audit & Supervisory Board Member)
Composition (including committee chair)	Chairman of the Board of Directors President and Chief Executive Officer 1 Internal Director 3 External Directors 1 External Audit & Supervisory Board Member	Chairman of the Board of Directors President and Chief Executive Officer 2 External Directors 1 External Audit & Supervisory Board Member	2 Internal Directors 2 External Directors 1 External Audit & Supervisory Board Member
Expected role	The Governance Committee will work to enhance management transparency and fairness and achieve sustained improvement in the Company's corporate governance by continually monitoring corporate governance and considering governance enhancement measures.	To enhance the transparency and objectivity of processes relating to the nomination of Directors and Managing Officers through the involvement of external members, and to ensure the fairness of Directors' and Managing Officers' nominations.	To enhance the transparency and objectivity of decision-making processes relating to remuneration for Directors and Managing Officers through the involvement of external members, and to ensure the fairness of remuneration for Directors and Managing Officers through ongoing monitoring.
Function	To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors, with the aim of achieving further improvement in corporate governance, and to consider the role of the Board of Directors' advisory committees, including recommendations on deliberations and discussions in meetings of the Nomination and Remuneration committees	To study the selection and dismissal standards and processes for nominating Directors and Managing Officers, establish succession plan for the President and Chief Executive Officer and other top executives, and evaluate Director nomination proposals and to deliberate on the dismissal of Directors and Managing Officers.	To study the system and decision-making process relating to remuneration and bonuses for Directors and Managing Officers, and to evaluate proposals of remuneration and bonuses for Directors and proposals for evaluation and bonuses for Managing Officers.
Meetings in the fiscal year ended March 31, 2020	3	4	4
Results in the fiscal year ended March 31, 2020	The Governance Committee carried out a discussion in relation to the Effectiveness of the Board of Directors and responded to the Practical Guidelines for Group Governance while taking into consideration the viewpoint of the external members.	The Nomination Committee discussed the composition and the balance of the Board of Directors, and carried out a review of the standards and the process for nominating and dismissing Directors and Managing Officers. The Committee confirmed that the candidates met the selection criteria of the Directors and Managing Officers, and discussed the succession plan for the post of Chief Executive Officer.	The Remuneration Committee carried out a review of the remuneration and bonus structure and determination processes for Directors and Managing Officers, and evaluated remuneration proposals.

History of the Governance System



Mitsui's Corporate Governance

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

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

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

Free discussion among all members of BOD and ASB

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

FY2019 The opinions for the evaluation of the effectiveness		Date, Venue, etc.	Agenda
		<ul style="list-style-type: none"> November 12, 2019 Off-site meeting at a training facility of the Company Free discussion attended by all members of the Board of Directors and the Audit & Supervisory Board 	<ul style="list-style-type: none"> 1. Conglomerate Management Strategies 2. Mitsui Diversity Management

Basic View on Corporate Governance

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

Business Units serve concurrently as Managing Officers and engage in business operations for the consolidated Group in a responsive and flexible manner.

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

Board of Directors

The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has maintained a number of Directors that is suitable for having substantial discussions. The tenure of Directors is one year, and Directors can be reappointed without obstruction. The Chairman is authorized to call for a meeting of the Board of Directors and to chair the meeting. His role as the Chairman of the Board of Directors of the Company chiefly involves carrying out supervision of management. He does not concurrently serve as an executive officer and he is not involved in the execution of day-to-day business operations. In addition, the Company has established the Governance Committee, the Nomination Committee, and the Remuneration Committee to serve as advisory bodies to the Board of Directors. These committees have majorities

of external members, including their chairpersons.

At Board of Directors' meetings, matters that are deliberated or reported on abide by the Company's internal regulations. In addition to matters concerning fundamental policies related to management, important business execution and matters authorized by resolutions of the General Meeting of Shareholders, the Company passes resolutions on matters determined by law and company statute. The Board of Directors also receives reports regarding matters determined by law and the status of important business operations. Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held from time to time at any time if deemed necessary. In the fiscal year ended March 31, 2020, 15 meetings were held.

Number of proposals/reports to the Board FYE March 2020

Type of Proposals/Reports	FY2020
Corporate strategy, sustainability and other matters related to governance	25
Financial results and other related matters	17
Matters related to Audit & Supervisory Board members and independent auditor (including "Key Audit Matters" update, Interim Review on the 100th Fiscal Year Audit, Internal Auditing)	7
Matters related to risk management, internal controls, and compliance	6
Matters related to human resources	3
Individual projects/matters	12
Total	70

Sustainability, internal control or risk management-related reports to the Board FYE March 2020

Agenda of the Board	Time of Meeting	Matters Reported	Relevant Risk Management Structures/Systems
Internal Control System Review	2020/4/8*	• Internal control overall	• Authority delegation system, ringi system, oversight and support by corporate staff divisions • Prior setting of position limits, monitoring by specialist units • Internal Control/Portfolio Management Committee
Sustainability related	2020/3/25	• Overall activities related to sustainability (including climate change)	• Sustainability Committee
Mitsui & Co. Group Compliance System	2019/10/30 2020/3/25	• Compliance risks	• Compliance Committee • Establishment of and compliance with Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd. • Development of internal whistleblowing system • Implementation of training and other awareness-raising activities.
Internal control evaluation report given under the Financial Instruments and Exchange Law	2019/6/20	• Internal controls relating to financial reporting	• J-SOX Committee • Self-assessment of effectiveness of internal control systems by units under assessment, and testing by independent units
Internal Auditing Div. Activity Report	2019/9/11	• Results of internal auditing	• Internal audit framework centered on Internal Auditing Div.
Mitsui & Co.'s risk exposure and controls	2019/12/18	• Credit risk (commercial claims, external loans/guarantees, term deposits) • Market risk (commodity/forex long and short positions, inventories) • Business risk (business assets, loans/guarantees to related parties, external investments) • Country risk • Operational risk	• Examination of credit lines and ringi applications and monitoring • Ringi examination of commodity/forex long and short positions, on-site inspection of inventories, etc. • Examination through ringi processes, realization of returns from investment projects and their optimization • Collection and analysis of country risk information, position monitoring by country, designation of countries for suspension of transactions, designation of special countries, formulation of country-specific policies • We have taken further steps to identify operational risk affecting individual business projects
Cyber security	2019/12/18	• Cyber security	• Technical support, human support (including security awareness activities), support to affiliated companies

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

Audit & Supervisory Board

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

A meeting of the Audit & Supervisory Board Members is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the fiscal year ended March 31, 2020, 24 meetings were held.

The main items considered and discussed at the Audit & Supervisory Board are as follows: Audit policies, audit plans and work assignments; Assessment of the Independent Auditor; Audit activities conducted by full-time Audit & Supervisory Board Members; Major issues and due process relating to matters to be

discussed at the Board of Directors' meetings; Major issues and resolutions relating to the internal control system on a Global Group basis; and Monitoring of progress on discussions between the Company and the Independent Auditor about various issues including "Key Audit Matters."

Each Audit & Supervisory Board Member has a duty to audit the following issues: (i) in the area of business auditing, execution of duties by Directors, decision-making processes at the Board of Directors and others, and the status of operation and improvement of the internal control systems, and (ii) in the area of financial auditing, the independence of the Independent Auditors, the system of financial reporting, accounting policies and processing of financial information, financial statements, reports from the Independent Auditors, and the system of corporate information disclosure.

Mitsui's Corporate Governance

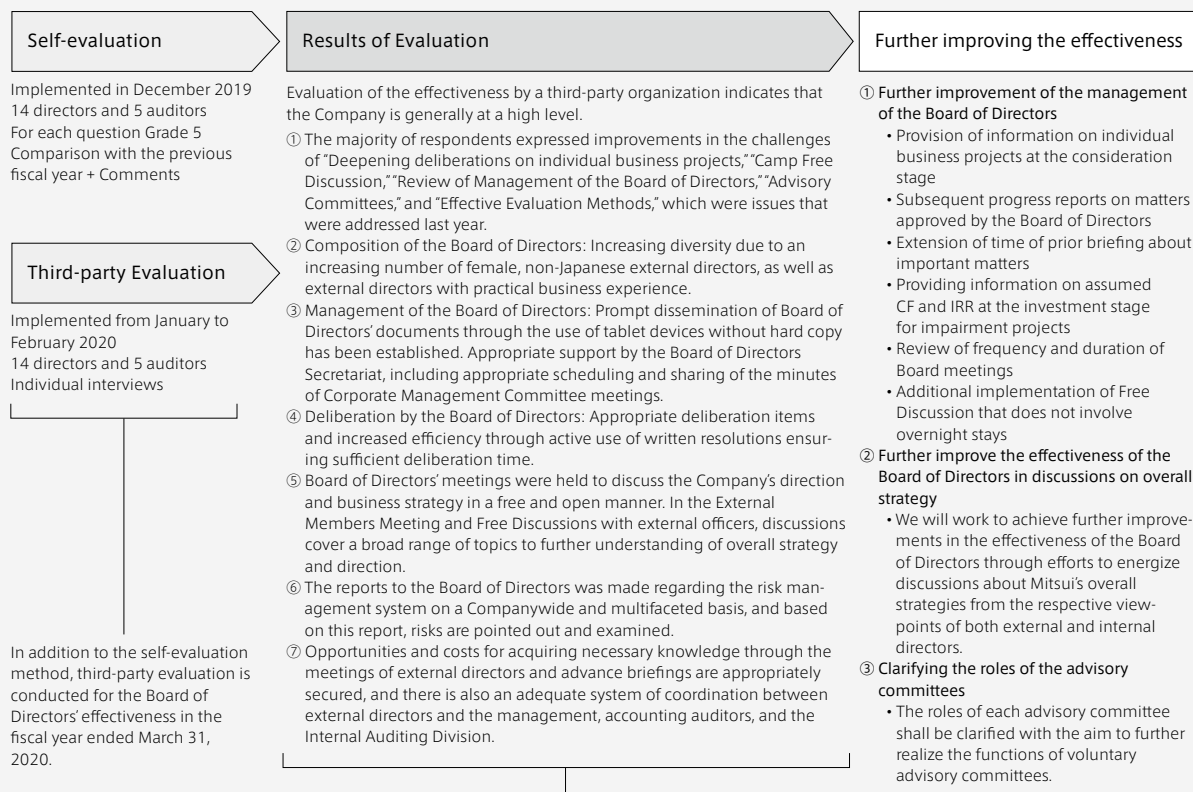
Summary of Evaluation of the Effectiveness of the Board of Directors

