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Gate **2 Strategic Edge**

CFO Message



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

Financial Results for Fiscal Year Ended March 2021

Looking back on the business environment of the fiscal year ended March 2021, in the early months of the fiscal year, the spread of the global COVID-19 pandemic caused a dramatic downturn in economic activity in most countries. However, the world economy as a whole rallied later in the period, thanks to strenuous efforts to resume economic activity, as well as large-scale fiscal outlays and monetary measures in the United States and other major countries. Recovery trends also emerged relatively early in stock markets and commodity markets.

Against the backdrop of these circumstances, recovery of Mitsui's business performance accelerated, especially in the second half of the fiscal year. Core operating cash flow increased by ¥97.1 billion over the previous year's level to ¥658.1 billion. This increase reflects a firm price trend in the iron ore business, trading of raw materials, foods, and other items that contributed to the stable supply of daily necessities to keep essential businesses up and running, FVTPL gains achieved by capturing the stock market recovery, and contributions from other business areas, such as digital security. We were able to deliver the solid results that are indicative of our robust cash generation capacity. While we were able to alleviate the impact of the pandemic, given the degree of negative effects anticipated at the start of the year, the net income attributable to owners of the parent declined by ¥56.0 billion year on year to ¥335.5 billion. This was due in part to one-time losses

CFO Message

resulting from the business revaluation, mainly in the Mineral & Metal Resources, Energy, and Machinery & Infrastructure segments, and ROE turned out to be 8.0%.

The strong core operating cash flow enabled us to increase the dividend by ¥5, compared to the initial forecast, to ¥85 per share. We also brought forward additional shareholder returns through share buybacks providing for maximum purchases of ¥50 billion in February 2021. This brought total shareholder returns in FYE March 2021 to approximately ¥210 billion (total shareholder returns as a percentage of core operating cash flow at approximately 31%).

Evolution of Our Financial Strategy and Portfolio Management

We aim to execute growth strategies while simultaneously maintaining and strengthening our financial base. To achieve this, we will work under our cash flow allocation framework to allocate core operating cash flow from our business activities and funds from asset recycling in ways that provide a good balance between growth investment and shareholder returns.

FYE March 2021 was the first year of Medium-term Management Plan 2023. Cash in during the consolidated accounting period amounted to approximately ¥805 billion, consisting of about ¥660 billion in core operating cash flow and ¥145 billion from asset recycling. Meanwhile, because of stringent selection of investment and loan projects and comprehensive cost-cutting efforts for existing business, investments and loans totaled only about

¥445 billion. The addition of total shareholder returns of ¥210 billion brought cash out to approximately ¥655 billion. As a result, free cash flow after shareholder returns was approximately ¥150 billion in surplus.

Next, I would like to explain the cumulative cash flow allocations for the current three-year Medium-term Management Plan period, which has been updated to reflect our performance in FYE March 2021 and the future outlook. Cash in is expected to expand, reflecting mainly the increase in core operating cash flow, while total investment and loans, which consist primarily of post-FID investment and the maintenance of existing business, are unlikely to exceed ¥1.5 trillion, given further scrutiny after factoring in cost overhaul in capital investment and certainty of investment

execution. This means that we will have additional funds available for allocation to growth investment and shareholder returns.

When the current Medium-term Management Plan was announced, prioritizing dividend stability and continuity, we set the minimum annual dividend at ¥80 per share. However, now that we are confident of the steady improvement of the core operating cash flow level, we have increased the annual dividend to ¥85 in FYE March 2021 and will lift the minimum annual dividend for FYE March 2022 and 2023 to ¥90 per share. This will result in a further allocation of ¥40 billion for dividend. Also, part of the cash flow generated by rising commodity prices is being allocated to share buybacks, and as a result, we have already purchased shares worth ¥140 billion during the

Cash Flow Allocation Results for the Fiscal Year Ended March 2021

(Unit: ¥billion)

		FY Mar/2021	Main projects
Cash-In	Core Operating Cash Flow	660.0	
	Asset Recycling	145.0	[Machinery & Infrastructure] Sale of North American power generation business [Chemicals] Sale of San-ei Sucrochemical [Mineral & Metal Resources] Sale of Caserones copper mine [Lifestyle] Sale of Fuji Pharma
Cash-Out	Investment and Loans	-445.0	[Energy] LNG project under development, oil and gas production business [Corporate/ Innovation & Corporate Development] Integrated block development of Otemachi One Project [Mineral & Metal Resources] Iron ore operations in Australia, coal operations in Australia, additional acquisition of interests in Collahuasi [Machinery & Infrastructure/ Energy] Power generation businesses
	Share buybacks	-65.0	
	Dividend	-145.0	

CFO Message

period of the current Medium-term Management Plan. On the other hand, we have allocated ¥150 billion to growth investment, including the subscription to convertible bonds of the holding company of CT Corp. announced in April, 2021.

We will continue to allocate funds flexibly and strategically to growth investment and additional shareholder returns, based on holistic assessments of investment opportunities and the business environment. Under our policy on shareholder returns, we will increase the dividend payout ratio from a three-year average of 28% of core operating cash flow in the previous Medium-term Management Plan period to around 33% under the current plan.

Improvement of Capital Efficiency through the Introduction of ROIC

Starting with the current Medium-term Management Plan, we have adopted return on

invested capital (ROIC) as an internal management indicator focused toward the profitability enhancement of our existing business. We are working to achieve sustained improvement by continually monitoring capital efficiency of each business unit and its responsible business domain.

Previously, we had no integrated capital efficiency indicator that could be used as a frontline target in business units. As such, there was a tendency to pursue only core operating cash flow and profit for the year, which are indicators of flows at each frontline. As a result, priority was given to the execution of new investments and the accumulation of assets, with the aim of building up the figures of flow indicators in the short term, and there were cases in which persistent efforts to improve the profitability of existing business were insufficient.

Even before the abovementioned introduction of ROIC, business intelligence tools were being developed to monitor the ROIC of individual business units and business domains, and related

corporate units have supported the formulation of measures to analyze and improve the ROIC of business units. Measures to raise the capital efficiency were also discussed at Strategy Meeting sessions between management and business unit COOs.

Although FYE March 2021 was the first year in which ROIC was applied, and despite the need to allocate substantial resources for COVID-19 responses, an increase in frontline awareness of capital efficiency was evident, and a variety of constructive initiatives have been launched. Starting in FYE March 2022, we will further enhance the effectiveness of ROIC as an internal management indicator by using it as a KPI for business performance evaluation of individual business units. At the same time, the Portfolio Management Committee will monitor progress in each business domain using a quadrant matrix with the ROIC level in the horizontal axis and future growth potential in the vertical axis. Through activities such as these, we will drive company-wide efforts to improve capital efficiency and ROE.

Update on cash flow allocation (FY Mar/2021 – FY Mar/2023)

(Unit: ¥billion)

		Announced May 2020	Forecast as of April 2021		Allocation
Cash-In	Core Operating Cash Flow	1,500.0	2,000.0		Growth investments 150.0
	Asset Recycling	900.0	650.0 - 750.0		
Cash-Out	Post-FID investment, maintenance CAPEX	1,500.0 - 1,700.0	1,500.0		Share buybacks 140.0
	Growth investments (Strategic Focus/new)	300.0 - 500.0	750.0 - 850.0		
	Share buybacks + additional dividend	Management allocation			Dividend increase 40.0
	Dividend (minimum)	400.0	400.0 → 440.0		

CFO Message

Optimizing Existing Business and Improving Profitability

Our business results and ROE for individual fiscal years are inevitably influenced to some extent by commodity price fluctuations. However, we have bolstered our downside resilience to commodity price fluctuations through portfolio reforms and diligent measures geared at enhancing the earning

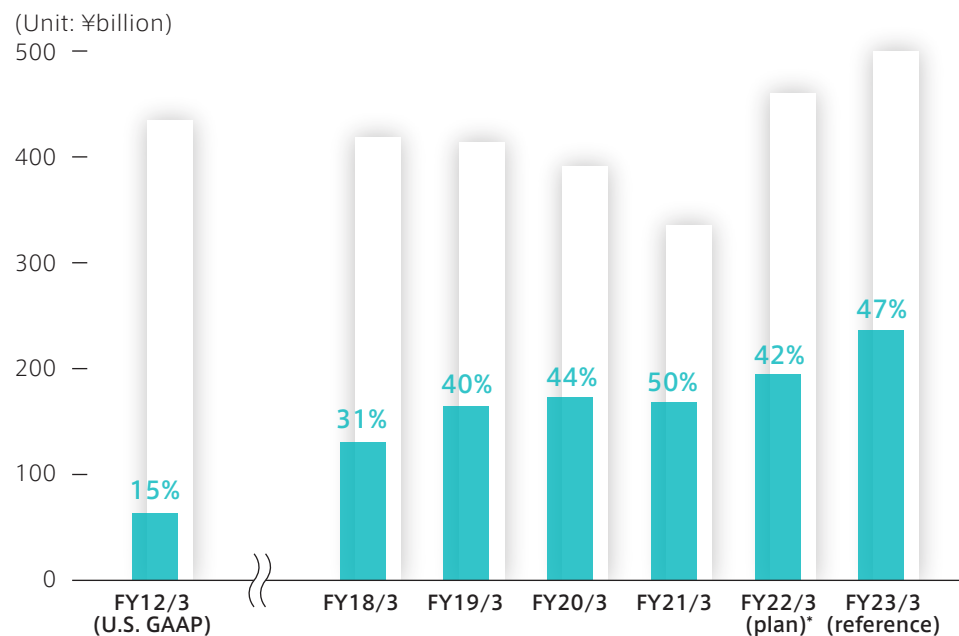
capacity of existing businesses. We have also made steady improvement in the level of earnings from business areas that are less vulnerable to market price trends.

