

Corporate Management Philosophy (MVV)

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.

CEO Message



Kenichi Hori
President and
Chief Executive Officer

Mission, Vision, Values

“Build brighter futures, everywhere.”—Mitsui & Co.’s mission statement is simple, yet clearly expresses the very essence of why we are here and the goals that we want to accomplish through our business activities. Our raison d’etre is to contribute to society on the global stage, and to effectively serve society, business continuity is vital. To ensure that, we apply a long-term vision to contribute to the solution of societal issues through business activities and pursue the sustainable growth of Mitsui.

Our vision — 360° business innovators — perfectly encapsulates Mitsui’s DNA of “Challenge and Innovation”. The “360°” part symbolizes that our business is conducted on the global stage in all corners of the world and that it is highly diverse, both key to our commitment to create value across multiple sectors. The COVID-19 crisis has required behavioral transformation of both individuals and businesses, and a rapid surge in people’s attention to the sustainability of society, especially in relation to climate change, is evident. For Mitsui to be of invaluable service provider to society in a sustainable manner, we expect our employees around the world, both as individuals and teams, to be independent thinkers, to judge situations for themselves and to be capable of translating their ideas into actions.

Mitsui utilizes a matrix organization structured along with business and regional axes. Leveraging this global network, we have successfully harnessed the global recovery trend from the COVID-19 crisis

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ahead of others, and we are determined to enhance this advantage still further. In this regard, too, it is important that our individual employees, who are professionals in industries, products, and regions, remain focused on our four values and embody the spirit of “Challenge and Innovation” in the course of fulfilling their responsibilities autonomously and demonstrating teamwork. Bearing this in mind, we will drive ourselves toward the common goal of sustained growth as a corporate group.

Financial Results for FYE March 2021

The global COVID-19 pandemic triggered drastic changes in our business environment in FYE March 2021. In the first half of the fiscal year, we put priority on the safety of employees and other stakeholders, the continuity of existing businesses, and the minimization of impact from the pandemic, as well as focusing on cost reduction in all business areas to maintain and enhance our competitiveness.

We also moved swiftly to restructure our portfolios in Mineral & Metal Resources, Energy, and Machinery & Infrastructure, the three segments that saw particularly significant changes in the business environment. These efforts have already seen some results, including the sale of our equity in the Caserones copper mine, agreements on the sale of the Moatize coal mine, the Nacala Corridor railroad and the related port infrastructure business, and the acquisition of an additional interest in the Collahuasi copper mine. Also, even under the COVID-19 crisis, we made steady progress on new projects, including the execution of a final

investment decision for the development of a gas field in Western Australia and the start-up of new facilities in the IPP sector. In the retail, apparel, and ICT areas, we strengthened our downside resilience by restructuring existing businesses, including the integration of subsidiaries and the exploration of opportunities for mergers with other companies. In addition, we worked to improve efficiency, reduce costs, and create new businesses by embracing DX.

In addition to these initiatives, our efforts to ensure the reliable supply of resources, raw materials, services, and other essential items have manifested in solid contributions to our earnings. Also, we have steadily captured the upside of the recovering economic trends which have emerged in various regions and industries in the second half of the fiscal year. As a result, in the financial results for FYE March 2021, we exceeded our plan with core operating cash flow of ¥658.1 billion and profit for the year of ¥335.5 billion, demonstrating our robust business performance.

Business Plan and Key Initiatives for FYE March 2022

In FYE March 2022, we aim to achieve core operating cash flow of ¥680 billion and profit for the year of ¥460 billion by capitalizing on the recovery of the world economy, bolstering our earnings base further, and steadily implementing our growth strategies.* We are determined to reach the initial quantitative targets in the Medium-term Management Plan 2023 ahead of schedule and to aim even higher.

Digitalization, diversification of consumer behavior, rising environmental awareness, and other factors are accelerating change in people’s values. However, our basic policies set forth in the Medium-term Management Plan 2023 remain unchanged. Mitsui has built powerful business portfolios during its long history. Our focus in this period of rapid change is to transform these portfolios ahead of the times, so that we can continue to provide effective solutions to increasingly complex societal issues on a global scale.

We will also continue to take steps to improve the profitability of our existing businesses by enhancing business management capabilities. We adopted return on invested capital (ROIC) as an internal management indicator starting from the current Medium-term Management Plan. This has helped us to accurately ascertain the situation in each business domain as part of portfolio management, while also raising awareness of capital efficiency at business unit frontlines. Our determined approach to identify business issues accurately and to take timely countermeasures is being implemented across the entire company. These efforts have led to tangible improvements in our performance in many areas, including infrastructure, mobility, chemicals, lifestyles, and corporate development.

