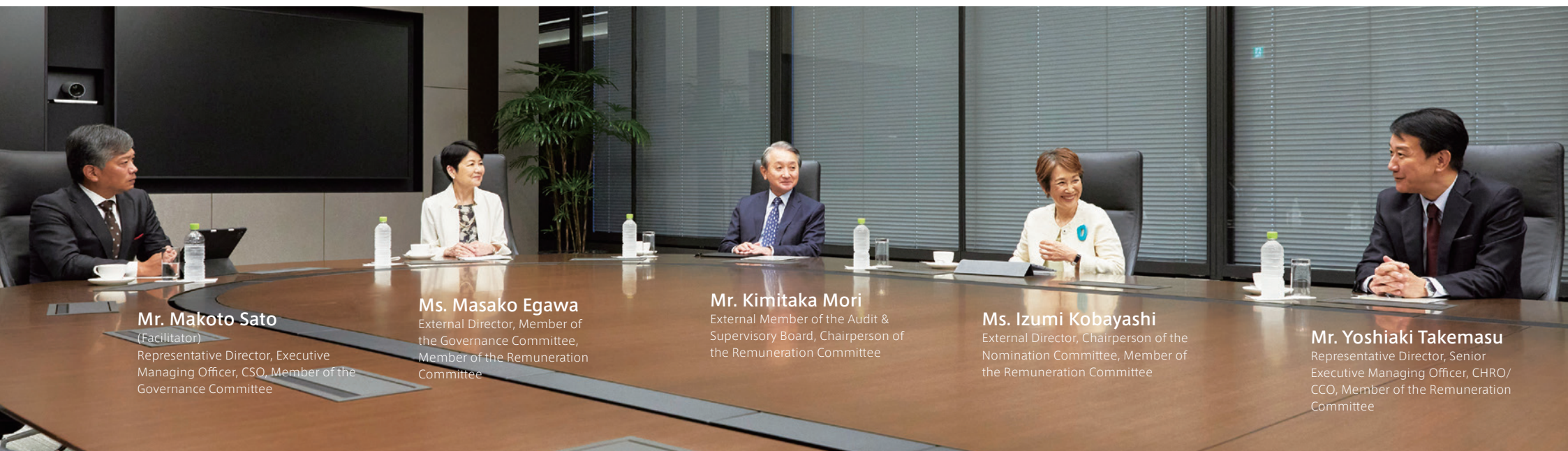


# Gate 3 Management Foundation

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## Roundtable Discussion—— Mitsui's Governance—Revision of the Remuneration Structure for Directors, Actions to Address Climate Change



**Mr. Makoto Sato**

(Facilitator)

Representative Director, Executive Managing Officer, CSO, Member of the Governance Committee

**Ms. Masako Egawa**

External Director, Member of the Governance Committee, Member of the Remuneration Committee

**Mr. Kimitaka Mori**

External Member of the Audit & Supervisory Board, Chairperson of the Remuneration Committee

**Ms. Izumi Kobayashi**

External Director, Chairperson of the Nomination Committee, Member of the Remuneration Committee

**Mr. Yoshiaki Takemasu**

Representative Director, Senior Executive Managing Officer, CHRO/CCO, Member of the Remuneration Committee

In this session, five internal and external members reflected on meetings held by the Remuneration Committee, the Board of Directors, and the Audit & Supervisory Board as they considered changes to the director remuneration structure. In the session, they also discussed Mitsui's unique approach to value creation through initiatives to address climate change, from a corporate governance perspective.

### Revision of the Director Remuneration Structure

#### Reasons for Changes

**Sato:** We made three main revisions to our remuneration structure. The first revision was a change in the upper limit for result-linked bonuses. The second revision was a shift from our share performance-linked restricted stock remuneration plan to a tenure-linked restricted stock

remuneration plan. The third revision was the introduction of the performance-linked restricted stock remuneration plan based on the achievement level of management indicators, namely ROE and ESG. (☐ Page 65: Remuneration of Directors and Audit & Supervisory Board Members). What were key criteria that the Remuneration Committee considered as they began deliberations to design a new remuneration structure?

**Takemasu:** Two points were mainly discussed during seven meetings of the Remuneration Committee

## Roundtable Discussion

held in the previous fiscal year. The first point verified if the indicators used as the current basis for performance-linked remuneration were totally aligned with existing management achievement indicators. Today, management is being required to be strongly focused on the same perspective as shareholders - we also assessed the current structure from this viewpoint. The second point assessed if the remuneration plan itself was simple and clear enough to ensure transparency and accountability. We checked the balance of various components of the remuneration plan, including the ratio between basic and performance-linked remuneration and between short-term and medium- to long-term incentives, from the perspective of whether the remuneration plan would function as an appropriate incentive for the company's sustainable growth. We also compared our remuneration plan and remuneration levels with those of our peers and other benchmark companies.

### Positioning of the Director

### Remuneration in Relation to Corporate Governance

**Sato:** What are your views on the role of the director remuneration from a corporate governance perspective, and how do you think the recent changes will affect Mitsui's management?

**Egawa:** Director remuneration is positioned as an incentive for management to act in ways that maximize shareholder returns, so stock-based

remuneration plan aligns the interests of management and shareholders, sharing both the upside and the downside. In recent years, stock-based remuneration plan has increasingly been introduced in Japanese companies along with corporate governance reforms in Japan, and in 2019, Mitsui adopted a restricted stock remuneration plan. As a result of the recent reforms, I believe that Mitsui's remuneration structure is similar to the typical structure of global corporations, as the ratio of basic remuneration, short-term incentives, and medium- to long-term incentives is approximately 1:1:1. Further, the addition of ESG elements to our performance-linked remuneration plan has brought Mitsui's even closer to the type of remuneration that is widely adopted by global corporations today.

**Mori:** I would like to elaborate on the reasons behind the three main revisions and their effects on Mitsui's management. First, the decision to change the upper limit for result-linked bonuses was prompted by a dramatic improvement in the profitability of Mitsui's diverse business portfolio, attributable to changes in Mitsui's approach to business, with the result that the existing upper limit was no longer suitable to our current level of earnings. However, although the ceiling has changed, the amount of remuneration will stay the same as long as performance remains the same. Under uncertain business environment with constant paradigm shifts and many fluctuation drivers, the management team will need to steer the company in a way that further elevates its performance levels guided by these new upper limits. We also decided to replace the share performance-linked restricted stock remuneration plan with a

tenure-linked restricted stock remuneration plan. This decision reflects the fact that our share price fluctuates widely with market conditions, the negative correlation that causes the number of shares granted to fall when the share price rises, changes in the TOPIX index, as well as other factors due to market-segment restructuring. Finally, the ROE and ESG elements were added to the performance-linked restricted stock remuneration plan as ways to explicitly align the Company's commitment to ROE and ESG with the priorities of management.

### Deliberations by the Remuneration

### Committee, Future Priorities

**Sato:** Which part of the deliberation made a particular impression on you?

**Egawa:** For me, the most memorable discussions were those relating to the KPI for performance-linked remuneration. Because of the complexity of



## Roundtable Discussion

the share performance-linked restricted stock remuneration plan, I felt that it would be difficult for individual internal directors and executive officers to fully understand the plan and perceive it as an incentive. I believe that our latest reforms have resulted in a more straightforward plan which is better aligned with management targets. For the incorporation of ESG elements, there are few precedents in Japan. We have struggled to select the right mix of KPIs to meet our criteria, which include long-term perspectives, comprehensive scope, and objectivity. We just started to incorporate these ESG elements, and we left opportunity for future improvements in line with future management priorities.

With regard to ROE, because Mitsui's performance tends to fluctuate significantly in response to market trends, I believe that how we incorporate it into remuneration still remains a challenge. Management is accountable for results, and I understand that it may be inevitable to embrace those fluctuations from the perspective of transparency. But I wondered if there was a way to isolate contributions of individual directors, which should be truly evaluated, from fluctuations in Mitsui's performance due to the market trends. In any case, I remain deeply impressed by the way that all of us contributed our knowledge and wisdom to address those questions with no precedents.

**Mori:** An issue remains in terms of whether our decisions on remuneration levels reflect the fact that Mitsui is a global company. Our goal as a committee is to set remuneration at a level that is appropriate for a management team leading global markets, but

the reality is that remuneration levels for directors of Japanese companies, including Mitsui, are low compared with world standards. Director remuneration functions as a way that added value is apportioned appropriately, and this includes allocations for employee salaries and shareholder returns. I believe that we should continue to look at remuneration levels carefully and consider all of these perspectives.

**Sato:** Looking at the ESG component of the performance-linked restricted stock remuneration plan, what issues should be considered when verifying the appropriateness of individual E, S, and G indicators and measuring the degree of progress on those indicators?

**Takemasu:** Individual ESG indicators have been repeatedly debated at meetings of the Remuneration Committee, the Corporate Management Committee, and the Board of Directors. While we obviously need to factor these indicators effectively into our management strategy, it is difficult to set clear numerical targets for certain qualitative items. I commit that the Remuneration Committee will continue to improve the effectiveness of the plan by discussing ways to ensure assessment objectivity and to measure progress appropriately.

