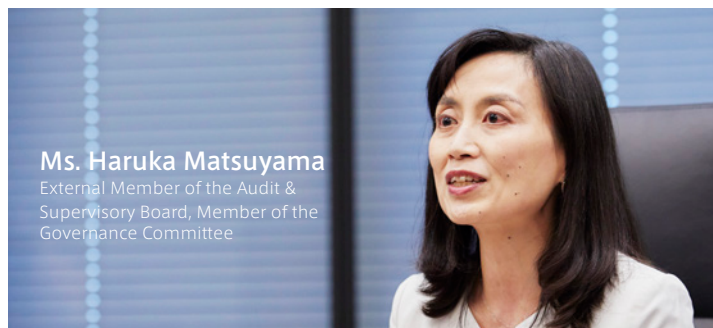
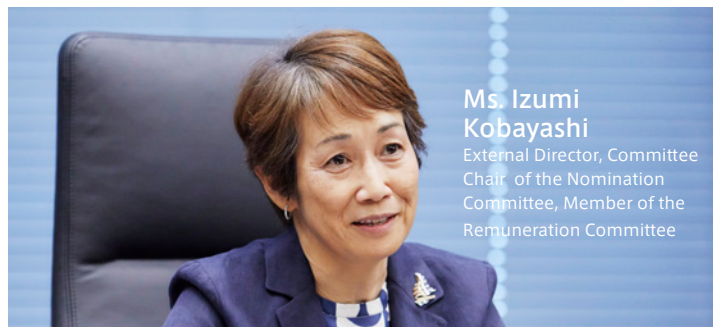


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Gate **4 Management Foundation**



Corporate Officer Roundtable Discussion —— Mitsui & Co.'s Governance and Corporate Culture



Amid the mounting demand to enhance governance in response to recent revisions to Japan's Corporate Governance Code, three of our external officers and Representative Director and Chairman Tatsuo Yasunaga talked about a range of related issues, such as the current status of the Board of Directors and each advisory committee, expectations for their respective roles in the future, initiatives toward diversity, and Mitsui's corporate culture.

The Responsibilities of the Board of Directors and Roles of the Advisory Committees

Takemasu (honorific titles omitted hereinafter): Created in 2015, the Corporate Governance Code was revised in 2018. This year it was revised for a second time. Reflecting major changes in the business environment, the latest revisions provide some important principles for corporate conduct in relation to the enhancement of global competitiveness, the improvement of medium- to long-term corporate value, and the appropriate evaluations by domestic and foreign investors. In terms of governance, Mitsui has taken various and consistent steps ahead of other companies, such as the establishment of the Remuneration and Nomination Committees in 2004 as advisory bodies for the Board of Directors. Currently external members make up the majority of members in all three committees, including the Governance Committee. What are your views on Mitsui's overall governance through these committees?

Matsuyama: To talk about Mitsui's governance, I would like to touch upon two key features, especially

Corporate Officer Roundtable Discussion

in relation to the committees. First, Mitsui's advisory committees have a long history, and their members include Audit & Supervisory Board Members, while in many cases for other companies, these committees consist solely of directors. I believe that the inclusion of Audit & Supervisory Board Members in the committees ensures independence and enables the committees to maintain high levels of transparency and objectivity. Second, Mitsui is one of the few companies to have established a Governance Committee. Unlike the other committees, since there are no limits on the themes to be examined by the Governance Committee, its topics and debates span a wide range, covering all areas of governance.



Ozu: When I became a member of the Nomination Committee three years ago, the company had just started to discuss the CEO succession plan. The idea of including an Audit & Supervisory Board Member in the Nomination Committee had actually been discussed among the Audit & Supervisory Board as well, and I personally thought it would be a good idea. My positive stance toward the idea eventually led me to participate in the Nomination Committee. But, since I had been involved in the human resources area before, and know what it entails, I found myself slightly overwhelmed, thinking what I had gotten

myself involved in. Thankfully, however, the committee's administrative office always provides committee members with extensive materials as the basis for our deliberations, and we have been able to engage in quality debate at each meeting.

Yasunaga: The evolution of Mitsui's governance commenced in 2002, following the occurrence of an extremely serious compliance issue. Our regret over that situation led us to adopt a structure based on the separation of management and business execution. We also appointed external directors to some key posts under the said structure. That was when our governance format, awareness, and structure began to change significantly. As part of such shift in mindset, we introduced the advisory committees and the managing officer system. Until 2002, we conducted our profitability assessments for each of the business units structured along the product-axis and each overseas trading subsidiary independently. However, realizing that Mitsui would not survive unless we bring the level of our governance format in line with the global standard, we subsequently adjusted our stance ahead of others and have since committed to the visualization of management.

After I became CEO, we further sought to optimize and simplify our complex, stratified management structure and systems, which were robust but lacking flexibility, and to improve management transparency. Mitsui is engaged in a wide range of business areas and has developed its business operations on a global scale. To manage these activities effectively, on one hand, we need to delegate executive authority to managing officers, and, on the other hand, to ensure that internal directors have extensive knowledge of the areas and

business domains for which they are responsible. Using this foundational structure, it is of critical importance to seek advice from external directors on Mitsui's medium- to long-term strategies and strategic direction, in order to adjust its course. Through the active participation of external members in the various committees, we can enhance transparency and objectivity. What is also important is achieving the best balance between external directors, who cover the above aspects, and internal directors, who are well acquainted with the details of our business operations.

Takemasu: As a company with Audit & Supervisory Board, each of Mitsui's committees was introduced, even before debates on the improvement of governance gained momentum across the business community, and there has since been a sustained improvement in the content of discussions by these committees. Ms. Kobayashi, what is your view on this point as committee chair of the Nomination Committee?



Kobayashi: The advisory committees already existed when I became a director in 2014. However, my frank impression is that, today, they have evolved far beyond their role at that time. The Nomination Committee, of which I am a member,

Corporate Officer Roundtable Discussion

not only covers the succession plan for the CEO, but also discusses the development of the next generation of leaders from various perspectives. I feel that our discussions are not merely a formality and are continually evolving content wise as well.

Ensuring the Diversity of the Board of Directors

Takemasu: The revised Corporate Governance Code highlights the need to increase the diversity of the boards of directors from the viewpoint of improving corporate value over the medium to long term. It also states that companies should disclose the specialist fields and skill sets of their directors and audit & supervisory board members in relation to their own management strategies. In this context, what are your views on the composition and diversity of Mitsui's Board of Directors?

Matsuyama: Mitsui's External Directors have extensive management experience, and I believe that the Board is well-balanced in terms of gender and skill sets. The same is true for the Audit & Supervisory Board. If I may point out one issue, it is perhaps the fact that the internal directors are disproportionately males of a certain age group. A key question going forward will be how to increase the engagement of women and non-Japanese personnel in the Corporate Management Committee. Another important issue is how the perspectives of younger people can be incorporated and reflected as an advantage to management decision-making. I believe new business creation also requires totally novel perspectives that do not rely solely on past

experience and track records.

Kobayashi: I think there are both visible and invisible forms of diversity. It is relatively easy to enhance visible diversity, which can be indicated quantitatively, such as with the percentage of female members. However, that is not the whole point of diversity management. Provided that there is variation in the mindsets and viewpoints of those involved, even if an organization consists solely of Japanese males, surely you can say there is diversity.

In addition to training women and non-Japanese people to be able to take on the roles in the management team, it is also important to reflect different ideas and knowledge, including those of younger people, in management decision-making. I believe that the creation of mechanisms for this purpose will, by extension, lead to increased diversity.

Yasunaga: The establishment of Moon Creative Lab as Mitsui's innovation lab was prompted by that very perception on this issue. Moon encourages Mitsui & Co. group's 45,000 strong global workforce to submit ideas with the aim of creating innovative businesses. We have created this organization and systems that are totally different from anything that existed previously. Staffed by a coaching team made up of people who have experienced challenging roles in venture businesses in the United States, Moon is thriving on diversity and tackling new challenges every day.

Disclosure of the Skill Matrix

Takemasu: Last year we spent a lot of time discussing, especially in the Nomination

Committee, compiling a list specifying the specialist skills and knowledge that our directors were expected to possess. What are your views on initiatives in this area?



Ozu: When I want to learn about the situation of a particular company, I look first at the CVs of its officers, since, among the information disclosed to the public, those say a lot about the company. However, non-experts and people from other countries may find it difficult to build a picture solely from the CVs of company officers. To meet the needs of those people, I think companies should formulate skill matrices. However, when I look at the skill matrices produced by many companies today, I feel that they are trying to express how much diversity they embrace, by linking diversity to specific skills. But, actually, diversity cannot be defined that simplistically. That said, I also feel that creating a skill matrix for internal corporate officers may serve as an opportunity to comprehensively examine the specialist knowledge and skills needed by corporate officers.

Kobayashi: The question of how a balance of skills should be defined is complex, since different companies prioritize different business areas. When

Corporate Officer Roundtable Discussion

assessing a company, I also look first at the CVs of its officers. If I know any of the officers and reforms achieved by them, I can gain a better understanding of that company's management strategies. In my opinion, in addition to the information provided by a skill matrix, it is also important to simultaneously inform investors about what kind of insight individual directors provided, and how they raised issues in order to enhance corporate value at the board and other committee meetings.

Matsuyama: Actually, I feel that the skill matrix is a little too comprehensive. What I want for the matrix is to provide a simple way to learn what the company expects from its directors. What is important for us is to understand how directors can contribute to solving the management issues faced by the company.



Yasunaga: I have the same view. Internal directors are not always evaluated simply according to whether or not they have the specific skills and experience listed in the skill matrix. For example, a person may have the experience of managing damage control while also working tenaciously to inspire frontline staff. Or, he/she may have a track record of skillfully leading a team in a medium- or

long-term project, and making steady, while not necessarily flashy, progress for the future. I consider these aspects as well as part of their competency, as they are also extremely important, even though they cannot be “factorized” into a matrix in any way.

The Roles and Activities of the Nomination Committee

Takemasu: Other important themes for discussion at the Nomination Committee have been the personal qualities, abilities, experience, and track records required for Mitsui's directors and managing officers, and approaches to succession planning based on these attributes. The succession plan for the CEO was a particularly important topic last year. Looking back, what viewpoints and perspectives did you bring to these discussions?

Ozu: I believe that there are two points to this question: the way that Nomination Committee members were involved in the process, and the content of the discussions. In terms of the former, I believe that all conceivable aspects of the process by its members were discussed and considered exhaustively, including negative checking. With the coordination of the committee's administrative office, we created opportunities for dialogue with the candidates, and opportunities for us to be present when the candidates attended certain gatherings. I believe that these processes were very effective and I hope that they continue. In terms of the content of the discussions, we approached the subject from a range of angles. One suggestion I would like to make is that, instead of looking just at

the CEO succession process, we should continually consider the succession of the leadership team. Employees are also keenly interested in who will be appointed to the top positions in each business segment, and every employee has their own image of the attributes needed by leaders. In selecting leadership candidates, if we incorporate the perspective of how they can drive the company's growth in the future, a basis for succession planning would manifest itself. Recently, fundamental questions, such as how Mitsui should evolve in the coming era, and what is the unique value we can provide, are being discussed increasingly and more deeply within the company. Those conversations are also the discussions about the type of people that should lead the company. With this base of interest within the company, it will be easier for committees to determine the focus of our deliberations.

