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Gate **3 Business Strategy**

Results by Operating Segment

Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.
 *1. On April 1, 2021, the name of our Healthcare & Service Business Unit was changed to "Wellness Business Unit".
 *2. Indicates cash flow (OUT) for non-current assets except for financial products.
 *3. "Other non-current assets" includes non-current receivables, investment property, intangible assets, and deferred tax assets.

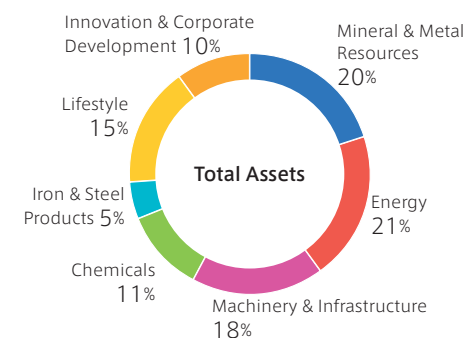
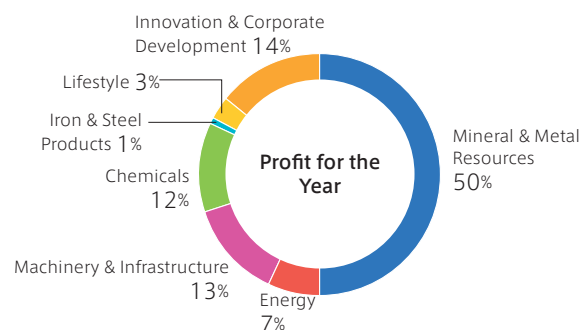
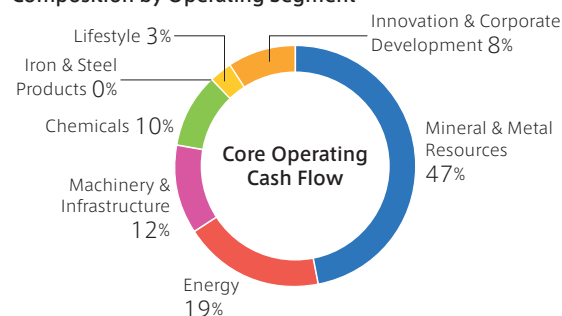
(Unit: ¥billion)

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Others /Adjustments and Eliminations	Company Total
Core Operating Cash Flow	308.1	123.2	78.7	62.5	2.0	19.8	55.1	8.7	658.1
Net Investment Cash Flow	(50.3)	(125.9)	(10.7)	1.2	5.8	(1.5)	(67.3)	(43.7)	(292.4)
Investment Cash Flow (IN)	16.8	7.4	42.3	28.0	7.1	21.5	12.5	7.1	142.7
Investment Cash Flow (OUT)	(67.1)	(133.3)	(53.0)	(26.8)	(1.3)	(23.0)	(79.8)	(50.8)	(435.1)
Free Cash Flow*1	257.8	(2.7)	68.0	63.7	7.8	18.3	(12.2)	(35.0)	365.7
Revenue	1,396.9	838.6	792.2	1,933.8	436.6	2,373.1	236.1	2.9	8,010.2
Gross Profit	251.2	62.9	107.7	124.9	21.2	133.8	107.0	2.8	811.5
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	70.4	18.8	95.3	11.3	4.3	13.4	13.9	0.5	227.9
Dividend Income	59.8	25.1	3.9	3.0	1.4	5.6	3.8	1.1	103.7
Selling, General, and Administrative Expenses	(72.3)	(47.2)	(132.9)	(95.5)	(22.0)	(129.4)	(63.7)	(43.4)	(606.4)
Fixed Asset Impairment	(0.3)	(33.5)	(8.8)	0	(0.1)	(1.9)	4.1	0.1	(40.4)
Other	(128.9)	1.1	(19.3)	(0.2)	(2.7)	(8.8)	(14.9)	12.9	(160.8)
Profit (Loss) for the Year (Attributable to Owners of the Parent)	179.9	27.2	45.9	43.5	2.1	12.7	50.2	(26.0)	335.5
Depreciation	40.2	129.8	20.5	22.0	1.4	22.6	16.7	20.4	273.6
Capital additions to Non-current assets*2	59.2	52.0	15.6	16.0	1.0	16.0	70.1	47.5	277.4
Total Assets	2,566.5	2,566.3	2,291.3	1,345.5	566.0	2,009.3	1,191.8	(20.9)	12,515.8
Non-current Assets	1,667.0	1,682.0	1,655.4	626.5	330.6	1,204.2	770.7	372.0	8,308.4
Property, Plant, and Equipment	453.4	740.8	237.9	209.4	8.9	200.7	135.9	188.1	2,175.1
Investment Assets Accounted for Using the Equity Method	438.0	383.5	944.4	179.3	251.0	624.1	214.0	9.7	3,044.0
Other Investments	729.9	342.5	128.0	110.8	56.3	312.2	177.4	98.5	1,955.6
Other*3	45.7	215.2	345.1	127.0	14.4	67.2	243.4	75.7	1,133.7

(Unit: persons)

Number of Employees (Non-consolidated)	281	435	828	749	288	883	476	1,647	5,587
Number of Employees (Consolidated)	624	980	16,249	5,957	1,257	9,798	6,406	3,238	44,509

Composition by Operating Segment



Segment Strategies

Mineral & Metal Resources Segment

• Mineral & Metal Resources Business Unit



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

Businesses

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



Collahuasi Copper Mine (Chile)

Strengths

- Portfolio with the triple pillars of cost competitiveness, production volume, and ore reserves volume enables a resilient revenue base that combines downward resilience and the ability to seize upside potential
- Value chain based on strong underground resources business achieves wide-ranging functions and global market presence

Risks

- Impact on supply and demand, and prices of commodities by technology innovations in response to low-carbon society and changes in values
- Structural changes of supply chain caused by geopolitical risk

Opportunities

- Further expansion of infrastructure demand, etc. as a result of global economic growth, particularly in Asia
- Acceleration of electrification, reduction in weight and demand for green materials in response to low-carbon and circular society
- Low-carbon materials, recycling and high-grade resources becoming increasingly important due to growing need to reduce the environmental burden

Business Strategies

Iron ore	<ul style="list-style-type: none"> • Strengthen the earnings base of our Australian iron ore operations by developing new deposits at Robe River and acquire mining areas adjacent to our operations. • Contribute to increase the value of Vale S.A.
Coal	Improve the value of our Australian coal mining business and contribute to optimizing our asset portfolio.
Copper	Maximize the value of existing assets in Chile and strengthen functions through the value chain.
Other	<ul style="list-style-type: none"> • Develop initiatives and establish an earnings base for our recycling business. • Create a value chain in secondary battery raw materials. • Respond to changes in the industry structure toward a low-carbon society and promote ESG initiatives such as low-carbon materials.

