

Gate

1 Continuous Value Creation

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Value Creation Process

Mitsui's Challenge and Innovation

Mitsui's mission is to "Build brighter futures, everywhere." We contribute to solve social issues through our business activities, leading to continuous growth. Mitsui's strengths include a focus on human resources that has been passed down for generations and expressed as "Mitsui is People," a corporate culture of "Open-mindedness" and a global business portfolio spanning a wide range of industries that we have constantly transformed over decades. Through cross-industry initiatives, we provide real solutions to increasingly complex social issues. Putting "Challenge and Innovation" into practice is the essence of Mitsui's value creation.

Business Model □ P15 Create, Grow, Extend

Cross-industry initiatives providing real solutions to social issues

Mission
Build brighter futures, everywhere

Materiality □ P14

Mitsui is People

Open-mindedness

Business portfolio

Strengths □ P16

Management Capital

□ P13

Management Foundation

□ P48

Enhancement of Management Capital

Mitsui is People

Mitsui is a company that places the highest priority on talent development and is a collective of independent individuals. These independent individuals recognize each other's uniqueness and collaborate in the continuous creation of new value.

Open-mindedness

Mitsui's corporate culture in which all employees are free to create ideas and are listened to by others, regardless of position, lies at the foundation of our track record of "Challenge and Innovation."

Business portfolio

Mitsui continues to transform its business portfolio, creating and cultivating businesses that contribute to solving social issues and replacing businesses whose role in Mitsui's business portfolio has come to an end. This ability to continually transform our portfolio is one source of Mitsui's competitiveness.

Management Capital

By leveraging management capital built up over decades, we contribute to resolving various social issues through business activities.

This leads to further enhancements in capital and the sustained growth of the Company.

Based on this management capital, Mitsui's strengths of "Mitsui is People," "Open-mindedness," and "Business portfolio" are applied as a source of value creation.

	<p>"Independent professionals" who leverage ingenuity to lead change through innovation and utilize their own strengths to create value in any industry or role</p> <p>☐ P41 Human Resources Strategy</p>	<p>Number of employees (consolidated)</p> <p>44,336^{*1}</p>	<p>Employee engagement</p> <p>71%^{*2}</p>	<p>Number of line manager positions held by regionally hired staff</p> <p>68^{*1}</p>	<p>Number of employees participating in overseas dispatch programs: About 3,600^{*1} (cumulative total)</p>
	<p>Business know-how cultivated as a general trading company in areas including trading and business management, and expertise and know-how accumulated by generating innovation and through the development of new technologies</p> <p>☐ P96</p>	<p>Passing on business know-how^{*3}</p>	<p>Number of business cases^{*4}</p> <p>2,500↑/year</p>		
	<p>A solid and sound financial base supported by a disciplined portfolio management and financial strategy</p> <p>☐ P36 Financial Strategy</p>	<p>Consolidated assets</p> <p>14.9 trillion yen</p>	<p>Core Operating Cash Flow</p> <p>1,158.7 billion yen</p> <p>☐ P31 Performance Highlights</p>	<p>Profit for the year</p> <p>914.7 billion yen</p>	<p>ROE</p> <p>18.0%</p> <p>(fiscal year ended March 2022)</p>
	<p>A brand and industry reputation built up over years, and long-term networks and relationships of trust established with a wide range of stakeholders such as business partners, customers, local communities, and government bodies</p>	<p>Number of clients</p> <p>151,000↑</p> <p>In Japan: 73,000↑ Overseas: 78,000↑</p>	<p>Number of offices</p> <p>129 offices in 63 countries/regions^{*5}</p>	<p>Number of affiliated companies</p> <p>509 companies^{*6}</p> <p>126 companies in Japan, 383 companies overseas</p>	
	<p>Natural resources essential to Mitsui's business, crucial materials for the stable supply of mineral and metal resources, energy, food, etc., and forestry resources such as Mitsui's forests and overseas forestry businesses</p>	<p>Area of Mitsui's forests in Japan</p> <p>Approximately 44,000 ha</p>	<p>Contribution to GHG^{*7} reduction</p> <p>2 million tons/year</p>	<p>Energy resources</p> <p>Crude oil and gas reserves</p> <p>1.27 billion barrels</p>	<p>Mineral & Metal Resources</p> <p>Iron ore: equity share of production</p> <p>56.9 million tons</p>

*1. As of March 31, 2022 *2. Based on the Mitsui Engagement Survey 2021

*3. Manuals, know-how and collections of case studies shared within the Company leading to efficient business management and promotion and the creation of new businesses

*4. *Ringi* (Documents for internal decision making: comprehend the external and internal environment, strategies, risk analysis, etc.) *5. As of April 1, 2022

*6. Consolidated subsidiaries: 279, equity accounted investees: 230 *7. Greenhouse gas

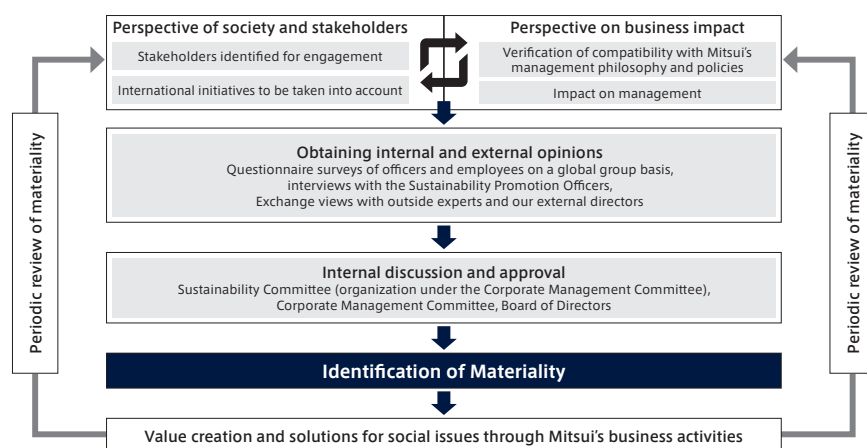
Materiality

































Positioning of Materiality

Mitsui is carrying out sustainability-oriented management. We have identified Mitsui's material issues ("Materiality") for the sustainable growth of both society and Mitsui, with the aim of earning trust and meeting the expectations of various stakeholders as well as contributing to our Mission, "Build brighter futures, everywhere." Materiality comprises medium- to long-term risks and matters that present opportunities, acting as a basis for Mitsui's business policy and strategy formation.

Identification of Materiality

In identifying Materiality, we are considering impacts on Mitsui and stakeholders for the sake of sustainable development of society and the Company in relation to the SDGs, the United Nations Global Compact, and other international frameworks. Internal and external discussions are carried out as part of this identification process, and approval is received from the Corporate Management Committee and Board of Directors. We will also conduct a review within three to five years in consideration of factors such as environmental changes.



Materiality	Outline	Applicable SDGs
 Secure sustainable supply of essential products	Ensure the sustainable and stable supply of resources, materials, food, and manufactured products that are vital for the development of society.	    
 Enhance quality of life	Contribute to the betterment of living standards, the development of local industries and respect of human rights to realize sustainable societies globally.	     
 Create an eco-friendly society	Accelerate initiatives towards environmental issues, such as responding to climate change and water resource problems, and contributing to a circular economy.	     
 Develop talent leading to value creation	Respect diversity and develop human resources with the competence to create innovation and new value.	    
 Build an organization with integrity	Strengthen our governance and compliance as a corporate group trusted by society.	    