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

Recognition of issues based on evaluation results carried out on March 31, 2019	Initiatives	Evaluation of questionnaire carried out on March 31, 2020
Deepening deliberations on individual business projects	Clarify the strategic position of the relevant business unit. Enhancement of materials indicating the positioning of large-scale projects throughout the company and their impact on other businesses, etc.	The majority (the majority of external directors and audit & supervisory board members) positively evaluated the results. Improvement and evaluation from the previous term.
Free Discussion (FD) at Off-Site Meeting	FD at Off-site Meeting by focusing the themes on "Management Strategy as Conglomerate" and "Mitsui Diversity Management."	The majority (the majority of external directors and audit & supervisory board members) positively evaluated the results. Improvement and evaluation from the previous term.
Changes to the management of the Board of Directors	Accelerated early distribution of Board materials. Use of written resolutions to secure sufficient time for deliberations on necessary matters. Appropriate reporting of the contents of discussions at the Corporate Management Committee.	The majority (the majority of external directors and audit & supervisory board members) positively evaluated the results. Improvement and evaluation from the previous term.
Advisory committee	The activities of each advisory committee are regularly reported to the Board of Directors. Report on the action plan of each advisory committee at the Board of Directors' meeting.	The majority (the majority of external directors and audit & supervisory board members) positively evaluated the results. Improvement and evaluation from the previous term.
Effectiveness evaluation method	In addition to self-evaluation, third-party evaluation is conducted by appointing a third-party evaluation organization.	The majority (the majority of external directors and audit & supervisory board members) positively evaluated the results. Improvement and evaluation from the previous term.

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

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



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

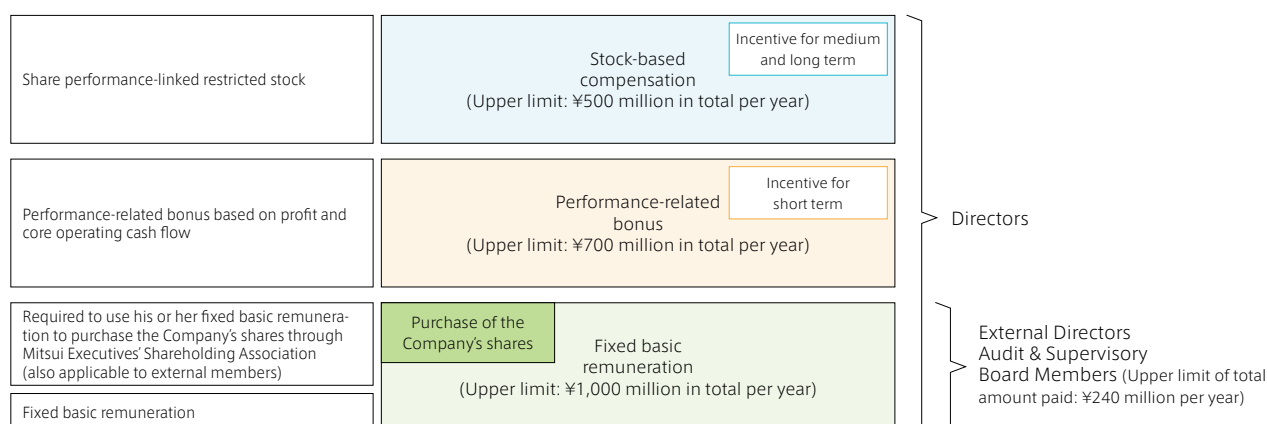
Summary of Results of Third-Party Evaluation of the Effectiveness of the Board of Directors

The third-party evaluation entailed separate interviews of all Directors and Audit & Supervisory Board Members from January through early February 2020 about the effectiveness of the Company's Board of Directors. In conclusion, it was found that the Company's governance structure is operating at a high level of effectiveness overall. Based on the interviews with all Directors and Audit & Supervisory Board Members, affirmative opinions were in the majority on the following points.

Composition	① External Directors' High level of insight and Diversity (both in terms of attributes and experience)	Attributes: Gender, Nationality, and Generation
		Experience: Management, administration, financial, legal affairs, accounting, etc.
Responsibility	② Strong commitment to Governance, compliance, and integrity	Internal Control Structure and Organizational Structure
		Formulation and thorough enforcement of Mitsui & Co. Group Conduct Guidelines "With Integrity"
Management	③ Enhancement of deliberations on individual projects	Quantitative and qualitative analysis and presentation of the position of profit and risk at the entire company and head office.
	④ Overall discussion and the design of appropriate forums	Vigorous and transparent Board discussions
		Agenda: Companywide agenda, strategic agenda, and medium- to long-term vision
		Venue: Board of Directors, External Members' Meeting, Free Discussion, Meal Session, etc.
	⑤ The chairman's proceedings based on a consensus basis	Neutral listening attitude of the chairman and active listening to the opinions of internal and external directors
		Multiple deliberations and rejection of majority voting principles
	⑥ Continuous improvement and sincere support to the Board of Directors by the Secretariat	Enhancement of preliminary briefing and continuous improvement by the Secretariat
		Sincere and diligent response to feedback from External Directors and Audit & Supervisory Board Members, etc.

Remuneration of Directors and Audit & Supervisory Board Members

Structure of Remuneration



► Remuneration of Directors

Remuneration of Directors (excluding External Directors) is determined by a resolution of the Board of Directors on the basis of deliberations by the Remuneration Committee, which is chaired by an External Director. It consists of fixed basic remuneration, a performance-related bonus based on Mitsui's key performance indicators, and stock-based compensation linked to the stock price as medium- to long-term incentive compensation. As for stock-based compensation linked to the stock price, it is provided in the form of share performance-linked restricted stock from the fiscal year ended March 31, 2020. Also, each Director (excluding External Directors) is required to purchase the Company's common shares using his or her monthly remuneration, up to ¥1 million each time, through Mitsui Executives' Shareholding Association. The appropriateness of percentages of fixed basic remuneration, a performance-related bonus, and stock-based compensation is verified each year by the Remuneration Committee, taking trends at other companies and other factors into consideration. The findings are reported to the Board of Directors. Retirement compensation is not paid to Directors.

Performance-related bonus

1 Total amount paid in bonuses

The performance-related bonus is calculated using a formula that is advised as appropriate by the Remuneration Committee and subsequently resolved at a Board of Directors' meeting. For the fiscal year ending March 31, 2021, the total amount of bonus is calculated as follows:

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

However, the total amount shall not exceed ¥700 million. If the consolidated profit for the period attributable to owners of the parent is negative, i.e., a "net loss," and/or core operating cash flow is negative, i.e., a "cash outflow," then these items are set to 0 for the calculation. Consolidated profit for the period attributable to owners of the parent and core operating cash flow are key indicators for Mitsui, and they are taken into consideration when determining the dividend policy.

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2 Amount paid as individual bonuses

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

Amount individually paid = Total amount of bonus × Position points / Sum of position points

Points by position

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

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

Chairman/President = ¥700 million × 10 points / (10 points × 2 persons + 7 points × 2 persons + 6 points × 5 persons = 64 points) = ¥109.37 million

Executive Vice President = ¥700 million × 7 / 64 points = ¥76.56 million

Senior Executive Managing Officer = ¥700 million × 6 / 64 points = ¥65.62 million

Remuneration system of share performance-linked restricted stock

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

1 Payment method

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

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

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

3 Details of share performance linkage conditions

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

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

$$\begin{aligned} \text{Number of Shares after valuation} &= \text{Number of Shares} \times \frac{\text{The Company's share price growth rate}}{\text{TOPIX growth rate} \times 150\%} \\ \text{Number of Shares after valuation} &= \text{Number of Shares} \times \frac{(A+B) \div C}{(D \div E) \times 150\%} \end{aligned}$$

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

- A: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls
B: The total dividend per share for Mitsui's ordinary shares during the valuation period
C: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls

Growth rate of Mitsui's share price = (A+B) ÷ C

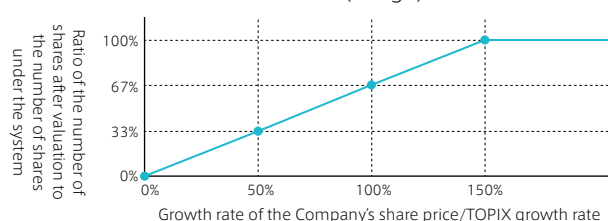
^{*2} This is the growth rate of the TOPIX during a period of three years from the date of the Board of Directors' resolution. It will be specifically calculated using the following formula.

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

TOPIX growth rate = D ÷ E

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

Number of shares after valuation (image)



4 Restriction on transfer

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

5 Lifting of the Restriction on Disposal

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

6 Grounds for acquisition without compensation (claw-back clause)

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

7 Procedures in the event of organizational restructuring, etc.

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

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

The Company's policy on the method used to calculate remuneration for Directors is decided by the Board of Directors within limits approved by resolutions at General Meetings of Shareholders. Before making decisions, the Board of Directors receives a report from the Remuneration Committee, which is chaired by an External Director, to the effect that the amounts are appropriate, based on prior deliberations by the Committee. The amounts for the fiscal year ended March 31, 2020 were determined through the following processes.

1. The basic remuneration for Directors, excluding External Directors, has been decided according to a specific formula based on the resolution of the Board of Directors on December 19, 2018, which was approved as appropriate by the Remuneration Committee. The individual amounts of basic remuneration paid to the External Directors were decided at the meeting of the Board of Directors held on April 12, 2017, based on the report of the Remuneration Committee stating that these amounts were appropriate.
2. The amounts of performance-related bonus were decided according to a formula adopted at the meeting of the Board of Directors held on April 12, 2017. After deliberating on this formula, the Remuneration Committee reported to the meeting of the Board of Directors held on April 12, 2017 that the formula was appropriate.
3. The remuneration system of share performance-linked restricted stock was decided by a resolution of the Board of Directors at a meeting held on July 3, 2019. The Remuneration Committee reported to that meeting of the Board of Directors that the number of stock options to be allocated was appropriate.