**Kobayashi:** Ensuring objectivity in relation to the 'E' component of ESG—specifically our response to climate change—is one of our top priorities. Not only making a commitment to tackle climate change, Mitsui also needs to define indicators that will objectively measure our progress on this front by seeking input from experts in the field.

As initiatives to address climate change will not yield tangible results in a single fiscal year, we will need to establish an appropriate timeframe and consider new ways to evaluate our progress on this issue. Another important aspect will be the adjustment of our targets in response to changing social expectations. I believe Mitsui should take on the difficult challenge of setting targets that will allow us to quickly respond to evolving market expectations and ensure the sustainability of our endeavors toward those targets. I believe we should lead the private sector in this approach.

In terms of the 'S' component of ESG, we must reflect on and incorporate the perceptions of global Mitsui employees. While we can gain some understanding of levels of employee engagement from annual surveys, it remains questionable if true engagement levels can really be assessed using numerical response ratings. We must continue to conceive new indicators that can be used to measure employees' real experience of growth.





## Roundtable Discussion

### Climate Change

#### Climate Change Responses and Governance

**Sato:** From a sustainability viewpoint, climate change is of paramount importance. Still, many aspects of the solution require continued discussion, such as the setting of short-term targets, approaches to progress monitoring, and more accurate ways to assess world trends. How have Mitsui's initiatives in response to climate change been discussed during meetings of the Board of Directors and the Audit & Supervisory Board?



**Kobayashi:** The focus of our discussions on climate change has shifted significantly over the past few years. Two examples illustrate this point. First, up until 3 to 5 years ago, the debate centered on ways to reduce GHG emissions. However, this perception

has shifted and we now discuss how Mitsui can contribute to emissions reduction across the whole society as companies have come to understand that the divestiture of high-emission assets will not simply lead to the reduction of emissions. Second, while the reduction of GHG emissions was viewed as a cost factor and business risk in the past, today we see it as a business opportunity. I am encouraged by the fruitful discussion about how Mitsui can foster sustainable business models and simultaneously generate powerful earnings. I feel that this shift reflects a change in perception in the capital markets and indicates that we have entered a new phase.

**Mori:** The role of the Audit & Supervisory Board is to audit the executive performance of directors. Those audits are conducted from the viewpoint of stakeholders, including shareholders. Mitsui has made significant progress on our climate change-related initiatives over the past three years. We have established the Sustainability Committee, which gathers large amounts of data and makes timely decisions about Mitsui's business activities. In addition, the results of the committee deliberations are being shared with our various business units and are increasingly reflected and adopted in those business unit strategies. The Audit & Supervisory Board places a high value on these organic efforts. While some climate change responses contribute directly to earnings, others are designed to maintain and enhance the overall profitability of existing and peripheral businesses. Overall, the Audit & Supervisory Board takes the view that Mitsui has made significant progress from a profitability

perspective. Stakeholders have also come to expect Mitsui to achieve profitability through our response to climate change, and the Audit & Supervisory Board will continue to monitor our activities from that viewpoint as well.



**Sato:** Whether climate change is seen as a risk or opportunity is an extremely important perspective. As CSO, I too believe that we must move forward with our GHG emission reductions and projects that contribute to emission reductions, based on the understanding that environmental value would eventually lead to additional cash inflows in future.

**Takemasu:** Amid growing awareness and mounting urgency toward climate change, social and market expectations toward Mitsui are also evolving. My impression is that younger employees in particular have a strong sense of crisis and are actively expressing its urgency. I know that not a few employees are actively seeking new ways to reduce GHG emissions across the many businesses in

## Roundtable Discussion

which Mitsui is involved. I believe that engagement levels of Mitsui employees are directly related to the extent to which they can feel that they are making a tangible contribution to the reduction of GHG emissions. As such, climate change initiatives are an extremely important management priority for Mitsui, not only in terms of aligning to the expectations of society, markets, and our customers, but also from the viewpoint of enhancing employee engagement.

### Mitsui's Unique Way of Value Creation

**Sato:** As a company, Mitsui is committed to providing pragmatic and effective solutions to social issues through business. In this regard, climate change is a complex social issue that requires the simultaneous realization of two different pragmatic solutions: 1) The reliable supply of conventional energy while reducing its carbon footprint; and 2) The development and supply of new forms of energy for a carbon-free society. What are your thoughts on Mitsui's unique opportunity to create value by solving these social issues?

**Egawa:** I see two key points. First is Mitsui's contribution in the form of providing overall coordination. The simple word "decarbonization" actually means that various parties with conflicting interests, such as governments, businesses, and consumers, must work together holistically. Decarbonization initiatives are a complex puzzle. Recent rises in energy prices are caused in part by

the failure of the overall balance by the faster-than-expected progress toward decarbonization. Now more than ever, the world needs entities capable of contributing to the overall coordination. Mitsui's network and intelligence with governments and energy majors around the world allows us to play an important role in coordinating the entire process to ensure well-measured transition. The second key point is innovation. A variety of technologies are needed to create new energy sources. Japanese companies and universities are developing some of the most sophisticated technologies in the world. Mitsui has a solid track record in combining various technologies to create new industries and solve social issues. Mitsui also has a large pool of entrepreneurs skilled at creating new fields. I believe that they can leverage such innovations to create value.

**Kobayashi:** Further, climate change countermeasures are not limited to the reduction of GHG emissions. Issues in other areas, such as natural capital and water resources, also relate to this reduction. Mitsui views the climate change problem from this broader perspective, which includes the enormous potential to be extracted from natural capital. Leveraging our engagement in diverse businesses spanning a wide range of industries, I believe Mitsui can use the climate change nexus to bring together businesses and industries that have been historically unrelated and provide solutions through new businesses created by this cross-industrial approach. Mitsui can also use its networks with diverse customers and partners to drive the

formation of unique ecosystems. Given Mitsui's wide spectrum of businesses throughout the world, we are extremely well-positioned to create solutions for a variety of social issues.

I would like to encourage all Mitsui employees to think about ways to leverage the tools at our disposal to contribute towards solutions for climate change. I remain hopeful that innovative businesses and solutions can be born as a result of such endeavors by the resilient group of Mitsui people.







## Foundation of Mitsui's Value Creation Corporate Governance





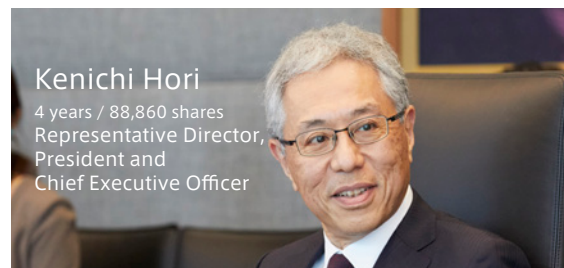
# Directors

(As of June 22, 2022)

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



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



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



1985 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Executive Vice President,  
CDIO (current position)



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



1985 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Senior Executive Managing Officer,  
CHRO, CCO (current position)



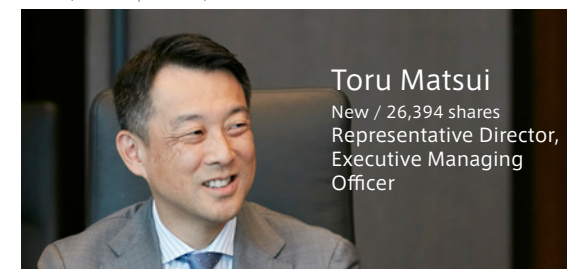
1987 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Executive Managing Officer  
(current position)



1987 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Executive Managing Officer,  
CFO (current position)



1990 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Executive Managing Officer,  
CSO (current position)



1990 Joined Mitsui & Co., Ltd.  
2022 Representative Director, Executive Managing Officer  
(current position)

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



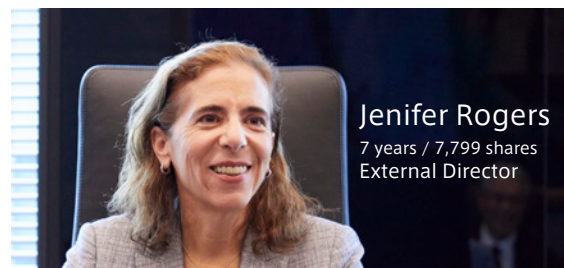
# Directors

(As of June 22, 2022)