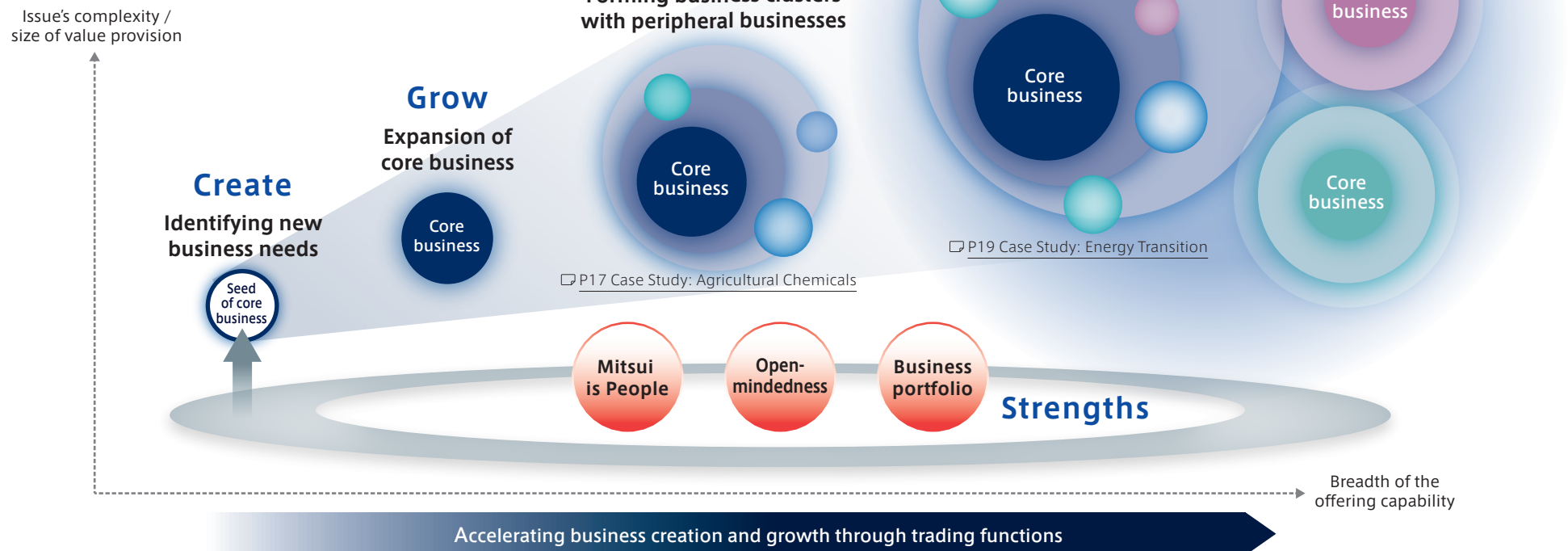
Materiality Action Plans

We have established Materiality Action Plans which set out specific policies, targets, and initiatives regarding Materiality at each organization, and manage and disclose current conditions and progress based on these plans. For details, please refer to our Sustainability website.


Materiality Action Plans
https://www.mitsui.com/jp/en/sustainability/materiality/action_plans/materiality.html

Mitsui's Business Model

We are constantly transforming our global and wide-ranging business portfolio by creating new businesses, nurturing them into core businesses, and forming business clusters with peripheral businesses that surround them. Cross-industry initiatives are necessary to provide real solutions to complicated social issues which cannot be easily solved by a single business or industry. Mitsui is contributing to solve complex social issues by creating even greater value through the formation of cross - industry business clusters.



Through trading, Mitsui has cultivated expansive networks comprising its customer base and business partners, and has leveraged these networks to carry out business investments and accelerate the enhancement of business value based on offering trading functions. This business subsequently leads to new trading and network expansion.

Mitsui's Strengths as a Foundation for Challenge and Innovation



Mitsui is People “Mitsui is People” expresses that, as a company, Mitsui places the highest priority on talent development and it is a collective of independent individuals. One of our strengths lies in our collective of competent individuals with unique capabilities who think in an independent manner. These individuals recognize each other's uniqueness and strengths, collaborate towards a specific objectives and continue to create new value.



Open-mindedness Open-mindedness has been one of the most important elements of the corporate culture and philosophy that has been passed down since Mitsui's establishment. In Mitsui's corporate culture, all employees are free to create ideas and are listened to by others, regardless of position, which lies at the foundation of our track record of “Challenge and Innovation.” This enables cross-industry value creation through communication across organizational boundaries. The ability to accept ideas that are different from one's own and utilize diversity is another of Mitsui's strengths.



Business portfolio Mitsui has spent decades refining its global business portfolio spanning a wide range of industries. We continue to transform our business portfolio, creating and cultivating businesses that contribute to solving current and potential social issues and replacing businesses whose role has come to an end. This business portfolio and our ability to continually transform it for the future is one source of Mitsui's competitiveness.

All of us at Mitsui are proud of our culture of “Open-mindedness” and long tradition of “Mitsui is people”, in which each colleague's story is widely accepted and encouraged.

This company ethos has long been fostered by mutual trust. We are confident in our teams' capability, enthusiasm and resilience, and always look forward to seeing the impact that they will have on society. Based on this trust, Mitsui members are always motivated to perform at their peak level, or even one notch or two higher. This positive spiral, I believe, leads us to constant value creation.

While cutting-edge Mitsui DX training programs have recently been incorporated into our human development plan, generous opportunities based on trust have been a foundation for cultivating our diverse talent for decades. My experience working in other organizations has made me realize that not many companies promote such a broad-minded, empathetic culture that treats their people with the utmost respect and dignity.

I firmly believe that the power of “Open-mindedness” creates “Élan Vital” (vital impetus) that enables us to deliver results well beyond imagination. In today's unstable and uncertain business environment, it lets our company continue to demonstrate its unequalled strengths.



Yumi Yamaguchi
Managing Officer,
Deputy CSO
Deputy CDIO

Penske Truck Leasing (“PTL”) is the largest truck leasing company in the world with a 52-year history of success driven by strong organic growth of our products, along with strategic acquisitions. Most notably we have seen tremendous growth in the last two years by taking advantage of opportunities that developed from the pandemic.

As I reflect on our recent success, I look at our partnership with Mitsui as one of our key strengths that has allowed us to become our industry's undisputed leader. I am amazed at the quality of talent inside Mitsui. We have had several Mitsui trainees in our company. These young leaders bring great diversity of thought and ideas to our PTL team, while simultaneously learning our business.

Mitsui provides us with a diverse mindset looking at different opportunities around the globe, through their global network and multi-faceted business portfolio. One such project begins this year as we open a truck leasing business in a country in Asia as part of a JV between Mitsui, PTL and the local conglomerate. Without Mitsui's local strength, PTL would never have been able to open this business. PTL and Mitsui are also working jointly on a series of projects including zero emission vehicle development, electric infrastructure, new remarketing channels for our fleet, and others that will give PTL a competitive advantage into the future. I highly value the Mitsui leadership team and the personal insights that we share as we jointly look at driving success across our businesses.