► Remuneration for External Directors

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

► Remuneration of Audit & Supervisory Board Members

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

Remuneration of Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2020

Category of position	Number of recipients ¹	(¥ million)			
		Basic remuneration	Bonus	Stock compensation	Total remuneration ²
Directors (excluding External Directors)	11	724	507	322	1,552
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	4	132	—	—	132
External Directors	6	104	—	—	104
External Audit & Supervisory Board Members	3	60	—	—	60
Total	24	1,020	507	322	1,849

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

² In addition to the above amounts, a total of ¥468 million was paid to 102 retired Directors, and ¥41 million to 12 retired Audit & Supervisory Board Members, as pensions (representing payments determined prior to the abolition of those systems).

³ Amounts less than ¥1 million are rounded off.

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External Directors / External Audit & Supervisory Board Members Selection Criteria

▶ Selection Criteria: External Directors

External Directors

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

Reasons for Appointing Each External Director

Name	Independent Director	Reasons for Appointment	Attendance at Meetings in FY2020 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 19, 2020)
Izumi Kobayashi	○	Ms. Kobayashi has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multinational development bank. She speaks out actively from diverse perspectives at the Board of Directors' meetings, making a significant contribution to deepening the discussion. In the fiscal year ended March 31, 2020, she served as a member of the Remuneration Committee, and contributed to the discussions related to the design of a remuneration system for Officers and evaluation of Officers. In addition, as chair of the Nomination Committee, she exercised strong leadership in enhancing the transparency of the procedures for the appointment of executives, including the CEO. In view of these points, we have appointed Ms. Kobayashi for another term as External Director so that she may continue to advise and supervise the Company's management.	BD (15/15) N (4/4) R (4/4) Ex (15/15)	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc.
Jenifer Rogers	○	Ms. Rogers has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as in-house counsel. She makes many useful comments concerning risk control at the Board of Directors' meetings, making a significant contribution to enhancing the supervisory function of the Board of Directors. In the fiscal year ended March 31, 2020, she served as a member of the Governance Committee, actively providing her opinions with the aim of creating a highly transparent governance system. In view of these points, we have appointed Ms. Rogers for another term as External Director so that she may continue to advise and supervise the Company's management.	BD (15/15) G (3/3) Ex (15/15)	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd. External Director, Nissan Motor Co., Ltd.
Samuel Walsh	○	Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2020, he served as a member of the Governance Committee, actively providing his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on his global corporate management experience and expertise and knowledge related to capital policy and business investment. We have appointed Mr. Walsh for another term as External Director so that he may continue to advise and supervise the Company's management.	BD (15/15) G (3/3) Ex (15/15)	Gold Corporation (Australia) Chairman of the Board
Takeshi Uchiyamada	○	Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation, which could realize a "smart mobility society" called for by today's society, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2020, he served as a member of the Nomination Committee, and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO. In view of these points, we have appointed Mr. Uchiyamada for another term as External Director so that he may continue to advise and supervise the Company's management.	BD (11/11) N (4/4) Ex (10/12)	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION JTEKT CORPORATION is an equity-accounted associated company of Toyota Motor Corporation.

Name	Independent Director	Reasons for Appointment	Attendance at Meetings in FY2020 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 19, 2020)
Masako Egawa	○	Ms. Egawa has deep insight in finance and corporate management gained through her experience of management as a director of The University of Tokyo, her many years of experience working at global financial institutions, and through her research on management and corporate governance at Japanese companies. She has also made extensive contributions to the public interest, including serving as a member of the Tax Commission, the Council for Science, Technology and Innovation, the Fiscal System Council, and the United States – Japan Conference on Cultural and Educational Interchange. Although Ms. Egawa has no direct experience participating in corporate management, we have newly appointed Ms. Egawa as External Director so that she may advise and supervise the Company's management, by utilizing the above wide-ranging experience and knowledge.	BD — G — R — Ex —	External Director, Tokio Marine Holdings, Inc. External Director, Mitsui Fudosan Co., Ltd. Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University

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

Note: An External Director who is unlikely to have conflicts of interest with general shareholders, as stipulated by the stock exchange

External Audit & Supervisory Board Members

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

Reasons for Appointing Each External Audit & Supervisory Board Member

Name	Independent Audit & Supervisory Board Member	Reasons for Appointment	Attendance at Meetings in FY2020 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 19, 2020)
Haruka Matsuyama	○	We have appointed Ms. Matsuyama on expectation she will objectively express audit opinions from an independent and neutral standpoint, with advanced insight into corporate governance and risk management cultivated through her many years of experience in legal affairs as a judge and as an attorney at law. In the fiscal year ended March 31, 2020, she served as a member of the Governance Committee, proactively voicing her opinions to contribute to the building of a transparent and objective governance structure.	BD (14/15) AS (23/24) G (3/3) Ex (13/15)	Attorney at Law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. External Director, Restar Holdings Corporation
Hiroshi Ozu	○	Mr. Ozu has been appointed on the expectation he will objectively express audit opinions from an independent and neutral standpoint, with advanced insight into governance and risk management cultivated through the many years of experience and perspective in legal affairs he has gained as a prosecutor and an attorney at law. In the fiscal year ended March 31, 2020, he served as a member of the Nomination Committee, contributing to improving the transparency of the Company's Director and Audit & Supervisory Board Member nomination process.	BD (15/15) AS (23/24) N (4/4) Ex (14/15)	Attorney at Law External Audit & Supervisory Board Member, Toyota Motor Corporation External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	○	Mr. Mori has been appointed on the expectation he will objectively express audit opinions from an independent and neutral standpoint, based on his advanced expertise in corporate accounting cultivated through his many years of experience as a certified public accountant. In the fiscal year ended March 31, 2020, he served as a member of the Remuneration Committee, contributing to discussions about examining and revising the remuneration system for Officers from an objective standpoint.	BD (15/15) AS (24/24) R (4/4) Ex (15/15)	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company

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

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

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

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

- (1) Person who is currently or was in the past 10 years an executive director, executive officer, managing officer, manager, employee, administrative officer, etc. (hereinafter referred to as "executing person") of Mitsui or Mitsui's consolidated subsidiaries
- (2) Person or the executing person of a corporation holding either directly or indirectly 10% or more of the total number of the voting rights of Mitsui
- (3) Person whose major business partner is Mitsui or Mitsui's consolidated subsidiaries (*1) or the executing person of the same
- (4) Major business partner of Mitsui or Mitsui's consolidated subsidiary (*2) or the executing person of the same
- (5) Independent auditor of Mitsui or Mitsui's consolidated subsidiary or employee, etc., of the same
- (6) Person providing professional services such as consultant, lawyer or certified public accountant who received from Mitsui monetary payment or other property benefits exceeding ¥10 million in total other than officer remuneration in the most recent fiscal year (referring to the person belonging to the organization if the one who received the relevant property is an organization such as a corporation or association)
- (7) Person or the executing person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from Mitsui or Mitsui's consolidated subsidiary in the most recent fiscal year
- (8) Person who has fallen under any of (2) to (7) above in the past three years
- (9) Spouse or relative within the second degree of kinship (hereinafter referred to as "close relatives") of the person who is currently or has been recently the important executing person of Mitsui or Mitsui's consolidated subsidiary (including Director who is not the executing person in the case of External Audit & Supervisory Board Member)
- (10) Close relatives of the person who currently falls or has fallen recently under any of (2) to (7) above (excluding the one who is not important)

*1. If the relevant business partner received from Mitsui or Mitsui's consolidated subsidiary the payment equivalent to 5% or more of its annual transaction volume (non-consolidated) in the most recent fiscal year or the relevant business partner obtained from Mitsui or Mitsui's consolidated subsidiary the money loans equivalent to 5% or more of its consolidated total assets in the most recent fiscal year, the relevant business partner is deemed to be the person whose major business partner is Mitsui or Mitsui's consolidated subsidiary.

*2. If Mitsui or Mitsui's consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui's annual consolidated transaction volume in the most recent fiscal year or the relevant business partner provided Mitsui or Mitsui's consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui's consolidated total assets, the relevant business partner is deemed to be the major business partner of Mitsui or Mitsui's consolidated subsidiary.

► Support Systems

For External Directors, before regular and extraordinary meetings of the Board of Directors, materials on the proposals are provided and advance explanations are given. For External Audit & Supervisory Board Members, company information that contributes to their auditing, including summaries of regular meetings between Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, is provided in a timely manner by the Full-time Audit & Supervisory Board Members and the staff. Advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Audit & Supervisory Board and of the Board of Directors. For external members, the Company provides personal computers and tablets (hereinafter referred to as the "External Members' PCs") and distributes materials for meetings of the Board of Directors in a timely

manner, thereby ensuring the time to review agendas. In the fiscal year ending March 31, 2021, since it is difficult and inappropriate that all Directors and Audit & Supervisory Board Members gather physically due to the spread of COVID-19, Mitsui holds the meetings of the Board of Directors and the meetings of Audit & Supervisory Board Members as remote meetings using a web conference system. Mitsui sets up a usage environment of such web conference system on the officers' PCs and provides support so that the Directors and Audit & Supervisory Board Members can discuss matters effectively even at remote meetings. The Company sets up a Board of Directors' database for use in storing information such as minutes and other materials of past meetings of the Board of Directors, and maintains a platform that enables access to such database from the officers' PCs.