Yasunaga: When we approach leadership succession for business unit COOs, sometimes we need people capable of making breakthroughs and who have an edge in the business area for which he/she is responsible. They can make optimal use of their individuality and abilities to contribute to the company. It would not be so interesting if all the COOs were very well-balanced leaders. One of our strengths and uniqueness is that our business sometimes requires and can develop talent that does not fit the mold.

Kobayashi: To be honest, I think there are no absolute right answers for what type of person should be selected as a next-generation leader. That is because we can only speculate what kinds of

Corporate Officer Roundtable Discussion

issues the company might face in the future, during this time of dramatic and rapid environmental change. In that sense, one approach might be to include a variety of people in the talent pool. That talent pool would encompass people capable of taking responsibility for business units, as well as people with the capacity to envision the company as a whole. That way, we can flexibly discuss and identify the types of people and experience needed at any given time. I see this as the real meaning of diversity.

Yasunaga: Last year, the Nomination Committee exhaustively discussed the selection of the new CEO. Frankly, I was not sure about either the extent to which we should commit to transparency in relation to proposed appointments, or the extent to which I should share my views openly, including the matters that conflicted with my own thinking at that time, with other committee members. However, I eventually reminded myself that we are obliged to conduct fair discussions on the succession plan, and decided to share my thinking and views with no reservations whatsoever. As a result, we selected a person to whom we can entrust the company in the coming era, and I feel very satisfied with our decision.

The Corporate Culture of Mitsui & Co.

Takemasu: The global spread of the COVID-19 pandemic is driving changes in many of our business activities and has raised the level of uncertainty of the market circumstances. As a final topic, I would like to hear your views about Mitsui's corporate culture in this environment.

Matsuyama: We delivered strong financial results for the first quarter, and I see this as further evidence that the business model of Japanese *sogo shosha* (usually translated as "general trading company"), which is incomparably unique in the world, is resilient in times of change. Mitsui's ability to react with agility to change and flexibly adjust its pivotal axis to develop business widely and effectively is an extremely important leverage. I hope that Mitsui will continue to embrace its capability to be flexibly responsive to the social environment and ability to stay transformative, as part of its corporate culture.

Ozu: One of our key advantages is having a corporate culture that allows us to make bold changes to our business portfolio. Another advantage can be explained by the fact that Mitsui people are constantly contemplating the path ahead. For example, even under the COVID-19 pandemic, they never stop exploring what their future goals are or thinking about the requisite roles to be fulfilled, and intense discussions were seen everywhere. By combining these two attributes, I believe that Mitsui people will be able to set their own goals and continue to take up challenges on the environment and other global-scale issues.

Kobayashi: They say, "Mitsui is People." My own observations indicate that this reputation stems from the fact that individual employees are free-minded thinkers and have the capacity to turn their creative ideas into actions. Such free-thinking approaches combined with the flexibility to accept ideas that are different from one's own is an important strength, and the company as a whole is determined to put this strength to use amid

changes in society and people. This is Mitsui's corporate culture that has coursed through the company over the years.

Yasunaga: Looking back on my own career, I remember being told by my superiors and older colleagues to make full use of the company to achieve what I wanted to do, and not to hesitate to capitalize on its resources. I see this as the real joy of being part of Mitsui & Co. To do this, we need to improve our own capabilities, cultivate our personal networks, and build relationships among a group of professionals. We have demonstrated our resilience as best we could during the COVID-19 crisis, but we still have a lot to do in terms of creating new initiatives. In other words, our "Challenge and Innovation" will never end. Based on the philosophy behind the MVV, we must reconnect to our purposes and continue to take up challenges. Our role as management is to work under this philosophy to provide employees with means and opportunities to achieve self-actualization. Excitingly enough, our arena is the world. Mitsui's *raison d'être* lies in our unique capabilities to contribute to nation-building and to provide solutions, taking on challenges for the issues at hand as global citizens, for the betterment of the world.



Board of Directors and Independent Directors

(As of June 18, 2021)

Directors Years as a Director / Number of Company Shares Held



1983 Joined Mitsui & Co., Ltd.
2021 Representative Director, Chairman of the Board of Directors
(current position)



1984 Joined Mitsui & Co., Ltd.
2021 Representative Director, President and Chief Executive Officer
(current position)



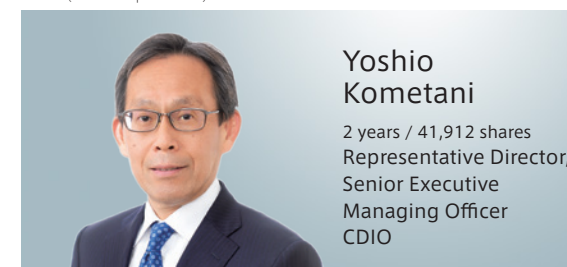
1983 Joined Mitsui & Co., Ltd.
2020 Representative Director, Executive Vice President, CFO
(current position)



1984 Joined Mitsui & Co., Ltd.
2021 Representative Director, Executive Vice President
(current position)



1984 Joined Mitsui & Co., Ltd.
2021 Representative Director, Executive Vice President, CSO
(current position)



1985 Joined Mitsui & Co., Ltd.
2020 Representative Director, Senior Executive Managing Officer,
CDIO (current position)



1984 Joined Mitsui & Co., Ltd.
2020 Representative Director, Senior Executive Managing Officer
(current position)



1984 Joined Mitsui & Co., Ltd.
2021 Representative Director, Senior Executive Managing Officer
(current position)



1985 Joined Mitsui & Co., Ltd.
2021 Representative Director, Executive Managing Officer, CHRO,
CCO (current position)

* CFO: Chief Financial Officer, CSO: Chief Strategy Officer, CDIO: Chief Digital Information Officer, CHRO: Chief Human Resources Officer, CCO: Chief Compliance Officer

Board of Directors and Independent Directors

(As of June 18, 2021)

Independent Directors Years as a Director / Number of Company Shares Held



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



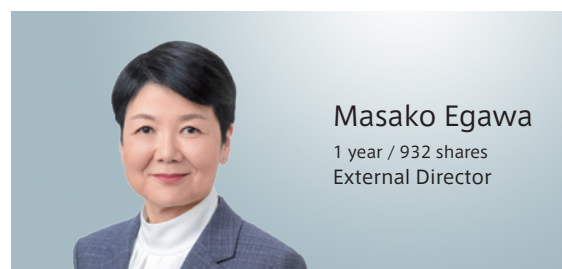
1989 Joined Haight Gardner Poor & Havens
(currently Holland & Knight LLP)
1990 Registered as Attorney at Law, admitted in New York
1991 Joined Industrial Bank of Japan Limited, New York Branch
(currently Mizuho Bank)
1994 Joined Merrill Lynch Japan Securities Co., Ltd.
2000 Merrill Lynch Europe Plc
2006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



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



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



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

Full-time and Independent Audit & Supervisory Board Members

(As of June 18, 2021)

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



1981 Joined Mitsui & Co., Ltd.
2019 Full-time Audit & Supervisory Board Member (current position)



1984 Joined Mitsui & Co., Ltd.
2019 Full-time Audit & Supervisory Board Member (current position)

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



1995 Appointed Assistant Judge at Tokyo District Court
2000 Registered as Attorney at Law
Joined Hibiya Park Law Offices
2002 Partner at Hibiya Park Law Offices (current position)
2014 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)



1974 Appointed Public Prosecutor
2007 Vice Minister of Justice
2012 Attorney General
2014 Registered as Attorney at Law
2015 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)



1980 Joined Shinwa Accountants (currently KPMG AZSA LLC)
2000 Representative Partner
2004 Director of Financial Services
2006 Board Member
2011 Chairman, KPMG FS Japan
2013 Established Mori Certified Public Accountant Office Chairman and President, The Japanese Institute of Certified Public Accountants
2016 Senior Advisor, The Japanese Institute of Certified Public Accountants (current position)
2017 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)

Managing Officers

(As of June 18, 2021)

* Corporate officer also serving as a director

President

Kenichi Hori*

President and Chief Executive Officer; Head of Crisis Management Headquarters

Executive Vice Presidents

Takakazu Uchida*

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

Hirotsatsu Fujiwara*

Energy Business Unit I; Energy Business Unit II; Basic Materials Business Unit; Performance Materials Business Unit; Americas Business Unit

Shinichiro Omachi*

Chief Strategy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Investment Administrative Division, Corporate Communications Division, Corporate Sustainability Division); Japan Bloc; Regional Blocs (Europe Bloc, Middle East and Africa Bloc); Chairman, Portfolio Management Committee; Chairman, Sustainability Committee

Senior Executive Managing Officers

Yoshio Kometani*

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

Miki Yoshikawa*

Food Business Unit; Retail Business Unit; Nutrition & Agriculture Business Unit; Wellness Business Unit; Regional Blocs (East Asia Bloc, CIS Bloc, Mitsui & Co. Korea Ltd.)