The graph below shows trends in total net profit when earnings from upstream businesses in the Mineral & Metal Resources and Energy segments are deducted from the financial results of major affiliated companies, which were released as data book in our announcement of the financial results.

In FYE March 2012, when we recorded our highest-ever profit of ¥434.5 billion (US-GAAP basis), the contribution to group-wide profit was 15%. Today, the contribution has risen by around ¥100 billion in absolute terms, or 40-50% of the total.

We will continue to target further expansion of stable income streams that are resilient to economic fluctuations, while also building a robust business portfolio that will allow us to capture the upside when market prices rise.

Financial Results of Major Affiliated Companies with Upstream Businesses Deducted



* Based on FY Mar/2022 Business Plan released in April 2021

■ Financial results of major affiliated companies with upstream businesses deducted
□ Group-wide profit for period

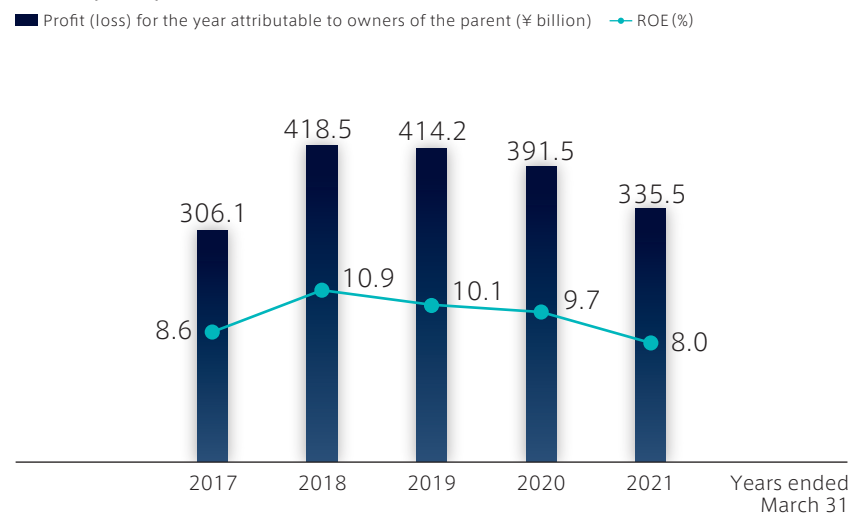
The Current Management Environment and Our Medium-term Initiatives

Several months into FYE March 2022, commodity prices are still trending strongly, thanks to the continuing recovery in demand and a surge in production activity in anticipation of a return to normal after the COVID-19 crisis. The world economy is expected to follow a continuing recovery trend, albeit with some regional variation. We endeavor to drive further growth in our financial performance, while carefully monitoring US monetary policy, risk asset trends, and other factors. Finally, we will accelerate initiatives in key areas identified as our Strategic Focus under the Medium-term Management Plan for the maintenance and enhancement of profitability, while drawing a path for medium- to long-term business portfolio transformation in step with responses to climate change, human rights, and other societal issues.

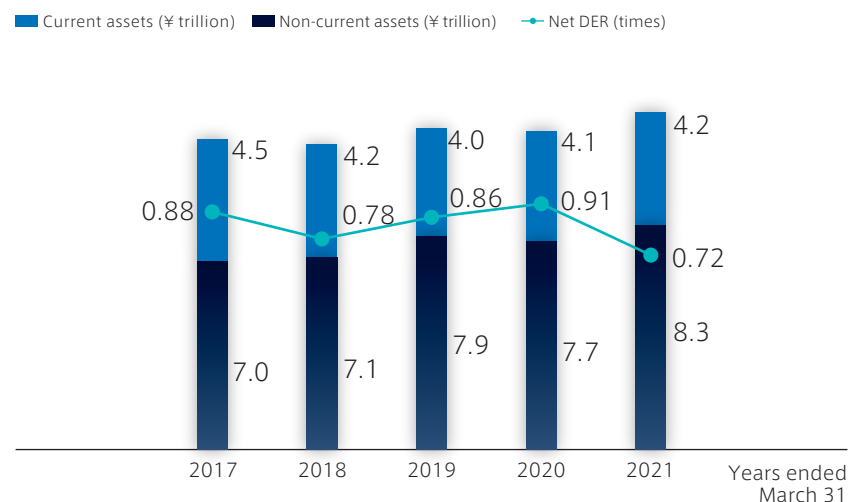
August 2021

Performance Highlights

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

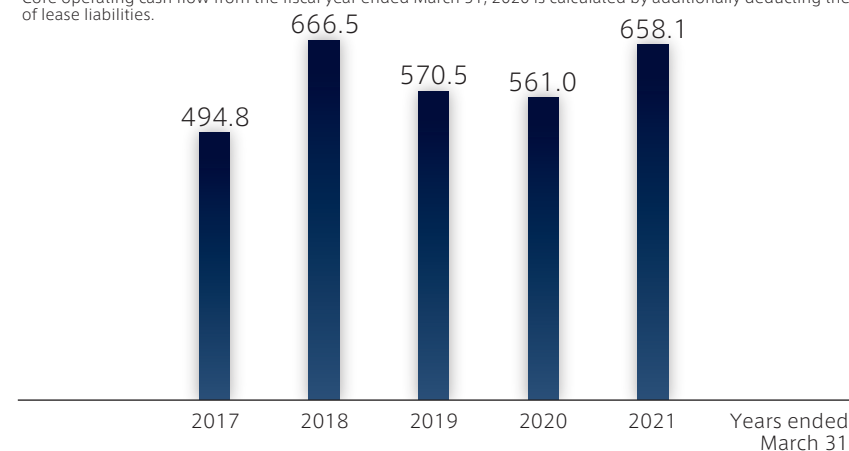


Total Assets / Net DER



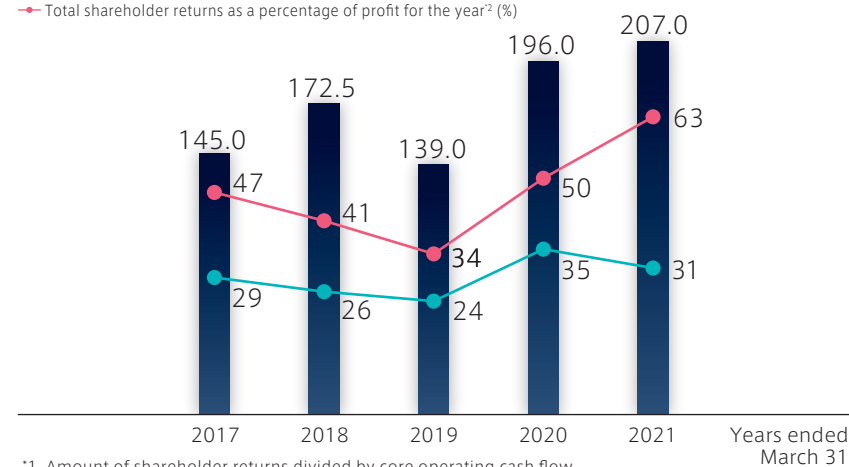
Core Operating Cash Flow*

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



Total Shareholder Return Amount / Total Shareholder Returns as a Percentage

■ Total shareholder return amount (¥ billion) — Total shareholder returns as a percentage of core operating cash flow (%)^{*1}
— Total shareholder returns as a percentage of profit for the year^{*2} (%)



*1. Amount of shareholder returns divided by core operating cash flow

*2. Amount of shareholder returns divided by profit for the year

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

In line with our Materiality updated in 2019 and our renewed corporate management philosophy (MVV) established in 2020, we will continue to keep up with the accelerating pace of change in social needs and contribute to the development of society through our growth as a company.

“Transform and Grow” is the theme of the Medium-term Management Plan 2023, demonstrating our approach to achieving medium- to long-term improvement in corporate value in a rapidly changing business environment by revolutionizing existing mindsets and behavior patterns while consistently pursuing further development.