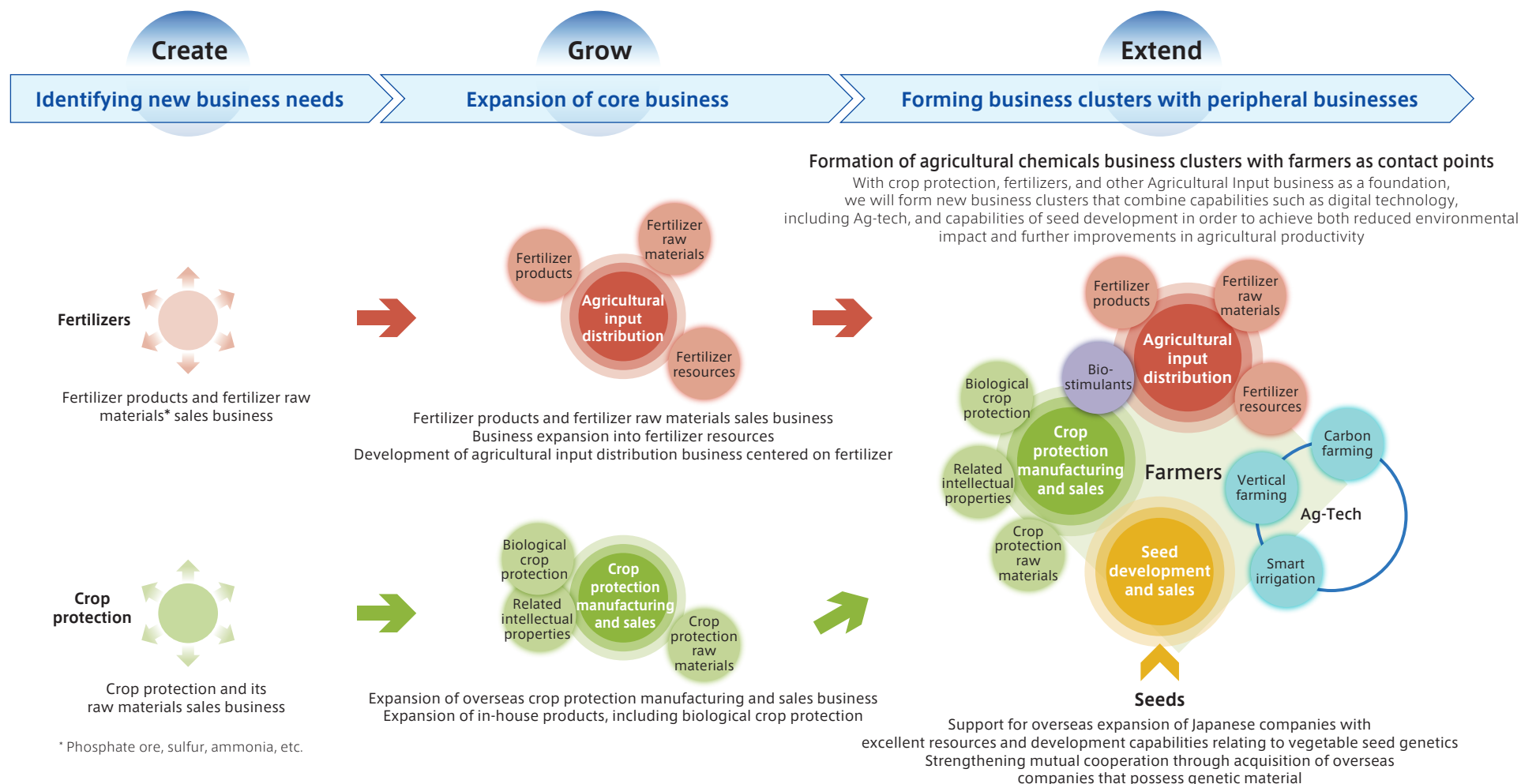
Art Valley
President
Penske Truck Leasing Co., L.P.



Challenge and Innovation

Case Study: 1. Agricultural Chemicals — Reducing Environmental Impact While Improving Agricultural Productivity

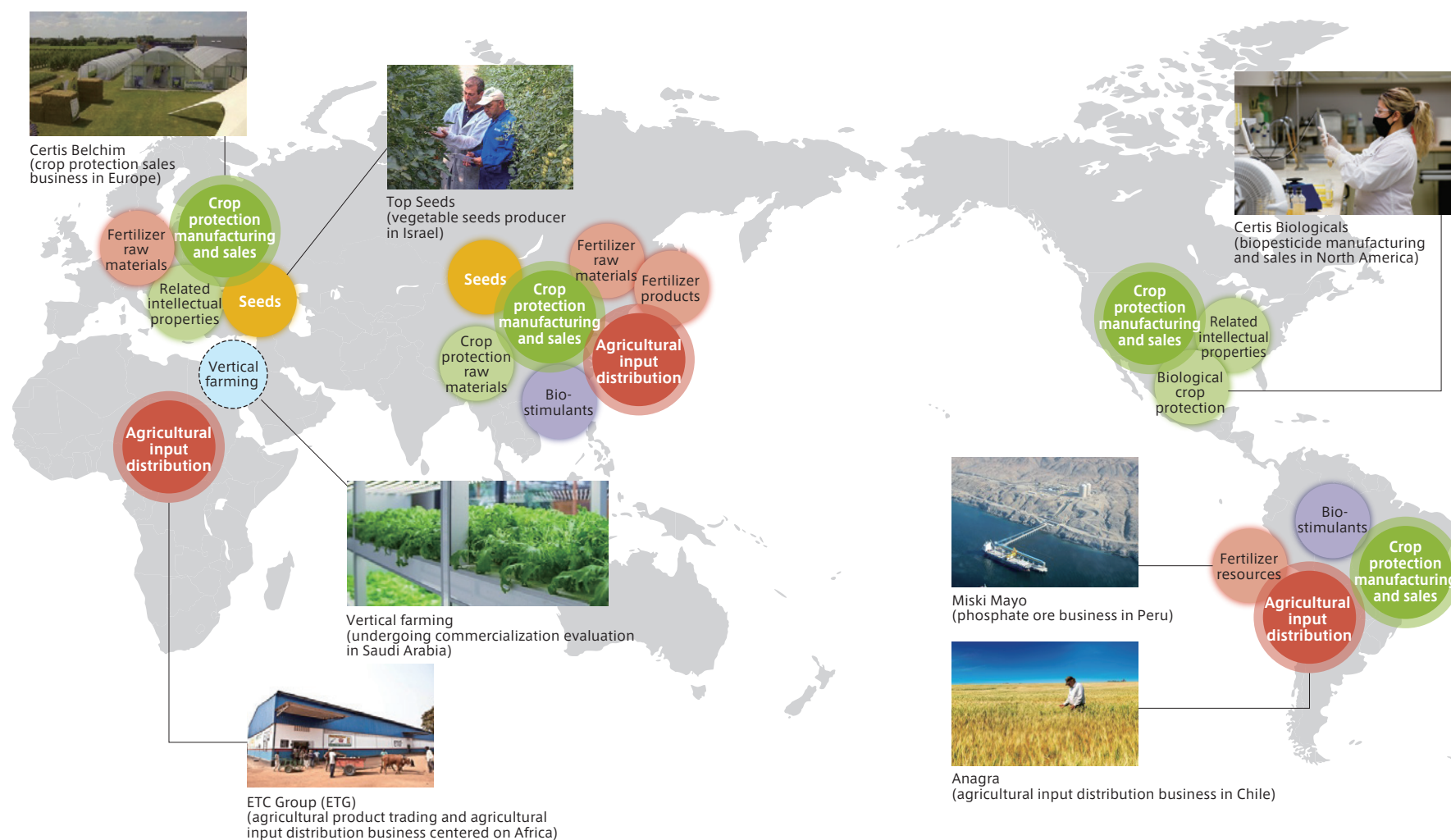
Mitsui is working to achieve eco-friendly agriculture through initiatives to promote biological crop protection in order to reduce the environmental impact of agriculture and to improve agricultural productivity. We are also contributing to sustainable agriculture by advancing initiatives such as agricultural inputs that utilize the inherent potential of plants (known as biostimulants), the development and sales of vegetable seeds that can be grown even in harsh conditions such as water shortages, smart irrigation using digital technology, and controlled environment agriculture that contribute to water saving and the reduction of greenhouse gas emissions.