Shinsuke Kitagawa

President & CEO of Mitsui Global Strategic Studies Institute (Resident in Tokyo)

Motoaki Uno*

Mineral & Metal Resources Business Unit, Iron & Steel Products Business Unit; Corporate Development Business Unit; Asia Pacific Business Unit

Koji Nagatomi

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

Sayu Ueno

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

Executive Managing Officers

Hiroyuki Tsurugi

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

Hiroshi Meguro

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

Hirohiko Miyata

Chief Representative of Europe Bloc and Managing Director of Mitsui & Co. Europe PLC (Resident in London)

Takeo Kato

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

Yuki Kodera

President of Mitsui & Co. (Brasil) S.A. (Resident in Sao Paulo)

Yoshiki Hirabayashi

General Manager of Human Resources & General Affairs Division

Yoshiaki Takemasu*

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

Motoyasu Nozaki

Chief Operating Officer of Energy Business Unit II

Masahiro Moriyasu

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

Managing Officers

Kohei Takata

Chief Operating Officer of Nutrition & Agriculture Business Unit

Yumi Yamaguchi

Deputy Chief Strategy Officer; Deputy Chief Digital Information Officer

Shinichi Hori

General Manager of Osaka Office

Shinichi Kikuchihara

Chief Operating Officer of Corporate Development Business Unit

Masaharu Okubo

Country Chairperson in India and Chairperson & Director of MITSUI & CO. INDIA PVT. LTD. (Resident in New Delhi)

Tetsuya Daikoku

Chief Operating Officer of Mobility Business Unit I

Tatsuya Okamoto

Chief Operating Officer of Mobility Business Unit II

Yuji Mano

General Manager of Integrated Digital Strategy Division

Masato Sugahara

Chief Operating Officer of Wellness Business Unit

Kazumasa Nakai

Chief Operating Officer of Infrastructure Projects Business Unit

Tetsuya Shigeta

General Manager of Global Controller Division

Atsushi Kawase

General Manager of Internal Auditing Division

Koichi Fujita

Chief Operating Officer of Iron & Steel Products Business Unit

Yoshiyuki Enomoto

General Manager of Financial Management & Advisory Division II

Takashi Furutani

Chief Operating Officer of Basic Materials Business Unit

Yoichiro Endo

Chief Operating Officer of Food Business Unit

Takeshi Akutsu

General Manager of Corporate Planning & Strategy Division; Director of Mitsui & Co. Korea Ltd. (Resident in Tokyo)

Makoto Sato

General Manager of Investment Administrative Division

Toru Matsui

Chief Operating Officer of Energy Business Unit I and Chief Operating Officer of Energy Solutions Business Unit

Makoto Takasugi

Chief Operating Officer of Corporate Development Business Unit

Isao Kohiyama

Chief Operating Officer of IT & Communication Business Unit

Tsutomu Osada

Chief Operating Officer of Retail Business Unit

Yuichi Takano

General Manager of Legal Division

Hiroshi Kakiuchi

Chief Operating Officer of Performance Materials Business Unit

Kenichiro Yamaguchi

General Manager of Financial Management & Advisory Division III

Tetsuya Fukuda

Chief Operating Officer of Mineral & Metal Resources Business Unit

Mitsui's Corporate Governance

Basic View on Corporate Governance

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

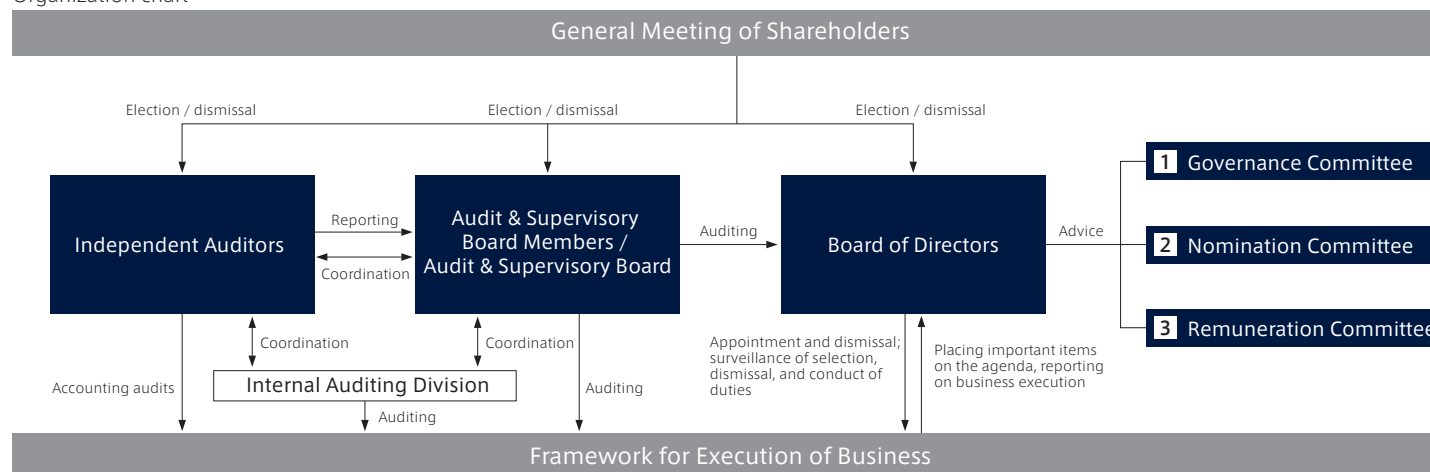
Overseas Regional Business Units, which are the backbone of our regional strategies, serve concurrently as Managing Officers and engage in business operations for the consolidated Group in a responsive and flexible manner.

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

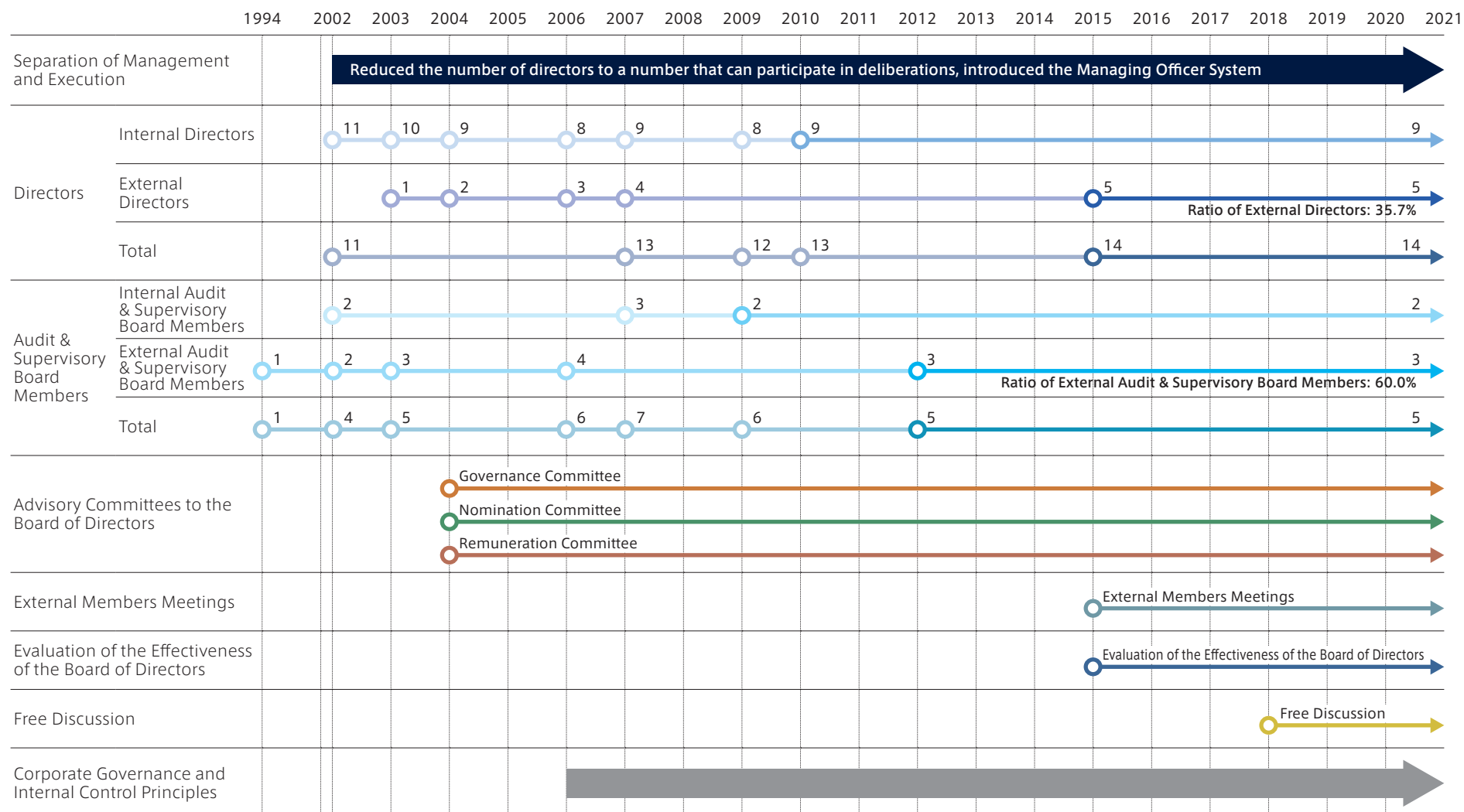
Corporate Governance Framework

Organizational Format Company with Audit & Supervisory Board

Organization chart



History of the Governance System



Mitsui's Corporate Governance

Skill Matrix for Board of Directors (Directors and Audit & Supervisory Board Members)

The main areas of expertise and knowledge that the Company expects of Directors and Audit & Supervisory Board Members are shown below.

Name	Female	Non-Japanese	Position, etc.	Experience in the Company	Term of Office Stipulated	Reappointed/ Newly Appointed (Years in Post)	Attendance at Meetings of Board of Directors	Governance Committee ^{*1}	Nomination Committee ^{*1}	Remuneration Committee ^{*1}	Corporate Management	Strategic Focus	Innovation & DX	ESG	Finance, Accounting, and Internal Controls	Global Experience	Legal Affairs/Risk Management
Tatsuo Yasunaga			Representative Director, Chairman of the Board of Directors	● Machinery & Infrastructure ● Corporate Governance		Reappointed (six years)	16/16	◎	○		●			●	●	●	
Kenichi Hori			Representative Director, President, CEO	● Chemicals ● Innovation & Corporate Development ● Corporate Governance		Reappointed (three years)	16/16	○	○		●		●	●	●	●	
Takakazu Uchida			Representative Director, Executive Vice President, CFO	● Corporate Governance		Reappointed (three years)	16/16			○	●			●	●	●	●
Hirotsu Fujiwara			Representative Director, Executive Vice President (Energy/Chemicals)	● Energy		Reappointed (two years)	16/16				●	ES HN		●		●	
Shinichiro Omachi			Representative Director, Executive Vice President, CSO	● Mineral & Metal Resources ● Corporate Governance		Reappointed (one year)	12/12	○			●		●	●	●	●	
Yoshio Kometani			Representative Director, Senior Executive Managing Officer, CDIO (Mobility/Infrastructure/Energy Solutions/ICT)	● Machinery & Infrastructure		Reappointed (two years)	15/16				●	ES ASIA	●	●		●	
Miki Yoshikawa			Representative Director, Senior Executive Managing Officer (Food & Retail/N&A/Wellness)	● Lifestyle	1 year ^{*3}	Reappointed (one year)	12/12				●	HN ASIA	●	●		●	
Motoaki Uno			Representative Director, Senior Executive Managing Officer (Iron & Steel Products/Mineral & Metal Resources/CD)	● Iron & Steel Products ● Mineral & Metal Resources		Newly appointed	—				●	ASIA ES		●		●	
Yoshiaki Takemasu			Representative Director, Executive Managing Officer, CHRO, CCO	● Chemicals ● Corporate Governance		Newly appointed	—			○	●			●	●	●	●
Izumi Kobayashi	●		Director (Former President, Merrill Lynch Japan Securities Co. Ltd./Former Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group)	External/Independent ^{*2}		Reappointed (seven years)	16/16		◎	○	●			●	●	●	
Jenifer Rogers	●	●	Director (General Counsel Asia, Asurion Japan Holdings G.K.)	External/Independent ^{*2}		Reappointed (six years)	15/16	○			●			●	●	●	●
Samuel Walsh		●	Director (Former CEO, Rio Tinto Limited)	External/Independent ^{*2}		Reappointed (four years)	16/16	○			●	ES	●	●	●	●	
Takeshi Uchiyama			Director (Chairman of the Board of Directors, Toyota Motor Corporation)	External/Independent ^{*2}		Reappointed (two years)	16/16		○		●	ES	●	●	●	●	
Masako Egawa	●		Director (Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University)	External/Independent ^{*2}		Reappointed (one year)	12/12	○		○	●			●	●	●	
Makoto Suzuki			Full-time Audit & Supervisory Board Member	● Machinery & Infrastructure		Incumbent (two years)	16/16				●			●	●	●	●
Kimiro Shiotani			Full-time Audit & Supervisory Board Member	● Corporate Governance		Incumbent (two years)	16/16				●			●	●	●	●
Haruka Matsuyama	●		Audit & Supervisory Board Member (Attorney at Law)	External/Independent ^{*2}		Incumbent (seven years)	16/16	○						●	●	●	●
Hiroshi Ozu			Audit & Supervisory Board Member (Attorney at Law/Public Prosecutor, Supreme Public Prosecutors Office)	External/Independent ^{*2}	4 years ^{*4}	Incumbent (six years)	16/16		○					●	●	●	●
Kitataka Mori			Audit & Supervisory Board Member (Certified Public Accountant/Former Chairman and President, The Japanese Institute of Certified Public Accountants)	External/Independent ^{*2}		Reappointed (four years)	16/16			◎				●	●	●	●