► External Members Meetings

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

Agenda of External Members Meetings in FYE2020

Theme
1 Iron & Steel Products Business Unit
2 Guidance on responding to questions put to external directors at a general meeting of shareholders
3 Market Reaction, Points of Interest / Feedback on Investor Day 2019 Panel Discussion
4 Results of the Engagement Survey
5 Update of "Moon Creative Lab"
6 Reporting on the Status of Cash Flow Allocation
7 Business Environment Outlook 2020
8 Activities of Audit & Supervisory Board Members
9 Digital Transformation Activity Report
10 Track Record Verification by Analysis on Investment Case
11 Corporate Strategy (Medium-term Management Plan 2023 Formulation Framework)
12 Discussion on Evaluation of Effectiveness of the Board of Directors
13 Human Resource Development
14 Exchange of opinions and information with independent auditor
15 Individual Project Matter

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

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

Auditors, results of the internal control system assessment in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the management and improvement of the internal control systems. At the External Members Meetings, External Directors, Audit & Supervisory Board Members, and the Independent Auditors mutually exchange information and opinions regarding the policy of audits, as well as opinions about

the activities of Full-time Audit & Supervisory Board Members. Full-time Audit & Supervisory Board Members, at their discretion, hold a meeting to exchange opinions beforehand among the External Directors and External Audit & Supervisory Board Members on certain important matters to be discussed at meetings of the Board of Directors, in order to provide External Board Members with sufficient information for effective discussion at meetings of the Board of Directors.

Policy on Training for Directors and Audit & Supervisory Board Members

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

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

Policy Related to Acquisition and Holding of Cross-Shareholdings

The Company defines listed shares held for reasons other than purely for investment returns as cross-shareholdings. These are acquired and held in accordance with the following policy.

- (1) The purpose of cross-shareholdings in investees for which the equity method applies is to improve the corporate value of the investees and increase the equity method-based profit and dividends to be received through participation in the management of the investees. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) are categorized as "listed shares for general investment purposes" and regarded as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.
- (2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors reviews the meaning of and policy on holding such shares, including a verification of the rationale in relation to the Company's cost of capital, within the framework of portfolio reviews that are carried out in relation to investment assets generally, including unlisted shares. If the meaning of holding

these assets has significantly declined, a policy toward withdrawal shall be determined.

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

Independent Auditors

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

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

Internal Audits

Based on the order or approval of the President and Chief Executive Officer, the Internal Auditing Division evaluates the establishment and operational conditions of internal controls from various perspectives. These include the effectiveness and efficiency of operations, reliability in terms of financial reporting, compliance with laws and regulations, and the safeguarding of Company assets. The division also provides advice and proposals for improving the adequacy and effectiveness of risk management, control methods, and governance. The Internal Auditing Division carries out regular audits that cover the Company, overseas offices and subsidiaries, domestic subsidiaries, and other affiliated companies. Identifying the items to be audited based on risk, these audits provide an

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

Execution of Business Activities and Internal Controls

Execution of Business Activities

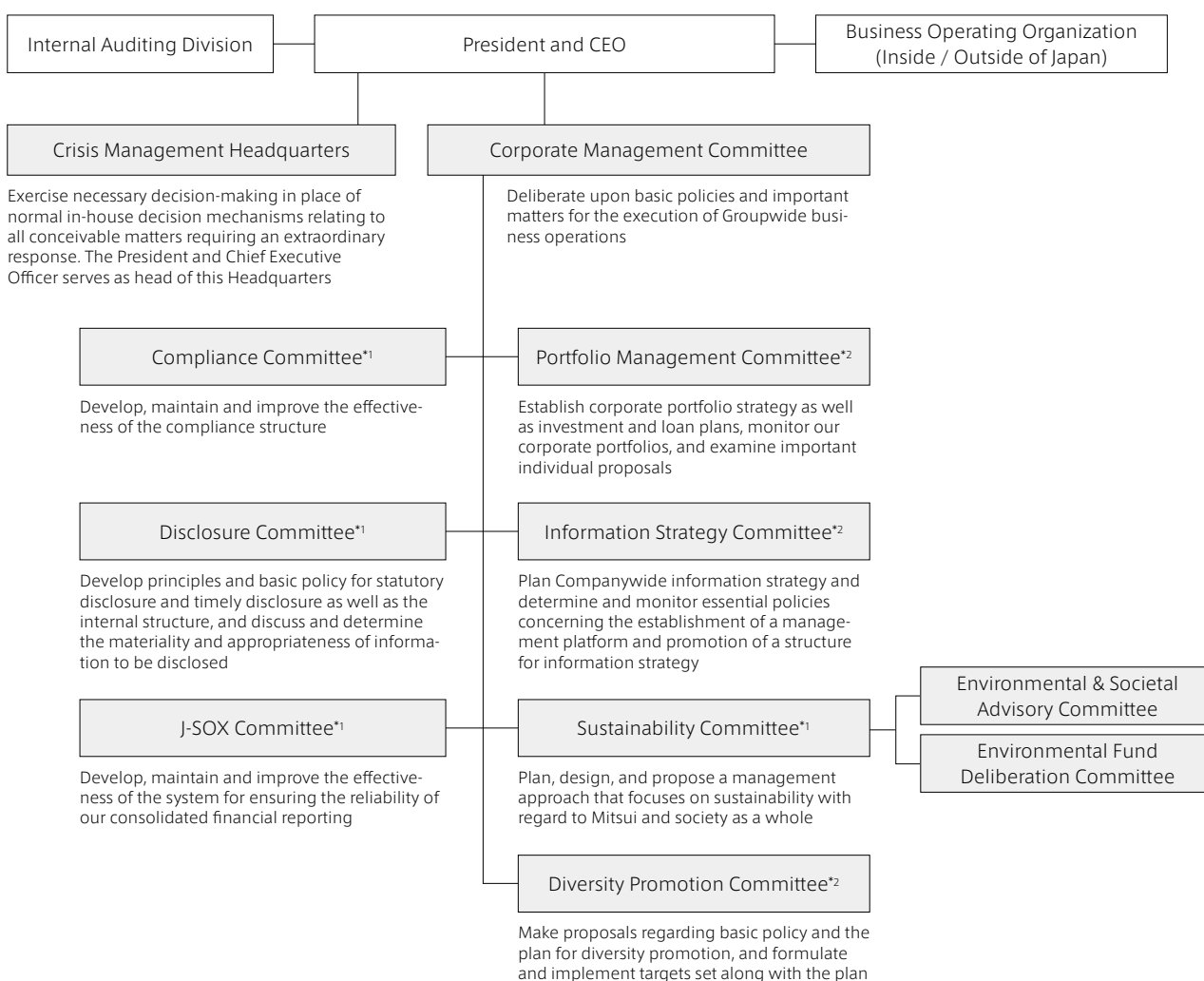
Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and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

President and Chief Executive Officer, taking into consideration discussions among the Committee members.

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

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

Framework for Internal Controls and Execution of Business Activities



*1. Sub-committees to the Corporate Management Committee

*2. Advisory bodies to the Corporate Management Committee

Internal Controls

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

► Risk Management System

Risks arising from Mitsui's business activities are monitored and managed by Chief Operating Officers of business units and regional business units within the authorization delegated to them from the Company's management. Measures taken by each business unit to manage quantitative risks include setting position limits and loss-cut limits and conducting monitoring through divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe relevant internal regulations. When a business unit or regional business unit takes on risks that are greater than the scope of authority granted to them, it is necessary to obtain approval of the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation, in accordance with the standards of the internal approval system. Furthermore, organizations such as the Portfolio Management Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop risk management structures on a Companywide basis and handle significant risks. Members of the corporate staff of each committee are responsible for surveillance of Mitsui's position regarding the risks they are in charge of overseeing, as well as the control of risks within the prescribed range of their authority and the provision of support to relevant directors and managing officers.

► Internal Controls over Financial Reporting

The Company implements the internal controls framework as stipulated in the Financial Instruments and Exchange Act of Japan. In addition to Companywide discipline, the Company has been conducting self-assessment by units subject to evaluation and testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls and business process level controls.

► Internal Controls Related to Information Systems and Information Security

The Information Strategy Committee establishes important policies related to Global Group information strategy. Further, the committee leads Mitsui's efforts to build and operate information systems, develop internal rules required for information security, and strengthen the management of risks related to information, including the risk of information leakage. The committee ensures the establishment of systems to control risk associated with information assets appropriately. Specifically, it establishes rules for process of procurement, introduction and operation of information assets; code of conduct for the system supervisory divisions regarding IT security; requirements for information risk management systems and the basics of information management; and internal rules relating to the handling of personal information required in the course of business operations as well as Cyber Security Countermeasures.

► Compliance

Mitsui has a strong belief that a sound reputation is the foundation of Mitsui's business. At Mitsui, we define compliance as complying with corporate ethics and social norms in addition to laws, regulations, and internal rules of the Company. Mitsui requires its employees and officers to act in accordance with its corporate ethics, based on its management philosophy and social norms in addition to laws and regulations as well as internal rules of the Company.

To those ends, we carry out corporate management with an emphasis on compliance. With the Chief Compliance Officer as chairperson and an external lawyer as an observer, the Compliance Committee develops Mitsui's compliance system and maintains and enhances its effectiveness. The Company has established the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.," and it also has equivalent business guidelines in place for its subsidiaries.

The Company is striving to improve observance of these guidelines through continuous monitoring and review. In addition, the Company has a total of eight whistleblowing avenues in place, including those involving an external attorney at law and a third party providing hotline services. The Company made it clear that a whistleblower would not be subject to any recrimination or detrimental treatment by the Company as a result of whistleblowing. Additionally, the Company makes sure that its domestic affiliated companies are also able to use the whistleblowing avenues (external attorneys at law and a third party providing hotline services). Mitsui's overseas offices and overseas affiliated companies also have whistleblowing systems that were put in place considering applicable local laws and regional characteristics.