Challenge and Innovation Case Study: 1. Agricultural Chemicals — Reducing Environmental Impact While Improving Agricultural Productivity

Global agricultural chemicals businesses

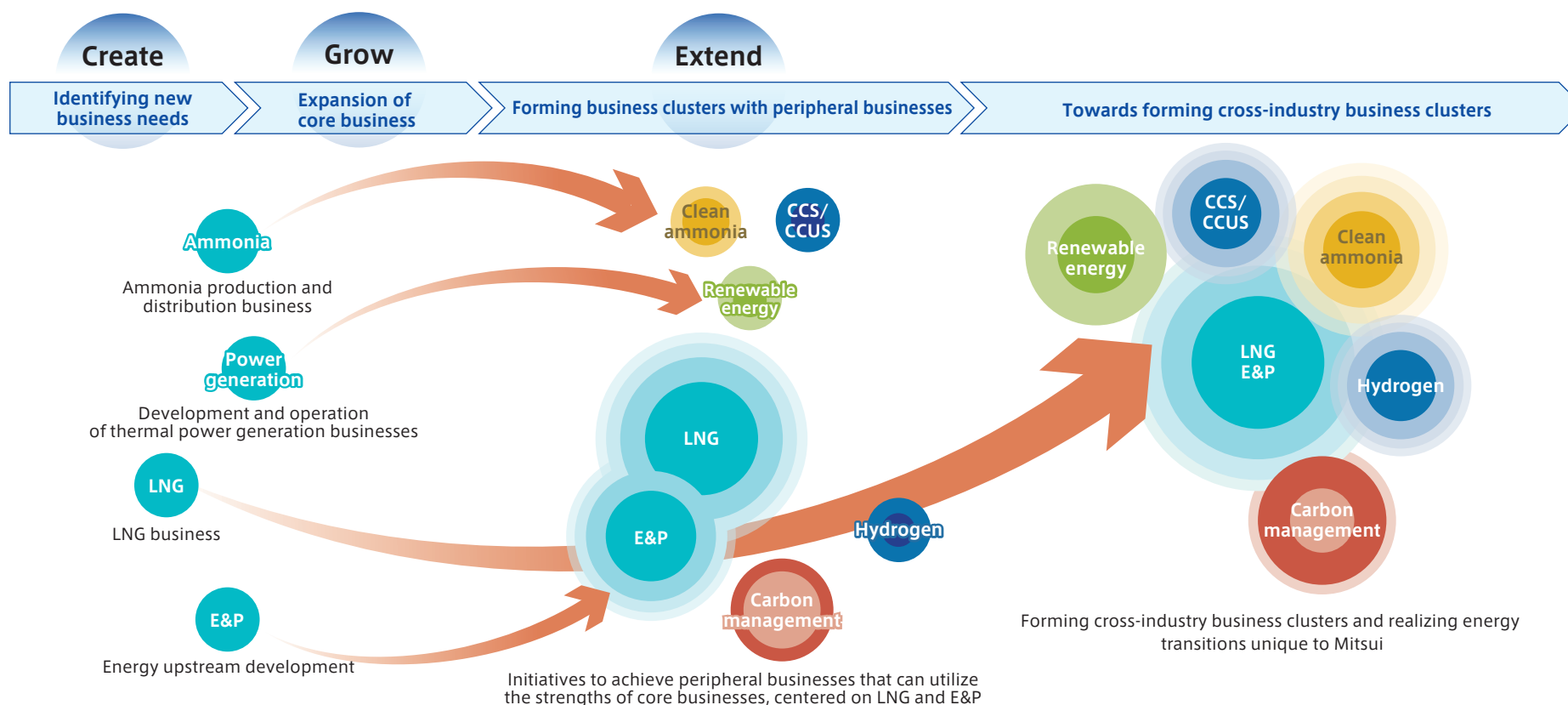
With the sales of crop protections and fertilizers as a starting point, Mitsui has been developing in-house crop protection businesses including biological crop protection, agricultural input distribution and businesses in areas such as fertilizer resources and seeds in major agricultural production regions, including Europe, the Americas and Asia. Mitsui formed a business cluster with profit for the year of ¥10.0 billion in FY March 2022.



Challenge and Innovation

Case Study: 2. Energy Transition — Achieving Stable Energy Supply and a Low/de-carbonized society