Looking ahead to the post-COVID world, we definitely see ample growth opportunities on the periphery of our current areas of strength. In addition to further strengthening our existing core businesses, we will also create organic networks of peripheral businesses, and establish multifaceted business clusters. Furthermore, we also envision

*These are quantitative targets for FYE March 2022 released in April 2021. For the latest forecast, please refer to the investors section of our website.

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generating a number of such high-quality business clusters spanning multiple industries to reinvent and expand our business portfolios. Going beyond the earnings improvement of a business on its own, we will pursue expansive value creation brought out by building business clusters on a significant scale and fostering synergies among those clusters.

One of the Strategic Focus areas identified as a priority under the current Medium-term Management Plan is Energy Solutions. Our policy is to strongly pursue an energy transition that utilizes Mitsui's unique strengths. We will respond to the accelerating global trend toward decarbonization by reducing our reliance on coal and moving forward steadily with ongoing development projects in LNG, which will also provide additional revenue. We will also prepare for the future by leveraging the relationships that we have built with gas-producing countries and customers through our LNG business, as well as our initiatives in raw material areas, to drive a transition to next-generation energy sources, such as hydrogen and ammonia. In addition, we will pursue composite value in new downstream areas based on combinations of renewable energy power generation, electricity trading, battery solutions, and energy management. We will also draw on our expertise fostered through the E&P business to promote projects in the area of CCUS (Carbon Capture, Utilization, and Storage) and pursue its deployment in geothermal energy generation. These multilateral initiatives and synergies generated by cross-industrial collaboration will fuel our pursuit of solutions to the urgent and



increasingly complex global issue of energy transition.

Our second Strategic Focus area is Healthcare and Nutrition. In this area, too, we will take a cross-sector approach to value creation. We aim to use the flagship healthcare platform that we have built in Asia as a pivotal foundation for the organic integration of healthcare services, such as medical treatment and health checks, as well as peripheral domains including disease prevention and nutrition, leading to the creation of a global wellness business that provides contact points with increasingly health-conscious consumers today. In particular, we have our eyes on the power of

healthcare data and its substantial potential for business value enhancement in the coming years. Utilizing data on vast numbers of patients will enhance operational efficiency in IHH and will enable to actively pursue the development of business dedicated to the wellness of people. By promoting orchestrated business initiatives across multiple organizations, such as the Wellness Business Unit, the Nutrition & Agriculture Business Unit, and the ICT Business Unit, we will grow our business clusters in the wellness field into the heart of our business portfolio, which will drive the long-term development of the company. At the same time, we will restructure our portfolios to enhance

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our cashflow streams.

In our third Strategic Focus area, Market Asia, initiatives in the current year included subscription to ¥100 billion convertible bonds of the PT CT Corpora, the holding company of CT Corp, an Indonesian conglomerate, which has multilayered contact points with consumers through its business operations in Indonesia. We decided to take this course with the aim of capturing the growth of consumer markets in Asia, where the population bonus is amplifying the middle-class segments. CT Corp's robust business base will provide us with a firm foothold to achieve this aim. We have seconded some Mitsui personnel and plan to introduce products and services from Japan, as well as Europe and America, to Indonesia. We will work hand in hand with CT Corp to build a consumer ecosystem in the country, and we believe these activities will help Indonesians to enjoy enriched lifestyles and thereby improve the corporate value of CT Corp, for which we also have the listing in sight.

In our entire business, especially in the aforementioned Strategic Focus areas of Energy Solutions, Healthcare and Nutrition, and Market Asia together with the CT Corp, digital technology will play an increasingly significant role. Mitsui has a wide variety of business frontlines around the world, and we are working to enhance competitiveness through streamlining and cost reduction by bringing digital solutions to those frontlines. We will also take up the challenge of creating new business based on the use of digital technology as part of our commitment to endless innovation through digital transformation.

Shareholder Returns

Backed by the confidence we gained through a rise of the cash flow baseline, we have decided on a dividend increase for FYE March 2021. We also decided to raise the dividend floor for FYE March 2022 and March 2023. Meanwhile, since the expansion of our current cash flow generation capacity is attributable not only to a sustained improvement in our core earning power, but also greatly to rising commodity prices, we allocated part of the resulting surplus to share buybacks.

There has been no change in our policy on shareholder returns, which calls for the dividend to be set according to the stably achievable level of core operating cash flow, and for any additional upside, such as rises in market prices, to be allocated to share buyback schemes. In this way, we will continue to allocate funds flexibly and strategically to growth investment and additional shareholder returns. We are also on track for an increase in the dividend payout ratio of core operating cash flow, from a three-year average of 28% under the previous Medium-term Management Plan, to 33% under the current Plan. In addition, we will carefully monitor our cash flow generation capacity per share from the viewpoint of capital efficiency.