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

► Specially Designated Business Management System

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

► Ensuring the Appropriateness of Operations within the Corporate Group

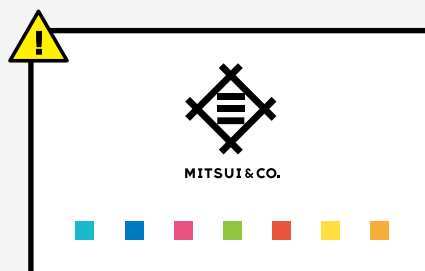
The Company has set forth the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles." In light of other laws and regulations, the Company requires its subsidiaries to develop and operate internal controls based on these principles and to the extent reasonable. For its equity-accounted investees, the Company coordinates with other equity participants and encourages the equity-accounted investees to develop and operate similar internal controls. In addition, from its officers and employees, the Company appoints supervising officers to each affiliated company and has them conduct management based on the "Rules on Delegation of Authority for Supervising Officers of Affiliated Companies."

Global Group Risk Management

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

1. In the Event of a Crisis

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

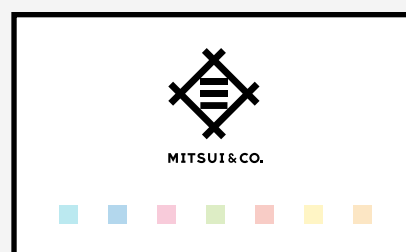


CASE Our Response to COVID-19

Mitsui set up the Emergency Management Headquarters in January 2020, centralizing the management of information, including for affiliated companies, while rapidly deciding and implementing measures to bring employees home from overseas locations, and to change work systems, including at overseas trading affiliates.

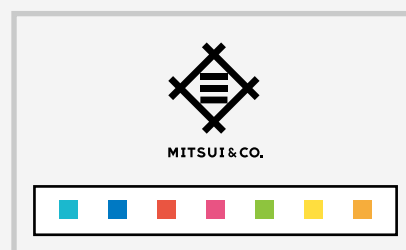
2. Companywide Risks

Centered on the Corporate Management Committee and the Portfolio Management Committee, an advisory body to the Corporate Management Committee, Mitsui has put into place a comprehensive risk management structure to integrate Groupwide risk management, while facilitating the design, establishment and development of risk management structures on a Global Groupwide level, and handle significant risks. In addition, each division of the corporate units is responsible for surveillance of all of Mitsui's positions, control within the range of their authority, and support of the relevant Directors and Managing Officers.



3. Frontline Operational Activities

Each Head Office Chief Operating Officer and Regional Chief Operating Officer manages business within the scope of the authority granted to them based on the various rules on delegation of authority, including the Rules on Delegation of Authority for Head Office Chief Operating Officers, and manages risk of loss relating to their businesses within the scope of their authority. Transactions that exceed the authority delegated to each Head Office Chief Operating Officer and Regional Chief Operating Officer require approval via Mitsui's internal approval system. In other words, approval needs to be obtained from the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation (please refer to page 113). Measures taken by each business unit to manage quantitative risks*¹ include setting position limits and loss-cut limits as well as monitoring positions by divisions with relevant expertise. For the management of qualitative risks,*² the business units are obligated to observe related internal regulations.




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

*2. Compliance risks and operational risks, etc.

Business Risks

Through its integrated risk management structure, Mitsui looks across organizational boundaries for Groupwide risks, and identifies material risks within the context of risk frequency, the scale of projected damage and Groupwide risk tolerance. We also promote a wide range of initiatives to hedge and control risks. As of March 31, 2020, Mitsui has identified the following material risks.

Importance	Risk Countermeasures	
	Risks from COVID-19 pandemic	Action Plan for the Fiscal Year Ending March 31, 2021 □□ P.52
	Business investment risk	Portfolio management □□ P.40 Risk asset monitoring, stress checks
	Country risk	Financing through export credit agencies in each country Qualitative and quantitative monitoring of state of country risk, etc.
	Risks regarding climate change (physical risk)	Insurance coverage, creation of crisis management policies, reinforcement of facilities, etc.
	Risks regarding climate change (transition risk)	Halve GHG emissions impact by 2030 (compared with 2020) to achieve net-zero emissions in 2050
	Commodity market risk	Devise and implement policies to manage risk, including setting position limits and loss limits, use commodity swaps and other derivatives to hedge against risks, etc.
	Foreign currency risk	Devise and implement policies to manage risk, including setting position limits and loss limits, use forward exchange contracts, currency swaps and other derivatives to hedge against risks, etc.
	Risk of change in price of shareholdings in listed companies	Periodically review stock portfolio
	Credit risk	Credit line management, monitoring of delinquent recovery periods, require provision of collateral as necessary
	Fund procurement risk	Financial strategy □□ P.40
	Operational risk	Examine risk mitigation measures and loss prevention measures, insurance coverage, etc.
	Compliance risk	Global Groupwide compliance structure □□ P.116
	Risk regarding information systems and information securities	Internal controls on information systems and information security □□ P.113
	Risk relating to natural disasters, terrorism, and riots	Business continuity plan (BCP) for crises, disaster contingency manuals, etc.

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

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

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

An Organization with Integrity

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

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

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

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

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



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

https://www.mitsui.com/jp/en/company/outline/governance/compliance/WithIntegrity_E.pdf

Initiatives to Build an Organization with Integrity

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

Compliance Framework

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

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

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

Compliance Programs

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



Meeting in November 2019

Fostering a “Speak Up” Culture

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

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



Human Rights and Supply Chain Management

Respect for Human Rights

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

Human Rights Due Diligence

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

Human Rights Risk Assessment Process

1. Identification of human rights risks	Establishment of screening standards with reference to indicators and tools, etc.
2. Establishment of human rights risk items	Establishment of risk items relating to human rights and labor, with reference to international norms, etc.
3. Establishment of additional priority risk management items	Establishment of supply chain risk management items as additional indicators with reference to international norms
4. Definition of risk severity	Recognition of the four categories of core labor standards defined by the ILO as priority risk items
5. Implementation of human rights risk assessments	Preparation of risk mapping, formulation of risk mitigation measures, and general understanding of risks



For details on the Human Rights Policy, please see *Sustainability Report 2020*.

Promotion of Supply Chain Management

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

Sustainable Supply Chain Policy

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

Initiatives with Suppliers

① Companywide uniform supplier communication forms

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

② Questionnaires and on-site surveys

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

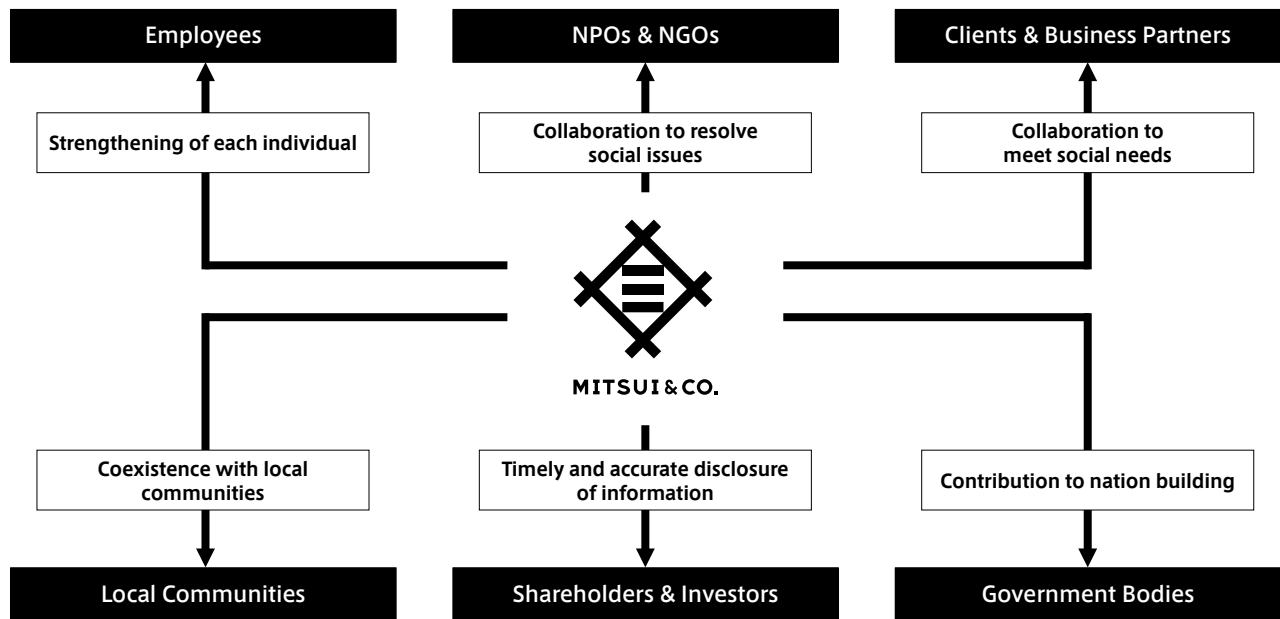


For details on the Promotion of Supply Chain Management, please see *Sustainability Report 2020*.

