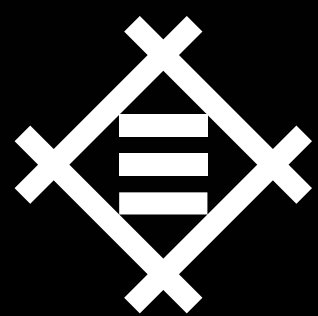




360°  
business  
innovation.

MITSUI & CO., LTD.

Integrated Report 2019



MITSUI & CO.

# Mitsui's Collec

$1 \times 1 \times 1 = 10,000$

Mitsui's Equation for Value Creation

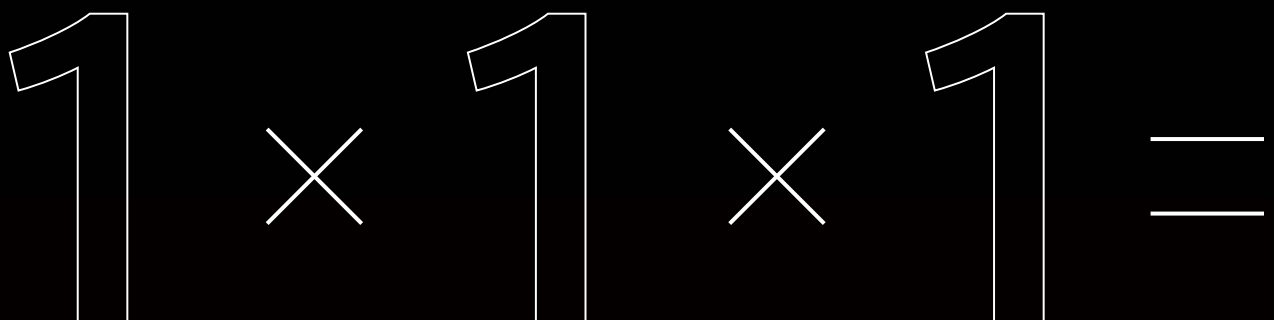
Mitsui has adopted shared goals with its business partners and clients, local communities, and NPOs and NGOs. Guided by these goals, we are leveraging our strengths in unison with the strengths of these parties and complementing each other as we work to resolve the issues facing industries and society through our businesses.

These efforts represent the Group's business approach, which has been passed down since our establishment, as well as an indispensable equation for both Mitsui and society as a whole to be sustainable in the generations to come.

Mitsui possesses a diverse range of talent that can be considered "pros in specific business domains, regions, products, and fields" in addition to a powerful business network. This is precisely what allows us to create unique synergies and new businesses by combining our functional, product, and regional expertise.

During this process, we often create something from nothing, in numerical terms, "1" from "0," and by multiplying that "1" with a series of "1's" from collaborating parties, we can achieve "10,000"—an exponential outcome.

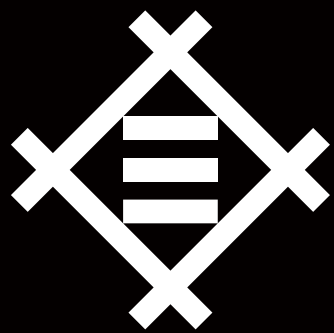
In this way, we deliver a significant impact to industries, society, and the entire world, which far exceeds that of Mitsui acting on its own.



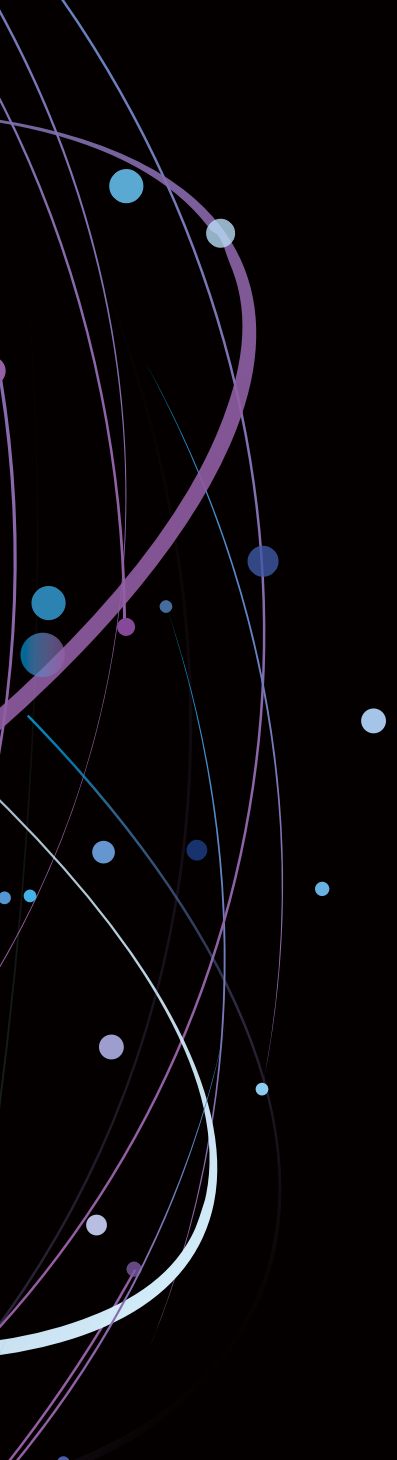
The background features a series of overlapping, wavy lines in various shades of blue, ranging from light cyan to deep navy. These lines create a sense of motion and depth, resembling a digital or data-driven landscape. The lines are most prominent in the lower half of the image, where they form a series of peaks and valleys.

tive Impact

10,000



MITSUI & CO.



## Corporate Management Philosophy

### Mission

Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

### Vision

Aim to become a global business enabler that can meet the needs of our customers throughout the world.