By promoting the six corporate strategies established in our Medium-term Management Plan 2023, we are working to strengthen our management foundation and our portfolio as a basis for sustainable growth.

Transform and Grow: Six Corporate Strategies

Transform

- 1 Strengthen business management capabilities**
- 2 Evolve financial strategy and portfolio management**
- 3 Human Resources strategy**
 - ▶ Raise profitability in line with invested capital and increase ROE
 - ▶ Transform the mindset, behavior patterns, and work style of each employee

Grow

- 4 Strategic Focus**
 - Energy solutions • Healthcare / Nutrition • Market Asia
- 5 Strengthen profitability of core businesses and take on challenges in new businesses**
 - ▶ Strengthen growth areas where Mitsui’s comprehensive strength is effective
 - ▶ Engage with changing trends such as digitalization

6 Sustainability management / Evolution of ESG

- Continue to advance sustainability management
- ▶ Key themes of the 2023 Medium-term Management Plan: Climate change, circular economy, and business and human rights
 - ▶ Strengthen governance: Further improve Board effectiveness

Progress of Medium-term Management Plan 2023

Progress of Medium-term Management Plan

In the fiscal year ended March 31, 2021, which was the first year covered by the Medium-term Management Plan 2023, despite the impact of the COVID-19 pandemic, we steadily advanced projects, adapted our portfolio to maintain competitiveness in a changing business environment, and strengthened our profit base.

Steady advancement of projects and realizing stronger profitability	<ul style="list-style-type: none"> ■ Qualitative and quantitative contributions from essential businesses, including trading, stable supply of resources and electricity, and hospital business ■ Steady advancement of projects <ul style="list-style-type: none"> • Gas field development in Western Australia, start of production of all Cameron LNG trains in the U.S. • Initiatives to maintain and expand iron ore reserves • Started new operations in IPP businesses ■ Captured digital security and “stay at home” demand
Initiatives to strengthen resilience to downward pressure	<ul style="list-style-type: none"> ■ Implemented business revaluation, progressed in portfolio restructuring <ul style="list-style-type: none"> • Implementation of sale of Caserones, agreement on sale of Moatize, acquisition of additional interest in Collahuasi • Shift in E&P business strategy to increase asset value ■ Reorganized existing business groups <ul style="list-style-type: none"> • Commenced consolidation of distribution subsidiaries, and pursuit of merger options in apparel industry • Merged ICT-related subsidiaries • Reorganized U.S. oil and gas subsidiaries ■ Implemented structural reforms to strengthen cost competitiveness
Strengthening business management capabilities and promotion of DX	<ul style="list-style-type: none"> ■ Introduced ROIC, promoted company-wide measures to improve capital efficiency ■ Accelerated efforts to improve productivity and build new business models through DX ■ Sharpened corporate functions and shifted personnel onto the front line

Further, as part of our human resources strategy, we have introduced personnel policies intended to strengthen each individual. With regards to sustainability management and evolution of ESG, we have also achieved tangible results in addressing the important issues of climate change, circular economy, and business and human rights.

Human Resources Strategy

Deployment to the right positions on a global group basis and combining capabilities	<ul style="list-style-type: none"> • Promotion of talent management across global group • Development of succession management • Allocation of human resources in line with business portfolio transformation
Promoting the activities of diverse professional talent	<ul style="list-style-type: none"> • Establishment of a new system to support the ambitions and growth of young employees • Consideration of establishment of new career paths for highly specialized human resources • Consideration of new work styles in line with the “new normal”
Strengthening diverse individuals	<ul style="list-style-type: none"> • More thorough implementation of Pay for Performance • Implementation of measures to support enhancement of business management capabilities

Sustainability Management / Evolution of ESG

Climate change	<ul style="list-style-type: none"> • Introduction of an internal carbon pricing system • Promotion of projects that contribute to GHG reduction
Circular economy	<ul style="list-style-type: none"> • Identification of opportunities and risks for each business unit • Promotion opportunity initiatives
Business and human rights	<ul style="list-style-type: none"> • Revision of Human Rights Policy and Sustainable Supply Chain Policy • Promotion of awareness of Mitsui’s policies and implementation of human rights DD

Please refer to the following pages for more details:

☐ [P55-57 Strategic Focus Initiatives](#)

☐ [P84-99 Mitsui’s Corporate Governance](#)

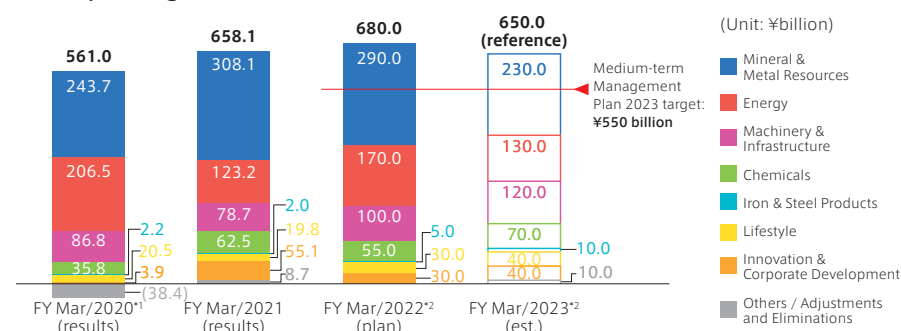
Progress of Medium-term Management Plan 2023

FY Mar/2022 Business Plan

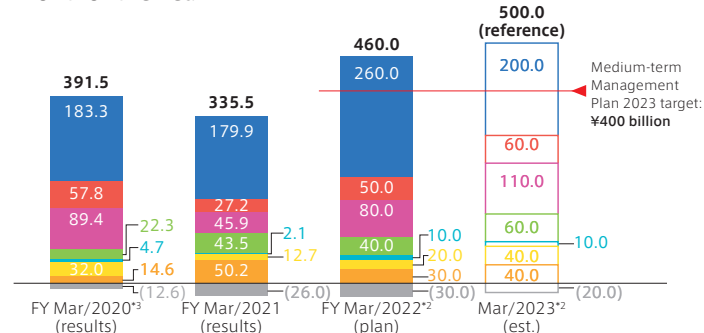
In the fiscal year ending March 2022, we will continue to promote the key initiatives established in our Medium-term Management Plan and plan to achieve a Core Operating Cash Flow of 680 billion yen and consolidated profit for the period attributable to owners of the parent of 460 billion yen.* Both of these targets exceed those for the final year of the Medium-term Management Plan 2023, which was announced last year. By continuing to transform and grow, we intend to achieve the targets set out in the Medium-term Management Plan ahead of schedule and to push on to greater heights.

*FY Mar/2022 Business Plan announced in April 2021. Please refer to Investors page of our website for the latest forecast

Core Operating Cash Flow



Profit for the Year



¹ Revised to deduct payments of lease liabilities; figures after reflecting modification associated with structural reorganization in April 2020

² Official figures announced in April 2021

³ Figures after reflecting modification associated with structural reorganization in April 2020

FY Mar/2022 Action Plan

In addition to strengthening the trading functions of materials, foodstuffs and others that contributed to the stable supply of essential goods despite the impact of the COVID-19 pandemic, we are continuing to build on our strong core of existing businesses and create organic links with ancillary businesses in order to create a large-scale earnings base. We will also continue to pursue initiatives to create opportunities for growth, including through initiatives in the strategic focus areas of Energy Solutions, Healthcare/Nutrition, and Market Asia as set forth in our Medium-term Management Plan and the creation of new businesses through DX.

Further, new projects are scheduled to commence in segments including Mineral & Metal Resources, Machinery & Infrastructure, and Chemicals in the fiscal year ending March 2022, and we will make every effort to strengthen our earnings base by ensuring their steady progress. We will also accelerate initiatives such as the promotion of industry reorganization among our domestic businesses, partnerships with leading companies, and strategic allocation of personnel.