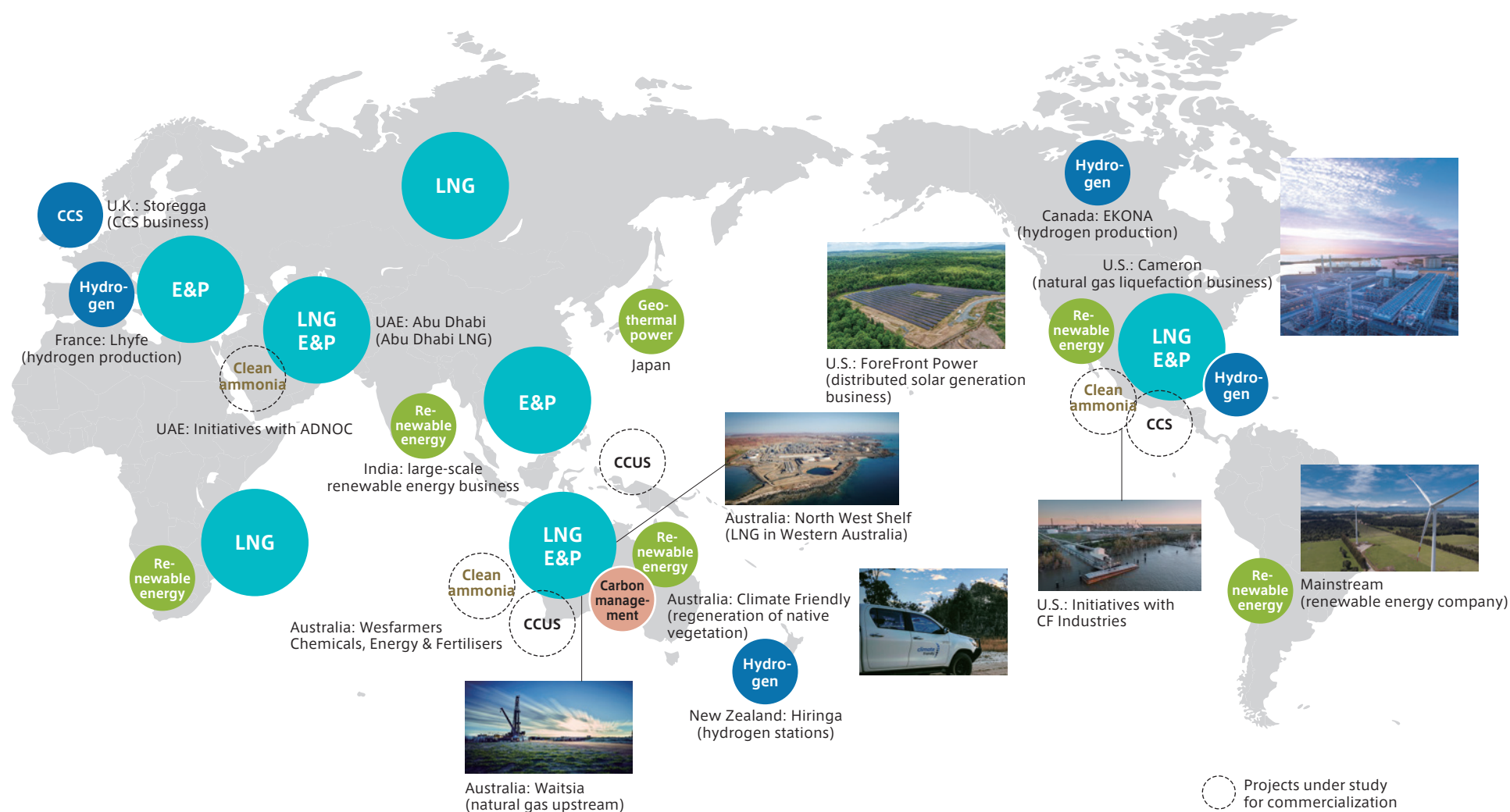
As the world moves toward a decarbonized society, LNG, with its relatively low environmental impact, is expected to play an important role in the energy transitions. In addition to continuing to play an important role for stable energy supply, E&P (energy upstream development) businesses have high technical affinity with CO₂ capture and storage (CCS) technology, and are contributing to low/de-carbonization. In order to promote global energy transitions, we will leverage the strengths built up over decades in core businesses such as LNG, E&P, power generation, and ammonia distribution while also advancing initiatives in surrounding businesses, creating business opportunities and providing solutions through renewable energy, clean ammonia, hydrogen, CCS, CCUS (CO₂ capture, utilization and storage) and carbon management including emissions credits.



Challenge and Innovation Case Study: 2. Energy Transition — Achieving a Stable Energy Supply and a Low/de-carbonized society

Global business portfolio

Mitsui is building a global portfolio of core and peripheral businesses with the aim of addressing the social issues of ensuring stable energy supply and achieving a low/de-carbonized society.



CSO Message



Sustainability issues are opportunities for Mitsui because of our ability to provide pragmatic solutions. Another important advantage is the skillful portfolio management of our businesses that peak at different times.

Makoto Sato

Representative Director, Executive Managing Officer
Chief Strategy Officer (CSO)

— What do you see as Mitsui's strengths?

I think our strengths can be boiled down to the following three characteristics: First, we have competent employees with a rich diversity of experience; Second, we have excellent teamwork; Third, we maintain powerful internal and external networks.

Starting early in their careers, Mitsui's employees are given opportunities to hone the necessary sensory skills required for our business, such as the ability to think ahead and act proactively. I believe that our employees are comfortable with producing ideas without being constrained by stereotypes, and that they are also good at materializing ideas by effectively involving our customers and business partners.

Because we are globally active across a wide spectrum of business areas, our employees possess knowledge and expertise of various products and regions. Also, because of the rapid increase in

initiatives spanning multiple business domains in recent years, many of our employees are developing multifaceted insights and perspectives that encompass a variety of industries at business interfaces. Our business activities are also diverse in terms of timelines, ranging from long-term projects such as natural resource development, to short-term trading operations. In short, Mitsui is a team of professionals whose capabilities and experience are diverse with regard to regions, industrial fields, and timelines.

Our advantages are not limited to the diversity of our people. Our resourceful employees have high aspirations and share a strong sense of responsibility to form teams flexibly and for specific purposes. These teams also have access to strong networks within and beyond the company when they need input from individuals outside their teams. Because sustainability initiatives particularly require cross-industry efforts, our teamwork and

network bring significant synergies to our activities.

— What does “putting sustainability into action” mean for Mitsui?

Obviously, it is meaningless to set sustainability targets if those targets are never reached. Such targets only have value when they are achieved. To that end, Mitsui incorporates sustainability into many of our business activities.

Initiatives to address climate change take a relatively long time to yield results. However, Mitsui is in a position to maintain steady earnings thanks to our diversified business portfolio comprised of businesses on different timelines. This foundation allows us to view social issues, such as climate change, as opportunities that require efforts over long periods and tackle these issues head-on. If we were to look back, we would find that some of our businesses now contributing to profit actually took many years to become profitable and only reached

that stage because they were managed as part of a carefully constructed portfolio. By managing businesses with different peak times, Mitsui has been able to secure a certain level of profit without missing new opportunities while ensuring that we pursue projects that contribute to solving social issues.

This approach is clearly manifested in our sustainability management structure. Decisions by the Sustainability Committee are closely aligned with decisions by the Portfolio Management Committee. We strive to solve social issues through our business by directly linking sustainability management initiatives to portfolio management.

— What are your thoughts on pursuing both profitability and sustainability initiatives at the same time?

When making decisions about investments designed to turn climate change responses into opportunities, naturally we first consider whether we can ensure their profitability. However, we also consider additional qualitative factors from an ESG perspective.

For example, in 2021 we established the Environmental (“Green”) Business Assessment Working Group to screen new climate change-related projects. These are projects that on the surface appear to have relatively limited profit potential based on their current performance, but that meet our investment criteria once we consider factors that will lead to quantitative contributions in the future, such as environmental value and synergies within our existing businesses. The role of the Environmental (“Green”) Business Assessment Working Group is to assess such projects comprehensively and strategically from an ESG perspective, so that we can reach a well-founded decision about whether or not to make an investment.