Stakeholder Engagement

Engagement for Business Creation

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



Timely and Accurate Disclosure of Information

Basic Approach

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

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



For more details on the Corporate Disclosure Policy, please refer to our website.
<https://www.mitsui.com/jp/en/ir/management/ethics/index.html>

Results of IR activities in the fiscal year ended March 2020

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	● Yearly Results ● 1Q Results ● 2Q Results ● 3Q Results ● Investor Day ● Integrated Report (Japanese) ● Shareholder Meeting ● Integrated Report (English)											
For individual investors				● Tokyo	● Shizuoka ● Tokyo				● Osaka ● Tokyo			● Online
For institutional investors	● U.S. IR ● Euro IR				● U.S. IR ● Asia IR			● Asia IR		● Euro IR	● U.S. IR ● Asia IR	● Asia IR online
	← Meetings: 250 →											

Participation in Initiatives

United Nations Global Compact

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



Ten Principles of the UN Global Compact

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

Sustainable Development Goals (SDGs)

Related SDGs

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Secure sustainable supply of essential products	●	●	●				●					●		●	●		
Enhance quality of life	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Create an eco-friendly society			●			●	●	●	●		●	●	●	●	●		●
Develop talent leading to value creation			●	●	●			●		●							
Build an organization with integrity			●		●					●			●			●	

Other Initiatives

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

Evaluation by Society

Major Selection and Certification (Year to March 31, 2020)

Japan Investor Relations Association's Best IR Award



Awards for Excellence in Corporate Disclosure



Dow Jones Sustainability Indices



CDP (Carbon Disclosure Project)



FTSE4Good Index Series



FTSE Blossom Japan Index



MSCI Japan Empowering Women Index (WIN)



Competitive IT Strategy Company Stock Selection



Nadeshiko Brand



Eruboshi (L Star)



Kurumin Certification



Certified Health & Productivity Management Organization Recognition Program



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Major Risk Exposure by Country and Fund Operation

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Investor Information

ESG Data Book

Environment

Greenhouse Gas (GHG) Emissions*

Unit: Thousand t-CO₂e

	2018.3	2019.3	2020.3
Scope 1	3,448	3,189	3,235
Scope 2	537	587	585
Scope 1+2	3,985	3,776	3,820
Scope 3 (Investment)	–	–	32,000

* Total figures for consolidated and non-consolidated emissions

Energy Consumption*

Unit: GJ

	2018	2019	2020
Total	11,365,043	43,439,056	42,775,480
(Breakdown)			
Fuels	5,617,840	33,551,624	30,823,685
Electricity	4,923,641	8,630,815	10,730,337
Steam, heat, cold water	823,561	1,256,617	1,221,458

* Total figures for consolidated and non-consolidated usage

Social

Human Resources Data

	2018.3	2019.3	2020.3
Non-consolidated total employees	5,859	5,772	5,676
Male (person)	4,217	4,141	4,050
Female (person)	1,642	1,631	1,626
Consolidated total employees	42,304	43,993	45,624
Male (person)	–	29,175	30,184
Female (person)	–	14,818	15,440
Proportion of managers by gender* ¹			
Male (%)	93.8	93.1	92.6
Female (%)	6.2	6.9	7.4
Average number of years of service	18.5	18.5	18.3
Monthly average overtime working hours (hours/year)	18.9	19.0	19.1
Paid leave days taken and usage ratio (%)	72.3	74.9	73.1
Employees taking childcare leave	87	74	84
Male (person)	23	29	28
Female (person)	64	45	56
Employees taking family care leave	0	4	2
Male (person)	0	2	1
Female (person)	0	2	1
Percentage of people with disabilities in Mitsui's workforce (%) ²	2.74	2.77	3.09
Number of hires by gender (new graduates)	183	160	176
Male (person)	103	104	96
Female (person)	80	56	80
Number of hires by gender (mid-career)	42	26	42
Male (person)	38	22	38
Female (person)	4	4	4

*1. Data as of July 1 of each year

*2. Data as of June 1 of each year

Breakdown of Employees (Consolidated)

(45,624, as of the end of March 2020)



■ Overseas staff 28,456
 ■ Of whom overseas managers* 4,063

* Managers under local labor law



■ Female 15,440
 ■ Of whom female managers* 1,370

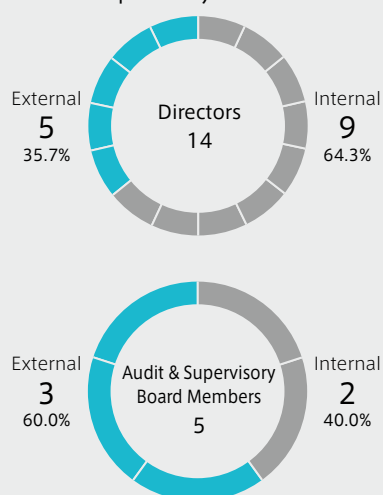
* Managers under local labor law



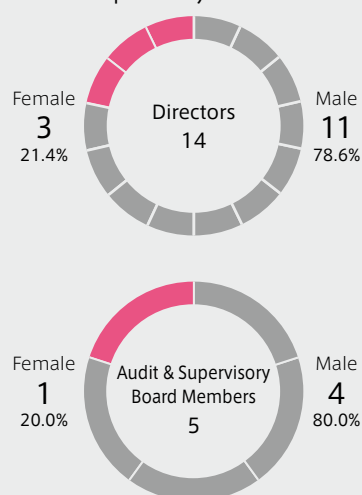
Please see Sustainability Report 2020 for details.

Governance

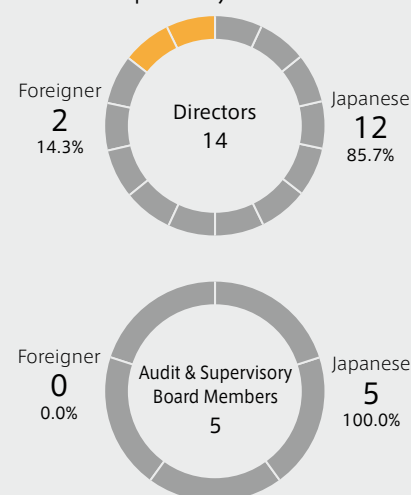
Ratio of External Directors /
Audit & Supervisory Board Members*



Ratio of Female Directors /
Audit & Supervisory Board Members*



Ratio of Foreign Directors /
Audit & Supervisory Board Members*



* As of August 2020

Number of Directors, Audit & Supervisory Board Members, and Corporate Officers

Unit: Person

	2018.3		2019.3		2020.3		2020.8	
Number of directors	14		14		14		14	
Number of external directors	5	35.71%	5	35.71%	5	35.71%	5	35.71%
Number of female directors	2	14.29%	2	14.29%	2	14.29%	3	21.43%
Number of foreign directors	2	14.29%	2	14.29%	2	14.29%	2	14.29%
External directors with extensive business experience	2	14.29%	2	14.29%	3	21.43%	3	21.43%
Number of Audit & Supervisory Board Members	5		5		5		5	
Number of External Audit & Supervisory Board Members	3	60.00%	3	60.00%	3	60.00%	3	60.00%
Number of female Audit & Supervisory Board Members	1	20.00%	1	20.00%	1	20.00%	1	20.00%
Number of foreign Audit & External Supervisory Board Members	0	0.00%	0	0.00%	0	0.00%	0	0.00%
External Audit & Supervisory Board Members with extensive business experience	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Number of corporate officers	19		19		19		19	
Number of external corporate officers	8	42.11%	8	42.11%	8	42.11%	8	42.11%
Number of female corporate officers	3	15.79%	3	15.79%	3	15.79%	4	21.05%
Number of foreign corporate officers	2	10.53%	2	10.53%	2	10.53%	2	10.53%
External corporate officers with extensive business experience	2	10.53%	2	10.53%	3	15.79%	3	15.79%

Rate of Attendance at Board of Directors' Meetings

Unit: %

	2018.3	2019.3	2020.3
Internal director attendance rates	100.00	99.31	99.26
External director attendance rates	96.00	97.50	100.00
Average attendance rates of all directors	98.46	98.66	99.52
Internal Audit & Supervisory Board Members' attendance rates	100.00	100.00	100.00
External Audit & Supervisory Board Members' attendance rates	95.56	93.75	97.78
Average attendance rates of all Audit & Supervisory Board Members	97.33	96.25	98.67
Internal corporate officers' attendance rates	100.00	99.43	99.39
External corporate officers' attendance rates	95.83	96.09	99.17
Average attendance rates of all corporate officers	98.15	98.03	99.30

10-Year Financial Data

Mitsui & Co., Ltd. and its subsidiaries
Fiscal years to March 31

U.S. GAAP

Billions of yen

	2010	2011	2012	2013	2014
Consolidated Operating Results (For the Fiscal Year):					
Revenues	4,096.4	4,679.4	5,251.6	4,911.6	5,740.7
Gross Profit	702.0	859.2	878.3	790.4	859.9
Operating Income	144.5	317.0	348.4	254.6	275.2
Equity in Earnings of Associated Companies	131.5	242.1	232.1	176.2	173.7
Net Income Attributable to Mitsui & Co., Ltd.	149.7	306.7	434.5	307.9	422.2
Consolidated Financial Position (At the Fiscal Year-End):					
Total Assets	8,369.0	8,598.1	9,011.8	10,324.6	11,001.3
Total Mitsui & Co., Ltd. Shareholders' Equity	2,230.1	2,366.2	2,641.3	3,181.8	3,586.4
Interest-bearing Debt	3,471.7	3,377.5	3,578.0	4,269.3	4,455.1
Net Interest-bearing Debt	2,055.7	1,933.9	2,142.8	2,839.4	3,224.4
Consolidated Cash Flows (For the Fiscal Year):					
Net Cash Provided by Operating Activities	632.4	504.5	381.0	461.4	521.5
Net Cash Used in Investing Activities	(180.1)	(484.0)	(438.2)	(753.3)	(704.5)
Net Cash Provided by (Used in) Financing Activities	(214.4)	33.8	57.4	221.6	(34.7)
Free Cash Flow	452.3	20.5	(57.2)	(291.9)	(183.0)
Investments and Loans	(360.0)	(690.0)	(650.0)	(960.0)	(1,010.0)
Divestitures	210.0	190.0	210.0	220.0	305.0
Net Cash Outflow	(150.0)	(500.0)	(440.0)	(740.0)	(705.0)
Financial Indicators:					
Return on Equity (ROE) (%)	7.3%	13.3%	17.4%	10.6%	12.5%
Return on Assets (ROA) (%)	1.8%	3.6%	4.9%	3.2%	4.0%
Net Debt-to-Equity Ratio (Net DER) (times)	0.92	0.82	0.81	0.89	0.90

Yen

Amounts per Share:					
Net Income Attributable to Mitsui & Co., Ltd.					
Basic	82.12	168.05	238.10	168.72	231.79
Diluted	82.11	168.05	—	—	231.78
Cash Dividends	18	47	55	43	59
Consolidated Dividend Payout Ratio (%)	21.9%	28.0%	23.1%	25.5%	25.5%
Shareholders' Equity	1,222.11	1,296.66	1,447.34	1,743.34	2,000.78
Stock Price:					
Stock Price (Closing stock price on the Tokyo Stock Exchange) (yen)	1,571	1,491	1,357	1,313	1,459
Price Earnings Ratio (PER) (times)	19.13	8.87	5.70	7.78	6.29
Price Book-Value Ratio (PBR) (times)	1.29	1.15	0.94	0.75	0.73

Notes: 1. Figures for prior years have not been reclassified in accordance with Accounting Standard Codification ("ASC") 205-20, "Presentation of Financial Statements—Discontinued Operations."