Mineral & Metal Resources	<ul style="list-style-type: none"> Continue to maintain and expand the volume of reserve in the iron ore business and strengthen existing operations of the copper mines Strengthen the recycling business and respond to a low-carbon society
Energy	<ul style="list-style-type: none"> Promote LNG development projects (Russia: Arctic LNG2, Mozambique: Area1) Steady realization of E&P asset value Accelerate initiatives in the energy solutions domain
Machinery & Infrastructure	<ul style="list-style-type: none"> Strengthen and expand portfolio and improve quality Initiatives for B2B and next-generation mobility Sharpen trading functions and create new businesses in environment, DX, space fields, etc.
Chemicals	<ul style="list-style-type: none"> Promote new initiatives in relation to GHG emission management, circular economy, etc. Accelerate development of wellness business in Japan and elsewhere in Asia Strengthen trading functions, bolt-on investments, and steady implementation of previously invested projects
Iron & Steel Products	<ul style="list-style-type: none"> Strengthen Gestamp earnings base Strengthen comprehensive infrastructure maintenance business
Lifestyle	<ul style="list-style-type: none"> Sharpen trading functions Create new businesses through collaboration with CT Corp Strengthen cross-company initiatives in Wellness business
Innovation & Corporate Development	<ul style="list-style-type: none"> Further strengthen existing earnings base as well as core affiliate companies Create new business leveraging DX

Portfolio Management and Financial Strategy

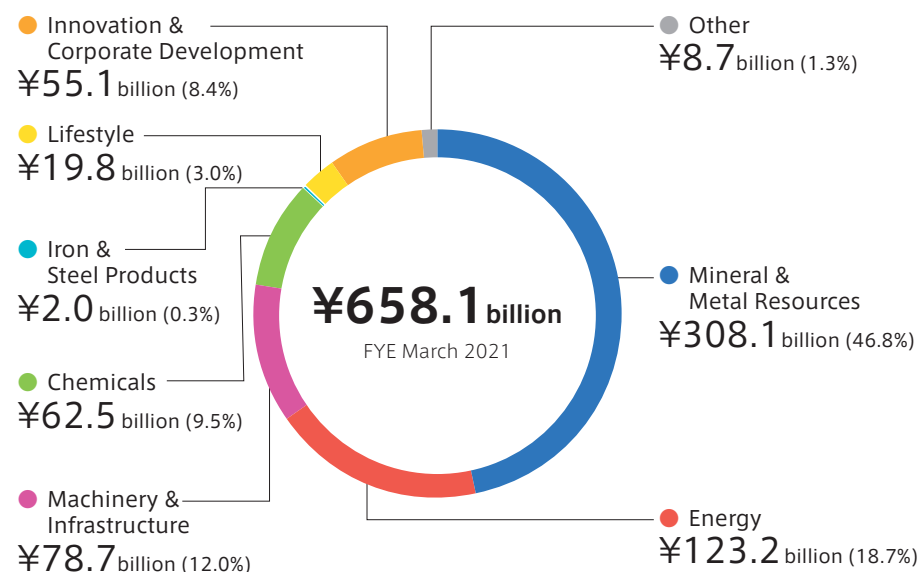
Diverse business portfolio resilient to downward pressure

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 rapidly changing business environment.

Core Operating Cash Flow*



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



Portfolio Management and Financial Strategy

Basic philosophy of portfolio management

- Strengthening earnings bases of existing businesses and leveraging economies of scale
- Creating new cross-industry value
- Acquiring new function platforms
- Advancing into new business domains

The Portfolio Management Committee's role and yearly cycle of portfolio management

Establishment of a strategy for the overall portfolio of Mitsui

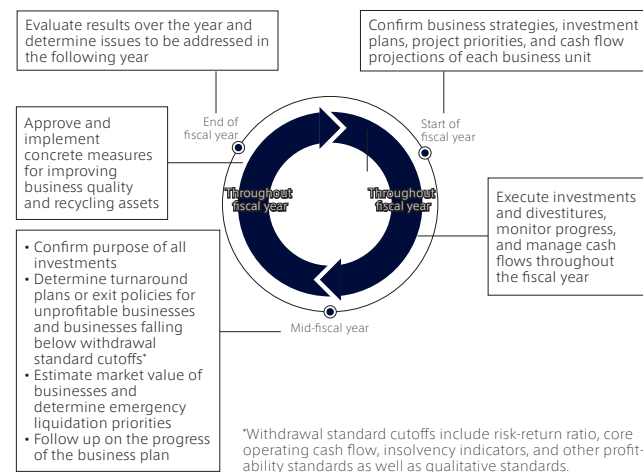
Specify priority areas and areas of focus, new target areas, and areas that need to be reviewed, in view of the overall strategy of Mitsui, the individual strategies of business units, market trends and macro analyses, and the allocation of our management resources

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



Practicing disciplined portfolio management and maintaining a stable financial base

By practicing disciplined portfolio management, Mitsui has strategically allocated its limited capital to areas that are of importance to the Group, to further improve the strength and sustainability of 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 approach to financial strategy

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

Balance sheet (as of March 31, 2021) ¥trillion

Current assets 4.2	Other liabilities 3.0
Non-current Assets 8.3	Interest-bearing debt*1 4.7 (3.3)
	Shareholders' equity*2 4.6
	Non-controlling interests 0.2

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

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

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

Minimize refinancing risks

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

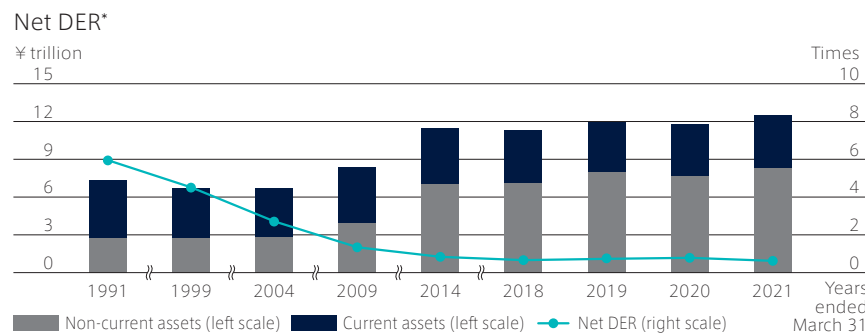
*1. Figures in parentheses are "net interest-bearing debt."

*2. In this report, "shareholders' equity" means total equity attributable to owners of the parent.

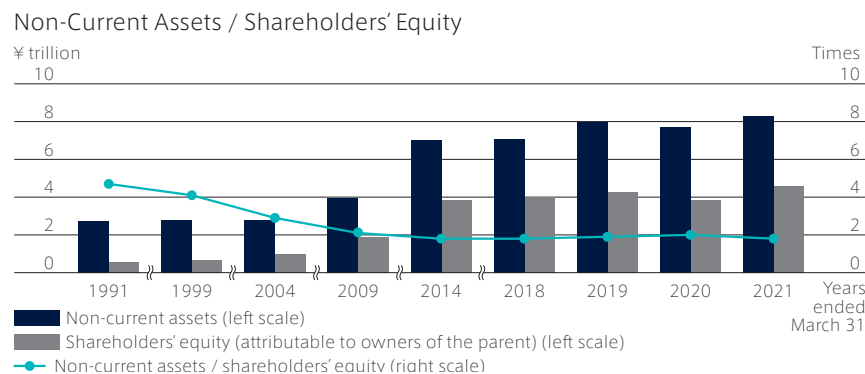
Portfolio Management and Financial Strategy

Indicators we focus on in our financial strategies

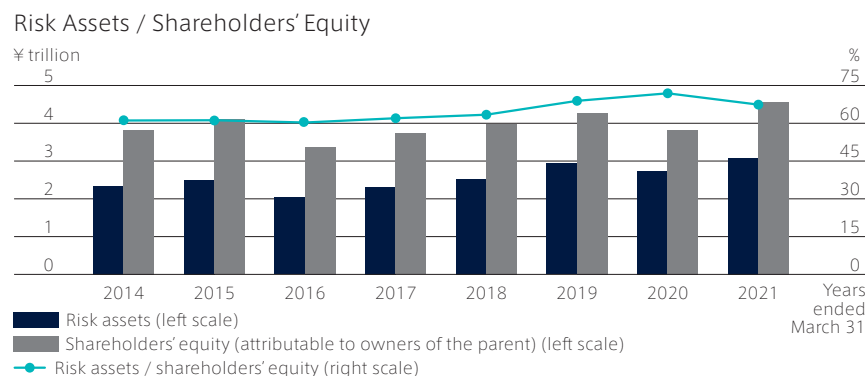
Mitsui allocates capital based on its cash flow allocation framework. The purpose of this framework is to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation by making a balanced allocation of cash, gained from operating cash flow and asset recycling,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



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



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



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

Portfolio Management and Financial Strategy

Lifecycle Management of Business Investments

Project screening initiatives to build a portfolio that addresses climate change

As of the fiscal year ended March 31, 2021, Mitsui has introduced an internal carbon pricing system in consideration of the quantitative impact of a 2°C scenario for new projects for which climate change responses could result in risks or opportunities. In the fiscal year ending March 31, 2022, Mitsui has also established Environmental ("Green") Business Assessment Working Group, which will act as an advisory body to the General Manager of Investment Administrative Division. This working group will carry out comprehensive evaluations of new projects and initiatives in consideration of addressing climate change, including in qualitative terms, and will consider these elements as part of *ringi* examinations. Projects above a certain size—that take addressing climate change as an opportunity, including renewable energy projects, and are designated by the Investment Administrative Division—are subject to quantitative and qualitative evaluation by the Environmental ("Green") Business Assessment Working Group (with members selected from the Corporate Sustainability Division and other relevant Corporate Divisions) from before the *ringi* examination stage. Through the implementation of these new initiatives in the project screening process, Mitsui will continue the steady accumulation of a portfolio that is in line with addressing climate change.