### Values

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

## Mitsui & Co. Group Conduct Guidelines

# With Integrity

### Five Key Principles

- 01** We will comply with laws and regulations, and act to the highest ethical standards. We will respect human rights and never engage in discrimination of any kind.
- 02** We will respect the individuality and diversity of every employee, and foster a culture of open-mindedness.
- 03** We will engage in fair business practices, and respond to the trust placed in us by society with good faith and sincerity.
- 04** We will place value on the global environment, and contribute to the realization of prosperity and a high quality of life for society.
- 05** We will speak up with courage when we have doubts or feel that something is wrong, for the good of the company.

## Publication of an Integrated Report



**T**akashi Masuda, the first president of the former Mitsui & Co.,\* stated, "Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations." These words represent the foundation of the Mitsui's business activities. Mitsui acknowledges companies can only be sustainable if the societies they operate in are sustainable. We want to fulfill our social responsibilities by the sustainable growth of our own company, in order to contribute to the realization of a sustainable society through our business activities.

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), which lay out 17 goals and 169 targets to end poverty, protect the planet, and ensure prosperity for all by 2030. The SDGs clearly underline priority issues on a global basis and the ideal visions for the future. Meanwhile, the megatrends with the potential to impact our business activities are rapidly changing. In response to this, in April 2019 we revised Mitsui's Materiality, which was originally defined in 2015 as important management issues for our sustainable growth (□□ please see pages 51–54).

As a trading company, we possess various functions and develop a broad range of businesses in diverse countries and regions around the world. As our Materiality has strong association with the SDGs, we believe that we can make wide-ranging contributions to society through our businesses. Our diverse human resources leverage our comprehensive strengths and global network and continuously pursue industrial solutions to social issues.

We consider it important to send a clearer message from a long-term and comprehensive perspective about the unchanging approach of Mitsui's management and each employee, pursuing sustainable development for both society and us continuously with the aim of creating a future where all aspirations can be fulfilled. Accordingly, we renewed as Integrated Report from the fiscal year ended March 31, 2019. We received more feedback than we could ever have imagined from our stakeholders on our first-ever Integrated Report. During the fiscal year ending March 31, 2020, we made improvements to make *Integrated Report 2019* easier to understand while referring to this feedback. Looking ahead, we will continue to do our utmost to ensure that the Integrated Report serves as an effective communication tool that positively contributes to constructive dialogue with our stakeholders.

In the process, we referred to "the International Integrated Reporting Framework" propounded by International Integrated Reporting Council (IIRC) and "the Guidance for Collaborative Value Creation" formulated by Ministry of Economy, Trade and Industry, in addition to other frameworks. In the course of preparing this report, we have worked closely with each of our internal departments to provide a summary of our holistic perspective on the Group as a whole. Through these means, I can say with confidence that this report was created in an honest and sincere manner.

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

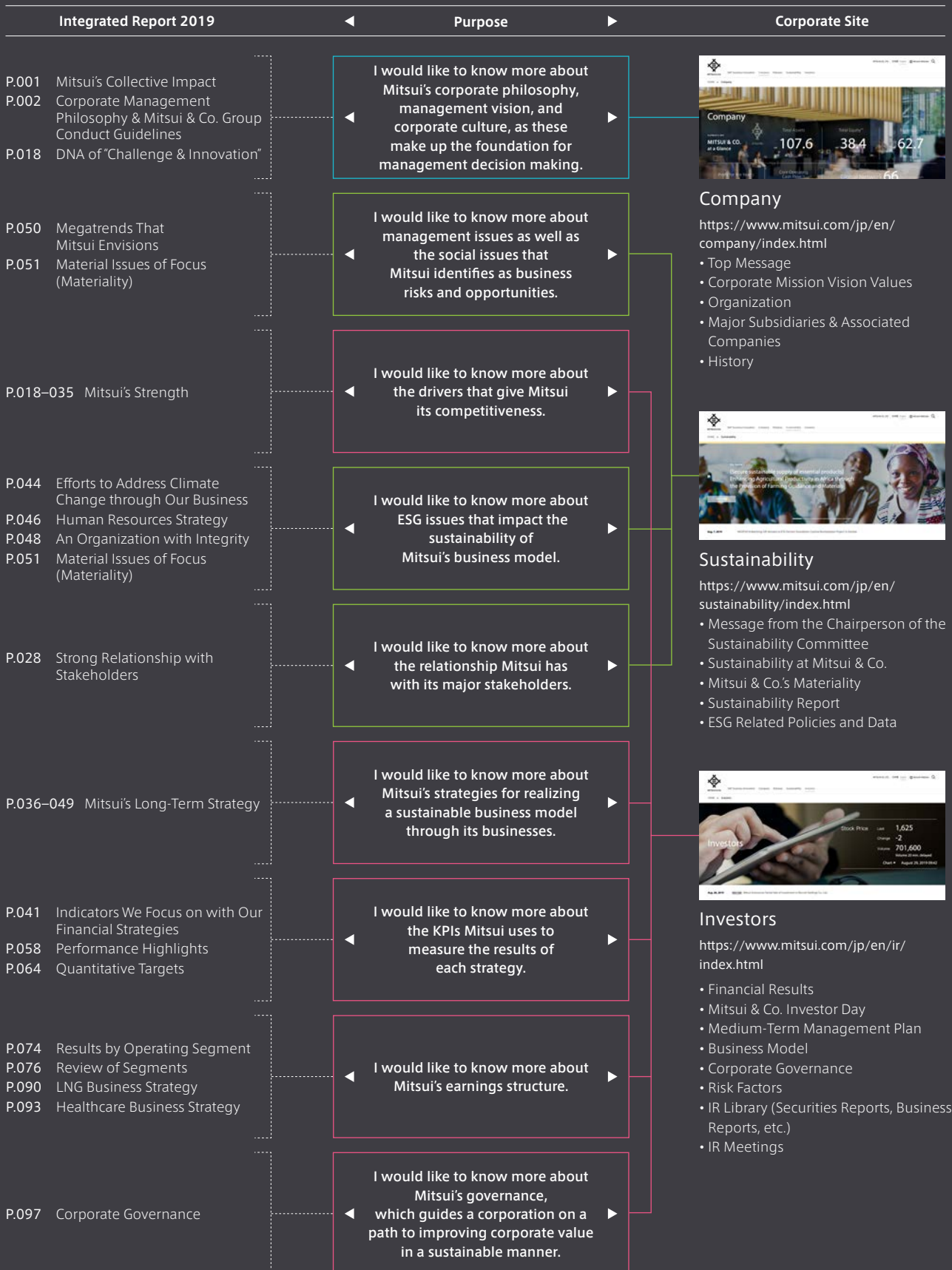
September 2019

**Masami Iijima**

Representative Director and Chairman of the Board of Directors  
Chairman of the Governance Committee