^{*1}. ◎: Committee Chair for the respective advisory committees

^{*2}. Independent Director / Audit & Supervisory Board Member

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

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

Mitsui's Corporate Governance

Board of Directors

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

These committees have majorities of external members, including their chairpersons. At Board of Directors' meetings, matters that are deliberated or reported on abide by the Company's internal regulations. In addition to matters concerning fundamental policies related to management, important business execution, and matters authorized by resolutions of the General Meeting of Shareholders, the Company passes resolutions on matters determined by law and company statute. The Board of Directors also receives reports regarding matters determined by law and the status of important business operations. Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held at any time if deemed necessary. In the fiscal year ended March 31, 2021, 16 meetings were held.

Number of proposals/reports to the Board

Type of Proposals/Reports	FYE March 2020	FYE March 2021
Corporate strategy, sustainability, and other matters related to governance	26	28
Financial results and other related matters	17	16
Matters related to Audit & Supervisory Board members and independent auditors	7	5
Matters related to risk management, internal controls, and compliance	6	8
Matters related to human resources	4	5
Individual projects/matters	12	26
Total	72	88

Sustainability, internal control, or risk management-related reports to the Board for FYE March 2021

Agenda of the Board	Time of Meeting	Matters Reported	(Reference) Relevant Risk Management Structures/Systems
Internal Control System Review	2020/4/8	• Internal control overall	<ul style="list-style-type: none"> • Authority delegation system, <i>ringi</i> system, oversight and support by corporate staff divisions • Prior setting of position limits, monitoring by specialist units • Portfolio Management Committee
Sustainability-related	2020/7/31 2020/9/9 2021/4/7	<ul style="list-style-type: none"> • Establishment of human rights policies • Update to statement in response to the UK Modern Slavery Act • Overall activities related to sustainability 	• Sustainability Committee
Mitsui & Co. Group Compliance System	2021/1/15 2021/4/7	• Compliance risks	<ul style="list-style-type: none"> • Compliance Committee • Establishment of and compliance with Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd. • Development of internal whistleblowing system • Implementation of training and other awareness-raising activities
Internal control evaluation report given under the Financial Instruments and Exchange Law	2020/6/19	• Internal controls relating to financial reporting	<ul style="list-style-type: none"> • J-SOX Committee • Self-assessment of effectiveness of internal control systems by units under assessment, and testing by independent units
Internal Auditing Div. Activity Report	2020/9/9	• Results of internal auditing	• Internal audit framework centered on Internal Auditing Div.
Mitsui & Co.'s risk exposure and controls	2021/2/3	<ul style="list-style-type: none"> • Credit risk (commercial claims, external loans/guarantees, term deposits) • Market risk (long and short commodity/forex positions, inventories) • Business risk (business assets, loans/guarantees to related parties, external investments) • Country risk 	<ul style="list-style-type: none"> • Examination of credit lines and <i>ringi</i> applications and monitoring • <i>Ringi</i> examination of long and short commodity/forex positions, on-site inspection of inventories, etc. • Examination through <i>ringi</i> processes, realization of returns from investment projects and their optimization • Collection and analysis of country risk information, position monitoring by country, designation of countries for suspension of transactions, designation of special countries, formulation of country-specific policies
Cyber security	2021/1/15	• Cyber Security	• Technical support, human support (including security awareness activities), support to affiliated companies

Mitsui's Corporate Governance

Advisory Committee Activities in the Fiscal Year Ended March 2021

Advisory committees	1. Governance Committee	2. Nomination Committee	3. Remuneration Committee
Committee chair	Chairman of the Board of Directors	External Director	External Audit & Supervisory Board Member
Composition (including committee chair)	Chairman of the Board of Directors President and Chief Executive Officer 1 Internal Director (CSO) 3 External Directors 1 External Audit & Supervisory Board Member	Chairman of the Board of Directors President and Chief Executive Officer 2 External Directors 1 External Audit & Supervisory Board Member (CHRO serves as Director-General)	2 Internal Directors (CFO and CHRO) 2 External Directors 1 External Audit & Supervisory Board Member
Expected role	To enhance management transparency and fairness and achieve sustained improvement in the Company's corporate governance by continually monitoring corporate governance and considering governance enhancement measures.	To enhance the transparency and objectivity of processes relating to the nomination of Directors and Managing Officers (including the CEO) through the involvement of external members, and to ensure the fairness of Directors' and Managing Officers' nominations.	To enhance the transparency and objectivity of decision-making processes relating to remuneration for Directors and Managing Officers through the involvement of external members, and to ensure the fairness of remuneration for Directors and Managing Officers through ongoing monitoring.
Function	To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors with the aim of achieving further improvement in corporate governance, and to consider the role of the Board of Directors' advisory committees, including recommendations on deliberations and discussions in meetings of the Nomination and Remuneration committees.	To study the selection and dismissal standards and processes for nominating Directors and Managing Officers, establish succession plans for the President and Chief Executive Officer and other top executives, to evaluate Director nomination proposals, and to deliberate on the dismissal of Directors and Managing Officers.	To study the system and decision-making process relating to remuneration and bonuses for Directors and Managing Officers, and to evaluate proposals of remuneration and bonuses for Directors and proposals for evaluation and bonuses for Managing Officers.
Term of Office Stipulated	From the date of the Ordinary General Meeting of shareholders in the year when each Committee Member is appointed as a Committee Member to the end of the next year's general meeting of the shareholders	From the date of the ordinary general meeting of shareholders in the year when each Committee Member is appointed as a Committee Member to the end of the next year's general meeting of the shareholders	From the date of the ordinary general meeting of shareholders in the year when each Committee Member is appointed as a Committee Member to the end of the next year's general meeting of the shareholders
Meetings in the fiscal year ended March 31, 2021	4	9	3
Results in the fiscal year ended March 31, 2021	The Governance Committee carried out discussions relating to reviewing the expected role of advisory committees, the agenda of meetings of the Board of Directors and free discussions held during FYE March 2021, and evaluation of the effectiveness of the Board of Directors.	The Nomination Committee discussed the consideration, deliberation, and formulation of the CEO succession plan (including consideration and deliberation of candidates), and discussed matters including the skills matrix and the continuous evaluation of the vision for the leaders of next generation.	The Remuneration Committee held discussions in relation to processes for determining bonuses linked to the performance of individual Directors and Managing Officers and in relation to policies for determining remuneration for Directors in response to amendments to the Companies Act covering basic remuneration, bonuses, and stock-based compensation.

*On June 10, 2020, the Board of Directors completed the reorganization of the expected roles and functions of each advisory committee through amendments to the relevant internal regulations.

Free discussion among all members of BOD and ASB

Free discussions based on the results of effectiveness evaluations carried out for the fiscal year ended March 2020 were held on two occasions in the fiscal year ended March 2021.

	Date, etc.	Agenda
FY2020 Opinions for evaluation of effectiveness	<ul style="list-style-type: none"> November 17, 2020 Free discussion attended by all members of the Board of Directors and the Audit & Supervisory Board 	<ol style="list-style-type: none"> Strategy for sustainable profit growth with consideration for ESG and Mitsui's Materiality Digital transformation
	<ul style="list-style-type: none"> March 24, 2021 Free discussion attended by all members of the Board of Directors and the Audit & Supervisory Board 	Mitsui Engagement Survey (an engagement-related survey of employees of the Company and its global group companies)

Agenda of External Members Meetings in FYE2021

1	Business outline of Mineral & Metal Resources Business Unit
2	Explanation regarding Individual Matters
3	Response to Shareholders' Questions at General Meeting of Shareholders
4	FY 3/20 Full Year Results and Medium-term Management Plan 2023 Market Reaction, Points of Interest
5	Review of External Members' Meeting
6	Long-term Oil Price Assumption
7	Business outline of Food Business Unit
8	DX Comprehensive Strategy (DX Business Strategy / Data Driven Management Strategy)
9	Our Efforts in Response to Climate Change / Decarbonization
10	Business Environment Outlook
11	Review of Leadership Values & Mitsui & Co. Competency
12	Discussion on Evaluation of Effectiveness of the Board of Directors
13	Exchange of opinions and information with independent auditor

Mitsui's Corporate Governance

Summary of Evaluation of the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors is evaluated every fiscal year to confirm efforts to address the challenges identified in the previous fiscal year's assessment, identify issues to be addressed for the next fiscal year, and emphasize PDCA cycles to improve the effectiveness of the Board of Directors. The evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2020 was carried out through the implementation of third-party evaluation in addition to self-evaluation. It was found that the Board of Directors was operating at a high level of effectiveness overall. Based on the results of this effectiveness evaluation, the Board and the Board Secretariat addressed the following points during the fiscal year ended March 2021.