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.* 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 through relevant meeting structures.

Applicable projects and baseline amounts for each meeting structure

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

*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.

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.

03

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.

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 their respective business areas, dispatching our diverse group of professionals, and pursuing close coordination between Mitsui and individual businesses. Furthermore, cross-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, ability to increase value with Mitsui's functions, and strategic benefits. If it is deemed that a business's 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.

Human Resources Strategy



People are 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 and empower this pool of professionals, we are establishing environments that encourage further "Challenge & Innovation." Through such initiatives, we will create value that is unique to Mitsui.

Mitsui Engagement Survey 2020

Since 2018, we have conducted the Mitsui Engagement Survey (MES) as a way to strengthen our organization through the enhancement of employee motivation. In the 2020 survey, "employee engagement," which indicates employee's willingness to contribute and make discretionary effort, increased by 11% to 70% compared to the previous survey. The percentage reporting "a working environment that makes the most of employees" also increased by 4% to 69%, reflecting an environment in which employees feel comfortable and are able to work to the best of their ability. Moving forward, we intend to use the MES as a means to support autonomous growth and better performance among employees.

Human Resources Strategy

Frameworks developing diverse professionals and supporting their activities

- 1. An extensive range of career options and autonomous career planning**
- 2. A variety of growth opportunities**
- 3. Appropriate appraisal and compensation that reflects results and contributions**



Revision of personnel system

In order for each employee to continuously play an active role with the vision of “360° business innovators”, as unpredictable changes in the business environment become normal and society diversifies the personnel system and measures that support these activities must continue to evolve in a responsive manner. In the fiscal year ending March 2022, we revised part of our personnel system with the aim of creating a virtuous cycle that leads to the growth of individuals and the company by enabling every member of our pool of diverse professionals to demonstrate their individual strengths, receive appropriate evaluation based on their results and contributions, and forge ahead in their careers with a tangible sense of growth.

New measures as part of the revised personnel system

Strengthening business management capabilities

In order to strengthen our business management capabilities stated in our Medium-term Management Plan 2023: Transform and Grow, we are making improvements to our training and development of business management talent and are taking measures to ensure the deployment of personnel to appropriate positions. In addition to expanding programs such as participation in projects to strengthen the business management of affiliated companies and encouraging the secondment of young and mid-career employees, we have introduced an incentive plan for business managers. We are also working to strengthen succession planning for key positions at affiliated companies and promote talent management on a global basis.

Career Challenge System

This system enables qualified personnel to push

themselves and take on more significant roles and responsibilities in higher positions with the support of training from their department, irrespective of age or prescribed appointment and promotion criteria. This creates an environment that supports the development of next-generation leaders by providing employees who have required ability and aptitude and are highly motivated to take on challenges with opportunities to stretch themselves and develop their capabilities at an earlier stage, promoting further growth through experience.

Share-based compensation plan for employees

Every fiscal year, employees are granted points that reflect personnel appraisals. Accumulated points can be exchanged for shares of the company upon retirement. This establishes an even stronger focus on merit and results and fosters a sense of unity between management and employees, increasing employee engagement with respect to medium- to long-term enhancement of corporate value.

Human Resources Strategy –Diversity & Inclusion–

Development of diverse human resources

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 one 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.

In particular, social issues have become more complex as a result of the dramatic changes in the business environment brought about by the COVID-19 pandemic. With a sense of urgency in the knowledge that only a team with a variety of opinions and experiences can address these issues, we will pursue value creation through our company value of “thrive on diversity.”

Introduction of Mitsui Leadership in Action

Mitsui Leadership in Action (MLA) is a set of global core behaviors expected of our employees based on our corporate management philosophy of Mission, Vision, Values (MVV), including the values that support “Challenge and Innovation.” MLA was newly introduced in the fiscal year ending March 2022. We will leverage MLA in a series of processes to acquire, train, evaluate, and appoint a diverse pool of talent to support our shared value of “Challenge and Innovation” at our operating locations throughout the world. We will also implement talent management that enables us

to deploy personnel to appropriate positions on a global basis.

Hiring of mid-career professionals

In recent years, Mitsui has been placing emphasis on the hiring of experienced professionals. Such employees accounted for approximately 24% of all hires including new graduates in the fiscal year ended March 2021.

At present, approximately 80% of company employees hired as experienced professionals are working in management positions. These employees continue to play a leading role in Mitsui’s businesses in a variety of locations both in Japan and overseas.

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 set a goal for women to account for 10% of our managers by the fiscal year ending March 2025 (the ratio is 8.1% as of July 2021).

• Women Leadership Initiatives

We have established Women Leadership Initiatives to develop diverse role models for female leadership through sustained efforts to train next-generation female leadership candidates. The program has included lectures about the organizational development philosophy required by leaders and increasing self-awareness as well as dialogue with senior management that promotes empowerment. In addition, the initiative includes opportunities to engage in dialogue with external directors to help promote the further empowerment of female employees.

• Support for female employees transferred overseas

As areas of activity for Mitsui employees expand, an increasing number of female business staff members are taking up overseas postings accompanied by children. For such employees, individual meetings are set with experienced colleagues who will give advice about balancing work with childcare. Mitsui also provides a full range of support for staff members with children of elementary school age and younger who take up overseas assignments unaccompanied by their spouses, including subsidies for daycare and babysitting.



Human Resources Strategy

Development of global talent

As we conduct business that is deeply rooted in countries and regions, we are concentrating efforts on empowering global talent. As part of these efforts, we are not only providing such personnel with opportunities to work in Japan, but also carrying out these activities all over the world, including at affiliated companies. As a result, 61 of the GM positions at our overseas operating bases (17% of GM positions as of March 2021) are currently held by regionally hired staff. We will continue to strengthen our efforts to allocate personnel, including those hired in Japan, to the most appropriate positions while promoting further globalization of our group personnel.

A strong system for empowering people

I work in the Legal Division at MITSUI & CO. (SHANGHAI) LTD. My role in supporting projects goes beyond merely providing advice from a legal perspective and includes suggesting optimal solutions from a business management point of view. This management-centered thinking was new to me when I first joined Mitsui, but the company's culture of encouraging, trusting and nurturing employees has helped me to learn. At Mitsui, we share our progress with supervisors, engaging in discussions to identify a path for progression. In addition to specifying areas for improvement, they recognize and encourage growth through positive feedback, which creates a strong system for empowering people.

Mitsui's diverse people are one of its unique assets. With people from different backgrounds bringing their enthusiasm and insights, there is rich diversity of thought within the company. Communication that builds mutual understanding and trust is crucial to capitalizing on this strength, forging ahead as a united team and creating new, innovative businesses.

Digital technology and collaboration platforms have also made it possible for us to exchange opinions more proactively than ever before, which I expect to promote even greater diversity within the company and enable each person to realize their potential.

Jinghua Wang

General Manager
Legal Division
MITSUI & CO. (SHANGHAI) LTD.



• Change Leader Program

Held for two years from 2018, our Change Leader Program (CLP) was an initiative to nurture leaders who can actively push forward reforms to create business. Participants selected around the world have joined this program, holding direct dialogue with top management, taking part in intensive business discussions on themes including leadership, and setting their own individual assignments to accomplish. The Change Leader Business Meetup was held online in 2020 and was attended by candidates from Japan and around the world with the potential to be next-generation leaders, in addition to CLP participants. During the meetup, a group discussion was held regarding the Strategic Focus set out in the Medium-term Management Plan 2023 and new business ideas were proposed. Going forward, we will continue our efforts to support professional development by fostering commitment and networking at our operation bases in order to create value, demonstrate our comprehensive strength, and drive innovation.

Local markets require localized solutions

Innovation is not only about finding an innovative solution or business model, but it is about how we make it happen. Over the past few years, I have seen how necessary localization is in the realization of business ideas. In some cases, the most appropriate business model or solution is actually local and cannot be imported from anywhere else.

In Indonesia, or any other country that has seen rapid growth in the number of active digital users, solutions that rely on replicating business models and technology from overseas may no longer be effective. This is because these countries have followed a distinct path to growth through the implementation of digital innovation. There has also been a shift towards local business origination.

This makes diversity more crucial than ever, because we need local know-how from people on the other side of the globe, where the business happens.

In the future, globalization will know no borders and our philosophy of "Local Depth for Global Reach, Global Reach for Local Depth" will be an absolute prerequisite in its implementation.

As business continues to transcend borders, every frontline Mitsui employee will have a bigger role than before. That is why diversity is vital.

Dinda Putri

Deputy General Manager
New Business Development Division
P.T. MITSUI INDONESIA



Adaptability is key

I have been leading the incubation of a new Direct to Consumer (D2C) food business in the United States. This is a great example of Mitsui's deeply-ingrained culture of rising to and learning from fresh challenges in flexible and innovative ways, which supports the work of our teams on the ground and encourages an entrepreneurial approach that results in new learning opportunities and avenues for future revenue creation.