## External 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)



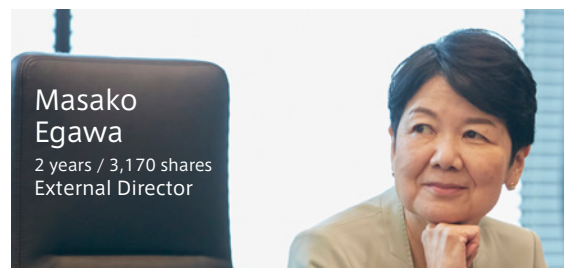
1989 Joined Haight Gardner Poor & Havens  
(currently Holland & Knight LLP)  
1990 Registered as Attorney at Law, admitted in New York  
1991 Joined Industrial Bank of Japan Limited, New York Branch  
(currently Mizuho Bank)  
1994 Joined Merrill Lynch Japan Securities Co., Ltd.  
2000 Merrill Lynch Europe Plc  
2006 Bank of America Merrill Lynch (Hong Kong)  
2012 General Counsel Asia, Asurion Asia Pacific Limited (Hong Kong)  
2014 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)



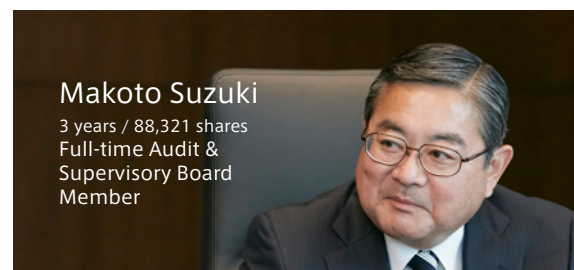
1980 Joined Tokyo Branch, Citibank, N.A.  
1986 Joined New York Headquarters, Salomon Brothers Inc.  
1988 Joined Tokyo Branch, Salomon Brothers Asia Securities  
(currently Citigroup Global Markets Japan Inc.)  
1993 Joined Tokyo Branch, S.G. Warburg (currently UBS Securities Japan Co., Ltd.)  
2001 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  
2020 External Director, Mitsui & Co., Ltd. (current position)  
2022 Chancellor, School Juridical Person Seikei Gakuen (current position)

# Audit & Supervisory Board Members

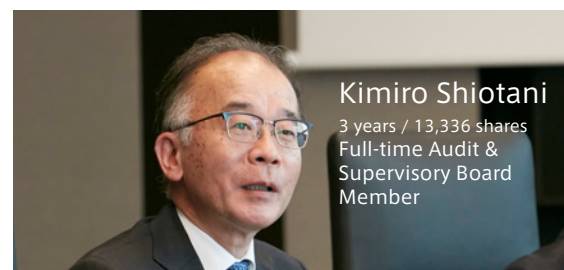
(As of June 22, 2022)

## Full-time 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)

## External Audit & Supervisory Board Members

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



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, KPMG AZSA LLC  
2004 Director of Financial Services, KPMG AZSA LLC  
2006 Board Member, KPMG AZSA LLC  
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)



1994 Joined Nagashima & Ohno  
(currently Nagashima Ohno & Tsunematsu)  
2000 Covington & Burling LLP, Washington, D.C.  
2001 Rejoined Nagashima Ohno & Tsunematsu  
2003 Partner, Nagashima Ohno & Tsunematsu (current position)  
2022 External Audit & Supervisory Board Member, Mitsui & Co., Ltd.  
(current position)

# Mitsui's Corporate Governance

## Corporate Governance Framework

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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 2 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.

## Framework for Internal Controls and Execution of Business Activities

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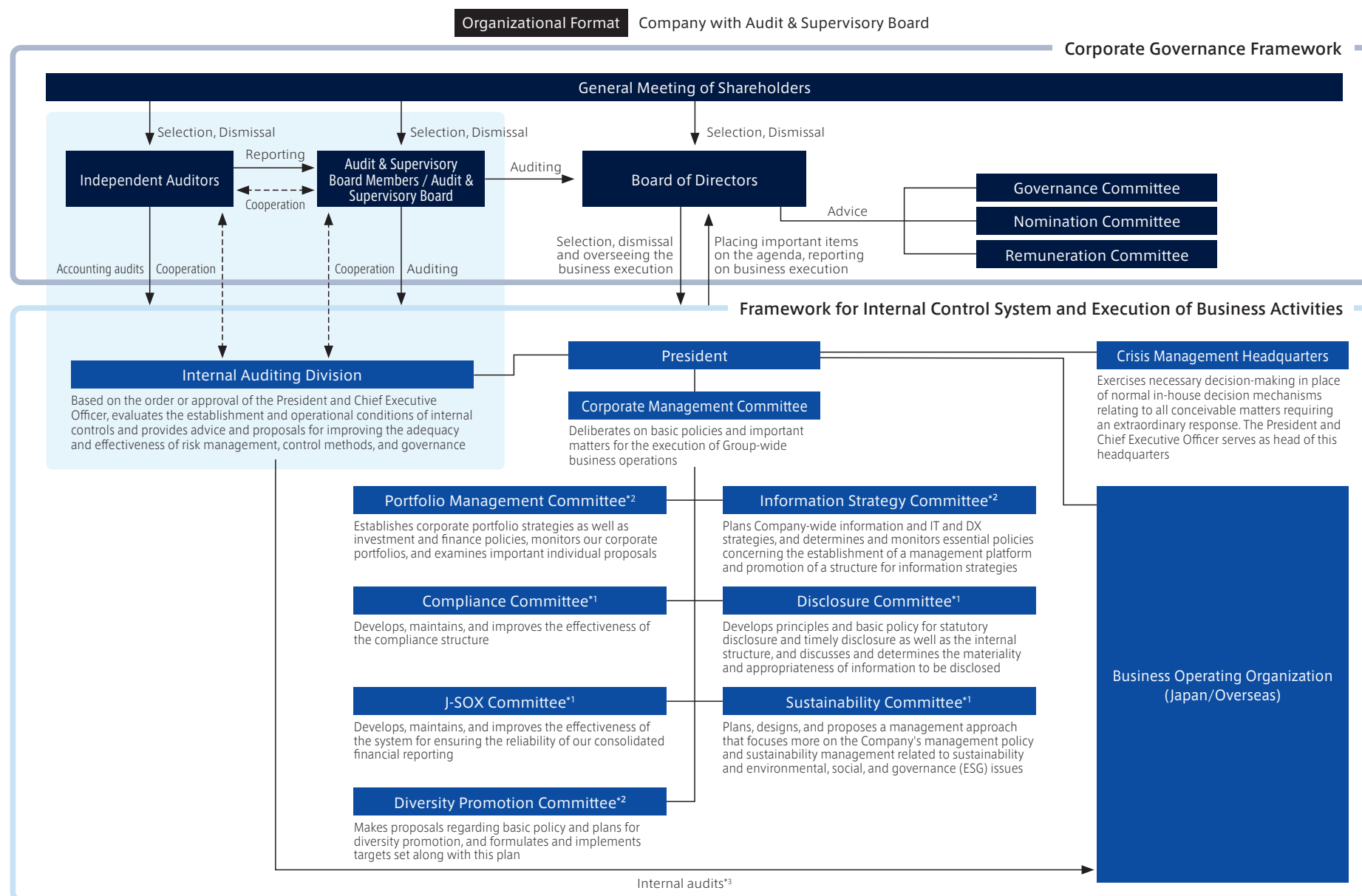
Ultimate responsibility for the execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of Business Units and Regional Business Units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating on basic policies and important matters relating to overall management. The committee consists of the Chair 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 in Mitsui.

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



## Mitsui's Corporate Governance



<sup>\*1</sup>. Sub-committees to the Corporate Management Committee <sup>\*2</sup>. Advisory committee to the Corporate Management Committee <sup>\*3</sup> During regular audits, items to be audited are identified based on risk, and an independent and objective evaluation is carried out in accordance with international internal audit standards. Continuous efforts are made to maintain and improve the standards of these internal auditing activities through measures such as quality evaluations by external specialists.