# Mitsui's Information Systems

This integrated report summarizes relevant information with a particular focus on factors that impact Mitsui's corporate value. In addition to this report, the Company publishes various communication tools for Mitsui's stakeholders (please refer to the end of this report for details on reports issued by the Company).




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As used in this report, “the Company” is used to refer to Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha), while “Mitsui,” “the Companies,” “the Group,” “we,” “us,” and “our” are used to indicate Mitsui & Co., Ltd. and affiliated companies, unless otherwise understood from the context.

## Editorial Policy

*Integrated Report 2018* was our first-ever integrated report. In that report, we focused on communicating the business risks and opportunities of which we recognize as well as the strategies and efforts we are undertaking to address them. For *Integrated Report 2019*, we aimed to further evolve our integrated report as a communication tool by conveying our visions that we have maintained since our founding as well as our features, such as the dynamism of our performance. We hope that this report can help further our stakeholders’ understanding of a general trading company’s business model, which is said to be difficult to comprehend, in addition to the competitiveness of Mitsui.

### A Cautionary Note on Forward-Looking Statements:

This report contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of known or unknown risks, uncertainties and other factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui’s latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

This integrated report was completed with reference to the following guidelines:

- GRI (Global Reporting Initiative), *Sustainability Reporting Standard*
- Ministry of the Environment, Japan, *Environmental Accounting Guidelines 2005*
- ISO 26000 (*Guidance on social responsibility*)
- IIRC (International Integrated Reporting Council), *International Integrated Reporting Framework*
- Ministry of Economy, Trade and Industry, Japan, *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation*



## CEO Message

We are a company that can bring together our capabilities across multiple business sectors. As such a company, we are able to identify, nurture, and grow potential new businesses in both new and existing sectors, even within a world that is undergoing dramatic change. Through this cycle of business creation, we will make a further leap forward as a company.

Tatsuo Yasunaga

Representative Director,  
President and Chief Executive Officer



## **Looking back on the second year of the medium-term management plan**

The second fiscal year of the current medium-term management plan, which ended March 31, 2019, saw concrete achievements in keeping with Mitsui's goal of building a robust profit base. In Mineral and Metal Resources, we undertook new developments to maintain production volume, and in Energy, we cemented operatorship through the acquisition of AWE. In Machinery & Infrastructure, we expanded our FPSO fleet to meet growing demand and furthered initiatives in Mobility centered on Penske Truck Leasing. By further strengthening these already solid businesses, we improved the level and the stability of our core operating cash flow.

In addition, we increased our holding in Asia's largest private hospital group, IHH—the flagship of our growth areas—to become its largest shareholder, and we established a platform to independently pursue initiatives in the healthcare business area, which contains significant growth potential. Furthermore, the completion of our withdrawal from Multigrain in Brazil, which had been experiencing challenges for many years, enabled us to more aggressively allocate management resources, in particular, within the Lifestyle segment, and we are seeing major improvements in profitability as a result.

Since I was appointed president, we have further strengthened our already strong resources business, but as a counterbalance we have also put the strengthening of non-resources areas at the center of our management plan, and those efforts are steadily bearing fruit.

At the time of the announcement of the current medium-term management plan, our allocation policy for cash flow for investments over three years was 65% to core areas and 35% to growth areas. However, due to our large-scale additional investment in IHH, this allocation currently stands at 58% and 45%, respectively.

Business performance for the fiscal year ended March 31, 2019 was impacted by accidents at operations in the Chemicals and Mineral & Metal Resources segments and by project cost increases attributable to changes in the macro economy. If these one-time factors were to be excluded, performance was mostly in line with forecasts, and it can be said Mitsui has achieved significant strengthening of its business portfolio.

## **Revision of Materiality**

Before going into the business plan for the fiscal year ending March 31, 2020, the final year of the current medium-term management plan, I would like to explain about the revision of Mitsui's Materiality amid constant changes in the megatrends that influence our businesses, and in recognition of the growing importance of sustainability. In carrying out this revision, we took into account both the perspectives of various stakeholders as well as the viewpoint of impact on our business activities. Through active internal and external discussions and obtaining approval from the Board of Directors, we identified five material issues as new Materiality.

## CEO Message

The new Materiality identifies “Create an eco-friendly society” as a material issue for Mitsui. As I noted in *Integrated Report 2018*, we recognize that our impact on the environment presents potential risks to society and our sustainable growth, while we are keenly aware that the international trend toward reducing greenhouse gas emissions will also bring us new business opportunities. The rapid shift in China from coal to gas, which has a comparatively low environmental impact, is a typical example, and we believe this is an irreversible worldwide trend.

“Secure sustainable supply of essential products” and “Enhance quality of life” are also material issues for Mitsui that should be addressed through our business. The increase in demand for infrastructure, resources, and food that has accompanied population growth and economic development in emerging countries, the changing tastes associated with higher standards of living, and increasing healthcare needs associated with shifts in disease structure, are already recognized as global issues. In addressing these issues, there is a need for a steady, sustained, long-term approach to opening up new business frontiers that is sensitive to regional characteristics. Contributing to the development of nations through this kind of approach is an important mission for Mitsui.