Selling directly to online consumers is a new frontier for Mitsui. For example, we needed to develop expertise in online customer acquisition, which is an area we were relatively inexperienced in. There were also many lessons to be learned from an organizational standpoint with regards to aspects such as adaptability and decision-making processes.

Another crucial element of an adaptable company is diversity. While Mitsui has become more diverse than in the past, we are continuing to make a conscious effort and promote even greater diversity through a range of initiatives and programs under the guidance of our leadership team, which will continue to push the organization forward.

As the evolution of today's business environment continues to gather pace, our ability to adapt as people and as an organization will be key to our future success.

Amit Avnet

Vice President
Food and Retail Division
New York Headquarters
MITSUI & CO. (U.S.A.), INC.



Initiatives in Digital Fields

CDIO Message



Yoshio Kometani

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

Since our previous Medium-term Management Plan, Mitsui has been pursuing digital transformation (DX) by multiplying on-site operational know-how and technology with digital technology to transform ourselves into a high-value-added business model, by leveraging the wide range of business assets owned by the Mitsui Group.

Amid rapid changes in the business environment, our Medium-term Management Plan 2023 features six corporate strategies to “Transform and Grow” our businesses. DX is expected to play a crucial role in supporting these strategies, which include building a foundation for the data businesses that comprise our ‘Strategic Focus’ areas, improving the productivity and cost competitiveness of our existing businesses by utilizing data, and creating entirely new businesses that will span multiple business units.

As DX has become an essential aspect of Mitsui’s overall business strategy, we launched our DX Comprehensive Strategy in the fiscal year ended March 2021.

Our DX Comprehensive Strategy consists of two strategies: our “DX Business Strategy” and our “Data-Driven (DD) Management Strategy.” In our DX Business Strategy, we will aim to strengthen our individual businesses by creating new values through the multiplication of data held by each frontline with digital power. In our DD Management Strategy, we are aiming to make faster and more accurate decisions and strengthen business management at each of our businesses by thoroughly using data.

To implement both of these strategies, it is essential to make digital a basic standard for all officers and employees. Accordingly, we have formulated the “DX Human Resource (HR) Strategy” to establish constant innovation through DX as our corporate culture.

With the acceleration of structural changes in our society and the industries in which we operate, as well as the dramatic changes in our business environment, it has become more difficult than ever to look ahead to the future with certainty. As such, we are implementing DX in ways that we expect to not only improve our businesses’ profitability, but also to transform our business models, by utilizing digital technologies and data as a driving force for future growth. The fiscal year ending March 2022 constitutes the practical execution phase of our DX Comprehensive Strategy, and we will move forward while further accelerating our efforts in all areas where DX is expected to play a role.

August 2021

Business Transformation & Innovation with Digital

DX Business Strategy

- **Real (Operational Technology) × DX**
- **Independent** business management using digital as leverage
- **Industrial solutions to social issues** via digital
- **Fully end-user focused**

DD Management Strategy —Mitsui is People and Data—

- **Faster, more accurate decision** making with data
- Process improvement through **use and sharing** data
- **Data for using, not for viewing**
- Data is **a company asset**

Commonalities Between DX Business Strategy and DD Management Strategy

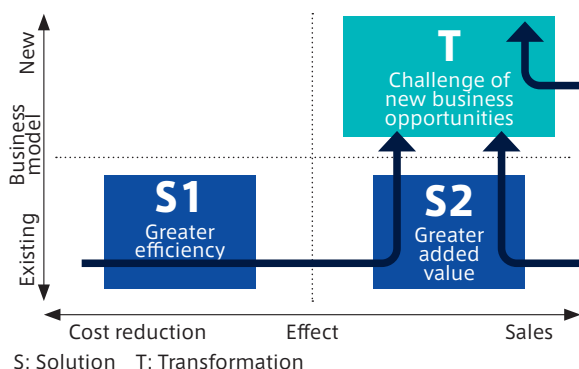
- Fostering next-generation management talent **with DX as a basic standard**
- Establishing constant innovation through **DX as Mitsui’s corporate culture**

Initiatives in Digital Fields

DX Business Strategy

Mitsui engages in a broad range of businesses in many countries and regions. This means that we have a diverse and varied perception of the real world (locations where we can gather data 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.

In Mitsui's DX framework, Mitsui aims to reduce costs through productivity enhancement, efficiency, and optimization (Solution 1: S1) and expand sales (Solution 2: S2), improving the quality of existing businesses, while creating new businesses and business models from a standpoint that differs from existing businesses (Transformation: T).

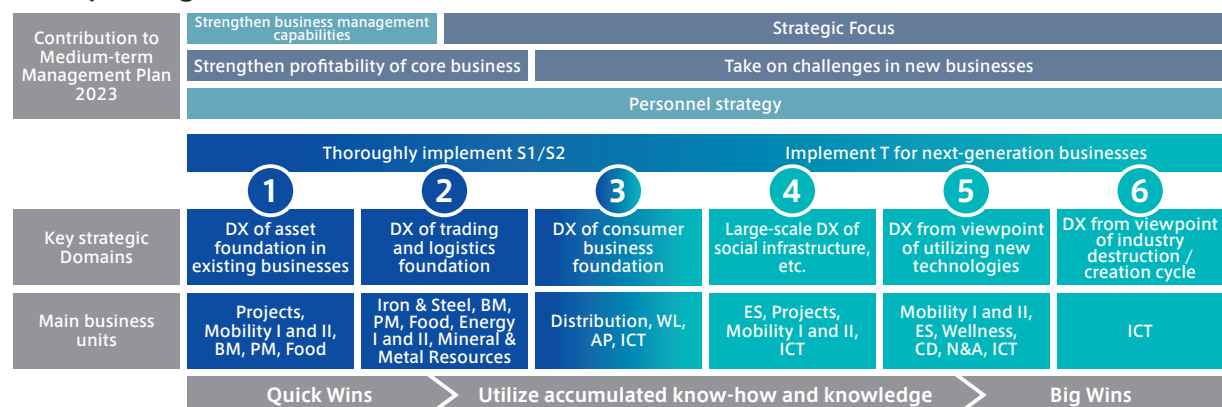


Mitsui is striving toward the realization of its “Transform and Grow” vision by overlaying this DX framework on its corporate strategies in the Medium-term Management Plan 2023. Over the short to medium term, by thoroughly implementing S1/S2, we aim to amass Quick Wins while strengthening and advancing the profitability of existing businesses in the Mitsui Group, including trading operations. In addition to making this an entrenched part of our corporate culture through the accumulation of Quick Wins at a small scale, we will use the know-how and knowledge we accumulate through these initiatives to target 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.

We have identified a total of six key strategic domains to focus on. When selecting areas to implement S1/S2 thoroughly, we extract business areas with a strong affinity for DX, where we have the strength of a real front line. When selecting areas to implement T for next-generation businesses, we focus on social infrastructure where we have strengths and take on the challenge of DX from the viewpoint of utilizing new technologies and industrial destruction.

Approximately 210 projects in total have been examined as of the end of March 2021, and roughly 60 projects went on to the experimental stage, with 20 of these projects graduating to the operational stage.

Six Key Strategic Domains



Legend BM: Basic Materials Business Unit AP: Asia Pacific Business Unit CD: Corporate Development Business Unit
PM: Performance Materials Business Unit ES: Energy Solutions Business Unit N&A: Nutrition & Agriculture Business Unit
Projects : Infrastructure Projects Business Unit



Mitsui's DX

https://www.mitsui.com/jp/en/company/outline/dx_comprehensive/index.html

Initiatives in Digital Fields

DX Case Study: Asset Foundation of Existing Businesses

We established BEARING.ai jointly with AI Fund, which was established by Dr. Andrew Ng, an international authority on AI. The company has developed a deep learning algorithm based on operation data, weather data, and maritime meteorology data for ships and developed a service to analyze operational performance and optimize operations. The algorithm is now being implemented at various shipping companies. Our aim for this algorithm is to significantly contribute to the reduction of GHG emissions by making ship operations more efficient and to reduce fuel costs, which account for around 50% of the around 10 trillion yen spent on maritime transportation globally each year.



DX Case Study: New Technology Deployment

We established a new company jointly with LayerX Inc., which has a comprehensive range of digital technology such as blockchains, in April 2020. The aim is to manage real estate and infrastructure funds both domestically and overseas by raising funds through the issuing of security tokens, a new financial product. Rokko Island DC was our first of multiple real estate funds, and we are preparing to sell to a wide range of investors, including individual investors, using our digital technology.