2. Operating income is comprised of "gross profit," "selling, general and administrative expenses," and "provision for doubtful receivables."

3. Per-share information is calculated based on the number of shares issued at fiscal year-end.

4. Diluted net income attributable to Mitsui & Co., Ltd. per share for the fiscal years ended March 31, 2012 and 2013 is not disclosed because there are no dilutive potential shares.

5. Price earnings ratio (PER) is calculated based on the fiscal year-end closing stock price on the Tokyo Stock Exchange divided by basic net income attributable to Mitsui & Co., Ltd. per share.

6. Price book-value ratio (PBR) is calculated based on the fiscal year-end closing stock price on the Tokyo Stock Exchange divided by shareholders' equity per share.

IFRS

	Billions of yen						Millions of U.S. dollars
	2014	2015	2016	2017	2018	2019	2020
Consolidated Operating Results (For the Fiscal Year):							
Revenue	5,731.9	5,404.9	4,759.7	4,364.0	4,892.1	6,957.5	6,885.0
Gross Profit	880.1	845.8	726.6	719.3	790.7	838.5	839.4
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	171.2	144.6	(132.0)	170.6	234.9	255.4	269.2
Profit (Loss) for the Year Attributable to Owners of the Parent	350.1	306.5	(83.4)	306.1	418.5	414.2	391.5
Consolidated Financial Position (At the Fiscal Year-End):							
Total Assets	11,491.3	12,202.9	10,910.5	11,501.0	11,306.7	11,945.8	11,806.3
Total Equity Attributable to Owners of the Parent	3,815.8	4,099.8	3,379.7	3,732.2	3,974.7	4,263.2	3,817.7
Interest-bearing Debt	4,411.1	4,793.9	4,710.5	4,801.6	4,226.9	4,625.5	4,550.5
Net Interest-bearing Debt	3,178.8	3,382.2	3,215.0	3,282.1	3,089.2	3,659.2	3,486.7
Consolidated Cash Flows (For the Fiscal Year):							
Net Cash Provided by Operating Activities	449.2	640.0	587.0	404.2	553.6	410.7	526.4
Core Operating Cash Flow	608.9	661.6	471.7	494.8	666.5	570.5	621.9
Net Cash Used in Investing Activities	(659.8)	(386.4)	(408.1)	(353.3)	(248.2)	(719.0)	(185.2)
Net Cash Provided by (Used in) Financing Activities	(13.2)	(126.2)	(50.5)	(50.3)	(652.3)	127.4	(204.6)
Free Cash Flow	(210.6)	253.6	178.9	50.9	305.4	(308.3)	341.2
Investments and Loans	—	(715.0)	(600.0)	(635.0)	(560.0)	(930.0)	(420.0)
Divestitures	—	340.0	190.0	290.0	300.0	230.0	250.0
Net Cash Outflow	—	(375.0)	(410.0)	(345.0)	(260.0)	(700.0)	(170.0)
Financial Indicators:							
Return on Equity (ROE) (%)	9.7%	7.7%	(2.2%)	8.6%	10.9%	10.1%	9.7%
Return on Assets (ROA) (%)	3.1%	2.6%	(0.7%)	2.7%	3.7%	3.5%	3.3%
Net Debt-to-Equity Ratio (Net DER) (times)	0.83	0.82	0.95	0.88	0.78	0.86	0.91

	Yen						U.S. dollars
Amounts per Share:							
Profit (Loss) for the Year Attributable to Owners of the Parent							
Basic	192.22	170.98	(46.53)	171.20	237.67	238.33	226.13
Diluted	192.21	170.95	(46.54)	171.10	237.50	238.15	225.98
Cash Dividends	59	64	64	55	70	80	80
Consolidated Dividend Payout Ratio (%)	30.7%	37.4%	—	32.1%	29.5%	33.6%	35.4%
Total Equity Attributable to Owners of the Parent	2,128.73	2,287.17	1,885.47	2,115.80	2,287.10	2,452.81	2,235.83
Stock Price:							
Stock Price (Closing stock price on the Tokyo Stock Exchange) (yen)	1,459	1,612	1,295	1,612.5	1,822.5	1,718.5	1,503.5
Price Earnings Ratio (PER) (times)	7.59	9.43	—	9.42	7.67	7.21	6.65
Price Book-Value Ratio (PBR) (times)	0.69	0.70	0.69	0.76	0.80	0.70	0.67

Notes: 1. Figures calculated in accordance with IFRS standards for investments and loans, divestitures, and net cash outflow have not been disclosed for the fiscal year ended March 31, 2014.

2. Per share information is calculated based on the number of shares issued at fiscal year-end.

3. Price earnings ratio (PER) is calculated based on the fiscal year-end closing stock price divided by basic profit (attributable to owners of the parent) per share.

4. The consolidated dividend payout ratio for 2016 was omitted due to a loss.

5. Price earnings ratio (PER) for 2016 was omitted due to a loss.

6. In adopting IFRS 15 "Revenue from Contracts with Customers" from the fiscal year ended March 31, 2019, figures for prior years have not been reclassified.

7. Price book-value ratio (PBR) is calculated based on the fiscal year-end closing stock price divided by equity attributable to owners of the parent per share.

8. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate of ¥109.00=U.S.\$1, the approximate rate of exchange on March 31, 2020.

9. The U.S. dollar amounts for cash dividends represent translations of the Japanese yen amounts at the rate in effect on the payment date.

10. From the fiscal year ended March 31, 2020, interest-bearing debt is calculated by subtracting lease liabilities from long-term debt. However, past figures have not been retroactively revised to reflect this change.

Segment Information

Mitsui & Co., Ltd. and its subsidiaries

Years ended March 31, 2016, 2017, 2018, 2019 and 2020

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

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	111,082	685,557	415,198	787,370	672,638	990,438	139,473
Gross profit	31,951	98,672	127,085	76,453	108,952	116,506	52,884
Share of profit (loss) of investments accounted for using the equity method	4,842	(204,064)	8,045	7,956	(22,257)	18,547	7,825
Profit (loss) for the year	6,328	(162,480)	18,308	17,711	(3,885)	(13,996)	16,128
EBITDA	10,945	(93,802)	29,239	30,089	210,119	9,938	12,491
Total assets at March 31, 2016	392,174	1,591,364	2,009,812	732,483	1,973,464	1,523,795	510,529

	Americas	EMEA	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	785,574	105,267	111,402	4,803,999	2,606	(46,911)	4,759,694
Gross profit	114,831	20,530	23,259	771,123	1,664	(46,165)	726,622
Share of profit (loss) of investments accounted for using the equity method	8,215	3,700	35,493	(131,698)	57	(392)	(132,033)
Profit (loss) for the year	28,301	3,474	11,552	(78,559)	7,429	(12,280)	(83,410)
EBITDA	69,371	5,262	40,850	324,502	(490)	12,406	336,418
Total assets at March 31, 2016	648,787	151,328	402,889	9,936,625	5,590,315	(4,616,429)	10,910,511

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

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	202,406	746,406	408,504	1,037,284	463,601	1,378,263	125,226
Gross profit	36,724	176,786	114,452	145,611	63,885	136,179	44,988
Share of profit (loss) of investments accounted for using the equity method	11,129	48,468	64,341	3,880	17,090	24,085	2,077
Profit (loss) for the year	10,853	144,314	66,806	32,653	31,679	25,382	10,975
Core operating cash flow	8,617	202,136	74,432	53,771	134,109	8,378	6,109
Total assets at March 31, 2017	612,632	1,962,236	2,238,142	1,175,205	1,905,252	1,723,399	611,395

	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	4,361,690	1,908	371	4,363,969
Gross profit	718,625	299	371	719,295
Share of profit (loss) of investments accounted for using the equity method	171,070	(106)	(395)	170,569
Profit (loss) for the year	322,662	(2,888)	(13,638)	306,136
Core operating cash flow	487,552	16,394	(9,100)	494,846
Total assets at March 31, 2017	10,228,261	5,798,648	(4,525,896)	11,501,013

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

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	238,240	946,369	447,088	1,186,673	534,293	1,409,378	127,326
Gross profit	41,874	206,767	121,943	136,573	96,808	139,533	45,084
Share of profit (loss) of investments accounted for using the equity method	13,349	61,806	96,525	11,318	24,544	22,842	5,040
Profit (loss) for the year	24,728	257,617	89,617	34,235	48,601	(26,340)	(4,637)
Core operating cash flow	14,179	240,829	158,846	50,174	175,282	7,118	3,061
Total assets at March 31, 2018	680,257	2,260,050	2,364,616	1,228,773	2,083,766	1,987,306	662,192

	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	4,889,367	2,782	4,892,149
Gross profit	788,582	2,123	790,705
Share of profit (loss) of investments accounted for using the equity method	235,424	(483)	234,941
Profit (loss) for the year	423,821	(5,342)	418,479
Core operating cash flow	649,489	16,998	666,487
Total assets at March 31, 2018	11,266,960	39,700	11,306,660

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

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Lifestyle	Innovation & Corporate Development
Revenue	247,383	1,055,801	707,978	904,641	1,747,400	2,125,847	163,418
Gross profit	27,237	175,602	134,030	130,743	142,791	158,867	66,716
Share of profit (loss) of investments accounted for using the equity method	16,200	59,331	40,329	87,476	12,845	29,315	11,675
Profit (loss) for the year	9,851	167,209	95,723	78,428	4,460	42,435	16,562
Core operating cash flow	5,879	181,451	219,064	73,970	29,886	24,827	20,816
Total assets at March 31, 2019	606,557	2,222,894	2,425,363	2,450,551	1,266,657	2,378,015	667,314

	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	6,952,468	5,056	6,957,524
Gross profit	835,986	2,481	838,467
Share of profit (loss) of investments accounted for using the equity method	257,171	(1,804)	255,367
Profit (loss) for the year	414,668	(453)	414,215
Core operating cash flow	555,893	14,628	570,521
Total assets at March 31, 2019	12,017,351	(71,572)	11,945,779