We believe that contributing to economic and social development at the country and regional level and addressing global-scale issues such as climate change through our wide-ranging global business activities—taking a long-term, balanced approach to both—is itself a sustainable growth strategy.

I wish to provide more thoughts behind the revision of Materiality.

For all five issues of our Materiality, we have used the Japanese word *tsukuru* (in English, create, develop, build, etc.). This word was consciously chosen to reflect Mitsui’s vision announced in the current medium-term management plan, “Mitsui is a group that incubates and develops new

---

### New Materiality



#### 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 and the development of local industries 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.

**Environment,  
Health, and  
capturing  
the growing  
Asian demand**

businesses,” which means that Mitsui is hands-on and proactively creates businesses and brings along new value.

The name “Mitsui Bussan” was chosen by Masuda Takashi, the president of the former Mitsui & Co.,\* because the characters in Japanese signify creation or birth. This is a reflection of Mitsui & Co.’s main business, its reason for being, which is to create and nurture new businesses and industries. Because Mitsui can call on a network of partners and customers around the world bringing together capabilities across multiple business sectors, we are in a unique position to identify potential new business, sometimes hidden at the periphery of a business sector, or to spot new value in existing businesses and grow them further. It is these strengths that I want to highlight.

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During the course of the past two years of the medium-term management plan, I have gained a strong conviction that even in an increasingly unpredictable global economy, Environment and Health are sectors in which consistent and high growth can be expected and in which Mitsui can create new value by exerting our comprehensive strengths.

Under the current medium-term management plan, we selected four growth areas to establish Mitsui’s next profit pillars. Mitsui has long promoted initiatives in areas where social need is high, such as in “Mobility,” which focuses on projects concerning electrification and reduction in weight of vehicles, and in “Healthcare,” which encompasses the hospital business and pre-symptomatic disease. While the framework of four growth areas remains unchanged, in the business plan for the fiscal year ending March 31, 2020, we have positioned Environment and Health at the core of our action plan, and looking ahead, we remain focused on strengthening our foundations in these businesses and on expanding to adjacent businesses.

Tackling climate change is a growing global challenge and we intend to further accelerate our efforts in the area of the environment, addressing the increasing demand in Asia for LNG, an energy source with comparatively low environmental impact, and deal with trends for electrification and ride sharing in Mobility.

In the area of health, with Asia in particular experiencing high middle-class growth, the supply of health services to address the increase in chronic diseases associated with higher standards of living, the supply of quality food and medical products is essential to improving well-being and developing local industry.

Environment and Health encompass a broad business sector that extends beyond the fields in which Mitsui can make even greater use of our network.

This sector calls for a multi-layered approach bringing together ideas, technology, and systems. By combining different fields, our so-called comprehensive strengths, to pursue initiatives for value creation, we will further raise Mitsui's corporate value.

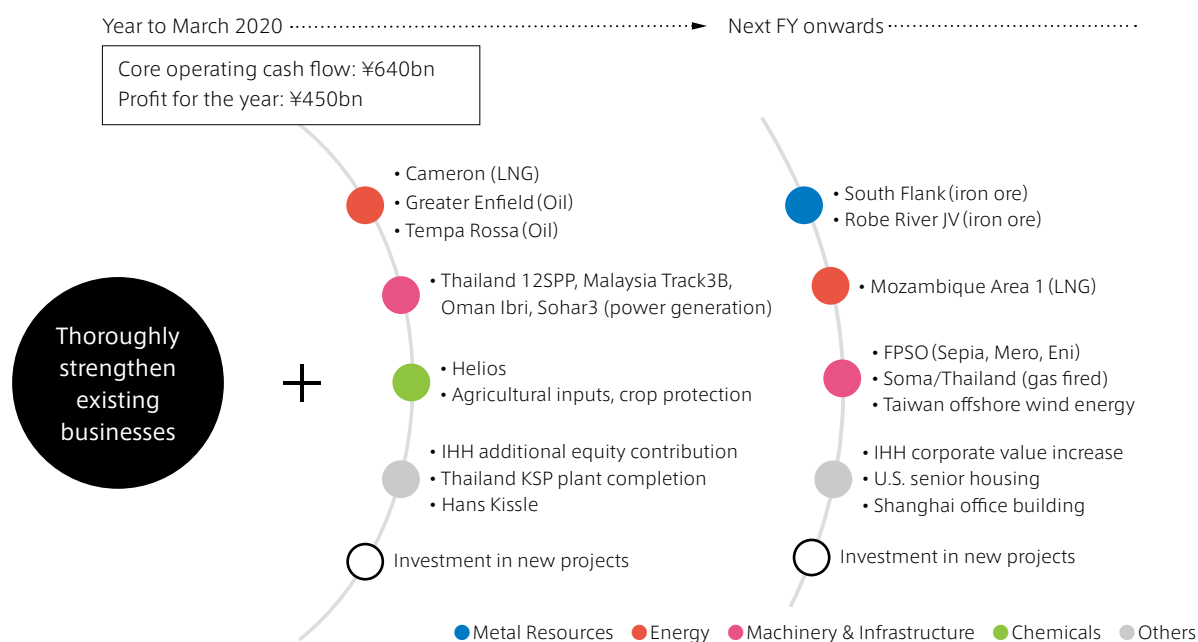
Looking beyond Environment and Health, across all segments in which we operate, we will continue to improve the quality of our business and investment portfolio by pursuing initiatives to strengthen existing businesses, raising the profitability of existing assets, and through strategic recycling.