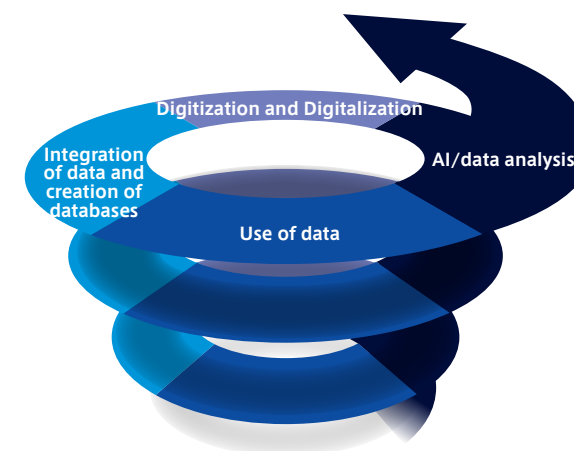
DD Management Strategy

The use of data is the key to growth in this day and age. Mitsui has accumulated real data for a wide range of fields in various countries and regions. We are starting with initiatives to integrate the range of data we have in various locations—specifically, we are building a Data Management Platform (DMP), a platform for batch management and analysis of a variety of internal and external data. Our aim is to enable data to be used for faster, more accurate decision making, and to further strengthen our business management capabilities.

In our data integration work, we are also paying attention to data input and creation processes, optimizing and slimming down these processes for digitalization through measures such as unification of input forms and introducing electronic approval and signatures to improve productivity.

We are visualizing the integrated data in formats such as dashboards and realizing a data-driven environment where data is provided quickly and inexpensively with the degree of detail required for each level of officers and workers. At the same time, we are accumulating and sharing Quick Wins through the use of data to entrench our vision for our DD Management Strategy—"data is something to use, not just something to look at"—and accelerate the use of data.

In future, we will make use of the data we have integrated by using technology such as AI to predict the future and transform our business management by improving the reliability and accuracy of decision-making and creating new businesses. However, advanced analysis requires a large volume of wide-ranging, high-quality data to be collected, and as we use and analyze the data we have integrated for this purpose, it will be essential to collect additional necessary data or delete unnecessary data. Strengthening our DD business will therefore take the form of an upward spiral where we repeatedly collect, integrate, use, and analyze the data.



Initiatives in Digital Fields

DX HR Strategy

Three types of human resources are required to promote our DX Comprehensive Strategy: Business Professionals, DX Business Professionals, and DX Technology Professionals.

Mitsui's diverse employees possess professional expertise in a wide range of business domains, products, fields, and regions. However, many of our current employees are Business Professionals, so we provide basic company-wide DX education to all officers and employees to make digital a basic standard. DX Technology Professionals, who are top digital experts, are developed in-house, mainly at IT strategic subsidiaries, but a certain number will be developed in-house at Mitsui itself. Finally, DX Business Professionals, who are highly knowledgeable about both business and digital and can connect Business Professionals and DX Technology Professionals, are essential for promoting DX. We plan to develop more than 100 DX Business Professionals in-house globally over the next three years.

To train these professionals, we have launched Mitsui DX Academy in May 2021. The training comprises three elements, the first of which is DX skills. DX skills training ranges from basic training for all employees and officers to applied training for advanced DX professionals and other employees who need to learn specialized skills. The second element is a boot camp, where DX Business Professionals undergo OJT at actual sites and participate in practical DX projects. The third element, Executive Education, equips participants with cutting-edge DX skills and knowledge, and includes courses at overseas universities so that

participants can network with other advanced DX experts.

In addition to our training, we are actively hiring DX professionals. We held a DX business model competition for interns who will work for us after graduating, and are strengthening our hiring in other Asian countries. We are readying our employees for projects in our strategic focus areas and are sending employees to Europe and North America to expand our global activities.



Glen Ng Yee Zheng

Digital Transformation Dept.,
Mitsui & Co. Europe PLC
(originally worked for Mitsui & Co.
(Asia Pacific) Pte. Ltd.)

In search of a place to play an active role internationally and career advancement opportunities, I made my career move to Mitsui. In addition to experiencing multiple projects, Mitsui has regularly provided me with challenges and opportunities to learn something new, such as technical skills, knowledge, attitudes and communication. I want to keep trying to improve myself, and I expect younger generations working in Asia to continue their efforts to improve themselves and prepare for future challenges.

The impact of COVID-19 is very large in Europe, and the lifestyle and working style will change significantly under the New Normal. I would like to support new human behavior utilizing digital technology. Personally, I would like to establish a d.space* corner in Mitsui Europe, where we can discuss and brainstorm about new business ideas with business colleagues, and establish a functioning DX team as well.

*Office spaces where specialist personnel who implement DX-related activities and carry out research are stationed



Eri Nakajima

General Manager, IT Strategic
Planning Department, Integrated
Digital Strategy Div.
(temporary transfer from CFO
Unit)

Every day I am amazed by the ideas that come from the young digital natives who work here.

They may not have the business knowledge of more experienced or senior employees, but when one of these young employees has a good suggestion, those in managerial positions need to be able to understand where they're coming from and evaluate their idea. Management don't need to be able to program it themselves, but I firmly believe that they urgently need to develop the ability to work together with our young employees to come up with better ideas for implementation, rather than leaving all of this work to our young employees and the organizations that specialize in digital technology.



Takuya Maeda

Integrated Digital Strategy Div.
(originally worked for Corporate
Development Business Unit,
studied at the University of
Toronto)

I decided to study abroad because I wanted to add more value in the daily work I did on

business front-lines, and thought that I might be able to create new value by bringing digital breakthroughs for industry-specific issues.

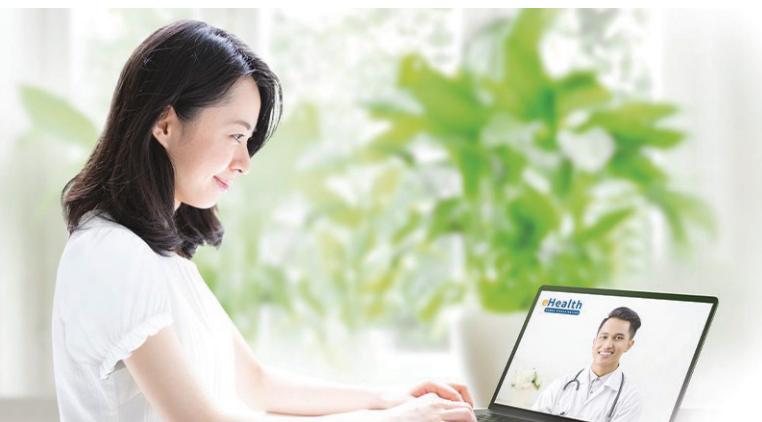
I am currently in charge of our Climate Change x Digital work. My project is gradually taking shape, and I find that immensely rewarding. I want to keep learning after this and take on challenges to bring the world new value from Mitsui's fields.

Strategic Focus

Healthcare / Nutrition

A post-pandemic vision for the future

With expanding medical costs and insufficient medical resources becoming serious social issues, Mitsui is broadening the scope of its wellness business from “Patients” to “Healthy Individuals”, to cover not only treatment but also care from the pre-symptomatic/prevention stages to recovery in order to improve outcomes for users and keep people physically and mentally healthy so they are able to lead enriching lives. To do so, Mitsui will: (1) Further strengthen and expand its core hospital/clinic business, (2) Build healthcare data businesses centered around IHH, and (3) Establish well-being businesses through a group-wide initiative called Wellness All Mitsui (WAM). Our aim is to build the largest Wellness business cluster in Asia by steadily implementing these three initiatives.



(1) Further strengthen and expand core hospital/clinic business

Since becoming the largest shareholder in IHH following our additional investment in 2019, Mitsui has supported the addition of talented independent directors to IHH's board, deployed secondees therein, and is working together with the new management team to strengthen its management capabilities and implement new growth strategies, while aiming for doubling IHH's ROE in the next four to five years.

Firstly, as part of measures to strengthen the group's portfolio, IHH implemented strategic asset recycling including the acquisition of a hospital in Malaysia and divestment of a non-core hospital in India in the FYE March 2021. Secondly, IHH is pursuing a cluster strategy whereby hospitals and clinics in each market are grouped into clusters, and also clarifying each institution's role and function to improve productivity/profitability and encourage inter-hospital collaboration. IHH also aims to leverage scale to create its inter-group synergies. For example, they have established a central procurement organization to restructure procurement processes and optimize purchase contracts. Steady results in cost saving have already been seen.

In addition to these measures, one of IHH's new growth strategies is to expand its laboratory diagnostics (LAB) business. This business is IHH's second leading revenue pillar next to its hospitals business and has high growth potential. Through integrated operations of its LAB business in different countries, IHH has been enhancing its

testing capabilities, such as genetic testing, with the aim of expanding revenue to become Asia's largest LAB service provider.