Progress in FY Mar/2021

- Establish a strong earnings base: Iron ore - expansion of reserves, copper and coking coal - restructuring of asset portfolio and acquisition of competitive assets
- Respond to changes in business environment, new business development: Made progress in initiatives such as recycling business, building secondary battery raw materials value chain and supplying low-carbon materials

Segment Strategies

Mineral & Metal Resources Segment

Major Businesses

Product	Name ^{*1}	Location	FY Mar/2021 Equity Production	Main Partner	Equity Ratio ^{*4}	Revenue Recognition
Iron ore	Robe River	Australia	21.4 million tons	Rio Tinto	33.0%	Consolidated (partially accounted for by equity method)
	Mt. Newman / Yandi / Goldsworthy / Jimblebar	Australia	20.1 million tons	BHP	7.0%	Consolidated (partially accounted for by dividend)
	Vale	Brazil	16.7 million tons ^{*2}	Vale	5.69% ^{*5}	Dividend
Coal	South Walker Creek / Poitrel	Australia	1.8 million tons ^{*2}	BHP	20.0%	Equity method
	Kestrel	Australia	1.1 million tons ^{*2}	EMR / Adaro	20.0%	Consolidated
	Moranbah North / Grosvenor / Capcoal / Dawson	Australia	6.5 million tons	Anglo American	Various	Consolidated
Copper	Collahuasi	Chile	69.4 thousand tons ^{*2}	Anglo American / Glencore	12.0% ^{*6}	Equity method
	Anglo American Sur	Chile	35.3 thousand tons ^{*2}	Anglo American / Codelco	9.5%	Equity method
Nickel	Coral Bay	Philippines	3.4 thousand tons ^{*3}	Sumitomo Metal Mining	18.0%	Equity method
	Taganito	Philippines	4.6 thousand tons ^{*3}	Sumitomo Metal Mining	15.0%	Dividend

^{*1} Includes JV names, company names, and project names

^{*2} Jan-Dec 2020 results

^{*3} Production capacity base

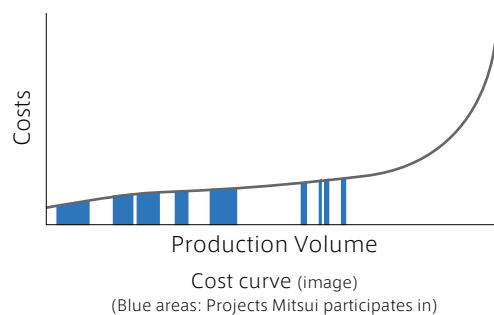
^{*4} As of the end of March 2021

^{*5} As of the end of June 2021

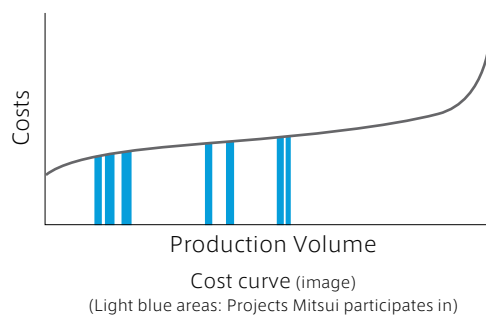
^{*6} Additional acquisition in Q4 of FY 21/3 (0.97%)

Cost Competitiveness of the Above Commodities

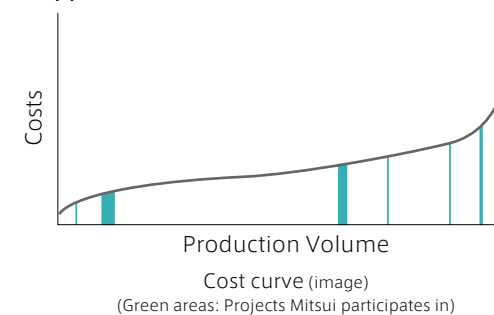
Iron ore



Coal



Copper



Segment Strategies

Energy Segment

• Energy Business Unit I • Energy Business Unit II • Energy Solutions Business Unit



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



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

Businesses

In addition to contributing to steady supplies of energy through upstream development, logistics, and trading, we are leveraging the strengths of our core businesses and our comprehensive strengths in initiatives for carbon reduction or decarbonization throughout our entire value chain. We are improving our portfolio by sharpening the cost competitiveness of our LNG and E&P businesses, working on carefully selected new initiatives, carrying out environmentally friendly measures, and other initiatives. We are also creating added value through logistics and trading, as well as promoting next-generation businesses such as decentralized renewable energy sources and next-generation fuels.