## Mitsui's Corporate Governance

### Skill Matrix for Board Members (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. <sup>*1</sup>	Experience in the Company	Years in Post	Attendance at Meetings of Board of Directors	Committees <sup>*2</sup>	Corporate Management	Strategic Focus	Innovation & DX	ESG	Finance, Accounting, and Internal Controls	Global Experience	Legal Affairs/ Risk Management
Tatsuo Yasunaga			Representative Director, Chair of the Board of Directors	● Machinery & Infrastructure ● Corporate Staff	7 years	15/15	G N	●			E S G	●	●	
Kenichi Hori			Representative Director, President, CEO	● Chemicals ● Innovation & Corporate Development ● Corporate Staff	4 years	15/15	G N	●		●	E S G	●	●	
Yoshio Kometani			Representative Director, Executive Vice President, CDIO (Energy Solutions/Mobility/Infrastructure/ICT)	● Machinery & Infrastructure	3 years	15/15		●	ES ASIA	●	E S		●	
Motoaki Uno			Representative Director, Senior Executive Managing Officer (Iron & Steel Products/Mineral & Metal Resources/CD)	● Iron & Steel Products ● Mineral & Metal Resources	1 year	11/11		●	ASIA ES		E S		●	
Yoshiaki Takemasu			Representative Director, Senior Executive Managing Officer, CHRO, CCO	● Chemicals ● Corporate Staff	1 year	11/11	R	●			E S G	●	●	●
Kazumasa Nakai			Representative Director, Executive Managing Officer (Food & Retail/N&A/Wellness)	● Machinery & Infrastructure ● Lifestyle	Newly appointed	—		●	HN ASIA	●	E S		●	
Tetsuya Shigeta			Representative Director, Executive Managing Officer, CFO	● Corporate Staff	Newly appointed	—	R	●			E S G	●	●	●
Makoto Sato			Representative Director, Executive Managing Officer, CSO	● Mineral & Metal Resources ● Corporate Staff	Newly appointed	—	G	●			E S G		●	
Toru Matsui			Representative Director, Executive Managing Officer (Energy/BM/PM)	● Energy ● Corporate Staff	Newly appointed	—		●	ES		E S		●	
Izumi Kobayashi	●		Director (Former President, Merrill Lynch Japan Securities Co., Ltd./Former Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group)	External (Independent) <sup>*3</sup>	8 years	15/15	N R	●			S G	●	●	
Jenifer Rogers	●	●	Director (General Counsel Asia, Asurion Japan Holdings G.K.)	External (Independent) <sup>*3</sup>	7 years	15/15	G	●			S G	●	●	●
Samuel Walsh		●	Director (Former CEO, Rio Tinto Limited)	External (Independent) <sup>*3</sup>	5 years	15/15	G	●	ES	●	E G	●	●	
Takeshi Uchiyamada			Director (Chairman of the Board of Directors, Toyota Motor Corporation)	External (Independent) <sup>*3</sup>	3 years	15/15	N	●	ES	●	E G	●	●	
Masako Egawa	●		Director (Chancellor, School Juridical Person Seikei Gakuen)	External (Independent) <sup>*3</sup>	2 years	15/15	G R	●			S G	●	●	
Makoto Suzuki			Full-time Audit & Supervisory Board Member	● Machinery & Infrastructure	3 years	15/15		●			E G	●	●	●
Kimiro Shiotani			Full-time Audit & Supervisory Board Member	● Corporate Staff	3 years	15/15		●			E G	●	●	●
Hiroshi Ozu			Audit & Supervisory Board Member (Attorney at Law/Formal Attorney General, Supreme Public Prosecutors Office)	External (Independent) <sup>*3</sup>	7 years	15/15	N				S G	●	●	●
Kimitaka Mori			Audit & Supervisory Board Member (Certified Public Accountant/Formal Chairman and President, The Japanese Institute of Certified Public Accountants)	External (Independent) <sup>*3</sup>	5 years	15/15	R				G	●	●	●
Yuko Tamai	●		Audit & Supervisory Board Member (Attorney at Law)	External (Independent) <sup>*3</sup>	Newly appointed	—	G				S G	●	●	●

\*1. The tenure of Directors is one year, the tenure of Audit & Supervisory Board Members is four years. \*2. White text indicates committee chairperson.

\*3. Satisfies the independence requirements established by the Company and Tokyo Stock Exchange, Inc. In addition, the Company has submitted filings with the domestic stock exchanges on which it is listed designating all External Directors and Audit & Supervisory Board Members as Independent Members, with the exception of Audit & Supervisory Board Member Yuko Tamai, for whom such filings have not been submitted in accordance with the policies of the law firm to which she belongs.

[Legend] G: Governance Committee, N: Nomination Committee, R: Remuneration Committee, ES: Energy Solutions, HN: Healthcare/Nutrition, ASIA: Market Asia, DX: Digital Transformation, ESG: Environment (E), Social (S), Governance (G)

## Mitsui's Corporate Governance

### Board of Directors

The Board of Directors is the highest authority for the execution of business and supervision. 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 Chair is authorized to call for a meeting of the Board of Directors and to chair the meeting. The role as the Chair of the Board of Directors of the Company mainly involves carrying out supervision of management. The Chair 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. The Board of Directors, in accordance with the internal regulations on matters to be resolved or reported at the the Board of Directors, resolves matters considering fundamental policies related to management, matters of important business operation, matters mandated by the General Meeting of Shareholders, and matters stipulated in laws and regulations and the Articles of Incorporation. The Board of Directors also receives reports regarding matters stipulated in laws and regulations 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 2022, 15 meetings were held.

### Number of proposals and reports to the Board

Type of Proposals and Reports	FY March 2020	FY March 2021	FY March 2022
Corporate strategy, sustainability, and governance related matters	26	28	28
Financial results and other related matters	17	16	17
Matters related to Audit & Supervisory Board Members and Independent Auditors	7	5	5
Matters related to risk management, internal controls, and compliance	6	8	11
Matters related to human resources	4	6	5
Individual projects/matters	12	26	30
Total	72	89	96

### Sustainability, internal control, or risk management-related reports to the Board (FY March 2022)

Agenda of the Board	Time of Meeting	Matters Reported	(Reference) Relevant Risk Management Structures/Systems
Internal Control System Review	Apr. 2021	• Internal control overall	<ul style="list-style-type: none"> <li>• Authority delegation system, <i>ringi</i> system, oversight and support by Corporate Staff Divisions</li> <li>• Prior setting of position limits, monitoring by specialist units</li> <li>• Internal Control and Portfolio Management Committee</li> </ul>
Sustainability-related	Apr. 2021 Sep. 2021 Oct. 2021 Nov. 2021	<ul style="list-style-type: none"> <li>• Overall activities related to sustainability</li> <li>• Formulation of the Sustainability Policy</li> <li>• Approval of the Statement under the UK Modern Slavery Act</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Committee</li> </ul>
Compliance System	Apr. 2021 Mar. 2022	• Compliance risks	<ul style="list-style-type: none"> <li>• Compliance Committee</li> <li>• Establishment of and compliance with Business Conduct Guidelines for Employees and Officers of Mitsui</li> <li>• Development of internal whistleblowing system</li> <li>• Implementation of training and etc.</li> </ul>
Internal control evaluation report given under the Financial Instruments and Exchange Law	June 2021	• Internal controls relating to financial reporting	<ul style="list-style-type: none"> <li>• J-SOX Committee</li> <li>• Self-assessment of effectiveness of internal control systems by units under assessment, testing by independent units</li> </ul>
Internal Auditing Div. Activity Report	Sep. 2021	• Results of internal auditing	<ul style="list-style-type: none"> <li>• Internal audit framework centered on Internal Auditing Div.</li> <li>• Internal audit plans</li> </ul>
Mitsui's risk exposure and controls	Jan. 2022	<ul style="list-style-type: none"> <li>• Credit risk (commercial claims, external loans/guarantees, term deposits)</li> <li>• Market risk (long and short commodity/forex positions, inventories)</li> <li>• Business risk (business assets, loans/guarantees to related parties, external investments)</li> <li>• Country risk</li> </ul>	<ul style="list-style-type: none"> <li>• Examination of credit lines and <i>ringi</i> applications and monitoring</li> <li>• <i>Ringi</i> examination of long and short commodity/forex positions, on-site inspection of inventories, etc.</li> <li>• Examination through <i>ringi</i> processes, realization of returns from investment projects and their optimization</li> <li>• 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</li> </ul>
Cybersecurity	Jan. 2022	• Cybersecurity	<ul style="list-style-type: none"> <li>• Technical support, human support (including security awareness activities), support to affiliated companies</li> </ul>



## Audit & Supervisory Board

A meeting of the Audit & Supervisory Board is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the fiscal year ended March 2022, 18 meetings were held. The main items considered and discussed by the Audit & Supervisory Board are as follows: audit policies, audit plans, and work assignments; assessment of the Independent Auditors; audit activities conducted by full-time Audit & Supervisory Board Members; major issues and due process relating to matters to be resolved at the Board of Directors major issues and resolutions relating to the internal control system on a global group basis; communication with Independent Auditors regarding "Key Audit Matters" and consent to the proposal of the election of Audit & Supervisory Board Members.

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

BD	Board of Directors	A	Audit & Supervisory Board	FD	Free Discussion	G	Governance Committee	N	Nomination Committee	R	Remuneration Committee	Ex	External Members Meetings	S	Seminar
Apr. 2021	May 2021	June 2021	July 2021	Aug. 2021	Sep. 2021	Oct. 2021	Nov. 2021	Dec. 2021	Jan. 2022	Feb. 2022	Mar. 2022				
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD				
BD	A	BD	A	A	A	A	A	A	A	A	BD				
A	A	A	Ex	Ex	A	Ex	G	G	N	R	A				
A	A	A	Ex		G	R	N	R	N	Ex	A				
	G	R			R		Ex			Ex	G				
	R	Ex			N		FD			Ex	R				
					Ex		S				N				
					Ex						Ex				
											Ex				
											FD				
BD	15 times total	A	18 times total	FD	2 times total	G	5 times total	N	5 times total	R	7 times total	Ex	13 times total	S	1 time total

## Mitsui's Corporate Governance

### Advisory Committee Activities

Advisory committees	1. Governance Committee	2. Nomination Committee	3. Remuneration Committee
Committee chair	Chair of the Board of Directors	External Member	External Member
Composition (including committee chair)	Chair of the Board of Directors President and Chief Executive Officer 1 Internal Director (CSO) 3 External Directors 1 External Audit & Supervisory Board Member	Chair 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 (CEO) and other top executives, evaluate Director nomination proposals, and 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 Ordinary General Meeting of 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 Ordinary General Meeting of 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 Ordinary General Meeting of Shareholders
Meetings in the fiscal year ended March 2022	5	5	7
Results in the fiscal year ended March 2022	The Governance Committee carried out discussions in relation to matters such as the Company's response to the revised Corporate Governance Code, institutional design based on the Company's frameworks for business execution, review of standards on matters to be resolved/ reported at the Board of Directors and evaluation of the effectiveness of the Board of Directors.	The Nomination Committee discussed consideration/ deliberation of selection of Director candidates based on the Skill Matrix, and deliberation on plan of Internal Directors.	The Remuneration Committee carried out discussions in relation to matters such as re-evaluation of the remuneration system and level towards the contribution to medium- to long-term corporate value under the global competitive environment.