**Outlook for the fiscal year ending March 31, 2020**

In the fiscal year ending March 31, 2020, the final year of our medium-term management plan, we are targeting profit after tax of ¥450 billion and core operating cash flow of ¥640 billion. Respectively, those figures are ¥10 billion higher than targets for the final year of the plan when we announced the current medium-term management plan. In addition, ROE has surpassed 10% for the past two consecutive years, and we are aiming to achieve the same for the fiscal year ending March 31, 2020. I would like to introduce specific key initiatives for the current fiscal year ending March 31, 2020, to achieve these targets.

In Energy, we are making progress in the Cameron LNG project, where the first train went into operation in May 2019, and we are aiming for steady progress and an early start-up of the second and third train. We are also

The accumulation of assets and the start of their contributions to earnings and cash flow



aiming for progress in the Mozambique LNG project, for which we made a final investment decision in June 2019, and production commencement at the Tempa Rossa oil field in Italy and also at the Greater Enfield oil field in Australia.

In Machinery & Infrastructure, construction of a new large-scale power generation project is on schedule, and in the U.S., profit contributions from ForeFront Power's distributed power supply and services business and other projects in the next-generation power sector are progressing. We are continuing to enhance our fleet in the FPSO business as well.

In Chemicals, we will push forward with efforts to recover operations following an incident at ITC, a tank terminal business in the U.S., while in the field of nutrition we will strengthen supply of integrated solutions including not only methionine but also specialty products such as minerals and enzymes.

In Healthcare, we will leverage our additional investment in IHH, through which we became the company's largest shareholder, to exercise Mitsui's comprehensive strengths and bolster the profit in hospitals and ancillary businesses in Asia. At the same time, we will promote the enhancement of value at PHC through business expansion.

Ensuring the steady launch of these projects and enhancing our profitability while thoroughly strengthening existing businesses will enable us to achieve the goals of the business plan for the current fiscal year, ending March 31, 2020.

## Capital allocation

We believe that it is important to provide solid returns centered on stable dividends to stakeholders including shareholders and investors, who understand and support our long-term efforts. At the same time, we recognize that management has an important responsibility

to act in the interests of shareholders and all stakeholders by ensuring Mitsui's sustainable growth. That means that we must balance shareholder returns with necessary investment in growth and in building a robust financial base to support both. In this way, we aim to achieve our mission as a business entity, which is to enhance corporate value.

Needless to say, constant improvement in asset efficiency is an important issue for management, and we routinely recycle inefficient projects and businesses that do not cover the cost of capital or in which we cannot improve value. Looking ahead, we will seek to further improve investment discipline and the value of existing businesses.



## CEO Message

Human capital is an important element of capital allocation because it is one of limited and important capital resources. Diverse, independently minded Mitsui professionals are active in every part of the world. Although not appearing on the balance sheet, these people are our greatest assets, and how we acquire, train, and effectively deploy this important capital resource is a critical issue for management on a par with cash allocation.

Mitsui is building strong but light armor by implementing a significant shift of personnel from corporate administrative organizations to the business frontlines. We are also accelerating the utilization of personnel on a global basis under our Level Playing Field concept and have introduced the Change Leader Program to foster leadership candidates outside Japan. Through these initiatives, we are further strengthening human capital of the entire Group and ensuring the most effective deployment of talent.

### In conclusion

When we announced the current medium-term management plan, we indicated Mitsui's vision, "A diverse pool of talented professionals that take the initiative to create new business and actively leverage Mitsui Group's comprehensive strengths and global network for sustained creation of new value." We will continue to aggressively seek out growth opportunities by drawing on the strength of our network, and through a cycle of creating new businesses and raising their values, we will steadily achieve our target for the fiscal year ending March 31, 2020, the final year of the current medium-term management plan. I will do my utmost to combine effective leadership with sound corporate governance for the sustainable growth of Mitsui further into the future. We aim to continue to engage closely with our shareholders and investors, take on board your feedback and opinions, and deepen your understanding of Mitsui's management. I very much appreciate your interest in our progress, and look forward to your continued support.

September 2019



Representative Director, President and Chief Executive Officer





## CHAPTER 1

$$1 \times 1 \times 1 = 10,000$$

### 016 Our Corporate Value Creation Process

### 018 Mitsui's Strength

1. DNA of "Challenge & Innovation"
2. Robust Business Foundation Cultivated by Repeating "Challenge & Innovation"
3. Business Model for Growth That Balances between Trading and Business Management
4. Strong Relationship with Stakeholders
5. Professional Human Resources with Sophisticated Business Know-How
6. Mitsui's Comprehensive Strengths

### 036 Mitsui's Long-Term Strategy

1. Positioning Strategy That Leverages Our Competitiveness
2. Portfolio Management and Financial Strategy
3. Global Group Risk Management
4. Human Resources Strategy
5. An Organization with Integrity