Recognition of issues based on the results of evaluation for the fiscal year ended March 2020	Initiatives	Evaluation through questionnaire regarding the fiscal year ended March 2021
Further improvement of Board meeting operation	<ul style="list-style-type: none"> Extension of pre-briefings for important matters from 30 minutes to 45 minutes Implementation of two free discussion sessions without overnight stays Enhancement of Board meeting materials, including information about CF/IRR trends relating to projects affected by impairment losses Enhancement of progress reports on projects approved by the Board of Directors 	The majority of board members (and the majority of External Directors and Audit & Supervisory Board members) positively evaluated the results and stated that there had been an improvement since the previous fiscal year. Some board members thought that pre-briefings had improved.
Further improvement of Board effectiveness in relation to discussion of overall strategies	Two free discussions were held based on the topics of sustainable revenue growth strategies with consideration for ESG and Mitsui's Materiality, DX strategy, and the Mitsui Engagement Survey.	The majority of board members (and the majority of External Directors and Audit & Supervisory Board members) positively evaluated the results and stated that there had been an improvement since the previous fiscal year. One board member commented that free discussion sessions were useful opportunities to talk about macroscopic themes, and another stated that there was deeper discussion in the context of change in the social environment.
Clarification of expected roles of advisory committees	The respective functions of the Governance Committee, Nomination Committee, and Remuneration Committee have been reviewed and revisions have been made to the Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles and the Internal Regulations on Advisory Committees to the Board of Directors in order to redefine the expected roles of each of these committees.	The majority of board members (and the majority of External Directors and Audit & Supervisory Board members) positively evaluated the results and stated that there had been an improvement since the previous fiscal year. Some board members also expressed the view that the expected roles of advisory committees had been clarified.

► Effectiveness Evaluation for the Fiscal Year Ended March 31, 2021

A resolution was passed at a meeting of the Board of Directors held in April 2021, based on the survey results and following discussions at an External Members Meeting, a Governance Committee held in February 2021, and a Corporate Management Committee meeting held in March 2021.

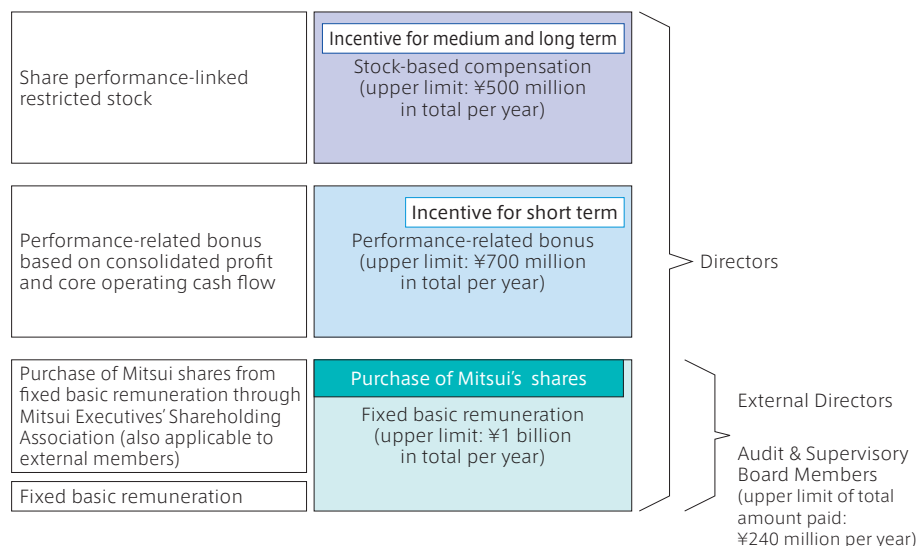
Self-evaluation	Results of Evaluation	Further Initiatives
<p>Implemented in January 2021 14 Directors and 5 Auditors</p> <p>Evaluation on a five-point scale for each question, comparison with the previous fiscal year and comments</p>	<ol style="list-style-type: none"> Response to the following issues from last year. <ul style="list-style-type: none"> Further improvement of Board meeting operation: Improvement of pre-briefing sessions, holding two free discussion sessions without overnight stays, enhancement of information provided in materials provided at the Board of Directors meetings, including cash flow/IRR trends relating to projects affected by impairment losses, the enhancement of progress reports on matters approved by the Board of Directors, etc. Further improvement of Board effectiveness in relation to discussion of overall strategies: Implementation of two free discussion sessions, discussion of macroscopic topics, and conducting more in-depth discussions in the face of changes in the social environment Clarification of the expected roles of advisory committees: Review of expected roles and functions through the revision of related rules Concerning the composition of the Board of Directors, the appointment of female External Director Ms. Egawa has further enhanced the diversity of the company. In relation to the operations of Board meetings, there was a qualitative improvement in the provision of information, including the early distribution of materials by the Board of Directors Secretariat. Provision of thorough prior briefings, allocation of sufficient time for discussions at meetings, and working with a strong awareness of corporate governance During the COVID-19 pandemic, meeting operations were characterized by thorough precautions against infection, with the result that it was possible to engage in free and open discussions. <p>As a result of summarizing the above, the Board of Directors judged that the effectiveness of the Board of Directors was appropriately ensured in the fiscal year ended March 2021.</p>	<p>Ongoing consideration of the optimal number of directors, the ratio of external to internal members, the number of internal directors, and organizational format</p> <ul style="list-style-type: none"> There will be further deliberations and discussions, led primarily by the Governance Committee, concerning the optimal overall number of directors, the ratio of external to internal members, the number of internal directors, and organizational design. This process will take into account the trends in other companies.

Self-evaluation regarding the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2021

Mitsui's Corporate Governance

Remuneration of Directors and Audit & Supervisory Board Members

Structure of Remuneration



► Remuneration of Directors

The Company has established a policy for determining the remuneration of individual Directors by resolution of the Board of Directors, following deliberation by and reporting from the Remuneration Committee, which is chaired by an External Director (Independent Director). The remuneration for Directors of the Company (excluding External Directors) comprises fixed basic remuneration, performance-related bonuses based on important management indicators for the Company, and share performance-linked restricted stock-based remuneration as medium- and long-term incentives. In each fiscal year, the Remuneration Committee discusses the remuneration system for Directors and Audit & Supervisory Board Members, and examines the appropriateness of the proportions of fixed remuneration, performance-related bonuses, and stock-based

compensation based on trends at other companies and then reports this as well as the appropriateness of claw-back provisions to the Board of Directors, among other measures, in order to emphasize transparency in the determination of Directors' and Audit & Supervisory Board Members' remuneration. Retirement compensation is not paid to Directors.

Performance-related bonus

1 Total amount paid in bonuses

Operating diverse businesses, the Company emphasizes consolidated profit for the year and core operating cash flow as common performance indicators, and also references these when determining the dividend policy. Directors' bonuses are calculated using the following formula, which is linked to these indicators.

$$\text{Total amount of bonuses} = (\text{Consolidated profit for the year} \times 50\% \times 0.1\%) + (\text{Core operating cash flow} \times 50\% \times 0.1\%)$$

* However, the total amount shall not exceed ¥700 million. If the consolidated profit for the period is negative, i.e. a "net loss," and/or core operating cash flow is negative, i.e. a "cash outflow," then these items are set to 0 for the calculation.

2 Amount paid as individual bonuses

The total amount calculated by the method shown under 1 above is distributed to each Director in proportion to the following points, which are assigned for each position.

$$\text{Amount individually paid} = \frac{\text{Total amount of bonus} \times \text{Position points}}{\text{Sum of position points}}$$

Points by position

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

Mitsui's Corporate Governance

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

Chairman/President	$= ¥700 \text{ million} \times 10 \text{ points} / (10 \text{ points} \times 2 \text{ persons} + 7 \text{ points} \times 3 \text{ persons} + 6 \text{ points} \times 3 \text{ persons} + 5 \text{ points} \times 1 \text{ person} = 64 \text{ points})$ $= ¥109.37 \text{ million}$
Executive Vice President	$= ¥700 \text{ million} \times 7 / 64 \text{ points} = ¥76.56 \text{ million}$
Senior Executive Managing Officer	$= ¥700 \text{ million} \times 6 / 64 \text{ points} = ¥65.62 \text{ million}$
Executive Managing Officer	$= ¥700 \text{ million} \times 5 / 64 \text{ points} = ¥54.68 \text{ million}$

Share performance-linked restricted stock-based remuneration

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

1 Payment method

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

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

3 Details of share performance linkage conditions

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

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

Mitsui's Corporate Governance

$$\text{Number of Shares after valuation} = \text{Number of shares} \times \frac{\text{Growth rate of the Company's share price}}{\text{TOPIX growth rate} \times 150\%}$$

$$\text{Number of Shares after valuation} = \text{Number of shares} \times \frac{(A + B) \div C}{(D \div E) \times 150\%}$$

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

A: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

B: The total dividend per share for Mitsui's ordinary shares during the valuation period

C: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls

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

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

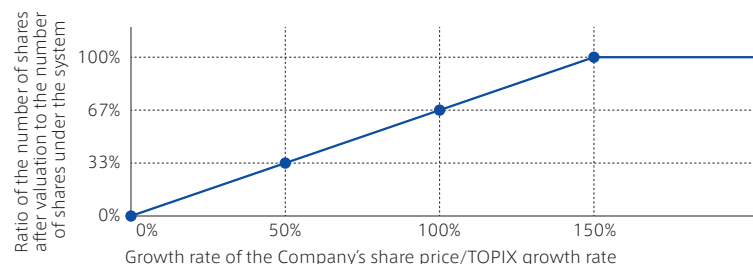
D: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

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

TOPIX growth rate = D ÷ E

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

Number of shares after valuation (image)



4 Restriction on transfer

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

5 Lifting of the restriction on disposal

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

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

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

7 Procedures in the event of organizational restructuring, etc.

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

Mitsui's Corporate Governance

► Remuneration for External Directors

From the perspective of respecting the independence of External Directors who are independent from business execution, remuneration of External Directors is limited to a fixed remuneration that does not include a performance-related portion.

► Remuneration of Audit & Supervisory Board Members

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

Remuneration of Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2021

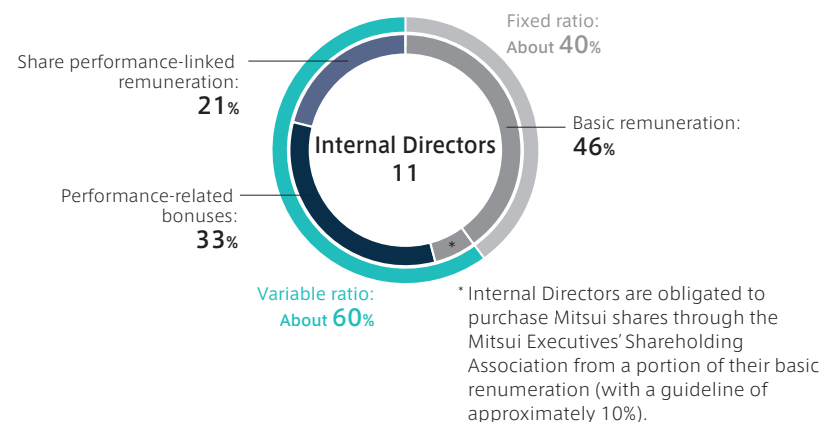
Category of position	Number of recipients ^{*1}	(¥ million)			
		Basic remuneration	Bonus	Stock-based compensation	Total remuneration ^{*2}
Directors (excluding External Directors)	11	710	497	320	1,526
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	2	132	—	—	132
External Directors	6	104	—	—	104
External Audit & Supervisory Board Members	3	60	—	—	60
Total	22	1,006	497	320	1,822

*1. The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year ended March 31, 2021.