### Free discussion among all members of the Board of Directors and Audit & Supervisory Board

Based on opinions regarding evaluation of effectiveness for the fiscal year ended March 2021, free discussions among the Board of Directors and the Audit & Supervisory Board regarding the items below were held on two occasions in the fiscal year ended March 2022.

	Date	Agenda
FY March 2021 Opinions for evaluation of effectiveness	• Nov. 2021	Priority of Issues and Actions That Mitsui Should Tackle in the Medium to Long Term to Enhance Corporate Value
	• Mar. 2022	How Global Operations Should Be

### Agenda of External Members Meetings (FY March 2022)

1	Response to Shareholders' Questions at General Meeting of Shareholders
2	Market Reaction to Financial Results for the FY Ended March 2021, etc.
3	Activity Report on the FY Ended March 2021 from the Nomination Committee Chair
4	Business Outline (1) Infrastructure Projects Business Unit and Energy Solutions Business Unit
5	East Asia Bloc Business Overview
6	Activities of the Portfolio Management Committee
7	Business Outline (2) Nutrition & Agriculture Business Unit and Wellness Business Unit
8	Business Environment Outlook
9	Business Outline (3) Basic Materials Business Unit, Performance Materials Business Unit, Energy Business Unit I and Energy Business Unit II
10	Mitsui Engagement Survey 2021
11	Discussion on Evaluation of Effectiveness of the Board of Directors
12	Business Outline (4) Iron & Steel Products Business Unit and Mineral & Metal Resources Business Unit
13	Exchange of Opinions and Information with the Independent Auditors

## Mitsui's Corporate Governance

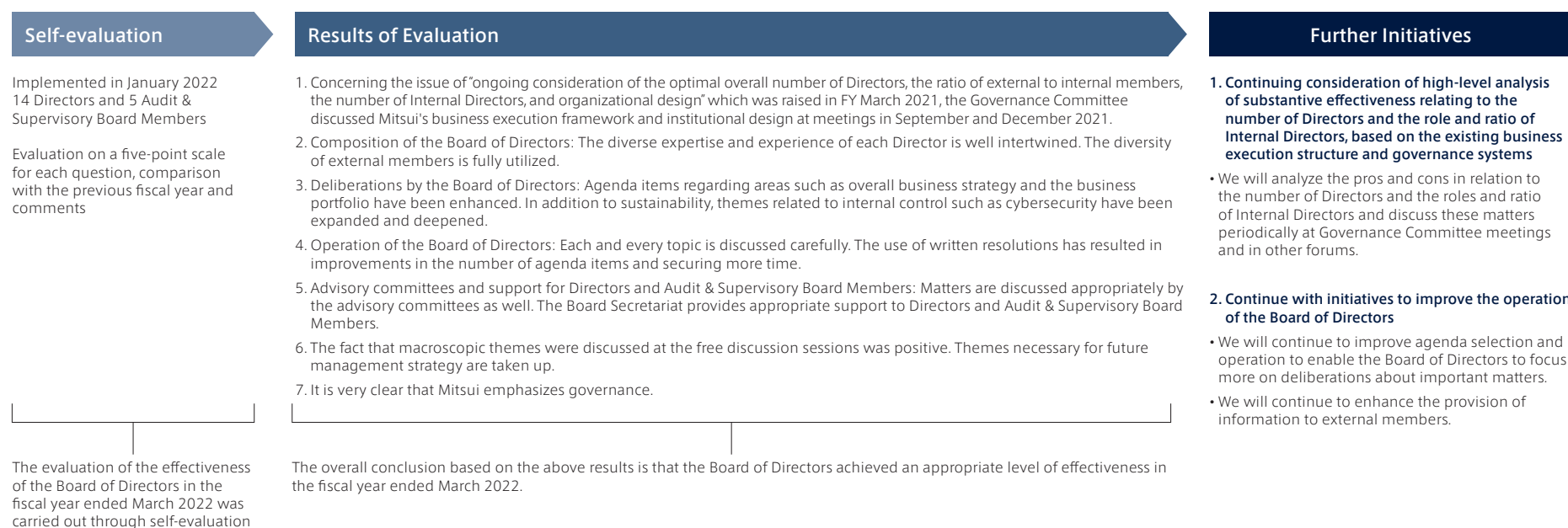
### Effectiveness of the Board of Directors- Evaluation Summary

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. Based on the results of the effectiveness evaluation for the fiscal year ended March 2021, the board and the Board Secretariat addressed the following points.

Recognition of issues based on the results of evaluation for the fiscal year ended March 2021	Initiatives	Evaluation through questionnaire regarding the fiscal year ended March 2022
Ongoing consideration of the optimal overall number of Directors, the ratio of external to internal members, the number of Internal Directors, and organizational design.	<ul style="list-style-type: none"> <li>The Governance Committee discussed Mitsui's business execution framework and institutional design at meetings held in September and December 2021.</li> </ul>	The majority of board members (and the majority of External Directors and Audit & Supervisory Board Members) positively evaluated the results. There were comments that the Board is functioning well with its present composition but should continue to consider to reflect changes in the external environment and other factors.

#### ► Effectiveness Evaluation for the Fiscal Year Ended March 2022

A resolution was passed at a meeting of the Board of Directors held in April 2022, based on the survey results and following discussions at an External Members' Meeting held in February the same year, and a Governance Committee and a Corporate Management Committee held in March the same year.





## Mitsui's Corporate Governance

### Remuneration of Directors and Audit & Supervisory Board Members

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. In each fiscal year, the Remuneration Committee discusses the remuneration structure for Directors and Audit & Supervisory Board Members, and examines the appropriateness of the proportions of fixed remuneration, result-linked bonuses, and stock-based remuneration based on trends at other companies and then reports this as well as the appropriateness of clawback 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.

Remuneration for Directors of the Company is comprised of fixed remuneration (basic remuneration), result-linked bonuses (short-term incentive) and restricted stock-based remuneration as stock-based remuneration (long-term incentive). From the perspective of respecting the independence of External Directors and

Audit & Supervisory Board Members, who are independent from business execution, they are not eligible for result-linked bonuses or stock-based remuneration. In addition, the Company will not pay retirement compensation to Directors and Audit & Supervisory Board Members.

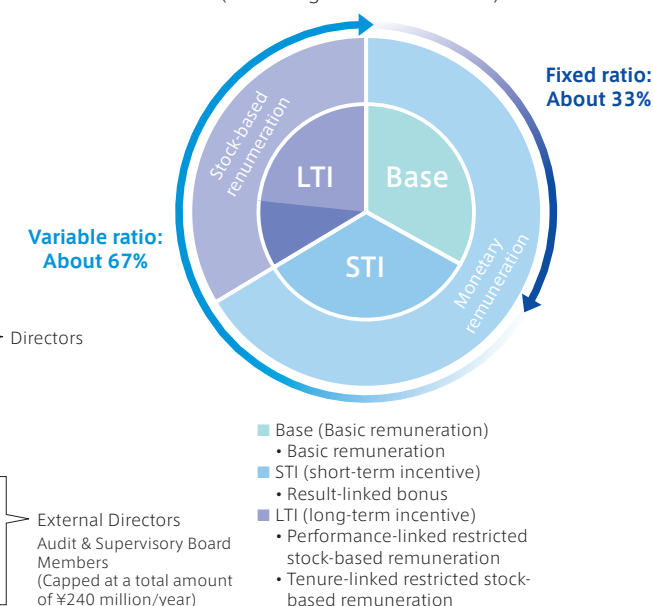
With the approval of the 103rd Ordinary General Meeting of Shareholders on June 22, 2022, the Company revised the remuneration for Directors for the fiscal year ending March 2023 and thereafter. An overview of the revised structure is shown below. The Company also established the Share Ownership Guidelines in FY March 2023.

The composition of remuneration for Directors (excluding External Directors) from FY March 2023 is 2:1 for monetary remuneration:stock-based remuneration and 1:1:1 for basic remuneration:short-term incentive:long-term incentive.