Waitsia gas field in Western Australia

Strengths

- Superior oil and gas upstream and LNG asset portfolio, cash generation capability
- Trading capability (risk management, know-how of logistics, etc.)
- Global market presence and customer base

Risks

- Decline in demand for crude oil and gas due to increasing awareness of climate change and a shift in social needs to carbon reduction and decarbonization
- Long-term stagnation of crude oil and gas prices and change in lifestyle and behavior

Opportunities

- Increasing demand for primary energy
- Increasing demand for clean energy and next-generation energy
- Increasing opportunities for energy solutions business as a result of accelerating shift to carbon reduction and decarbonization

Business Strategies

Oil and gas upstream development	<ul style="list-style-type: none"> • Maximize the value of existing businesses and realize profits from assets we own rather than pursuing scale, and carefully select businesses where we can create our own unique value, such as CCS/CCUS and geothermal power, utilizing E&P platforms such as technical knowledge and partnerships.
LNG	<ul style="list-style-type: none"> • We position LNG as an important fuel due to its comparatively low environmental impact and ability to contribute to GHG reduction. Continue to focus on maximizing the value of existing businesses and steadily launching development projects. • Work toward carbon reduction and decarbonization, and improve capital efficiency in our natural gas value chain. • Work on strengthening resilience against downward pressure, expand and optimize our trading portfolio, and strategically evolve to a more competitive asset portfolio.
Energy Solutions	<ul style="list-style-type: none"> • Maximize the use of the strengths of our core businesses and the comprehensive strengths of Mitsui to promote businesses for integrated energy services (decentralized renewable energy sources, batteries, electrification of mobility, electricity trading, provision of carbon solutions, etc.) and next next-generation fuels (biofuel, hydrogen, ammonia for power generation, etc.).

Progress in FY Mar/2021

- Shifted strategy to improve the value of E&P assets and utilized our knowledge and comprehensive strengths in this business to promote new businesses such as CCS.
- Reduced costs of existing assets to raise competitiveness. Expanded our LNG supply portfolio by promoting development projects such as Cameron and Mozambique and maximized the value of our business by improving our LNG sales portfolio.
- Accelerated next-generation business initiatives such as decentralized renewable energy, biofuel, hydrogen and ammonia, and electrification of mobility.

Segment Strategies

Energy Segment

Respond to Global Demand for Clean Energy as the World Pursues a Zero-carbon Society

Mitsui's Energy Transition

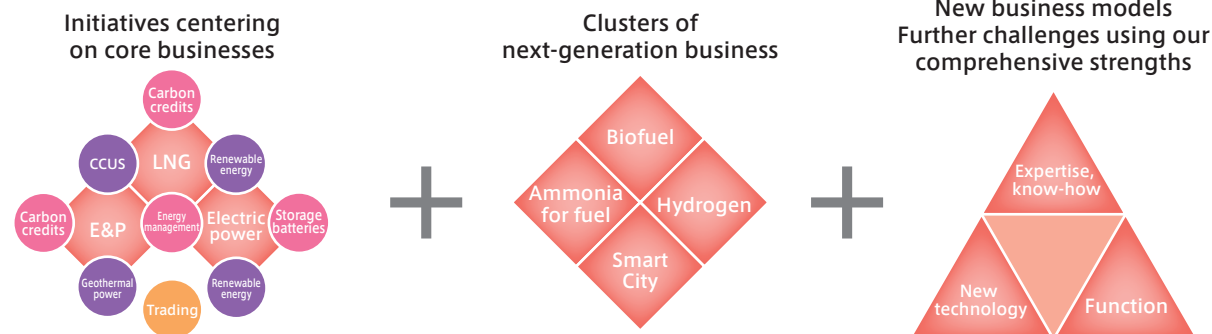
Carbon reduction in core businesses and initiatives for next-generation fields, using the partnerships, customer base, knowledge, and comprehensive strengths we have built in our core businesses

Transformation of existing portfolio

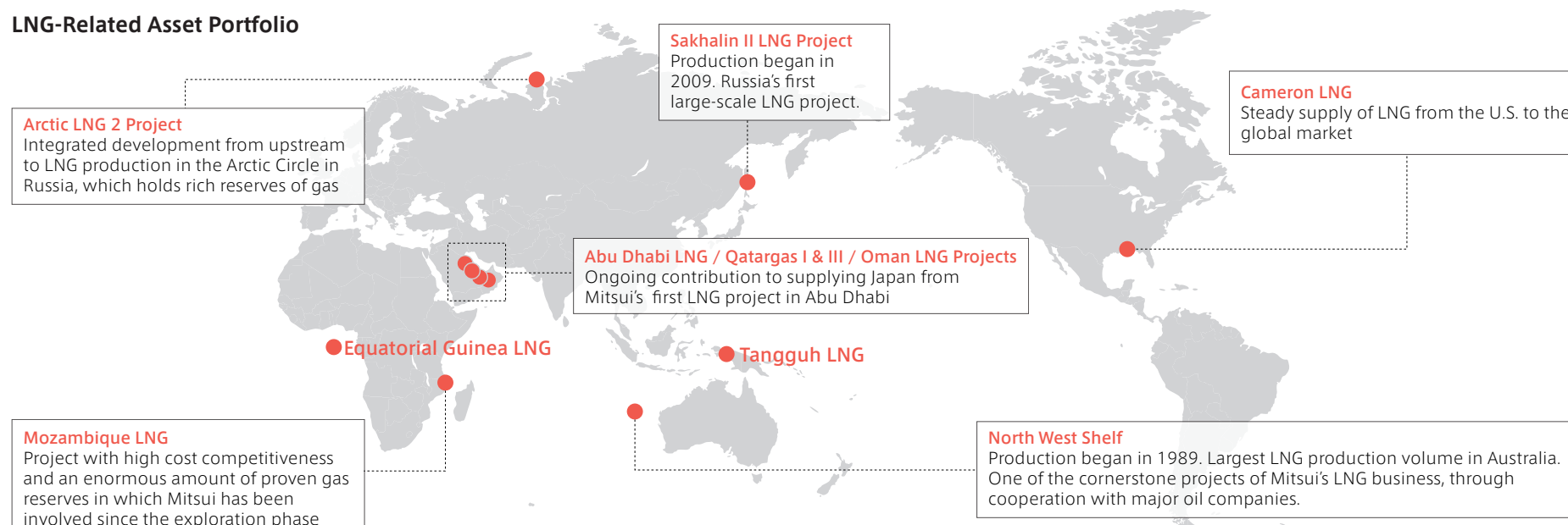
We are promoting carbon reduction in core business fields such as LNG, E&P, and electric power.