*2. In addition to the above amounts, a total of ¥458 million was paid to 101 retired Directors, and ¥41 million to 12 retired Audit & Supervisory Board Members as pensions (representing payments determined prior to the abolition of those systems) in the fiscal year ended March 31, 2021.

*3. Amounts less than ¥1 million are rounded off.

Breakdown of Remuneration of Directors (excluding External Directors)



Mitsui's Corporate Governance

External Directors/External Audit & Supervisory Board Members Selection Criteria

Selection Criteria

External Directors

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

Reasons for Appointing Each External Director

Name	Independent Director*	Reasons for Appointment	Attendance at Meetings in FYE Mar. 2021	Significant Concurrent Positions (As of June 18, 2021)
Izumi Kobayashi	○	Ms. Kobayashi has deep insight into organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private-sector financial institutions and a multinational development bank. She speaks out actively from diverse perspectives at the Board of Directors' meetings, making a significant contribution to deepening the discussion. In the fiscal year ended March 31, 2021, she served as a member of the Remuneration Committee, and contributed to discussions related to the design of a remuneration system for Officers and a performance review system for Officers. In addition, as Chair of the Nomination Committee, she exercised strong leadership in enhancing the transparency and effectiveness of the procedures for the CEO succession plan. In view of these points, we have appointed Ms. Kobayashi for another term as External Director so that she may continue to advise and supervise the Company's management.	BD 16/16 N 9/9 R 3/3 Ex 12/13	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc. External Director, OMRON Corporation
Jenifer Rogers	○	Ms. Rogers has a global perspective and deep insight into risk management cultivated through her experience working for international financial institutions and her experience in legal work as in-house counsel. She makes many useful comments concerning risk control at the Board of Directors' meetings, making a significant contribution to enhancing the supervisory function of the Board of Directors. In the fiscal year ended March 31, 2021, she served as a member of the Governance Committee, actively providing her opinions with the aim of creating a highly transparent governance system. In view of these points, we have appointed Ms. Rogers for another term as External Director so that she may continue to advise and supervise the Company's management.	BD 15/16 G 4/4 Ex 12/13	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd. External Director, Nissan Motor Co., Ltd. President, American Chamber of Commerce in Japan
Samuel Walsh	○	Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2021, he served as a member of the Governance Committee, actively providing his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on his global corporate management experience and expertise and knowledge related to capital policy and business investment. We have appointed Mr. Walsh for another term as External Director so that he may continue to advise and supervise the Company's management.	BD 16/16 G 4/4 Ex 13/13	Chairman of the Board, Gold Corporation (Australia) the Perth Mint Non Executive Director, Ma'aden Mining Limited (Saudi Arabia)
Takeshi Uchiyamada	○	Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation, which could realize a mobility society responding to the needs of the times, as well as in the development of products demanded by consumers, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2021, he served as a member of the Nomination Committee, and contributed to discussions with the aim of enhancing the transparency and effectiveness of our procedures for the appointment of executives, including our CEO succession plan. In view of these points, we have appointed Mr. Uchiyamada for another term as External Director so that he may continue to advise and supervise the Company's management.	BD 16/16 N 9/9 Ex 13/13	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION JTEKT CORPORATION is an equity-accounted associated company of Toyota Motor Corporation.
Masako Egawa	○	Ms. Egawa has deep insight into finance and corporate management gained through her experience of management as a director of the University of Tokyo, her many years of experience working at global financial institutions, and through her research on management and corporate governance at Japanese companies. Her broad range of public contributions includes activities at the Japan-United States Educational Commission and councils of the Ministry of Finance. In the year ended March 31, 2021, she served as a member of the Governance Committee, and actively provided her opinions with the aim of creating a highly transparent governance system. In addition, as a member of the Remuneration Committee, she contributed to the discussions related to the design of a remuneration system and performance review system for Directors and Audit & Supervisory Board Members. Although Ms. Egawa has no direct experience participating in corporate management, considering the above, we appointed her as an External Director so that she may advise and supervise the Company's management.	BD 12/12 G 3/3 R 3/3 Ex 10/10	External Director, Tokio Marine Holdings, Inc. External Director, Mitsui Fudosan Co., Ltd. (retired) Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University

BD Board of Directors G Governance Committee N Nomination Committee R Remuneration Committee Ex External Members Meetings

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

Mitsui's Corporate Governance

External Audit & Supervisory Board Member

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

Reasons for Appointing Each External Audit & Supervisory Board Member

Name	Independent Director*	Reasons for Appointment	Attendance in FY Mar/2021	Significant Concurrent Positions (As of June 18, 2021)
Haruka Matsuyama	○	Ms. Matsuyama has been appointed in expectation that she will objectively express opinions regarding audits from an independent and neutral standpoint, with advanced insight into corporate governance and risk management cultivated through her many years of experience in legal affairs as a judge and as an attorney at law.	BD 16/16 A 28/28 G 4/4 Ex 11/13	Attorney at Law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. (retired) External Director, Restar Holdings Corporation
Hiroshi Ozu	○	Mr. Ozu has been appointed in the expectation that he will objectively express opinions regarding audits from an independent and neutral standpoint, with advanced insight into governance and risk management cultivated through the many years of experience and perspective in legal affairs he has gained as a prosecutor and an attorney at law.	BD 16/16 A 28/28 N 9/9 Ex 12/13	Attorney at Law External Audit & Supervisory Board Member, Toyota Motor Corporation External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	○	Mr. Mori has been appointed in expectation that he will objectively express opinions regarding audits from an independent and neutral standpoint, based on his advanced insight into corporate accounting, accounting audit activities, and risk management cultivated through his many years of experience as a certified public accountant.	BD 16/16 A 28/28 R 3/3 Ex 12/13	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company

BD Board of Directors A Audit & Supervisory Board G Governance Committee N Nomination Committee R Remuneration Committee Ex External Members Meetings

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

Mitsui's Corporate Governance

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

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

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

*1. If the relevant business partner received from Mitsui or a consolidated subsidiary thereof a payment equivalent to 2% or more of its annual consolidated transaction volume in the most recent fiscal year or the relevant business partner obtained from Mitsui or a consolidated subsidiary thereof monetary loans equivalent to 2% or more of its consolidated total assets in the most recent fiscal year, the relevant business partner is deemed to be a person for whom Mitsui or a consolidated subsidiary thereof is a major business partner.

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

Mitsui's Corporate Governance

► Support Systems

For External Directors, before regular and extraordinary meetings of the Board of Directors, materials on the proposals are provided and advance explanations are given. For External Audit & Supervisory Board Members, company information that contributes to their auditing, including summaries of regular meetings between Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, is provided in a timely manner by the Full-time Audit & Supervisory Board Members and the staff. Advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Audit & Supervisory Board and of the Board of Directors. For external members, the Company provides personal computers and tablets (hereinafter referred to as the "External Members' PCs") and distributes materials for meetings of the Board of Directors in a timely manner, thereby ensuring the time to review agendas. In the fiscal year ended March 31, 2021, since it was difficult and inappropriate for all Directors and Audit & Supervisory Board Members to gather physically due to the effects of the COVID-19 pandemic, Mitsui held meetings of the Board of Directors and meetings of Audit & Supervisory Board Members with some or all of the members participating remotely using a web conference system as appropriate in consideration of the situation regarding the pandemic at that time. Mitsui set up a suitable usage environment for this web conference system on the External Members' PCs and provided support so that the Directors and Audit & Supervisory Board Members could discuss matters effectively even at remote meetings. The Company set up a Board of Directors' database for use in storing information such as minutes and other materials of past meetings of the Board of Directors, and maintained a platform that enabled access to the database from the External Members' PCs.

► External Members Meetings

External Members Meetings are periodically held for the purpose of exchanging information and opinions regarding important matters in management among external members, or among external members, Internal Directors, Full-time Audit & Supervisory Board Members, and/or Managing Officers. The External Members Meeting was held 13 times in the year ended March 31, 2021, where information and opinions were exchanged regarding matters such as the FYE March 2021 Full Year Results and Medium-term Management Plan Market Reaction, DX Comprehensive Strategy, Our Efforts in Response to Climate Change/ Decarbonization, etc.

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

The External Directors and External Audit & Supervisory Board Members, through meetings of the Board of Directors, meetings of the Audit & Supervisory Board, and External Members Meetings, respectively, exchange information and opinions on auditing by the Internal Auditing Division, auditing by Audit & Supervisory Board Members, and accounting audits by the Independent Auditors, as well as mutually coordinating with them to supervise and audit the internal control system. Specifically, they periodically receive reports on the following at meetings of the Board of Directors, respectively: results and plans of internal audits, results and plans of auditing by the Audit & Supervisory Board, summaries of management letters by the Independent Auditors, results of the internal control system assessment in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the management and improvement of our internal control systems.

At External Members Meetings, External Directors, Audit & Supervisory Board Members, and Independent Auditors mutually exchange information and opinions regarding the policy of audits. Exchanges of opinions with External Directors is also carried out through meetings of the Audit & Supervisory Board.

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

Policy on Training for Directors and Audit & Supervisory Board Members

Opportunities are given to Directors and Audit & Supervisory Board Members for gaining a full understanding of the business, financial affairs, organization, etc., of Mitsui, the Companies Act of Japan and related laws and regulations, corporate governance, and internal controls to ensure that they may fulfill their duties, including legal responsibilities, in the respective roles (fiduciary duties) expected of Directors or Audit & Supervisory Board Members, which are mandated by the shareholders. Furthermore, opportunities are given for keeping them up to date as necessary.

Mitsui's Corporate Governance

Policy Related to Acquisition and Holding of Cross-Shareholdings

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

- (1) The purpose of cross-shareholdings in investees for which the equity method applies is to improve the corporate value of the investees and increase the equity method-based profit and dividends to be received through participation in the management of the investees. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) are categorized as "listed shares for general investment purposes" and regarded as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.
- (2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors reviews the meaning of and policy on holding such shares, including a verification of the rationale in relation to the Company's cost of capital, within the framework of portfolio reviews that are carried out in relation to investment assets generally, including unlisted shares. If the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be determined.
- (3) When acquiring listed shares for general investment purposes, the Company conducts a stringent prior assessment of the probability of the investment, creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships, and owns the shares only if there is a viable rationale. At the same time, each year the Board of Directors reviews the meaning of and policy on holding listed shares for general investment purposes by verifying the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to the Company's overall costs, including its acquisition cost, market value, and cost of capital, with verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as the business and collaborative relationship with each cross-shareholding investee. If as a result of this review the meaning of holding these assets has significantly declined, our policy is to sell such assets, thereby reducing the cross-shareholdings.