#### Overview of Remuneration of Directors and Audit & Supervisory Board Members

FY March 2022		FY March 2023 and thereafter	
		Performance-linked restricted stock-based remuneration	<b>Long-term incentive</b> Variable stock-based remuneration (Capped at a total amount of ¥300 million/year)
Share performance-linked restricted stock-based remuneration	<b>Medium- to long-term incentive</b> Variable stock-based remuneration (Capped at a total amount of ¥500 million/year)	Tenure-linked restricted stock-based remuneration	<b>Long-term incentive</b> Fixed stock-based remuneration (Capped at a total amount of ¥500 million/year)
Result-linked bonus based on consolidated profit for the year and Core Operating Cash Flow	<b>Short-term incentive</b> Variable monetary remuneration (Capped at a total amount of ¥700 million/year)	Result-linked bonus based on consolidated profit for the year and Core Operating Cash Flow	<b>Short-term incentive</b> Variable monetary remuneration (Capped at a total amount of ¥1.5 billion/year)
Purchase of Mitsui shares from his/her fixed basic remuneration through Mitsui Executives' Shareholding Association (also applicable to external members)	<b>Purchase of Mitsui's shares</b> Fixed monetary remuneration (Capped at a total amount of ¥1 billion/year)	Purchase of Mitsui shares from his/her fixed basic remuneration through Mitsui Executives' Shareholding Association (also applicable to external members)	<b>Purchase of Mitsui's shares</b> Fixed monetary remuneration (Capped at a total amount of ¥1 billion/year)
Fixed basic remuneration		Fixed basic remuneration	

#### Composition of remuneration for Directors (excluding External Directors)



## Mitsui's Corporate Governance

### Overview of Policy for Determining Remuneration of Individual Directors (FY March 2023 and Thereafter)

Position	Type	Compensation	Cap	Overview										
Directors (excluding External Directors)	Performance-linked restricted stock-based remuneration	Stock-based	¥300 million	<ul style="list-style-type: none"> <li>Performance linkage conditions: The initial evaluation period is to consist of the three fiscal years extending to the fiscal year ending March 2025, from the fiscal year ending March 2023. During the initial evaluation period, we will focus on management indicators that include ESG elements, including response to climate change, ROE, etc. Amounts shall be within the variation range of 80% to 120% for each management indicator.</li> <li>Restriction on disposal: 30 years</li> <li>Lifting of restriction on disposal: End of the restriction on disposal period or retirement of Director</li> <li>Clawback clause: Applies</li> <li>Total number of shares to be issued or disposed of: No more than 300,000 per year</li> <li>Paid-in amount per share: Average closing price of Company stock during the immediate prior three months</li> </ul>										
	Tenure-linked restricted stock	Stock-based	¥500 million	<ul style="list-style-type: none"> <li>Number of shares of the Company's common stock determined according to position shall be paid individually.</li> <li>Restriction on disposal: 30 years</li> <li>Lifting of restriction on disposal: End of the restriction on disposal period or retirement of Director</li> <li>Clawback clause: Applies</li> <li>Total number of shares to be issued or disposed of: No more than 500,000 per year</li> <li>Paid-in amount per share: Average closing price of Company stock during the immediate prior three months</li> </ul>										
	Result-linked bonus	Monetary	¥1.5 billion	<ul style="list-style-type: none"> <li>Total amount of bonuses = (Consolidated profit for the year x 50% x 0.1%) + (Core Operation Cash Flow x 50% x 0.1%)</li> <li>Amount individually paid = Total amount of bonuses x Position points / Sum of position points</li> </ul>										
				<table> <tr> <th>Position</th><th>Chair/President</th><th>Executive Vice President</th><th>Senior Executive Managing Officer</th><th>Executive Managing Officer</th></tr> <tr> <th>Points</th><td>10</td><td>7</td><td>6</td><td>5</td></tr> </table>	Position	Chair/President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer	Points	10	7	6	5
Position	Chair/President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer										
Points	10	7	6	5										
Directors	Basic remuneration	Monetary	¥1 billion	Amount determined according to position shall be paid individually										
Audit & Supervisory Board Members	Basic remuneration	Monetary	¥240 million	Amount determined by discussion among the Audit & Supervisory Board Members shall be paid individually										

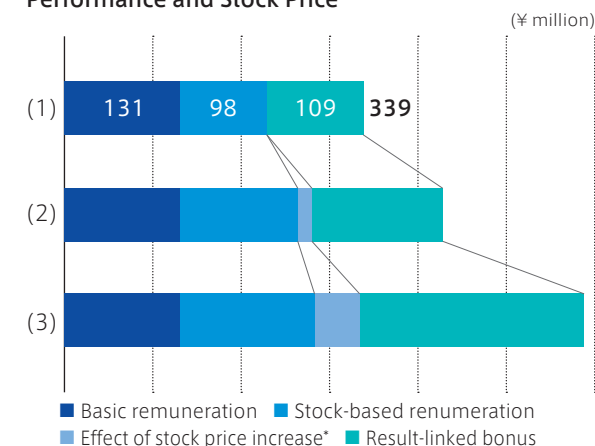
\* For details, please refer to 4. Corporate Governance (4) Remuneration of Directors and Audit & Supervisory Board Members under 4. Corporate Information in our Annual Securities Report for the fiscal year ended March 2022.

[https://www.mitsui.com/jp/en/ir/library/securities/\\_icsFiles/afiedfile/2022/06/22/en\\_103yuh0\\_1.pdf](https://www.mitsui.com/jp/en/ir/library/securities/_icsFiles/afiedfile/2022/06/22/en_103yuh0_1.pdf)

### Share Ownership Guidelines (Established FY March 2023)

Position	Type	Goal regarding ownership of the Company's shares
Internal Directors	President and Chief Executive Officer	Ownership of the Company's stock equivalent to three times basic remuneration (annual amount)
	Other Directors	Ownership of the Company's stock equivalent to basic remuneration (annual amount)

### Increase in CEO Remuneration Based on Performance and Stock Price



#### Scenario

- (1) Actual individual remuneration earned in FY March 2022  
 (2) Business targets (Consolidated profit for the year of ¥800.0 billion, Core Operating Cash Flow of ¥950.0 billion) are achieved and stock price is ¥3,500 at the end of FY March 2023  
 (3) Performance-linked bonus cap reaches 1.5 billion yen and stock price is ¥4,000 at the end of FY March 2024

\*Effect of stock price increase expresses the increase in the value of restricted stock granted in FY March 2022 and FY March 2023.

### Remuneration of Directors and Audit & Supervisory Board Members (FY March 2022)

Category of position	Number of recipients <sup>1</sup>	Basic remuneration	Bonuses	Stock-based remuneration	Total remuneration <sup>2</sup>
Directors (excluding External Directors)	11	725	700	325	1,750
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	2	132	—	—	132
External Directors	5	104	—	—	104
External Audit & Supervisory Board Members	3	60	—	—	60
<b>Total</b>	<b>21</b>	<b>1,021</b>	<b>700</b>	<b>325</b>	<b>2,046</b>

<sup>1</sup> The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year ended March 2022.

<sup>2</sup> In addition to the above amounts, a total of ¥438 million was paid to 95 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 2022.

<sup>3</sup> Amounts less than ¥1 million are rounded off.

## Mitsui's Corporate Governance

### Selection Criteria for External Directors and Audit & Supervisory Board Members

#### 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	Independence*	Reasons for Appointment	Attendance in FYE March 2022	Significant Concurrent Positions (As of June 22, 2022)
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 a 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, 2022, she served as the Chair of the Remuneration Committee, and exercised strong leadership in enhancing transparency and effectiveness, including that of the CEO succession plan. In addition, as a member of the Remuneration Committee, she contributed to the discussions related to the redesign of the remuneration and evaluation system for Directors and Audit & Supervisory Board Members. In view of these points, we have appointed Ms. Kobayashi for another term as External Director so that she may continue to advise and supervise the Company's management.	BD 15/15 N 5/5 R 7/7 Ex 13/13	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, 2022, she served as a member of the Governance Committee, actively providing her opinions with the aim of creating a highly transparent governance system. In view of these points, we have appointed Ms. Rogers for another term as External Director so that she may continue to advise and supervise the Company's management.	BD 15/15 G 5/5 Ex 10/13	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd. External Director, Nissan Motor Co., Ltd. External Director, Seven & i Holdings Co., Ltd.
Samuel Walsh	○	Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and provides significant contributions to active discussions and improving meeting effectiveness. In the fiscal year ended March 31, 2022, he served as a member of the Governance Committee, actively providing his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on his global corporate management experience and expertise and knowledge related to capital policy and business investment. We have appointed Mr. Walsh for another term as External Director so that he may continue to advise and supervise the Company's management.	BD 15/15 G 5/5 Ex 13/13	Chairman of the Board, Gold Corporation (Australia) the Perth Mint
Takeshi Uchiyamada	○	Mr. Uchiyamada has long been involved in research and development 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 provides significant contributions to active discussions and improving meeting effectiveness. In the fiscal year ended March 31, 2022, 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 15/15 N 5/5 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 in management as a director of the University of Tokyo, her many years of experience working at global financial institutions, and 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, 2022, 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 revision of the remuneration and evaluation system for Directors and Audit & Supervisory Board Members. In view of these points, we have appointed Ms. Egawa for another term as External Director so that she may continue to advise and supervise the Company's management.	BD 15/15 G 5/5 R 7/7 Ex 13/13	External Director, Tokio Marine Holdings, Inc. Chancellor, School Juridical Person Seikei Gakuen

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

\* The Company's External Directors satisfy the independence standards established by the Company and Tokyo Stock Exchange, Inc.  
The Company has also submitted filings with the domestic stock exchanges on which it is listed designating External Directors as Independent Members.