### 050 Megatrends That Mitsui Envisions

### 051 Material Issues of Focus (Materiality)

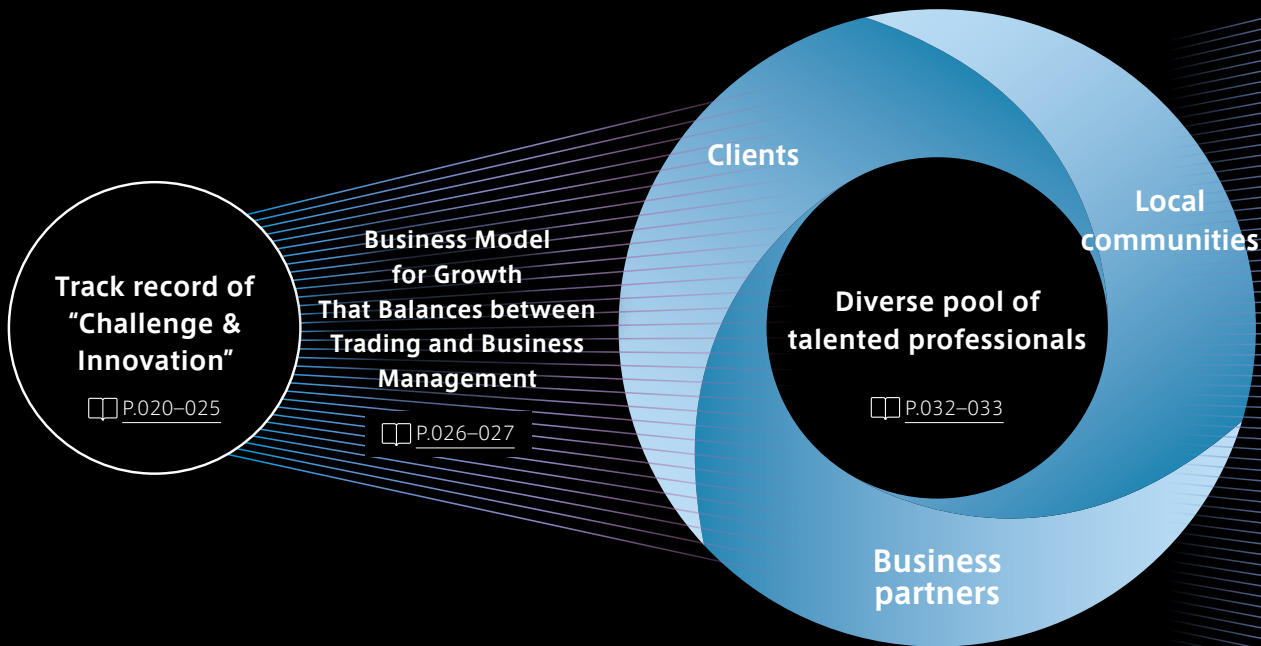
### 055 Participation in Initiatives

### 056 Message from the Chairperson of the Sustainability Committee

# Our Corporate Value Creation Process

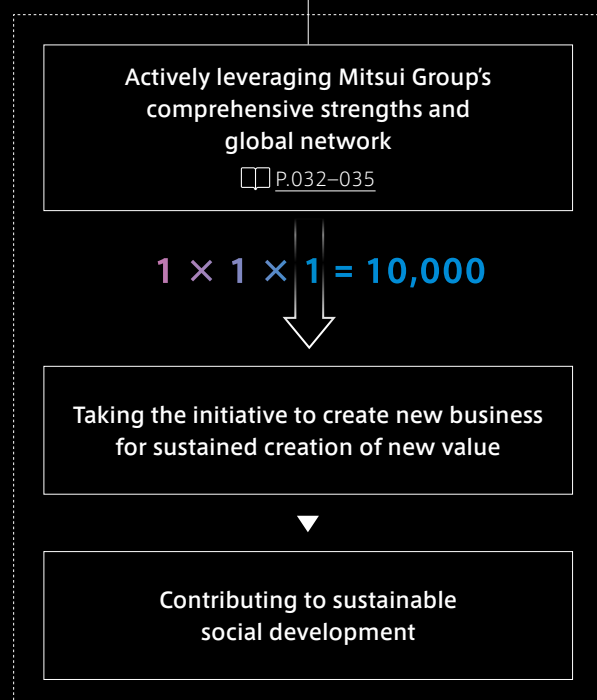
Foundation for value creation

Creating collective impact



## Our Corporate Value Creation Process Focusing on Comprehensive Strengths and Co-Creation

By repeating the process of “Challenge & Innovation,” Mitsui’s businesses have continued to evolve while meeting the changing needs of the times. Throughout this process, we have established a strong track record underpinned by our long history and vast experience. In turn, this track record has enabled us to accumulate the various capitals that we possess today. Our diverse pool of professional talent utilizes these long-cultivated capitals to address our Materiality. In addition, while actively leveraging the Group’s comprehensive strengths, our human resources are drawing on and combining their own strengths together with the strengths of our various stakeholders, including our clients, partners, and local communities, and taking the initiative to create new business. In these ways, we are creating tremendous industrial value, both quantitatively and qualitatively, which far exceeds that of Mitsui acting on its own. Through creating such value, we aspire for not only sustainable corporate value growth but also sustainable environmental and social development.



Creating tremendous industrial value, both quantitatively and qualitatively, which far exceeds that of Mitsui acting on its own

**Materiality**

☐ P.051-054

**Our corporate value creation process from a strategic perspective**

Vision

Strategies for corporate value creation

Indicators to measure progress of strategies

**Long-term** ☐ P.036-049

**Medium-term**

**Outcome** ☐ P.058-059

Long-Term Management Vision toward 2030

- Positioning strategy
- Portfolio management / Financial strategy
- Risk management
- Human resources strategy
- Conduct guidelines

Medium-Term Management Plan

☐ P.064-069

- Maintain robust, sustainable earnings growth
- Boost asset and capital efficiency
- Continually increase shareholder value
- Create social and environmental value
- Improve human resource capabilities

“Let not short term gains tempt your mind,  
seek only enduring prosperity  
by embracing grand aspirations.”

Takashi Masuda

The first president of the former Mitsui & Co.\*

“A Mitsui & Co. person will always  
allow his or her daring to be guided  
by a keen sense of mission.”

Tatsuzou Mizukami

The former Chairman of the Board of Directors of Mitsui & Co.

“Individual builds the business,  
and the business cultivates the individual.”

Eiichi Hashimoto

The former Chairman of the Board of Directors of Mitsui & Co.

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Inheriting the will of  
 our predecessors,  
 we will continue to  
 take on the challenge  
 of value creation.



# Mitsui's Strength 2: Robust Business Foundation Cultivated by Repeating "Challenge & Innovation"

1950

## Contributed to the recovery of the postwar Japanese economy

- Daiichi Bussan imported daily necessities into postwar Japan and promoted exports as postwar controls were lifted.
- In 1947, Daiichi Bussan Kaisha, Ltd. established ..... ①
- In 1959, Daiichi Bussan Kaisha, Ltd. integrated with other trading companies (Mitsui & Co.'s great amalgamation) and changed its name to Mitsui & Co., Ltd.