Sometimes we decide to move forward with certain projects to reflect our climate change

strategy of our business portfolio. For example, let’s assume that one of our existing businesses is highly profitable but also emits a measurable amount of greenhouse gases (GHGs). Our first step would be to explore ways to reduce the GHG emissions of the business in question, but we would also consider the creation of emission credits through a new business to offset the GHG volume. If there was no such opportunity to offset the emissions, our rationale for owning the project would be comprised as it would pose a risk to the profitability of the existing business in future. Thus, we determine which project is necessary and should be pursued by taking a holistic view of our business portfolio and by evaluating our position from an ESG perspective.

— What is the value creation unique to Mitsui?

Mitsui has been able to survive for a long time and maintain the aspirations of many generations of Mitsui people, because we have always considered the interests of society as a whole from a long-term viewpoint.

Since we have businesses with timeframes spanning several decades, our management team has the capacity to take a long-term view of businesses and projects. That is why we have led the industry in setting specific climate change targets, such as the halving our GHG impact by 2030, and achieving Net-zero emissions by 2050.

To date, we have detected early signs of change in the world, flexibly restructured our portfolio to reflect changing needs, and continually provided pragmatic solutions to social issues. Mitsui’s roots date back to the start of international trade by the former Mitsui & Co.* as a way of driving Japan’s national development in the Meiji era (1868-1912). Over the years, we evolved into a company that contributed not only generate profits and Japan’s national interests, but also contributed to the prosperity of many countries and regions. Today, Mitsui is committed to taking this one step further

by striving to transform our organization into a global interest company that contributes to solving social issues on a global scale.

— What are your views on initiatives relating to Mitsui’s Forests?

Our efforts to protect and nurture forests and put them to good use for multiple purposes date back over a century to the days of the former Mitsui & Co.* Historically, we have consistently combined forestry with environmental conservation. Japan’s biggest forest owners are mainly paper manufacturers, but Mitsui is the country’s fourth largest forest owner with 74 company-owned forests covering approximately 44,000 hectares. This is equivalent to approximately 70% of the area of the 23 wards of Tokyo. The costs to maintain forests are obviously significant, but our management team believes that we have a social responsibility as a company to maintain Mitsui’s Forests for the long-term future, so that they can continue to provide public benefits and social value. We are determined to pass on this aspiration for good.

— What things never change despite the passage of time?





The world is changing rapidly and drastically, but Mitsui’s core values foundational to our business will never change. There are three traditional values: our focus on human resources, as expressed in the phrase “Mitsui is People”; our commitment to a culture of open-mindedness; and our pursuit of “Challenge and Innovation”. As the CSO, I will do everything in my power to ensure that these values are unfailingly handed down to our next generation of Mitsui’s people in pursuit of Mitsui’s long-term sustainability. We will also continue to use these values as guiding north stars for value creation unique to Mitsui.

* From a legal perspective, there is no continuity between the former Mitsui & Co. and the present Mitsui & Co., and they are totally separate entities.

Advancing Sustainability Management

Climate Change —Initiatives to Create an Eco-friendly Society

In order to achieve our Mission of “Build brighter futures, everywhere,” we constantly transform our business portfolio to meet the needs of the times. We also leverage our continuous long-term efforts and global network to accelerate green transformation centered on the four areas below.

Current Medium-term Management Plan (April 2020 to March 2023)				
 Energy <p>We reorganize our portfolio to meet the needs of the times and utilize our unique comprehensive strengths, including our wide-ranging expertise and customer networks, as we work to create industrial solutions to provide stable supply and tackle climate change issues.</p> <p>□ P19 Energy Transition</p>	LNG to meet growing demand and address environmental issues 1970s Participation in Abu Dhabi project 1980s Participation in NWS (Western Australia) and Qatargas 1 1990s Participation in Oman and Sakhalin II E&P business to meet the need for stable supply 1970 Participation in projects at offshore Thailand 90-00s Participation in projects in Australia and Oman	Expanding the role of LNG 2008 Acquisition of interest in Mozambique Area 1 Block 2014 Participation in Cameron LNG (U.S.) 2010 Participation in Marcellus shale gas projects (U.S.) 2018 Operatorship obtained at Waitsia (Australia)	Initiatives to improve LNG supply capacity and low/de-carbonization 2019 Start of commercial production at Cameron LNG Mozambique LNG / Arctic LNG2 FID 2021 Start of carbon neutral LNG supply Portfolio transformation 2018 Divestment of thermal coal mine in Australia	Low-carbonization initiatives utilizing knowledge from existing businesses 2021 FS agreement relating to clean ammonia manufacturing at Waitsia (Australia) 2022 Start of FEED relating to clean ammonia manufacturing with CF Industries (U.S.) Start of FEED relating to low-carbon ammonia manufacturing with ADNOC 2022 Participation in carbon sequestration project near Cameron LNG 2022 Start of CCS feasibility study of gas fields in Thailand
 Power <p>PT Paiton Energy began operations in Indonesia in 1999. Since then, we have continued our efforts to supply power in a manner that supports people's lives and societies around the world, transforming our portfolio to meet the needs of the times and accelerating efforts relating to renewable energy projects in recent years.</p> <p>□ P24 Supplying Power to Meet the Needs of the Times</p>	New challenges with Independent Power Producers (IPP) 1999 PT Paiton Energy (Indonesia) begins operations	Full-scale entry into IPP business, accumulation of know-how 2005 Acquisition of nine assets from Edison Mission Energy 2007 Asset integration with IPM UK, acquisition of three assets Portfolio transformation 2015 Sale of IWPP project in UAE 2017 Divestment of a coal-fired power station in Australia	2011 Participation in MT Falcon Holdings in Mexico 2017-Commencement of cogeneration operations in Thailand 2017 Sale of IPM UK 2020 Sale of Astoria power generation project in U.S.	Participation in large-scale renewable energy business 2022 Participation in renewable energy company Mainstream 2022 Participation in large-scale renewable energy power generation business in India 2021 Agreement on divestment of PT Paiton Energy 2021 Agreement on divestment of MT Falcon Holdings
 Battery and mobility <p>In addition to supporting the transition to environmentally friendly fuels, we have participated in electric bus businesses with the aim of promoting zero-emission vehicles, and have developed and sold hydrogen fuel cells.</p> <p>□ P24 Battery / Mobility Initiatives</p>	EV initiatives 2010 Investment in formar to EV manufacturer Lucid (U.S.)	Battery infrastructure initiatives 2017 Investment in Forsee Power (France) Investment in The Mobility House (Germany) 2021 Listing of and additional funds in Forsee Power	CaetanoBus (Portugal) initiatives 2017 Participation through investment 2020 Commencement of fuel cell-powered (FC) bus production and sale	Hydrogen value chain initiatives 2016/19 Initial/increased investment in Hexagon Composites 2020 Investment in FirstElement Fuel (U.S.) 2021 Investment in Hiringa Refuelling (New Zealand)
 Carbon recycling <p>We are making efforts to establish future decarbonization solutions from an early stage, are developing technologies that can lead to a circular economy and a carbon-free society, and are engaged in emissions credits and biofuel businesses.</p> <p>□ P24 Expanding into Carbon Credit Businesses</p>	Emissions credit initiatives at the time of the Kyoto Protocol 2000 Investment in World Bank emissions credit fund 2002 Investment in CO ₂ emissions credit company Cantor (U.S.) 2005 Participation in methane recovery and emissions credit project in Chile CCS project demonstration initiatives 2013 Successful demonstration at Tomakomai CCS project 2015 Successful demonstration experiment at Callide project (Australia)	Track record of emissions credit creation 2011 J-Credit registration of Mitsui's forests 2013 Acquisition of emissions credits through Jirau hydropower project (Brazil) 2018 Promotion of REDD+ (deforestation/forest deterioration prevention activities) in Cambodia Start of next-generation energy business 2014 Investment in LanzaTech	Initiatives relating to CCS as an earnings base 2020 Application of AI technology to CCS 2021 Investment in Storegga, developer of CCS project (UK)	Further efforts relating to carbon credits 2022 Decision to make additional investment in Australian forestry asset management company New Forests 2022 Investment in Climate Friendly, which has the largest area of contracted farmland in Australia Expansion of next-generation energy business 2020 Investment in LanzaJet 2021 Manufacture of biomethanol at Fairway (U.S.)