Using Mitsui's strengths to expand next-generation energy businesses

We are building sustainable business portfolios in integrated energy services and next-generation fuels.



LNG-Related Asset Portfolio



Segment Strategies

Machinery & Infrastructure Segment

• Infrastructure Projects Business Unit • Mobility Business Unit I • Mobility Business Unit II



Kazumasa Nakai
Managing Officer,
Chief Operating Officer
of Infrastructure
Projects Business Unit

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

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

Businesses

We contribute to the development of countries and the creation of better lives through the reliable, long-term supply of indispensable social infrastructure such as power, gas, water, and logistics. We seek to solve social issues by creating new value in a wide range of fields, including resource development infrastructure; railways; automotive; mining, construction, and industrial machinery; ships; aerospace; and space-related initiatives. Our work spans sales and services, finance and leasing, transportation and logistics, and investment.



Bii Stinu Wind Project (Mexico)

Strengths

- Wide range of customers, expansive networks, and collaborations with top partners
- Infrastructure assets based on solid demand
- Project development capabilities with regional expertise, which contributes to the development of countries
- Comprehensive strengths from interdepartmental cooperation that span business fields such as digital infrastructure, RE^{*1}, next-generation mobility, batteries, new fuels, and logistics

Risks

- Slowing of economies as the pandemic proves long-lasting, slow recovery in demand, decline in demand for mobility in the New Normal
- Changes in industry structure such as a shift to more environmentally friendly mobility and deceleration of resource development to achieve a zero-carbon society

Opportunities

- Advances in DX, acceleration of digital infrastructure and increase in renewable energy sources on the back of the trend toward 3D^{*2}, steady power-supply adjustment needs for gas-fired power
- Increasing, diversifying demand for transportation and mobility infrastructure services (energy conservation, new fuel, electrification, etc.)

*1. Renewable Energy *2. Decarbonization, Decentralization, Digitalization

Business Strategies

Centralized / distributed power generation	Improve asset portfolio through strategic recycling and expansion of RE initiatives with awareness of ESG
Resource infrastructure	Selective initiatives in regions and domains that take into account the shift to decarbonization
Social infrastructure	Strengthen revenue base of existing platform, incorporate growth in emerging countries, seawater desalination initiatives
Automobiles, construction machinery, and railways	Focus on initiatives in upstream fields and automotive fleet management business (areas that pose an ongoing issue), initiatives for next-generation mobility, exploring new fields through proof-of-concept experiments, and exploring solutions-based businesses
Ships and aerospace	Realize a well-balanced business portfolio through business development and management-type investments (upgrading trading, improving asset portfolio, building new business models in areas such as the environment, DX, and space)

Progress in FY Mar/2021

- Straightened profit base through steady completion of construction work and continued receipt of orders in existing business domains, and enhanced asset quality through strategic recycling.
- Rolled out new initiatives in areas such as platform-type infrastructure businesses, next-generation mobility, space, the environment, and DX businesses.
- Accelerated strengthening of profitability by enhancing business management capabilities (including at subsidiaries) and improving productivity.

Segment Strategies

Machinery & Infrastructure Segment

Competitiveness



Electric power

- Total power generating capacity of approximately 11.0GW
- Project operatorship
- Well-balanced portfolio of regions and fuels

Graph 1,2



Next-generation businesses

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



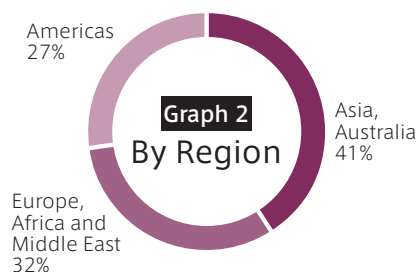
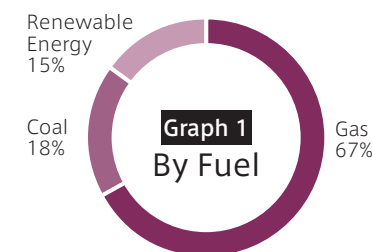
Offshore energy

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



Gas distribution

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



←..... 160 affiliated companies→



Automobiles

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



Construction equipment

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



Rail

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



Ships

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



Aerospace

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

Segment Strategies

Chemicals Segment

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



Takashi Furutani
Managing Officer,
Chief Operating Officer
of Basic Materials
Business Unit

Hiroshi Kakiuchi
Managing Officer,
Chief Operating Officer
of Performance
Materials Business Unit

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

Businesses

Our chemicals business encompasses trade and investment in a wide range of industries from upstream chemicals such as basic chemicals and inorganic resources to downstream chemicals such as functional materials, electronic materials, specialty chemicals, agricultural input, feed additives, veterinary medicine, and food science. In addition, we carry out initiatives in peripheral areas such as the tank terminal business, wood materials, and living and environmental materials. We are also engaged in business that contributes to the realization of a low-carbon society and circular economy.



Australian salt field business/Shark Bay Salt

Strengths

- Solutions-oriented business that makes use of our contact with various industries through our materials and adapts to changes in trends and needs
- Steady supply of materials that contribute to realizing a sustainable society and improving quality of life
- Solutions based on science that help improve nutrition and health for people and animals

Risks

- Increasing impact of climate change on supply chains
- Change in the structure of the petrochemical industry due to decline in demand for fossil fuels

Opportunities

- Increasing needs for carbon management and response to climate change
- Expansion of the oil to chemicals trend
- Rising demand for plastic recycling
- Rising demand for environmentally friendly materials
- Increasing need for food production and growing wellness market in response to greater health-consciousness

Business Strategies

Trading businesses	<ul style="list-style-type: none"> • Advance trading functions in view of changes in market structures and trading flow due to changes in external environment such as increasingly stringent environmental regulations • Make use of trading assets such as specialized vessels, tanks, and our customer base to grow our steady supply network
New businesses (seizing new growth opportunities)	<ul style="list-style-type: none"> • Expand contributions to a circular economy (plastic recycling, etc.) and initiatives to realize a low-carbon society • Expand business to proposal-based business to meet increasingly individualized needs
Existing businesses	<ul style="list-style-type: none"> • Expand businesses through bolt-on investments, pursue operational excellence • Increase profitability by strengthening business management capabilities