IHH is continuing to fight COVID-19 on the frontlines at its medical facilities through the establishment of Asia's largest PCR testing system, etc. As of early 2021, it has tested more than 1.5 million cases and is actively involved in vaccinating people to help end the pandemic.

(2) Utilizing data to achieve organizational efficiencies and develop innovative businesses

Mitsui's vision is to utilize the de-identified database of over 30 million unique data points to increase organizational efficiency, as well as leveraging healthcare data to develop new businesses and scale them to be on par with IHH in value. In emerging countries in Asia, healthcare is still “treatment-centric” and “volume-focused.” However, in order to maintain sustainable healthcare ecosystems in the future, it is crucial that they become “outcomes-focused” and shift toward patient-centric “value-based healthcare”. Leveraging healthcare data will enable hospitals to improve their management outcomes and services for patients. This will be highly convenient for patients, enabling visualization of waiting time, costs, and treatment outcomes while integrating personal records of diagnoses and medication histories. Also, by using AI, leveraging healthcare data will facilitate online medical examinations and diagnoses to overcome physical limitations and optimize services.

Strategic Focus

Healthcare / Nutrition

We are also making efforts to develop new data-driven businesses. Specifically, effective use of de-identified data in areas such as prevention and health management, reduced healthcare costs, support for drug discovery/medical device development, and personalized healthcare will enable value creation for all stakeholders involved in healthcare, such as individuals, payers, and pharmaceutical and medical device companies.

In addition, we will use anonymization technology when handling healthcare data, taking the utmost care to protect personal information whilst taking into account the regulations of individual countries. The concept of aiming to deliver high-value healthcare to patients while maximizing outcomes for all stakeholders and optimizing costs.

(3) Establish WAM-targeted well-being businesses through Mitsui-wide synergies

In order to respond to increased health consciousness among consumers and the need for reduced healthcare costs, we must engage in prevention and pre-symptomatic care for healthy individuals as well. Therefore, we are establishing well-being businesses through the WAM initiative, which takes an “All Mitsui” approach to stakeholders and focuses on the patient journey, from their everyday lifestyle to prevention/pre-symptomatic care, treatment, and prognosis/recovery/disease management. With a primary focus on the Japanese market, we aim to create value through: (1) Evidence-based scientific solutions, (2) Complex health management solutions, and (3) DX solutions focused on points of care.

Conclusion

As the largest shareholder, Mitsui is committed to enhancing IHH's enterprise value by strengthening its management capabilities and steadily implementing new growth strategies. In addition, we will create new value by leveraging the core strengths of our existing healthcare business to make new investments in high-growth areas such as healthcare data, diagnostic laboratory, and well-being businesses. Through these efforts and by building recurring base earnings along with capital gains through strategic asset recycling, we aim to make the Wellness business cluster a backbone of Mitsui's performance.

Hospital, clinic, and laboratory businesses

Enhance operational efficiency

- Profitability analysis
- Optimize procurement
- Improve operational flows
- Improve reimbursement rates

Improve services for patients

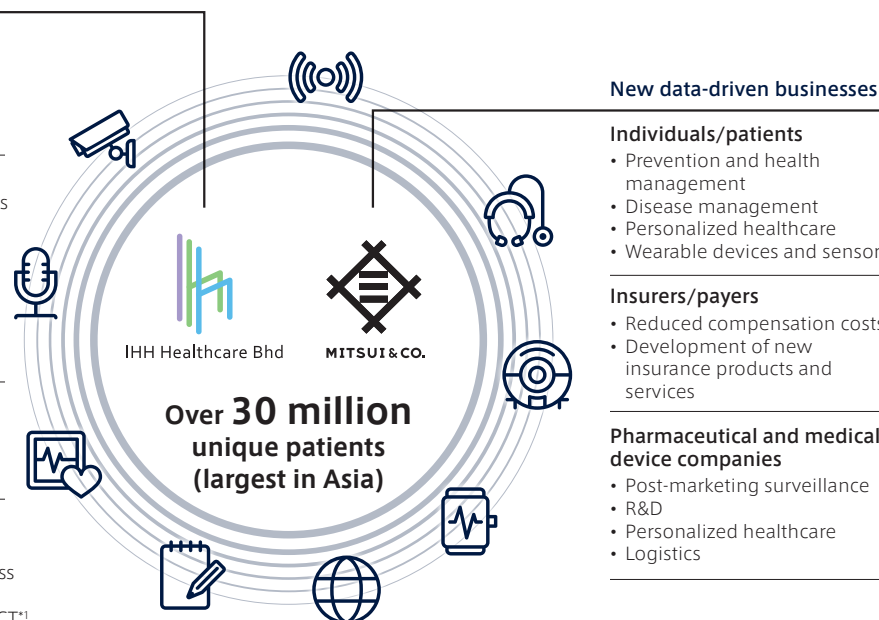
- Present multiple treatment options
- Forecast waiting time, costs, and treatment outcomes
- Optimize operational flows in hospitals
- Integrate personal records of diagnosis and medication histories

Expand new services

- Telemedicine and tele-diagnosis
- AI diagnosis
- Personal Health Records

Expanding consumer contact points

- Consolidate the laboratory business
- Introduce advanced technologies such as genetic screening and POCT^{*1}
- Expand B-to-C business



New data-driven businesses

Individuals/patients

- Prevention and health management
- Disease management
- Personalized healthcare
- Wearable devices and sensors

Insurers/payers

- Reduced compensation costs
- Development of new insurance products and services

Pharmaceutical and medical device companies

- Post-marketing surveillance
- R&D
- Personalized healthcare
- Logistics

^{*1} POCT (Point of Care Testing): A testing system that uses portable analytical equipment or diagnostic kits to gain useful healthcare information at the place the patient is being treated, rather than in a laboratory.

Strategic Focus

Market Asia

Growing Asian Presence

Asia is a huge market with 4.3 billion people, accounting for 55% of the world's population as of 2020, and is expected to grow further. In addition, the current average age of the population in Japan is 48.4 years old, whereas in Southeast and South Asia, it is as young as 30.2 years old and 27.6 years old, respectively. This demographic dividend will be the driving force behind Asia's future growth. The GDP growth rate of emerging Asian countries is also expected to be the highest in the world, and it is believed that Asia's presence as a consumer market will increase more than ever.

Mitsui & Co. of Asia

The first pillar of our Market Asia business strategy is "Contribute to Nation Building." Accordingly, we have been developing businesses that contribute to nation building as well as industrial development in countries around the world. We are also continuing to expand our business in fields such as electric power and logistics infrastructure throughout Asia.

The other pillar of our strategy is "Create a Consumer Ecosystem," which refers to a business concept by which data analysis is used to comprehensively and accurately respond to all consumer needs including food, fashion, housing, health, and finance. We have been responding to consumers' medical needs through our hospital business, as well as to food demand through our Asia-based food businesses. Going forward, however, we will strive to take a comprehensive approach to providing good value products and services that enrich the lives of consumers. Creating a consumer ecosystem is a new challenge for us.

We will realize this by taking full advantage of our comprehensive and synergized knowledge and experience that we have cultivated in each of our business domains.

Create a Consumer Ecosystem Action to "Enhance quality of life"

To create a consumer ecosystem, we believe it is essential to collaborate with companies that have already established a place and space (= "touchpoints") for consumer activities. In April 2021, we decided to form a strategic alliance with Indonesia's CT Corp, which is experiencing rapid growth in Asia. The company is an Indonesian-based, local-grown conglomerate, operating in consumer-related businesses including financial services, retail, media, property, hospitality, entertainment, and lifestyle, with extensive reach to Indonesian consumers through its diverse portfolio. Through this strategic alliance, we will utilize the data obtained from consumer touchpoints to create a system that will maintain consumers' interest and benefit their lives.

As part of our efforts to create this consumer ecosystem, we are also aiming to establish a specialized business development unit within our Asia-Pacific regional headquarters. By doing so, we hope to realize a thorough understanding of the local consumer market and aim to create a consumer ecosystem in Asia by integrating our business knowledge in essential fields such as food and health with know-how in ICT and logistics, while collaborating with other partners.

There are many challenges involved in enhancing the quality of life of people in Asia. For example, to

meet diverse needs associated with the diversification of food culture, it is necessary to improve supply chains, which includes the need to develop a cold chain for fresh foods such as dairy products, meats, and fish. In addition, the utilization of e-commerce has accelerated amid the Covid-19 pandemic, highlighting the need to expand the "last-mile" delivery network.

Together with CT Corp, Mitsui will seek to overcome these challenges by contributing to the reform of Indonesia's distribution system by utilizing the supply chain management knowledge and know-how we have cultivated for major retailers in Japan.

Although the issues and needs faced by consumers in Asian countries differ from nation to nation, we will strive to enhance quality of life for the people of Asia by making full use of our capabilities as a diversified company and by creating a consumer ecosystem appropriate for each Asian country.