① Daiichi Bussan Kaisha, Ltd. (Tokyo)



② Sakhalin II projects (Russia)  
© Sakhalin Energy

1960

## As the driving force of high economic growth

- In view of Japan's high dependence on overseas sources for key materials, Mitsui invested in the development of our own sources of mineral resources and energy with the aim of ensuring their stable supply to Japan
- In 1963, participated in the development of the Moura coal mine in Australia (currently the Dawson coal mine)
- In 1967, established an iron ore joint venture business with BHP in Australia
- In 1969, established Mitsui Oil Exploration Co., Ltd.
- In 1970, established Mitsui Iron Ore Development (MIOD) in Australia (Robe River iron ore joint venture)
- In 1971, signed a basic contract for the development of an LNG facility on Das Island in Abu Dhabi

### ■ Supported overseas business development of Japanese products

- Promoted export sales of iron and steel products, machinery and chemicals
- Invested in overseas production and sales operations of Japanese automotive and motorcycle makers (Toyota Motor Group, Hino Motor Group, Yamaha Motor Co., Ltd.) in such countries as Thailand, Canada, Peru and the U.K.

### ■ Introduced overseas technologies and business models to Japan

- In 1958, established Nippon Remington Univac Kaisha, Ltd. (currently Nihon Unisys, Ltd.) and shortly after helped lay the groundwork for the computerization of Japan
- In 1976, established AIM SERVICES CO., LTD. with major U.S. contract food service company ARA (currently Aramark Corporation)

1980

## Challenges as the pioneer of the era, responding to the rapid structural change of society

- Further strengthened functions, including IT (information technology), FT (financial technology) and LT (logistics technology)
- In 1989, Japan Communications Satellite, in which the Company invested, successfully launched a communications satellite
- Provided supply chain management for the Ito-Yokado Group (currently Seven & i Holdings Co., Ltd.)

### ■ Accelerated the planning and development of large-scale LNG projects in accordance with efforts to diversify Japan's energy supply sources

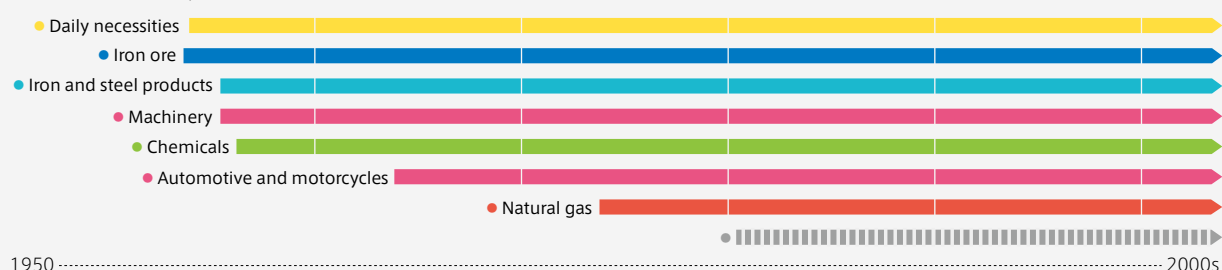
- In 1985, participated in the Western Australia LNG project
- In 1989, participated in the Qatar LNG project
- In 1994, signed development contracts for the Sakhalin II petroleum and natural gas projects ..... ②

### ■ Acquired and developed large-scale businesses overseas

- In 1991, acquired feed additive business (currently Novus International, Inc.) from Monsanto Company, of the U.S.
- In 1994, established P.T. PAITON ENERGY, an electric power company in Indonesia

## The Diverse Range of Products That General Trading Companies Handle—Born to be Diversified

As a general trading company, Mitsui's bread-and-butter business has always been trading. To leverage the superior trading functions that we possess to the full, Mitsui has naturally formed a business structure for handling an extensive lineup of products through a wide variety of outlets. Our traditional core competencies have been trading activities that link product demand with product supply and the extensive network of clients we have acquired through these trading activities. Additionally, these competencies have included the judgment capabilities, keen awareness, and appropriate conduct of our employees, who have helped us maintain and expand our network.



## Development of various businesses with world class partners in response to the rapid growth of emerging economies and the evolving global industrial structure

### ■ Long-term initiatives in developing resources and energy businesses to enhance our ability to provide sustainable supply

- In 2003, purchased ownership interest in Valepar S.A., the holding company of Vale S.A., the Brazilian diversified resource development company
- In 2010, acquired working interest in shale gas in the Marcellus area and, in the following year, in shale oil in the Eagle Ford area, both in the U.S.
- In 2012, established a strategic partnership with Corporación Nacional del Cobre de Chile and acquired copper interests
- In 2013, acquired interest in the Jimblebar Iron Ore mine in Western Australia
- In 2015, completed second phase of expansion of Robe River J/V mine and port
- In 2016, acquired working interest in Kipper gas and condensate field in Australia
- In 2016, acquired stake in Kaikias oil and gas development project in the Gulf of Mexico
- In 2018, acquired AWE Limited, an oil and gas company in Australia
- In 2018, decided to develop South Flank iron ore mine in Australia as well as new iron ore deposits through Robe River J/V
- In 2019, made final investment decision for the Mozambique LNG project …… ③
- In 2019, participated in Arctic LNG 2 project in Russia