## Mitsui's Corporate Governance

### External Audit & Supervisory Board Members

External Audit & Supervisory Board Members shall be selected with the aim of further heightening the neutrality and independence of the auditing system, and in particular, it is expected that they 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	Independence*	Reasons for Appointment	Attendance in FYE March 2022	Significant Concurrent Positions (As of June 22, 2022)
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 15/15 A 18/18 N 5/5 Ex 11/13	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 15/15 A 18/18 R 7/7 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
Yuko Tamai	○	Ms. Tamai has been appointed in expectation that she will objectively express opinions regarding audits from an independent and neutral standpoint, with advanced insight into various types of corporate transactions, corporate governance and risk management cultivated through years of experience in legal affairs as a lawyer as well as extensive experience as an external board member of other companies and a commissioner (part-time) of the Certified Public Accountants and Auditing Oversight Board.	—	Attorney at Law Partner, Nagashima Ohno & Tsunematsu External Audit & Supervisory Board Member, Japan Bank for International Cooperation (retired in June 2022)

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

\* The Company's External Audit & Supervisory Board Members satisfy the independence standards established by the Company and Tokyo Stock Exchange, Inc.  
The Company has also submitted filings with the domestic stock exchanges on which it is listed designating Audit & Supervisory Board Members Hiroshi Ozu and Kimitaka Mori as Independent Members. In accordance with the policies of the law firm to which she belongs, no filing has been made designating Audit & Supervisory Board Member Yuko Tamai as an Independent Member.

Please refer to Corporate Governance below for information regarding independence standards for External Directors and Audit & Supervisory Board Members, support systems, coordination between supervision by the External Directors, auditing by Audit & Supervisory Board Members, internal audits, and accounting audits, and relationship with divisions involved in internal control.



Corporate Governance

<https://www.mitsui.com/jp/en/company/outline/governance/status/index.html>



## Mitsui's Corporate Governance

### Status of the Internal Control System

The following systems have been implemented while establishing our internal control processes internal control processes with the aim of achieving internal control objectives such as: Improvement of effectiveness and efficiency of operations, compliance with accounting standards and ensuring reliable financial reporting, compliance with laws and regulations and observance of management philosophy and company rules including all related codes of conduct, and 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 Executive 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, Sustainability Committee,

and 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 control 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 regarding construction and management of 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

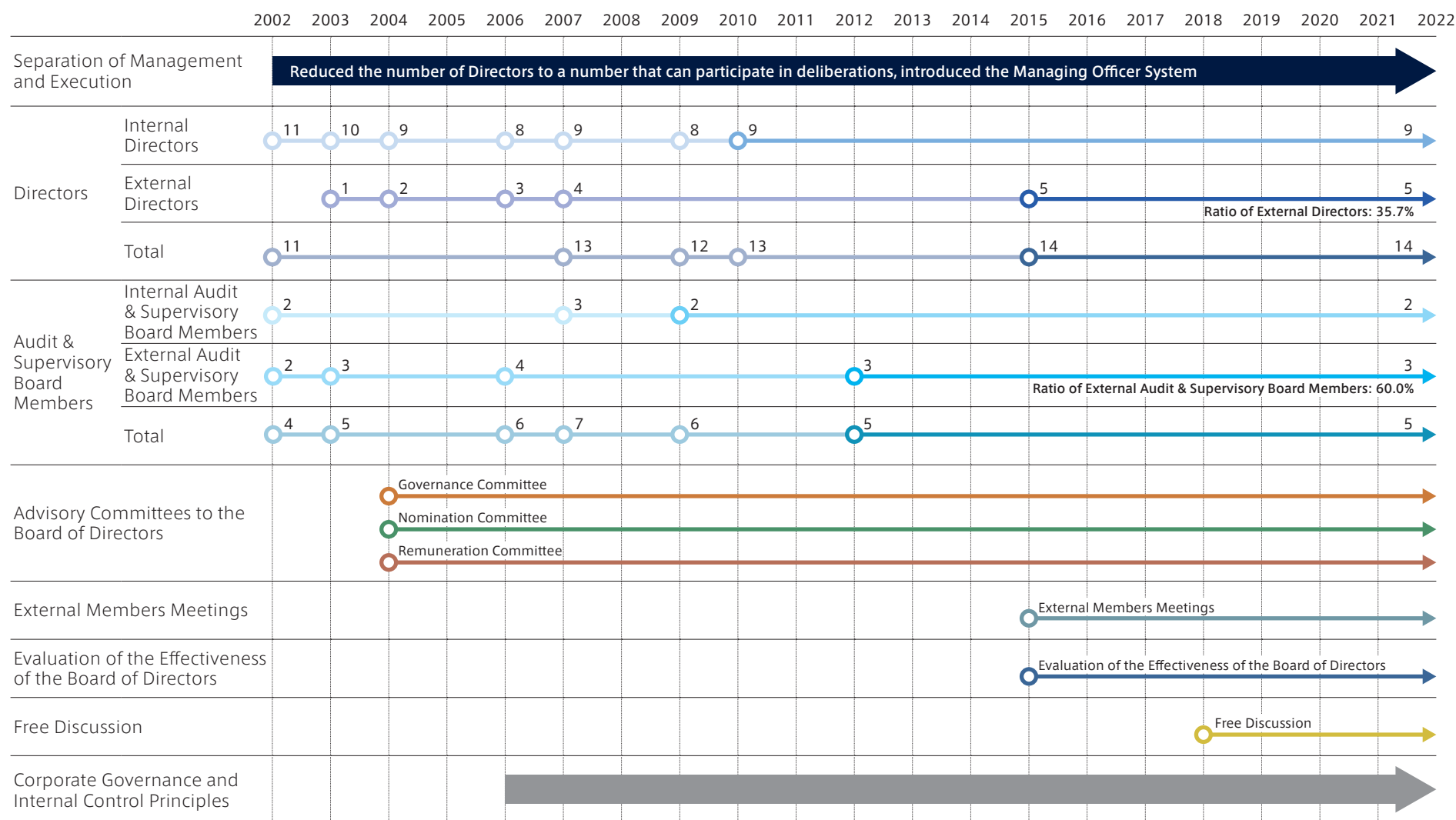
establishment of systems to control risk associated with information assets appropriately. Specifically, it establishes rules for the process of procurement, introduction, and operation of information assets; codes of conduct for the system supervisory divisions regarding IT security; requirements for 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 cybersecurity countermeasures.

#### ► Compliance

Please refer to Compliance and Integrity (□ P71).

#### ► 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

Mitsui has a strong belief that a trust is the foundation of its business. With that in mind, we require employees to act in accordance with our definition of compliance which emphasizes adherence to corporate ethics and social norms in addition to laws, regulations and the 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 Audit & Supervisory Board Member and an external attorney 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" reflecting "Mitsui & Co. Group Conduct Guidelines - With Integrity" 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 channels in place, including those involving an external attorney 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 channels (external attorneys

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.

## Policies and Basic Approach

Mitsui 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 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 Group 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.

## 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.



Mitsui & Co. Group Conduct Guidelines—With Integrity

[https://www.mitsui.com/jp/en/company/outline/governance/compliance/WithIntegrity\\_E\\_20210401.pdf](https://www.mitsui.com/jp/en/company/outline/governance/compliance/WithIntegrity_E_20210401.pdf)

## Compliance and Integrity

In addition, the Compliance Committee operates under the Corporate Management Committee and is supervised by the Board of Directors, to which it reports twice a year regarding matters including the operational status of the Company's compliance framework.

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.

### Compliance Programs

At Mitsui, the CEO, CCO, and other executives proactively engage in awareness-raising activities and send messages to employees continuously and repeatedly, expressing the importance of integrity and compliance. We use the results of annual compliance awareness surveys and the content of discussions by the Compliance Committee and the Board of Directors to provide feedback to each organization and to formulate action plans for the next fiscal year.

The Company has also established With Integrity Month, held in November each year, as an opportunity to consider integrity and compliance. During With Integrity Month, in addition to events for all employees intended to raise awareness, each business unit and overseas operating base actively


takes the initiative in considering and implementing plans as necessary at each organization through activities such as workshops and lectures conducted by internal and external speakers.