Progress in FY Mar/2021

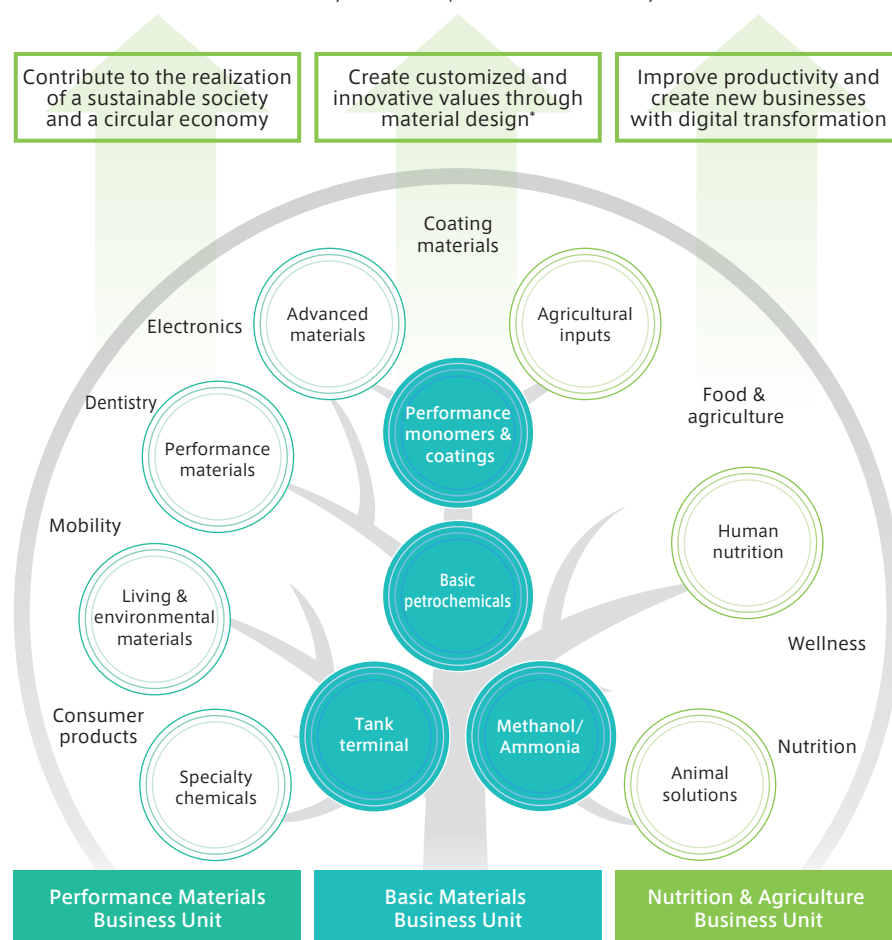
- Strengthened and expanded hydrogen-related businesses toward realization of a low-carbon society
- Advanced recycling businesses toward realization of a circular economy
- Expanded and strengthened portfolio in agricultural inputs

Segment Strategies

Chemicals Segment

Competitiveness and Vision

Create new businesses from industrial hub beyond business domain and industry with the power of chemistry



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

Initiatives for Sustainable Value Creation

Providing solutions through low-carbon chemical businesses

During the previous fiscal year, we decided to expand the capacity of Fairway Methanol LLC in the U.S., a company we invest in, to make use of the carbon dioxide (CO₂) emitted from nearby plants. A CCU (CO₂ capture and utilization) business is being built as part of this endeavor. This will achieve carbon recycling, where CO₂ is reused in materials or fuel. We are also working on initiatives in the energy solutions area, such as hydrogen and ammonia for fuel, which are expected to be sources of clean energy, by leveraging the relationships and trust with clients that have been built through steady supplies of raw materials by making use of trading assets such as vessels and tanks, as well as gathering knowledge and experience not only in the chemical and energy segments but also in other segments.



Taking on the challenge of solution proposal type businesses in consumer business

With the wellness market growing and consumers' needs becoming increasingly diverse and individualized, we are making beauty and personal care a focus to capture that demand. Contact with consumers is the starting point for this initiative, where we are proposing formulas based on data analysis and the use of DX and combining this with our strength in proposing materials. Our marketing activities with Japanese brand manufacturers in Brazil and India will shift to full gear. In the USA, we established the Shiko Beauty Collective, an online shopping platform for Japanese skincare products, invested in Ands Corporation, a major Japanese cosmetics ODM, and partnered with multiple manufacturers to establish the J-Beauty Technology Platform. Through our unique solution proposal type business that meets consumers' needs, we are contributing to enhancing quality of life around the world.



Segment Strategies

Iron & Steel Products Segment

• Iron & Steel Products Business Unit



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

Businesses

This business unit leverages the power of steel and other materials to create products and services that solve industry challenges and meet the potential needs of customers in various industries. The Iron & Steel Products Business Unit encompasses our business for the sale and processing of iron and steel products, our part production business, and our Electrical Arc Furnace, recycling, and maintenance businesses contributing to a circular society, along with initiatives to visualize environmental impact in response to a zero-carbon society on the environment.