Sustainability Management

As touched upon at the start of this message, social change is accelerating as a result of the COVID-19 crisis, and action on sustainability, especially in relation to climate change, has become an urgent

global priority. As a member of the business community with global business operations, we fully recognize the need to mobilize all our forces toward the creation of a sustainable society.

We will continue to work actively against climate change. To achieve the greenhouse gas reduction target that we announced in May 2020, we will waste no time in building portfolios with an emphasis on decarbonization. We will tackle the reduction of our own emissions, through the restructuring of coal-fired thermal power portfolio and other means, while maintaining economic viability. Further, making full use of our functions as a global trading company, we will collaborate with our diverse stakeholders to contribute to the reduction of greenhouse gas emissions on a global scale. In this field as well, concerted efforts across related units, including Energy, Chemicals, and Mobility, along with the sophisticated use of digital technology, will further the development of business contributing to emission reduction that can only be achieved by mobilizing Mitsui's unique capabilities.

We will also work actively to embody a circular economy that pursues both economic growth and the reduction of environmental footprints at the same time. We will do this by reducing resource and energy inputs and waste outputs through the recirculation of resources and products at various stages of our economic activities, and by creating added value through such processes.

In step with the heightened awareness toward business and human rights, we will optimize our supply chains from upstream to downstream levels, including procurement, production, and logistics, to

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contribute to the sustainable supply of resources, energy, raw materials, food, and manufactured goods. To clarify our approach to human rights in relation to our business activities, we formulated the Human Rights Policy in August 2020. Under this policy, we will work to ensure regulatory compliance, respect for human rights, industrial safety and health management, the prevention of negative impacts on local communities, and the reduction of environmental footprints throughout our entire supply chains.

The world faces increasingly complex issues, including climate change and resource depletion, and we will navigate our business by incorporating invaluable insights gained from dialogue with various stakeholders, including customers, partners, shareholders, local communities, and local governments.

Human Resources

The COVID-19 pandemic has triggered accelerating changes in the business environment while hindering communications, including travel. Our business management in this environment brought to the fore the importance of human resources, especially management-level staff, capable of sound, independent decisions. This applies to our business operations around the world. I am also reassured to see that Mitsui has large numbers of such talented people. We cannot compete globally unless each employee is driven to think independently and act swiftly in the course of their day-to-day frontline work. I believe that when

people take their own initiatives to drive business forward, it will hone their capability to put things into action and their confidence in their own judgment, and they will truly grow through the accumulation of such experiences. Fortunately, we have countless locations around the world where people can gain this kind of frontline experience, and we will continue to elevate the level of our human resources pool by training such independent thinkers.

As indicated by one of Mitsui's values, "thrive on diversity," it is extremely important, from the viewpoint of new value creation, that our teams include people from diverse backgrounds. In addition to the benefits of access to a wide variety of points of view, a rich variety of experience, perspectives, and backgrounds can play a vital role when unforeseen situations arise. Teams blessed with diversity will be able to generate effective and multidimensional countermeasures. The rise of the COVID-19 crisis has made the importance and urgency of efforts to build diversity even more apparent. We will accelerate our specific actions to turn diversity into a real source of strength, including support for global talent management and career development, and the creation of new career paths for people with advanced specialist skills.

Building Brighter Futures, Everywhere

The COVID-19 crisis has triggered major changes in the business environment surrounding the company, including an accelerating transition to a

digital world, diversification of consumer behavior, and mounting awareness of the environment globally. This era of rapid change and the turbulent years to come urge us to transform our portfolios to meet the needs of the times or in anticipation of future changes, and the situation also presents us with an opportunity to raise our presence in the global business community and lead society toward brighter futures with our provision of effective solutions to the world's complex issues. I believe that the companies that earn respect in the global business community are fully aware that the significance of their existence is defined by the creation of business that contributes to society, and they are committed to undertake continual self-reform in order to keep thriving. My management approach is guided by my perception that Mitsui will always live up to these standards and perform our job responsibly.

We will continue to pursue teamwork across the entire group toward value creation on a global basis. There are kinds of solutions and value creation that only Mitsui, with its global networks and channels with a wide range of industries, can accomplish. We will do our utmost to provide solutions for increasingly complex global issues, and we remain committed to our mission to "build brighter futures, everywhere" in collaboration with our customers, partners, local communities, and other stakeholders.

August 2021

Kenichi Hori

President and Chief Executive Officer