Accounting Audits

The Company appoints certified public accountants belonging to Deloitte Touche Tohmatsu LLC as Independent Auditors to carry out auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of consolidated financial statements in English. To secure prompt financial closing and reliability, the auditing work of the Company and its consolidated subsidiaries is in principle entrusted solely to Deloitte Touche Tohmatsu, which belongs to the same network as Deloitte Touche Tohmatsu LLC.

Internal Audits

Based on the order or approval of the President and Chief Executive Officer, the Internal Auditing Division evaluates the establishment and operational conditions of internal controls from various perspectives. These include the effectiveness and efficiency of operations, reliability in terms of financial reporting, compliance with laws and regulations, and the safeguarding of Company assets. The division also provides advice and proposals for improving the adequacy and effectiveness of risk management, control methods, and governance.

The Internal Auditing Division carries out regular audits that cover the Company, overseas offices and subsidiaries, domestic subsidiaries, and other affiliated companies. Identifying the items to be audited based on risk, these audits provide an independent and objective evaluation in accordance with international internal audit standards. Additionally, the division carries out audits based on Company-wide themes, such as the authorized economic operator system, and also implements extraordinary audits of events that have brought about exceptional economic loss or have damaged the Company's reputation, investigating the causes of such events and examining the adequacy of measures to prevent recurrence. Furthermore, the Internal Auditing Division, as an independent body, complies with and assesses internal controls regarding the credibility of financial reporting, pursuant to the Financial Instruments and Exchange Act.

Execution of Business Activities and Internal Controls

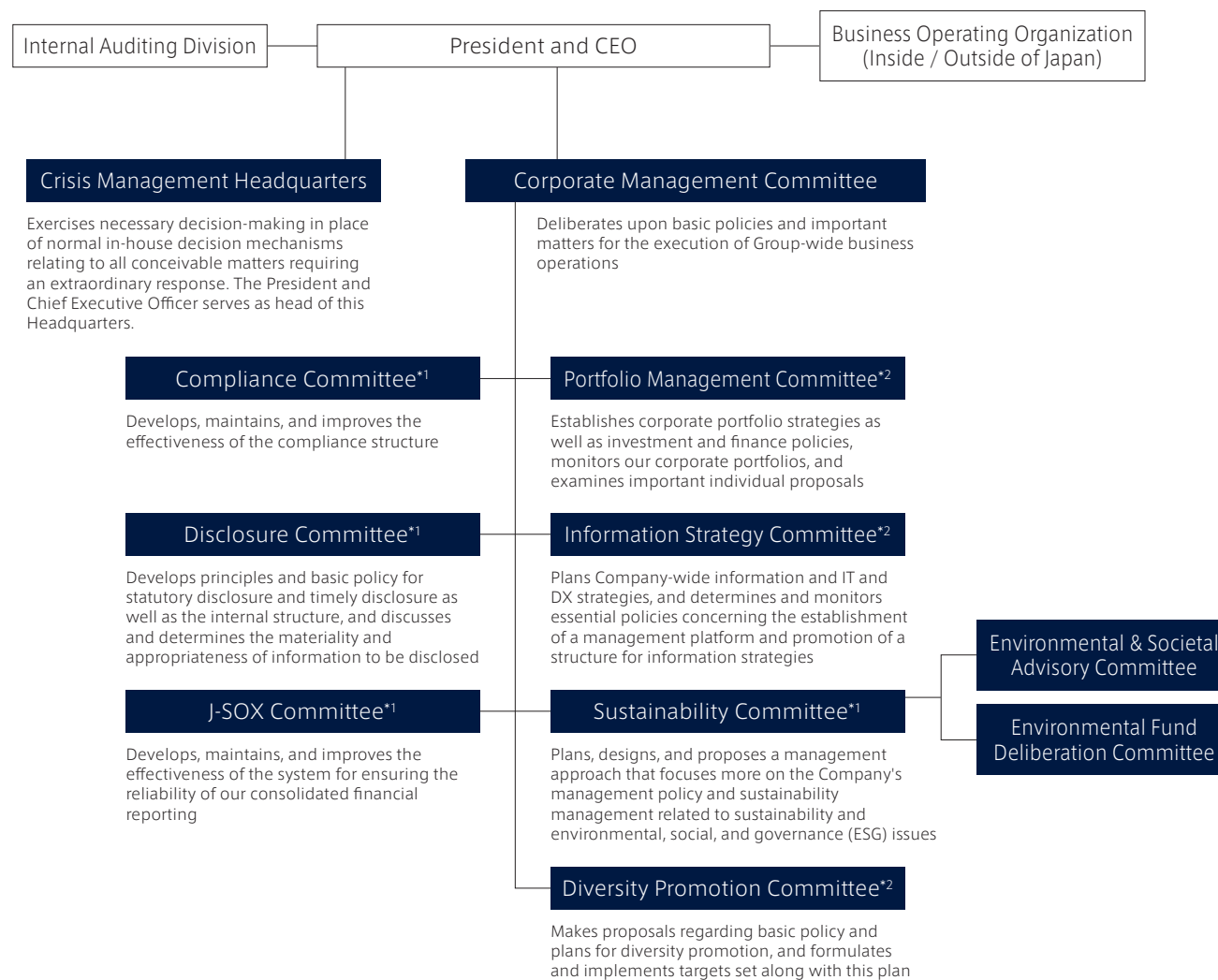
Execution of Business Activities

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

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

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

Framework for Internal Controls and Execution of Business Activities



*1. Sub-committees to the Corporate Management Committee

*2. Advisory committee to the Corporate Management Committee

Execution of Business Activities and Internal Controls

Internal Controls

The following systems have been implemented in the construction of internal control processes with the aim of achieving the objectives of the internal control process: “Improvement of effectiveness and efficiency of operations,” “Compliance with accounting standards and securing reliability of financial reporting,” “Compliance with laws and rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy,” and “The conservation of company assets.”

► Risk Management System

Risks arising from Mitsui’s business activities are monitored and managed by the Chief Operating Officers of business units and regional business units, within the authorization delegated to them by the Company’s management. Measures taken by each business unit to manage quantitative risks include setting position limits and loss-cut limits and conducting monitoring through divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe relevant internal regulations. When a business unit or regional business unit takes on risks that are greater than the scope of authority granted to them, it is necessary to obtain the approval of the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation, in accordance with the standards of the internal approval system.

Furthermore, organizations such as the Portfolio Management Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop risk management structures on a Company-wide basis and handle significant risks. Members of the corporate staff of each committee are responsible for surveillance of Mitsui’s position regarding the risks that they are in charge of overseeing, as well as the control of risks within the prescribed range of their authority and the provision of support to relevant directors and managing officers.

► Internal Controls over Financial Reporting

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

► Internal Controls Related to Information Systems and Information Security

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

► Compliance

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

Execution of Business Activities and Internal Controls

and regulations as well as internal rules of the Company. To those ends, we carry out corporate management with an emphasis on compliance. With the Chief Compliance Officer (CCO) as chairperson and an external lawyer as an observer, the Compliance Committee develops Mitsui's compliance system and maintains and enhances its effectiveness.

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

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

► Dissolution of the Specially Designated Business Management System into the Internal Review Process

In response to the DPF Incident, Mitsui established the "Specially Designated Business Management System" in April 2005 to strengthen internal reviews of four domains that potentially contain risks not fully covered by conventional quantitative risk management methods, namely, environment-related businesses,

medical, healthcare and bioethics-related businesses, businesses with subsidies, and businesses harboring other unusual reputation risks. From April 2021, Mitsui dissolved said system and incorporated it into its normal internal review process to achieve a more effective approach to risk management. In addition, Mitsui, on an as-needed basis, asks the Environmental Societal Advisory Committee, which consists of external experts who have knowledge and experience in the management of environmental risks or social risks relating to issues such as human rights, for advice on individual business opportunities or important Company-wide managerial themes related to sustainability.

► Ensuring the Appropriateness of Operations within the Corporate Group

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

Compliance and Integrity

Policies and Basic Approach

Mitsui & Co. considers a sound reputation to be the foundation of business, and recognizes that compliance is the prerequisite for maintaining our reputation and trust from society. In our pursuit of compliance, we recognize that it is essential not only to comply with laws and regulations but also to behave and act with integrity.

In order for the Mitsui & Co. global group to continue to be a truly trustworthy corporate group for society, we make serious efforts to ensure that all officers and employees are aware of the importance of compliance and that they act with integrity, while preventing compliance violations by maintaining our status as an organization with integrity on a global group basis.

Mitsui & Co. Group Conduct Guidelines—With Integrity

While each Mitsui & Co. group company has individually established its own business conduct guidelines based on its specific business activities, we drew up the Mitsui & Co. Group Conduct Guidelines—With Integrity in November 2018 to further clarify the basic approach toward integrity and compliance that had been shared on a global group basis. Going forward, we will reflect the management philosophy and business conduct guidelines of each group company in these guidelines. We will continue to respond to the trust placed in us by society with good faith and sincerity, with each group employee putting these guidelines into practice in their day-to-day work. These guidelines were reviewed and revised in November 2019 with a particular focus on enhancing items on human rights.



Mitsui & Co. Group Conduct Guidelines—With Integrity
https://www.mitsui.com/jp/en/company/outline/governance/compliance/WithIntegrity_E_20210401.pdf

Compliance Framework

The Compliance Department of the Legal Division leads compliance-related initiatives on a global group basis under the direction and supervision of the Chief Compliance Officer (CCO). Group-wide efforts include heightening awareness of compliance, improving and strengthening compliance programs, and responding to specific compliance issues as they arise. In the fiscal year ended March 2021, Compliance Administrators were appointed at each business unit to aid in the fulfillment of duties by Compliance Supervising Officers. At a working level, Compliance Administrators also accelerate activities to raise awareness of integrity and compliance within a business unit, as well as activities to develop and reinforce compliance frameworks at each affiliated company supervised by said business unit.

Also, to serve as an organization that operates under the Corporate Management Committee, Mitsui established the Compliance Committee, which works to develop our compliance framework and maintain and improve its effectiveness. With the participation of external attorneys and four business unit Chief Operating Officers, the Compliance Committee meets at least twice a year to discuss the state of the action plans based on trends in compliance-related matters, arising issues, and the overall compliance framework. The minutes of the committee meetings are shared among all of our officers and employees. The committee is also supervised by the Board of Directors, to which it reports twice a year regarding matters including the global groupwide compliance framework's operational status.