Automotive component manufacturing business /
Gestamp Automoción S.A. (Spain)

Strengths

- Cover a wide-ranging supply chain from steel manufacturing to part production and the processing and sale of steel products
- Global customer network of trading force (Mitsui & Co. Steel Ltd., MM & KENZAI Corporation, NIPPON STEEL TRADING CORPORATION)
- Wide range of services outside the steel products supply chain, such as infrastructure maintenance

Risks

- Industry reorganization and changes in distribution structure due to decline in domestic steel production
- Impact of increasing geopolitical risks on the trading flow

Opportunities

- Changes in supply chain structure and increasing demand for longer-lasting infrastructure due to acceleration of shift to decarbonization and a circular economy
- Growing need for lighter and stronger materials in the mobility field
- Increasing efficiency in distribution with advances in DX

Business Strategies

Mobility	<ul style="list-style-type: none"> • Strengthen businesses for lighter vehicle bodies and EVs, centering on the theme of "next-generation mobility" • Maximize the value of Gestamp Automoción S.A., an automotive component manufacturing business • Strengthen new initiatives for the next generation, such as high-efficiency industrial motors and EV powertrains
Infrastructure	<ul style="list-style-type: none"> • Initiatives for the Electrical Arc Furnace and longer-lasting infrastructure, centering on the theme of "a zero-carbon circular society" • Expand domestic and overseas business bases in the Electrical Arc Furnace business and promote shift to greener technology • Promote overseas infrastructure maintenance business through our joint venture with SHO-BOND Holdings Co., Ltd.
Energy	<ul style="list-style-type: none"> • Contribute to energy solutions through stable supply of energy, renewable energy, and energy saving businesses • Establish business base in the renewable energy field through our domestic and overseas companies and pursue distribution of steel products in the oil and gas fields
Logistics	<ul style="list-style-type: none"> • Take initiatives to expand the value at NIPPON STEEL TRADING CORPORATION, and to launch a digital platform business.

Progress in FY Mar/2021

- Despite the negative impacts of COVID-19, such as a decline in the demand for steel products and a decrease in the operating rates, we strengthened our earnings base through structural reform at our affiliated companies and associated companies and achieved stable supplies through our strong trading functions.
- Strengthened profitability in existing businesses and implemented initiatives to create new businesses that will be core drivers of revenue in future

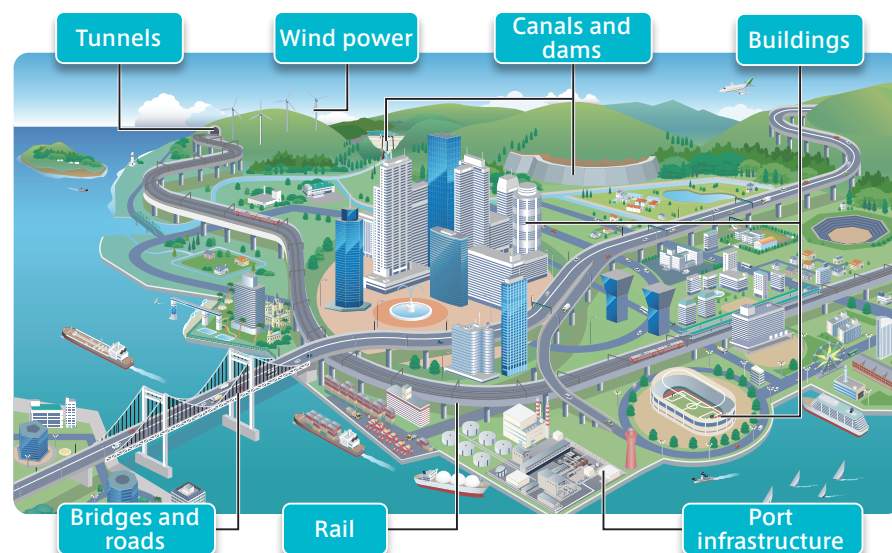
Segment Strategies

Iron & Steel Products Segment

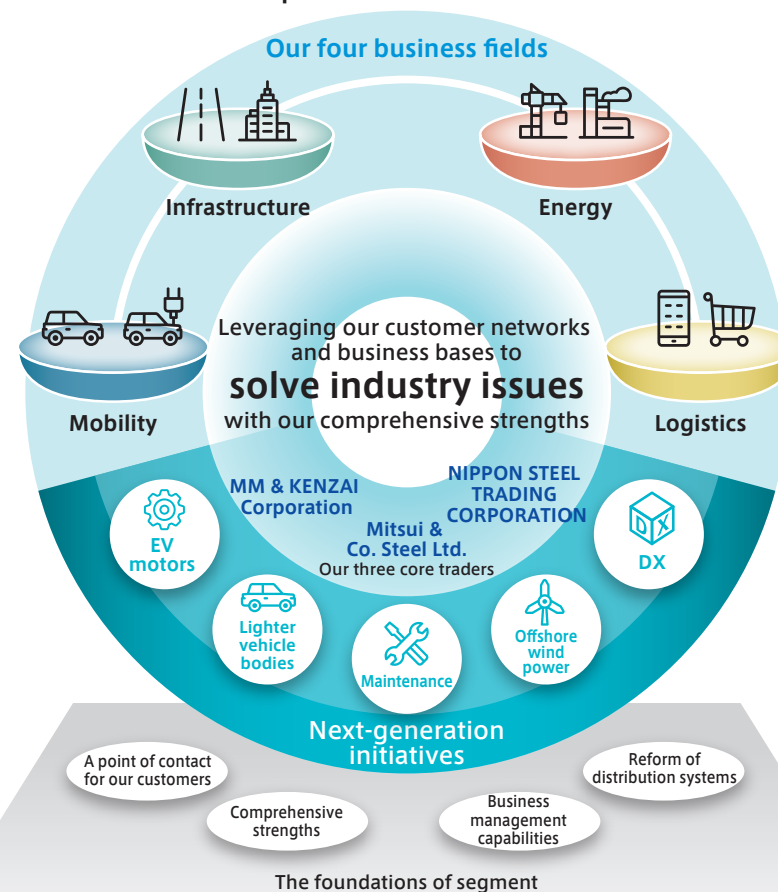
Develop maintenance business for a circular society

Aging infrastructure is becoming a social issue around the world, and in addition to demand for supplies of steel products to build new infrastructure, it is predicted that the need for preventive maintenance and longer-lasting infrastructure—which need to be achieved through maintenance such as repairs and reinforcement—will grow in future. Iron & Steel Products Business Unit is working together with SHO-BOND Holdings Co., Ltd., a leading Japanese infrastructure maintenance company, to carry out infrastructure maintenance in Thailand. We plan to expand our business in other countries in future.