Please refer to our Sustainability website for sustainability-related information in details.
<https://www.mitsui.com/jp/en/sustainability/index.html>

Advancing Sustainability Management

Climate Change - Green Transformation as a Real solution

Supplying Power to Meet the Needs of the Times

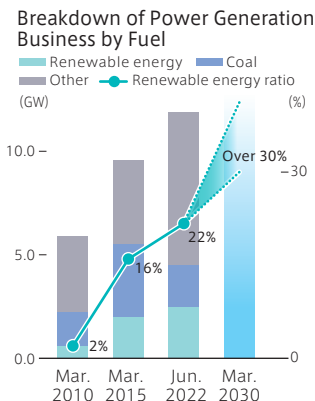


Through new project initiatives and strategic recycling of existing projects, we continue to transform our portfolio in line with the times.

We have accelerated our efforts in renewable energy businesses in recent years and have established a target of raising the ratio of renewable energy in our power generation portfolio to over 30% by 2030.

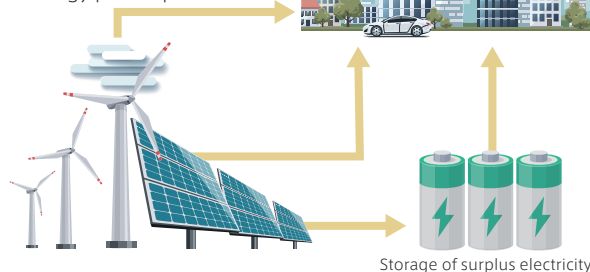
After investing in the renewable energy company Mainstream and participating in several large-scale renewable energy power

generation businesses in India in April 2022, the renewable energy ratio rose from 15% at the end of March 2022 to 22% at the end of June 2022. Through the sound launching of both businesses, we will continue to make a significant contribution to achieving a renewable energy ratio of over 30% and halving GHG impact.



Renewable Energy Business in India: Round-the-Clock Power Supply Scheme (image)

Stable, 24-hour supply of energy from multiple renewable energy power plants



Can renewable energy be a driver bringing change in the world?
<https://youtu.be/MKwWwUyKqs>

Battery and Mobility Initiatives



In Europe, where progress towards zero emissions is accelerating, Mitsui is building a business model that supports the adoption of EVs and hydrogen fuel cell vehicles (FCVs).

Electric buses manufactured by Portuguese company CaetanoBus have been deployed on routes in London since 2020. The manufacture and sale of FC buses powered by hydrogen fuel cells also began in the same year. Mitsui is also participating in French battery system manufacturer Forsee Power and German technology company The Mobility House, which makes use of the power storage capacity of EVs for power regulation. In particular, Forsee Power listed its shares in the fiscal year ended March 2022, and we have further strengthened our capital alliance. In the future, we will expand our efforts from Europe to Japan and in Asia.

We will take on the challenge of solving social issues surrounding mobility in a manner that transcends the boundaries of industries such as automobiles, batteries, and energy.

1. Business expansion

Contributing to business expansion through participation in management

Electric/hydrogen bus manufacturer
 CaetanoBus

Battery pack manufacturer
 FORSEE POWER

Charging/discharging control software
 THE MOBILITY HOUSE



With your city, with your vision
 - Creating Zero-emission Society with CaetanoBus
<https://youtu.be/IBkTJtxqsd0>

2. Business cluster

Value creation through package proposals

Proposal of integrated packages for local authorities and bus operators

Electric bus business in London
 Vehicles: CaetanoBus
 Batteries: Forsee Power

3. Solutions to social issues

Initiatives to create an EV ecosystem

Accelerate efforts to meet increasing need for reuse/recycling

Expanding into Carbon Credit Businesses



• Global initiatives

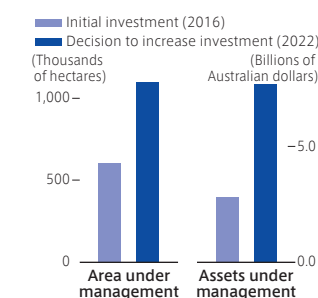
Mitsui is involved in forestry businesses in five countries and is particularly engaged in the forest carbon credit business in Australia. In the forestry asset management business, Mitsui has also been participating in New Forests, which is the second largest forestry asset management company in the world by assets under management (AUM) since 2016, and decided to acquire additional shares in 2022 in consideration of the increasing value of forestry resources. We are also accelerating our efforts on the Company-wide basis, including by generating carbon credits from initiatives relating to native vegetation and the decision to invest in Climate Friendly, which has the largest area of contracted farmland in Australia.

• Initiatives in Japan

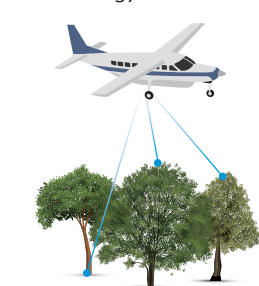
In the vast Japanese forests that Mitsui has owned for many years, we are using digital data from aerial surveys to generate carbon credits as part of our efforts to leverage DX. This virtuous cycle generates credits more efficiently than conventional methods and returns revenue to the forestry industry. By expanding this beyond privately owned forests to include publicly owned forests, we will support to achieve appropriate circulation operations in forests across Japan and expand the generation of forestry carbon credits.

P47 Wide-ranging Use of DX for Decarbonization

Growth of New Forests



Use of Aerial Surveying Technology



Digital Transformation on forestry management
<https://www.youtube.com/watch?v=fb1orSa6lO4>





Advancing Sustainability Management

Climate Change-related Disclosure

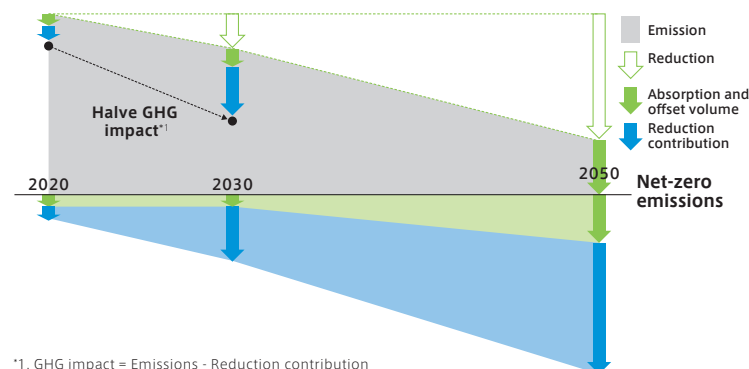
In December 2018, Mitsui declared its support for the Task Force on Climate-related Financial Disclosures (TCFD). Pursuant to the TCFD recommendations, we promote more active disclosure of information. For details, please refer to our Sustainability website.