In the event of a compliance violation or a risk thereof, the corresponding Compliance Supervising Officer (such as the business unit COO) and Compliance Administrators will take the lead in responding to the situation, identifying the causes, formulating recurrence prevention measures, and then reporting to the CCO. Procedures have been stipulated in advance for the establishment of Crisis Response Headquarters under the direct supervision of the President & CEO to ensure timely and appropriate decision-making on crisis response measures.

Compliance and Integrity

Compliance Programs

At Mitsui, the President & CEO, CCO, and other executives proactively engage in awareness-raising activities and send messages to employees continuously and repeatedly. Specific measures include the promotion of integrity awareness through the CCO Blog and other media, and the fostering of a “speak up” culture in which people do not hesitate to speak up when they feel that something is going wrong. We also steadily implement compliance awareness surveys, share information about compliance violations and take steps to prevent recurrences, and implement thorough management on the business frontline. Each year, we use the results of compliance awareness surveys and the content of discussions by the Compliance Committee and the Board of Directors in the formulation of activity plans for the next fiscal year.

Compliance Education and Training

Mitsui implements a variety of compliance education and training programs to deepen employees’ compliance awareness. In the fiscal year ended March 2021, we provided over 50 educational sessions and workshops on the importance of Japanese and overseas laws and regulations for employees at all levels, from new entrants to managers, as well as for employees about to be transferred overseas or to group companies, or assigned outside the Company. During With Integrity Month held in November 2020, the President & CEO, the CCO, and external directors delivered a video message about integrity to employees under the theme “Act with Integrity,” inspired by Mitsui’s management philosophy (MVV).^{*} Other With Integrity Month programs included lectures conducted by external speakers and providing officers and employees with an opportunity to think about integrity together.



A video message from President and CEO Tatsuo Yasunaga in November 2020
^{*} Position at time of filming

Mitsui also maintains an active compliance training program for officers and employees of group companies. Overseas offices and group companies also implement compliance education and training programs that reflect local regional characteristics.

Facilitating Communication and Fostering a “Speak Up” Culture

Should problems occur within Mitsui & Co. Group, a report must be made to line managers or those in charge immediately so that appropriate action can be taken in a timely manner. In addition to management executives continually disseminating the message that discovering problems at an early stage is important and speaking up about issues will lead to improvement in the Company, we posted a video entitled “Speak up when you think something is wrong!” on the intranet for officers and employees. The video explains Mitsui’s whistleblowing system, including the various channels for reporting and consulting about issues, as well as the investigation process after an issue is reported. In this way, Mitsui is actively fostering a culture in which people speak up when they become aware of issues. The Company has established eight channels for reporting compliance-related matters, including anonymous access to attorneys and independent organizations outside of Mitsui.

In order to ensure the effectiveness, the rules for the whistleblowing system ensure the anonymity of investigators within the system. We also clearly state that any infractions of this prohibition or any form of retaliation against or disadvantageous treatment of whistleblowers or investigators will be dealt with severely.



Compliance and Integrity

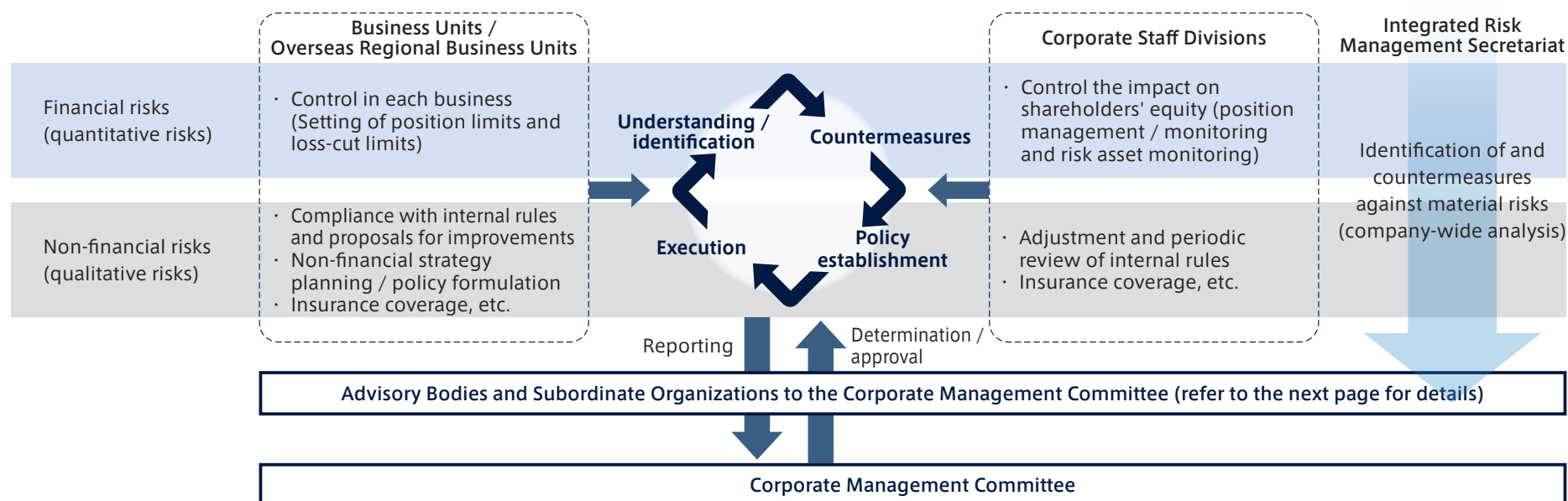
<https://www.mitsui.com/jp/en/sustainability/governance/compliance/>

Risk Management

We identify company-wide material risks across organizational boundaries and implement a wide range of initiatives to hedge and control risks. The Chief Operating Officer of each business unit and regional business unit is responsible for managing risks in their business domain within the authorization delegated to them as part of the performance of their duties. Meanwhile, Corporate Staff Divisions provide support to business units and regional business units regarding the aspects of risk management that they are in charge of while also monitoring the company-wide position and reporting to management. In addition, the major committees pertaining to the execution of business and implementation of internal control develop risk management structures on a company-wide basis and handle significant risks as advisory bodies and subordinate organizations to the Corporate Management Committee.


Mitsui has established an integrated risk management system that centrally manages company-wide risks, through the Portfolio Management Committee under the Corporate Management Committee. Under the integrated risk management system, the Corporate Staff Divisions, which act as the secretariat, manage risks from a company-wide perspective. Specifically, we coordinate with related divisions, identify material risks in light of the frequency of occurrence, expected damage scale and company-wide risk tolerance, and take corresponding measures. In the fiscal year ended March 31, 2021, these efforts were reported to the Corporate Management Committee and the Board of Directors through the Portfolio Management Committee.

Mitsui Risk Management Structure (image)



Risk Management

Material Risks as of End of March 2021

Importance	Material Risks	Risk Countermeasures	Advisory Bodies and Subordinate Organizations to the Corporate Management Committee
	Business investment risks	Portfolio management, Risk asset monitoring, stress checks □ P43	Portfolio Management Committee
	Country risks	Financing from Export Credit Agencies in each country, qualitative and quantitative monitoring, etc.	
	Risks regarding climate change (physical risks)	Insurance coverage, creation of crisis management policies, reinforcement of facilities, etc.	Sustainability Committee
	Risks regarding climate change (transition risks)	Halve GHG emissions impact by 2030 (compared to 2020) to achieve net-zero emissions by 2050	
	Commodity market risks	Policies to manage risk, including setting limits on positions and losses, use derivatives to hedge against risks, etc.	Portfolio Management Committee
	Foreign currency risks	Policies to manage risk, including setting limits on positions and losses, use derivatives to hedge against risks, etc.	
	Listed stock risks	Periodic review of stock portfolio	
	Credit risks	Credit line management, monitoring of delinquent recovery periods, require provision of collateral as necessary	
	Fund procurement risks	Financial strategy □ P43	Report to Corporate Management Committee*1
	Operational risks	Examine risk mitigation measures, damage prevention measures, insurance coverage, etc.	Portfolio Management Committee
	Compliance risks	Compliance framework on a global group basis □ P103	Compliance Committee
	Information systems and security	Internal controls on information systems and information security □ P101	Information Strategy Committee
	Infectious disease, disasters, terrorism, etc.	Business continuity plan for crises, disaster contingency manuals, etc.	Emergency Management Headquarters*2

*1 Reported to the Corporate Management Committee as deemed necessary
 *2 Organization headed by the executive officer in charge of in charge of the Human Resources & General Affairs Division, established based on the Rules on Business Continuity Management

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

General Risks that are Not Unique to Our Own Risk

Risk of changes in global macroeconomic factors | Risk associated with laws and regulations | Risk due to competition | Risk associated with constraints of human resources

Recognized Risks, but the Impact is Not Significant

Interest rate risks | Risks regarding pension costs and defined benefit obligations

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying value of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. For details, please refer to our Annual Securities Report for the fiscal year ended March 31, 2021 (P. 60).

Participation in Initiatives

WE SUPPORT



United Nations Global Compact

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



Sustainable Development Goals (SDGs)

The SDGs define global sustainable development priorities and aspirations for 2030, with 17 goals and 169 targets. The SDGs call for action to end poverty and create a life of dignity and equality of opportunity for all, with consideration given to balancing sustainable growth and the limits of the Earth.

As a general trading company, the Mitsui & Co. Group conducts a diverse range of business across nations and regions, and we believe that this allows us to make a wide-ranging contribution to the achievement of all 17 goals. To continue promoting our business with a focus on contributing to achieving the SDGs, we are working to raise more awareness of the SDGs and carrying out our business and initiatives aligning with Mitsui's Materiality and the SDGs.

Other Initiatives

- TCFD (Task Force on Climate-related Financial Disclosures)
- World Economic Forum
- RSPO (Roundtable on Sustainable Palm Oil)
- ECOVADIS
- CEFLEX (Circular economy for flexible packaging)
- Japan Business Federation (Keidanren)

(Committee on Population Issues, Committee on Oceanic Resources, Committee on Energy and Resources, Committee on Environment and Safety, Committee on Responsible Business Conduct & SDGs Promotion, Committee on Diversity & Inclusion, Committee on Overseas Development Cooperation)

- Japan Foreign Trade Council
- Japan Business and Biodiversity Partnership



Participation in Initiatives

<https://www.mitsui.com/jp/en/sustainability/philosophy/initiative/index.html>

Evaluation by Society

Recognition by External Bodies

Dow Jones Sustainability Indices



FTSE4Good Index Series



FTSE4Good

FTSE Blossom Japan Index



FTSE Blossom Japan

MSCI Japan Empowering Women Index (WIN)

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

CDP (Carbon Disclosure Project)



Nadeshiko Brand



Eruboshi (L Star)



Kurumin Certification



Certified Health & Productivity Management Organization Recognition Program



Noteworthy DX Company 2021

Awards

Awards for Excellence in Corporate Disclosure



Daiwa Investor Relations Internet IR Award



Evaluation by Society

<https://www.mitsui.com/jp/en/sustainability/sri/index.html>