Providing maintenance services for a wide range of infrastructure



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



Segment Strategies

Lifestyle Segment

• Food Business Unit • Retail Business Unit • Wellness Business Unit



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

Tsutomu Osada
Managing Officer,
Chief Operating
Officer of Retail
Business Unit

Masato Sugahara
Managing Officer,
Chief Operating
Officer of Wellness
Business Unit

Businesses

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



Retail business / Retail brand products of Ventura Foods (U.S.)

Strengths

- Product development and stable supply capabilities covering a diverse range of food-related needs
- Wide-ranging consumer touchpoints through analog and digital functions and collaboration with outstanding global partners
- Hospital and clinic business base centered on IHH, of which Mitsui is the largest shareholder

Risks

- Changes in traditional production areas as a result of climate change
- Changes in trade structures in line with geopolitical risks and rising awareness of SDGs
- Disappearance of some medical needs as travel bans and other measures become long term
- Labor shortages and trends in medical regulation in countries in which Mitsui conducts business
- Paradigm shift in the medical industry following the entry of the Big Four (GAFA) and other new entrants from other industries into the market

Opportunities

- Changes in global value chain structure, increasing diversity, fluidity, and sophistication of consumer behavior, birth of new domains through technological evolution
- Expanding EC market in line with acceleration of DX and changes in buying behavior, increasing consumer needs relating to health, the environment, and sustainability
- Increasing medical expenditures and widening gap in healthcare supply and demand in Asia, expansion of wellness businesses such as pre-symptomatic and preventive care, accelerating digitalization

Business Strategies

Food Business	<ul style="list-style-type: none"> • Strengthen sustainable food supply system across value chains for three major nutrients and preferential ingredients • Construction of new businesses through expertise relating to health, the environment and technology
Retail Business	<ul style="list-style-type: none"> • Strengthen retail infrastructure base through the sophistication and advancement of demand forecasting and logistics functions using digital functions • Create differentiated products and services based on consumer insights obtained by expanding consumer touchpoints using digital functions
Wellness Business	<ul style="list-style-type: none"> • Further strengthen core businesses of hospital and clinic business and integrated services business • Create business clusters through the establishment of business bases in the domains of healthcare data, pharmaceuticals, and well-being, which are domains of medium- to long-term growth

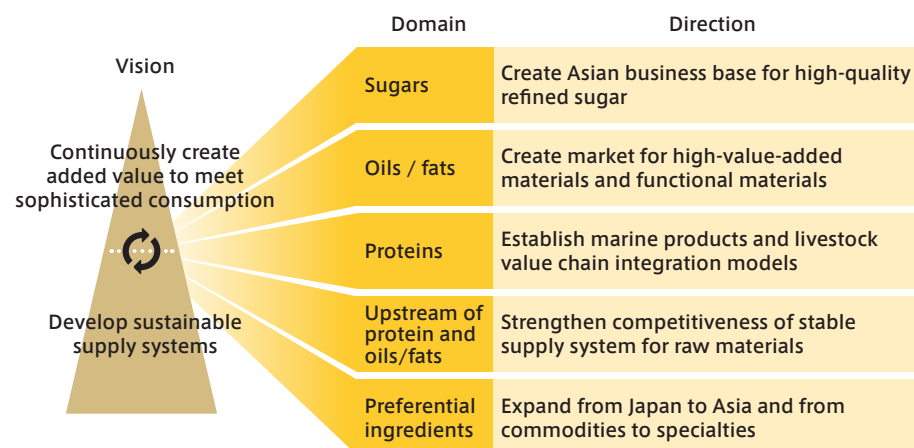
Progress in FY Mar/2021

- Recorded good results in trading of grain, etc., steadily captured demand resulting from stay-at-home orders in response to the COVID-19 pandemic, reorganized Japanese sugar industry, implemented cost structure reforms
- Expanded consumer touchpoints, strengthened manufacturing functions, incorporated growth from EC market through digital functions and consolidation of distribution subsidiaries
- Strengthened portfolio through asset recycling and swift response to the COVID-19 pandemic by group companies in the wellness domain

Segment Strategies

Lifestyle Segment

Food Business Unit Vision and Direction by Domain



Sugar Domain Value Creation Initiatives

Production of high-quality refined sugar in Thailand and expansion of sales in the Middle East and Asian markets

Mitsui and Mitsui DM Sugar Holdings Co., Ltd. (of which Mitsui holds a 26.5% stake) has been investing in Thai sugar manufacturing companies The Kumphawapi Sugar Co., Ltd. and Kaset Phol Sugar Ltd. (hereinafter referred to as "KSP") for over half a century, contributing to the stable supply of raw sugar to refined sugar manufacturers in Japan. In anticipation of the growth of the global sugar market and growing demand for high-quality sugar, KSP is promoting the introduction of the latest equipment in order to fully capitalize on the technological capabilities of SPOON brand sugar, which has the largest market share in Japan. In a complete shift from its conventional position as a supply base for raw sugar to Japan, high-quality refined sugar is manufactured from raw sugar within Thailand, which is a major source of sugarcane, and near areas in which sugar is in demand. Through this work, we aim to expand sales in the Middle East and Asia, where the beverage and processed food markets are growing rapidly and demand for high-quality sugar with ensured safety and security is increasing. We are also actively promoting SDG initiatives such as the use of sugarcane residues.