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

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Lifestyle	Innovation & Corporate Development
Revenue	250,090	1,075,179	893,697	911,766	1,544,220	2,018,062	185,385
Gross profit	24,554	225,966	141,537	134,182	116,757	134,924	60,099
Share of profit (loss) of investments accounted for using the equity method	13,121	59,152	45,899	87,684	11,540	34,996	16,984
Profit (loss) for the year	4,749	183,273	59,735	87,457	22,332	32,034	14,568
Core operating cash flow	2,588	244,789	221,018	95,158	38,254	37,256	8,644
Total assets at March 31, 2020	539,599	1,921,883	2,549,163	2,377,070	1,217,737	1,907,621	1,198,286

	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	6,878,399	6,634	6,885,033
Gross profit	838,019	1,404	839,423
Share of profit (loss) of investments accounted for using the equity method	269,376	(144)	269,232
Profit (loss) for the year	404,148	(12,635)	391,513
Core operating cash flow	647,707	(25,815)	621,892
Total assets at March 31, 2020	11,711,359	94,933	11,806,292

- Notes: 1. "All Other" principally consisted of the Corporate Staff Unit, which provides financing services and operations services to external customers and/or to the Company and affiliated companies. Total assets of "All Other" at fiscal-years end consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.
2. Transfers between reportable segments are made at cost plus a markup.
3. The amounts in "Adjustments and Eliminations" for Profit (Loss) for the Year Attributable to Owners of the Parent include income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. In the fiscal year ended March 31, 2015, we introduced EBITDA as a measure of underlying earnings power in addition to profit (loss) attributable to owners of the parent as a base indicator to measure performance. However, due to the fact that EBITDA includes impairment losses recorded by major equity accounted investees, we determined that core operating cash flow was a more appropriate indicator for measuring our ability to generate cash flow. Accordingly, as of the fiscal year ended March 31, 2018, we no longer use EBITDA to measure performance and instead use core operating cash flow.
5. Segment information for the fiscal year ended March 31, 2016, has not been revised and restated in relation to paragraph 29 of IFRS 8. Also, the profit and loss results for the fiscal years below have been revised and restated in statutory disclosures.
- Revisions and restatements were made for results between the fiscal year ended March 31, 2016 and the fiscal year ended March 31, 2017 to reflect the following changes.
 - In the fiscal year ended March 31, 2017, the Food Science Business was transferred from the Lifestyle Segment to the Chemicals Segment in conjunction with the establishment of the Nutrition & Agriculture Business Unit.
 - In the fiscal year ended March 31, 2017, the United Grain Corporation of Oregon, which was formerly included in the Americas Segment, was transferred to the Lifestyle Segment with the aim of optimizing the Group's global grain trading strategy.
6. In accordance with the changes below, the segment information for the fiscal year ended March 31, 2017 has been restated to conform to the presentation for the fiscal year ended March 31, 2018.
- Since the fiscal year ended March 31, 2018, the previous 10 reportable segments that include the 7 product segments of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle" and "Innovation & Corporate Development" along with the 3 regional segments of "Americas," "Europe, the Middle East and Africa" and "Asia Pacific," have been changed to the 7 reportable segments of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle" and "Innovation & Corporate Development," where the regional segments were consolidated by product segment. In addition, part of each of the regional segments have been consolidated into "All Other."
 - Previously, there was a difference between the Company's actual income taxes and the reportable segments' income taxes that were calculated using the internal tax rate, and the difference was included in "Adjustments and Eliminations." Since the fiscal year ended March 31, 2018, the internal tax rate has been made the same as the external tax rate. In addition, since the fiscal year ended March 31, 2018, the scope of allocation of expenses incurred at the Corporate Staff Unit to reportable segments was reviewed, and part of the expenses which were previously allocated to the reportable segments have been excluded from the scope of allocation.
 - Previously, the profit and loss of consolidated subsidiaries that are jointly held by numerous operating segments were allocated from the supervising to the non-supervising operating segments based on the profit share of each of the segments using the Share of Profit (Loss) of Investments Accounted for Using the Equity Method and Income for the Period Attributable to Non-controlling Interests. Since the fiscal year ended March 31, 2018, these allocations have been made based on the profit share of each of the segments in each of the accounts disclosed in the segment information to reflect the performance of the operating segments more properly.
7. In accordance with the changes below, the segment information for the fiscal year ended March 31, 2018 has been restated to conform to the current period's presentation.
- Beginning with the fiscal year ended March 31, 2019, "All Other" and "Adjustments and Eliminations," which were reported individually in prior periods, have been aggregated into "Others/Adjustments and Eliminations" as they are not material, except for Total Assets.
 - During the fiscal year ended March 31, 2019, due to implementation of the new consolidated accounting system, the elimination method of intercompany receivables and payables, which was simplified, is refined and the total assets of each segment at March 31, 2019 are more appropriately calculated as a measurement of asset size and asset efficiency.
8. Due to organizational restructuring with the aim of further strengthening our business, the materials business and real estate business, which were formerly included in the "Lifestyle" segment, have been transferred to the "Chemicals" segment and the "Innovation & Corporate Development" segment, respectively, as of the fiscal year ended March 31, 2020.
- From the fiscal year ended March 31, 2020, the order in which the reportable segments are listed has been changed.

Major Risk Exposure by Country and Fund Operation

Investments, Loans, and Guarantees (As of March 31, 2020)

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

Billions of yen

	Investments	Loans	Guarantees	Total	Hedged (ex. Insurance)	Net Position
Brazil	683.2	45.6	185.0	913.8	68.6	845.2
Malaysia	335.8	0.3	10.0	346.1	0.3	345.8
Mozambique	141.8	—	153.1	295.0	—	295.0
Chile	29.3	39.6	221.2	290.1	—	290.1
Russia	104.2	—	163.9	268.1	—	268.1
Italy	94.0	—	127.0	221.0	—	221.0
Indonesia	130.0	2.5	60.4	192.9	—	192.9
Mexico	74.7	0.5	72.8	147.9	—	147.9
China	121.0	0.7	5.5	127.3	0.3	127.0
Thailand	79.4	1.8	36.6	117.9	—	117.9
Ireland	26.5	1.0	71.3	98.8	—	98.8
India	34.1	1.6	42.0	77.7	13.1	64.6

Notes: 1. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.

2. "Hedged" represents the amounts by which credit risk is hedged by such as investment insurance and third-party guarantees.

3. "Investments" represents book value for accounting purposes on the basis of Japanese GAAP, not reflecting the effects of applying net investment hedging relationships.

4. The balance of "China" in the above table includes Hong Kong.

Trade Receivables (As of March 31, 2020)

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

Billions of yen

	Gross	Hedged (ex. Insurance)	Net Position
Brazil	27.2	0.8	26.4
Malaysia	12.8	2.2	10.6
Mozambique	0.2	—	0.2
Chile	10.8	0.6	10.2
Russia	2.1	0.1	2.0
Italy	15.0	1.9	13.1
Indonesia	23.1	0.8	22.3
Mexico	13.3	0.7	12.6
China	130.6	13.0	117.6
Thailand	27.3	2.4	24.9
Ireland	7.9	2.4	5.5
India	30.7	1.2	29.5

5. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.

6. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and Confirmed L/C.

7. The balance of "China" in the above table includes Hong Kong.

Investor Information

As of April 1, 2020

Securities Identification Code
8031

Stock Exchange Listings
Tokyo, Nagoya, Sapporo, Fukuoka

Fiscal Year
From April 1 to March 31

General Shareholders' Meeting
June

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

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

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

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

As of March 31, 2020

Unit Share
100 shares

Number of Shareholders
301,833 shareholders

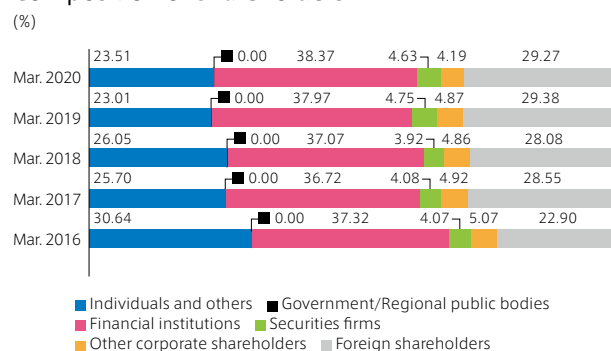
Number of Shares Issued
1,742,684,906 shares
(including 35,154,469 treasury shares)

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

Major Shareholders

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

Composition of Shareholders



Note: The figures in the above graph reflect all shareholders and shares held but exclude shareholders who own less than one trading unit.

Mission

Build brighter futures, everywhere

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

Vision

360° business innovators

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

Values

Our core values as challengers and innovators

Seize the initiative

We play a central role in driving transformation.

Thrive on diversity

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

Embrace growth

We drive our collective growth by continuously growing as individuals.

Act with integrity

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

Mitsui & Co. Group Conduct Guidelines

With Integrity

Five Key Principles








- 01** We will comply with laws and regulations, and act to the highest ethical standards. We will respect human rights and never engage in discrimination of any kind.
- 02** We will respect the individuality and diversity of every employee, and foster a culture of open-mindedness.
- 03** We will engage in fair business practices, and respond to the trust placed in us by society with good faith and sincerity.
- 04** We will place value on the global environment, and contribute to the realization of prosperity and a high quality of life for society.
- 05** We will speak up with courage when we have doubts or feel that something is wrong, for the good of the company.

Mitsui & Co., Ltd.

As of March 31, 2020

Trade Name	MITSUI & CO., LTD.
Date of Establishment	July 25, 1947
Common Stock	¥341,775,294,921
Number of Employees	The Company and subsidiaries: 45,624 Non-consolidated: 5,676
Number of Affiliated Companies for Consolidation	Subsidiaries: 283 Equity accounted investees: 223
Address	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan
	Tel: 81 (3) 3285-1111 URL: https://www.mitsui.com/jp/en/

About Reports Issued by the Company

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