Through these efforts, we are working to raise awareness of integrity and compliance through both continuous dissemination from top management and voluntary and proactive efforts in the field.



A discussion held between CEO and Mitsui Group employees during With Integrity Month



 Integrity Discussion between CEO and Mitsui global staff  
<https://www.youtube.com/watch?v=HUEc4DnvFwM>

### Facilitating Communication and Fostering a "Speak Up" Culture

Should problems occur within the Mitsui 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 top management 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 effectiveness, the rules for the whistleblowing system ensure the anonymity of investigators within the system. We also prohibit investigations into whistleblowers in accordance with revisions to Japan's Whistleblower Protection Act and 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.



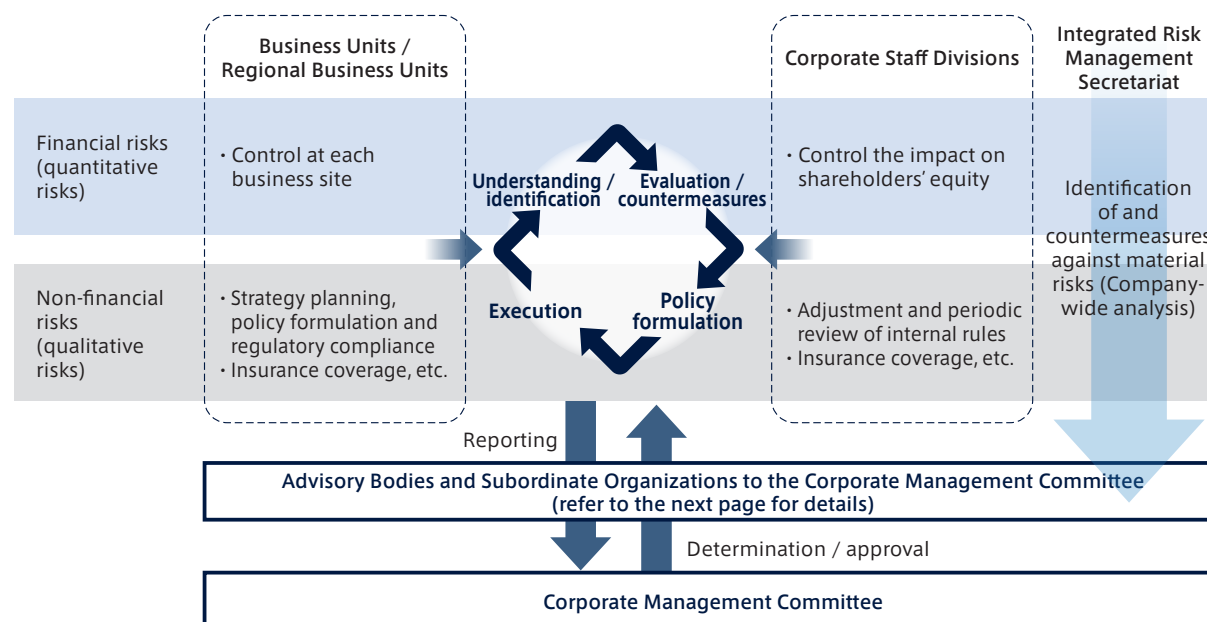
Compliance and Integrity  
<https://www.mitsui.com/jp/en/sustainability/governance/compliance/>



# Risk Management

We identify Company-wide material risks across organization and implement measures to 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 develop and maintain 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. The Corporate Staff Divisions, which act as the secretariat, manage risks from a Company-wide perspective. They 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 2022, these efforts were reported to the Corporate Management Committee and the Board of Directors through discussions at the Portfolio Management Committee.

## Mitsui Risk Management Structure (image)




## Current Situation of Integrated Risk Management

In the fiscal year ended March 2022, the impact of the COVID-19 pandemic, changes in the market environment due to increasing geopolitical risk, semiconductor shortages, logistics bottlenecks and other supply constraints led to downward pressure. Nevertheless, we leveraged our diversified supply sources and other global trading functions built up over many years and utilized our comprehensive strengths, including our logistics functions, to support the stable supply of items such as resources, materials, food and products that are indispensable for the development of society and to enhance earning power. From a risk management perspective, these changes in the external environment may lead to the combined occurrence of risks associated with credit risk as result of fulfillment of contracts with suppliers and purchasers, and country risks. In addition to these risks, we respond to issues such as increasingly stringent regulations in various countries and growing cybersecurity risks by ensuring that related Corporate Staff Divisions cooperate and advise each other, helping to avoid losses caused by the emergence of risks at Headquarter Business Units and regional business units. There is growing uncertainty in the global economy, and major changes in the business environment, such as the emergence of geopolitical risks, supply chain disruption, and rising inflation, have both positive and negative impacts on Mitsui. In this environment, we will endeavor to continue the reliable fulfillment of supply responsibilities while also aiming to reach new heights by enhancing our crises response and preparation for multiple scenarios, reviewing our timeline and priorities in a flexible manner, improving steady capturing of upsides in light of changes in market conditions and practicing integrated risk management that includes evaluation of risks relating to climate change and other non-financial information.

## Risk Management

### Material Risks as of the End of March 2022

Importance	Material Risks	Risk Countermeasures	Advisory Bodies and Subordinate Organizations to the Corporate Management Committee
	Business investment risks	Portfolio management, risk asset monitoring <a href="#">P38</a>	Portfolio Management Committee
	Country risks	Financing from export credit agencies in each country, monitoring, etc.	
	Physical risks related to climate change	Insurance coverage, creation of crisis management policies, reinforcement of facilities, etc.	
	Transition risks related to climate change	Implementation of initiatives to achieve 2050 and 2030 targets	Sustainability Committee
	Commodity market risks	Position management, hedging, etc.	Portfolio Management Committee
	Foreign currency risks	Position management, hedging, etc.	
	Listed stock risks	Periodic review of stock portfolio	
	Credit risks	Credit line management, monitoring, requiring provision of collateral	
	Fund procurement risks	Financial strategy <a href="#">P36</a>	Report to Corporate Management Committee <sup>*1</sup>
	Operational risks	Examine risk mitigation measures, damage prevention measures, insurance coverage, etc.	Portfolio Management Committee
	Compliance risks	Compliance framework on a global group basis <a href="#">P71</a>	Compliance Committee
	Information systems and security risks	Internal controls on information systems and information security <a href="#">P69</a>	Information Strategy Committee
	Risks related to infectious disease, natural disasters, terrorism, etc.	Business continuity plan for crises, disaster contingency manuals, etc.	Emergency Management Headquarters <sup>*2</sup>

\*1. Reported to the Corporate Management Committee as deemed necessary

\*2. Organization headed by the executive officer in charge of the Human Resources & General Affairs Division, established based on the Rules on Business Continuity Management

#### Country Risks

Mitsui's businesses sometimes expose the Company to risks that could cause the value of businesses to deteriorate due to changes in political, economic or social conditions in various countries. Therefore, we implement appropriate risk hedging measures according to the content of the project, such as usage of financing from export credit agencies. We periodically grasp risk exposures for each country in which we hold positions as well as carrying out qualitative and quantitative monitoring of the country risk situation for each country except, in principle, for developed countries, and implement risk control policies in consideration of country risk management. Furthermore, monitoring of our overall portfolio confirms the appropriateness of asset size in accordance with each country as well as each business area. In addition, as of March 31, 2022, our total balance of investments, loans and guarantees in Russia was 426.0 billion yen, which is approximately 4% of the balance of investments, loans and guarantees held by Mitsui and its consolidated subsidiaries. In FY March 2022, the Russian LNG business reported a fair value measurement decrease of 80.6 billion yen (other comprehensive income) and a loss of 20.9 billion yen.

[P97](#) Major Risk Exposure by Country

## Participation in Initiatives



### United Nations Global Compact

Mitsui 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

As a general trading company, the Mitsui 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 stated under the SDGs. 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 our Materiality and the SDGs.



### TCFD (Task Force on Climate-related Financial Disclosures)

In December 2018, Mitsui declared its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which aim to make it easier for companies to recognize financial impacts arising from the risks and opportunities associated with climate change and to disclose such climate-related information. As a responsible global company, we will continue to actively disclose information in line with the TCFD recommendations and in consideration of the expectations of our stakeholders.

☐ Please refer to P25 Climate Change-related Disclosure



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

## Evaluation by Society

### Recognition by External Bodies

#### FTSE4Good Index Series



FTSE4Good

#### FTSE Blossom Japan Index



FTSE Blossom Japan

#### FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

#### MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

#### MSCI Japan Empowering Women Index (WIN)

2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

#### Dow Jones Sustainability Indices

Member of  
Dow Jones  
Sustainability Indices  
Powered by the S&P Global CSA

#### S&P Global Sustainability Award

Sustainability Award  
Bronze Class 2022  
S&P Global

#### Nadeshiko Brand



#### Eruboshi (L Star)



#### Platinum Kurumin Certification



#### Certified Health & Productivity Management Organization Recognition Program



### Awards

#### IR Grand Prix



#### 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>