Basic Policies and Major Initiatives of the Retail Business Unit

Acquisition of Consumer Intimacy



- Expand brand retail and D2C* businesses
- Strengthen EC fulfillment and last-mile functions

Pursuit of Product Differentiation



- Strengthen lifestyle product/brand creation and sales functions
- Expand prepared and frozen food businesses to meet ready-to-eat demand

Thoroughness in Operational Excellence



- Increase sophistication and advancement of logistics functions in the distribution business
- Strengthen business base for apparel manufacturing and sales, expand overseas and domestic sales channels

Accelerate new business development in Southeast Asia, the U.S., and China

*Direct to Customer (D2C) is a model under which products designed and produced by the company are sold directly to consumers through its own channels such as EC sites

Retail Business Value Creation Initiatives

Creating new businesses for consumers in the rapidly expanding EC food market

Taking the opportunity presented by the acceleration of DX and a power shift towards consumers, Mitsui established Retail Digital Solutions Co., Ltd. (hereinafter referred to as "RDS"), an EC support company, in July 2020 as one of its core EC-related businesses. RDS develops EC fulfillment businesses that provide integrated services from the development, operation, and sales support of EC sites for food products to inventory management and logistics. It is demonstrating the function served by promoting the digitization of customer food businesses and developing differentiated products using thorough data analysis and expertise. As part of its strategy for further growth, RDS plans to begin operating its own distribution center in December 2021, and will utilize this center to develop both its EC fulfillment business and its EC retail business. Consumer data obtained from both businesses will be utilized in product development to meet diversifying consumer needs, and to provide mechanisms to deliver products to consumers more conveniently and quickly.

Segment Strategies

Innovation & Corporate Development Segment

• IT & Communication Business Unit • Corporate Development Business Unit



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



Shinichi Kikuchi
Managing Officer,
Chief Operating Officer of
Corporate Development
Business Unit

Businesses

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



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

Strengths

- Building a business model that makes use of our networks with powerful partners and our customer bases inside and outside Japan
- Building new DX businesses using the technology and business knowledge of our major domestic affiliated companies
- Business management, investment, fostering and deploying DX talent
- Creating new value through combinations of the Mitsui Group's business experience, networks, and knowledge cultivated through our finance, real estate, and logistics businesses

Risks

- Impact of worsening conflict/friction between the USA and China on relevant businesses
- Decreasing ROI and difficult fund management environment due to ongoing monetary easing
- Risk of losses due to market volatility
- Increasingly poor business conditions due to the effects of the COVID-19 pandemic

Opportunities

- Creation of new services and businesses using data
- Growing demand for measures against cyber security risks
- Growing business opportunities in environmental derivatives and renewable energy due to the energy shift
- Investments paying off due to market situation for IPOs
- Growing demand for fulfillment functions due to shift to e-commerce in consumer activities
- Growing hedge demand due to market volatility

Business Strategies

ICT	<ul style="list-style-type: none"> • Further strengthen profit base of major domestic affiliated companies • Create new businesses using new technologies and business models • Co-create with other business units and external business partners
Corporate Development	<ul style="list-style-type: none"> • Further strengthen existing stable profit bases • Contribute to improvement of Mitsui's corporate value through collaborations with other business units • Build relationships by using the functions of this business unit with our business partners' perspective in mind

Progress in FY Mar/2021

- Our four main affiliated ICT companies broke their record by steadily capturing digital security and "stay at home" demand. We promoted the hiring and training of young business talent, along with initiatives with overseas business partners.
- Strengthened existing businesses through DX, added investments in Japan and other Asian countries through buyouts, and recouped our investment in a drug discovery venture.

Segment Strategies

Innovation & Corporate Development Segment

Major Businesses

MITSUI KNOWLEDGE INDUSTRY CO., LTD., Mitsui Bussan Secure Directions, Inc.

MITSUI KNOWLEDGE INDUSTRY CO., LTD., which builds corporate systems and networks and provides services such as cloud services, merged with Mitsui Bussan Electronics Ltd., whose business activities include the development and sale of IoT solutions and semiconductor production equipment, in April 2021. We aim to create new value in the DX area by combining MITSUI KNOWLEDGE INDUSTRY CO., LTD.'s comprehensive technical strength in ICT and Mitsui Bussan Electronics Ltd.'s business knowledge and industry customer bases in electronics and IoT. MITSUI KNOWLEDGE INDUSTRY CO., LTD. and Mitsui Bussan Secure Directions, Inc., which provides cyber security services, are playing a central role in our IT service business.



QVC Japan, Inc.

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

World Hi-Vision Channel, Inc.

Since 2007, World Hi-Vision Channel has been operating "BS12TwellV," a 24/7 free-to-air BS channel. To break into new viewer demographics, we have begun a business collaboration with Mildom, a live streaming service that we are investing in.

Mitsui & Co. Global Logistics, Ltd.

This business centers on our Logistics Center (distribution processing for retail services and goods such as mail orders and apparel) and has expanded into areas such as real estate rentals, iron and steel, and machinery and facility transportation. The company's global network consists of 24 sites in eight cities in Japan, and sites in 150 cities in 35 countries around the world. The domestic sites cover a total area of around 800,000m², more than almost any other company in Japan.



Commodity derivatives business

This business contributes to greater stability in our customers' businesses by providing solutions to mitigate the risk of fluctuation in the prices of various products that may impact revenue in such businesses (products, services, etc.), including precious metals, nonferrous metals, iron and steel, oil, gas, electric power, emission credits, and sea freight. Along with Mitsui Bussan Commodities Ltd., a wholly owned subsidiary of ours, our commodity derivatives business uses our global network (Tokyo, Singapore, Paris, London, New York) to operate a 24-hour framework to meet a variety of customer needs.

New Initiatives

iMedical Inc.

This company provides support for remote imaging and diagnostics using medical image data such as CT, MRI, and PET scans, as well as health screening and checkup reservation systems. In March 2021, the company acquired Dia Medical Net, Inc., another remote imaging and diagnostics company, becoming the industry's second largest remote imaging and diagnostics support provider.

Beijing Bojunyouxuan Technology Co., Ltd.

We invested jointly in Beijing Bojunyouxuan Technology Co., Ltd., which develops and sells food product ordering systems, together with Infomart Corporation, a major B2B trading platform provider in Japan. We aim to make use of Infomart's knowledge in relevant areas, such as transitioning ordering operations to electronic data and centralized management of product standard data, such as places of origin and ingredients, to promote the use of IT in ordering in the Chinese market.



Mitsui & Co. Digital Asset Management, Ltd.

This company was established jointly with LayerX, which has a comprehensive range of digital technology such as blockchains, on April 1, 2020. We aim to raise funds from a wide range of investors by issuing digital securities and manage a wide range of assets, primarily real estate and infrastructure inside and outside Japan.