Disclosure Based on TCFD Recommendations

 Disclosure Based on TCFD Recommendations (Sustainability website)

Item	Key Elements of Major Mitsui Policies and Initiatives
 Governance	<ul style="list-style-type: none"> • Deliberation by the Sustainability Committee, an organization under the Corporate Management Committee, followed by resolution/reporting to the Corporate Management Committee / Board of Directors • Establishment of the Sustainability Advisory Board, a group comprising external experts
 Strategy	<ul style="list-style-type: none"> • Reference to scenarios such as the World Energy Outlook issued by the IEA, performance of scenario analysis related to transition risks and opportunities, and reflecting of these elements in the business portfolio strategy • Analysis of physical risk based on past occurrences of natural disasters
 Risk Management	<ul style="list-style-type: none"> • Identifying of risks regarding climate change as third in importance next to business investment and country risks under the Integrated risk management system and the implementation of countermeasures <p>P73 Risk Management</p>
 Metrics and Targets	<ul style="list-style-type: none"> • Setting of Mitsui's goal to achieve Net-zero emissions as our vision for 2050, and aiming to reduce GHG impact by 2030 to half of what it was in the fiscal year ended March 2020, as the path to achieve this goal • Ratio of renewable energy in our power generation portfolio: Raising the ratio of renewable energy to over 30% by 2030

GHG emission reduction targets: path to achievement























Scenario Analysis

Business Impact Evaluation

We use multiple climate change scenarios for selected business areas to assess the impact of transition risks on businesses. The results are used to investigate necessary countermeasures and the impact on financial planning and business strategies. The impact on businesses between now and 2050 is shown in the following three levels.

 : Positive impact on business
  : No change or slight impact on business
 : Negative impact on business

Business Area	Impact on Businesses	
	Current Policy Scenario	Transition Scenario
Upstream Oil and Gas Business and LNG Business		
Metallurgical Coal Business		
Thermal Power Generation Business		
Iron Ore Business		
Offshore Oil and Gas Production Facilities Business		
Gas Distribution Business		
LNG Shipping Business		
Renewable Energy Business		
Next-Generation Energy Business		
Forest Resources Business		

Overview of selected scenario

Current policy scenario: A scenario in which current responses are maintained, demand (mainly in emerging countries) for fossil fuels remains to a certain extent, and some business practices that could impact climate change continue, resulting in higher risk of severe disasters and the need to respond to such risk (STEPS², etc.).

Transition scenario: A scenario in which there is a slowdown in demand for hydro carbon, and growth in demand for corporate activities that contribute building a sustainable society such as an increase in demand for renewable energy. It is assumed that advanced initiatives and systems will develop internationally. The risk of severe disasters remains to a certain extent (SDS³, etc.).

². IEA Stated Policies Scenario ³. IEA Sustainable Development Scenario

Advancing Sustainability Management

Human Rights and Supply Chain Initiatives

The Sustainable Supply Chain Policy was revised in FY March 2022. Natural rubber, palm oil, timber and paper products have been identified as products with a particularly high risk of deforestation and human rights violations. Consequently, specific policies for their procurement have been established with the aim of achieving “no deforestation, no exploitation.” Products subject to specific procurement policies are reviewed as necessary based on the social situation and the business environment.

Assessment of Human Rights Risks in Business Activities

When participating in new businesses, or when operating or withdrawing from businesses that are considered to have a significant environmental and social impact, Mitsui uses ESG due diligence checklists to evaluate the businesses concerned. With regards to human rights, relevant checklists serve as a basis for the deliberation of issues relating to the human rights of related parties, including occupational health and the effect of business development on local residents, before an investment decision is made.

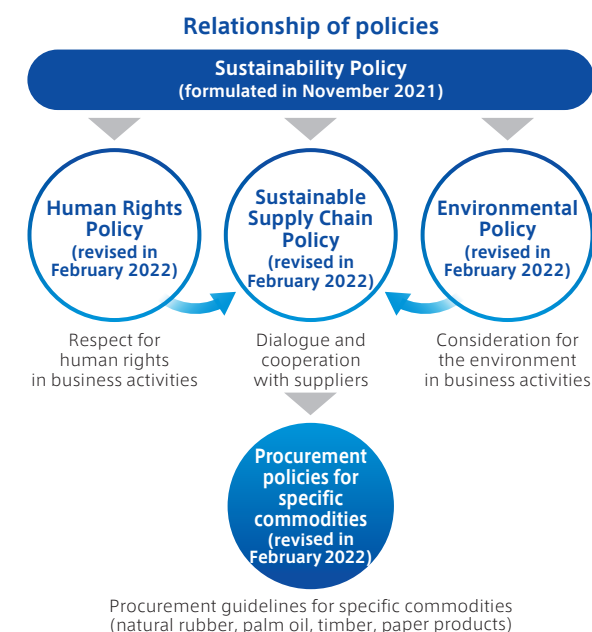
Supply Chain Management

Mitsui employs a four-process PDCA cycle with regards to human rights issues in the supply chain. This cycle comprises awareness, identification,

surveys and disclosures/improvements. We strive to prevent and resolve any human rights and environmental issues that are directly related to our business. In May 2022, we published the Sustainable Supply Chain Management Handbook in order to further raise awareness of our policies and initiatives.

Auditing (Supplier Surveys and On-Site Inspections)

In FY March 2022, we conducted a questionnaire survey of 337 major suppliers of overseas offices and subsidiaries in high-risk business areas. In addition, we carried out online interviews in place of on-site inspections for six suppliers of our subsidiary Mitsui Norin Co.,Ltd. In both types of inspection, we check suppliers' supply chain management systems. If any concerns are identified, we work with them to explore improvements and countermeasures.



Farmer's Link Africa

In 2018, Mitsui invested in ETC Group Limited, a company that principally operates in Africa and has a strong presence across the agriculture value chain. Since 2020, we have been working with ETC Group Limited to build a system that uses blockchain technology to trace the supply chain from sustainable cotton producers to consumers applying DX knowledge. This service visualizes the journey of cotton produced by small-scale farmers in Africa using farming methods that respect human rights and the environment as it is made into clothing and purchased by consumers. Consumers can also use an app to learn about the people who produced the materials, hear stories from rural communities and communicate directly with producers. Through features such as purchase notifications for producers, it also provides an opportunity for producers and consumers to build two-way connections. This service also enables consumers to return part of the purchase price to producers and their communities and to see how projects are progressing.

Through this new approach, we hope to contribute to the realization of sustainable supply chains by bringing consumers closer to producers, who have felt somewhat distant in the past, and encouraging ethical consumption.

Farmer's Link Africa Business Initiative (image)