③Mozambique LNG plant, artist's rendering

### ■ Response to new needs for enhancing industry and enriching lifestyles

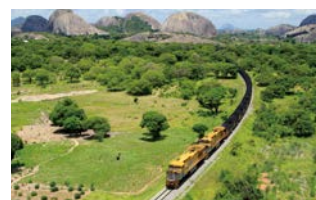
- In 2001, launched 24-hour shopping channel in Japan with QVC, Inc.
- In 2001, invested in a major U.S. automotive dealer Penske Automotive Group, Inc.
- In 2007, commenced capital and business alliance with Sogo Medical Co., Ltd.
- In 2008, launched chemical tank terminal business at the Port of Antwerp in Europe
- In 2011, invested in Asia's largest private hospital group Integrated Healthcare Holdings SB (currently IHH Healthcare Bhd.) …… ④
- In 2015, invested in a major U.S. truck leasing company Penske Truck Leasing Co., L.P.
- In 2015, commenced commercial production of methanol at Fairway Methanol LLC in the U.S.
- In 2016, invested in Asia's largest hospital for middle-income patients, Columbia Asia Group
- In 2016, invested in the Spain-based Gestamp Automoción, S.A., the world's largest automotive press components manufacturer
- In 2016, invested in Panasonic Healthcare Holdings Co., Ltd. (currently PHC Holdings Corporation), a medical equipment manufacturer
- In 2017, invested in CIM Group LLC, a major real estate asset management company in the U.S.
- In 2019, acquired additional shares of IHH Healthcare Berhad, Asia's largest private hospital group, thereby becoming IHH's largest shareholder



④Mount Elizabeth Novena Hospital, an IHH hospital (Singapore)

### ■ Developing infrastructure businesses that contribute to nation building and industrial promotion in countries around the world

- In 2004, jointly acquired 13 power generating assets with International Power (currently ENGIE)
- In 2006, acquired a gas distribution business in Brazil
- In 2006, invested in Thai Tap Water Supply Public Company Limited, a water supply company in Thailand
- In 2014, invested in VLI S.A., a Brazilian integrated logistics company owned and operated by Vale S.A.
- In 2017, invested in Moatize Coal Mine and the Nacala rail and port infrastructure project in Mozambique …… ⑤




⑤Moatize Coal Mine and the Nacala rail and port infrastructure project



## Mineral & Metal Resources

- 1963:** Participated in the development of the Moura coal mine in Australia (currently the Dawson coal mine)
- 1965:** Participated in the Robe River iron ore mine in Australia
- 1966:** Concluded long-term purchase agreement of iron ore from Mount Newman in Australia
- 1967:** Established an iron ore joint venture business with BHP in Australia
- 1970:** Established Mitsui Iron Ore Development (MIOD) in Australia (Robe River iron ore joint venture)
- 1996:** Participated in Collahuasi copper mine in Chile
- 2002:** Participated in Coral Bay nickel mine in the Philippines
- 2003:** Purchased ownership interest in Valepar S.A., the holding company of Vale S.A., the Brazilian diversified resource development company
- 2007:** Acquired interest in Sims Metal Management Limited, a metal and electronics recycler in Australia
- 2010:** Participated in Caserones copper mine and molybdenum mineral deposit development project in Chile  
  
Participated in Taganito nickel mine in the Philippines
- 2012:** Sealed a strategic alliance with Corporación Nacional del Cobre de Chile and invested in joint venture to jointly hold shares of Anglo American Sur S.A.
- 2013:** Acquired interest in the Jimblebar iron ore mine in Western Australia
- 2015:** Completed second phase of expansion of Robe River J/V mine and port
- 2017:** Invested in Moatize Coal Mine and the Nacala rail and port infrastructure projects in Mozambique
- 2018:** Decided to develop South Flank iron ore mine in Australia as well as new iron ore deposits through Robe River J/V



## Energy

©Sakhalin Energy

- 1969:** Established Mitsui Oil Exploration Co., Ltd.
- 1971:** Signed a basic contract for the development of an LNG facility on Das Island in Abu Dhabi
- 1985:** Participated in Western Australia LNG project
- 1989:** Participated in Qatar LNG project
- 1994:** Signed development contracts for the Sakhalin II petroleum and natural gas projects
- 2008:** Acquired partial interest in Mozambique's Area 1 project
- 2010:** Acquired working interest in shale gas in the Marcellus area in the U.S.
- 2010:** Discovered world-class gas field in Mozambique's Area 1 project
- 2011:** Acquired working interest in shale oil in Eagle Ford area in the U.S.
- 2013:** Acquired interest in Tempa Rossa onshore oil field in Italy  
  
Entered into natural gas liquefaction tolling agreement and joint venture agreement for the Cameron LNG project in the U.S.
- 2016:** Acquired working interest in Kipper gas and condensate field in Australia  
  
Made final investment decision for Greater Enfield oil field development project in Australia  
  
Acquired stakes in Kaikias oil and gas development project in the Gulf of Mexico
- 2018:** Acquired AWE Limited, an oil and gas company in Australia
- 2019:** Made final investment decision for the Mozambique LNG project  
  
Participated in Arctic LNG 2 project in Russia

# CORE

## History of Pursuing Ch





## Machinery & Infrastructure

**1960s:** Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals

**1994:** Established P.T. PAITON ENERGY, an electric power company in Indonesia

**2004:** Jointly acquired 13 power generating assets with International Power (currently ENGIE)

**2005:** Commenced charter for first FPSO

**2006:** Acquired gas distribution business in Brazil

Invested in Thai Tap Water Supply Public Company Limited, a water supply company in Thailand

**2014:** Invested in cogeneration power projects in Thailand

Signed time charter parties for LNG ships for the Cameron LNG project

Invested in VLI S.A., a Brazilian integrated logistics company, owned and operated by Vale S.A.

**2015:** Acquired shares in Petrobras Gás S.A. in Brazil, thereby expanding the gas distribution business in the country

**2016:** Invested in Ibri, Sohar-2 power project in Oman

**2017:** Sold interest in First Hydro, a pumped-storage power generation business in the U.K.



## Chemicals

**1960s:** Supported the overseas development and export sale of Japanese products such as steel products, machinery, and chemicals

**1972:** Established Intercontinental Terminals Company LLC, a chemical tank terminal business in the U.S.

**2004:** Commenced commercial production of methanol at International Methanol Company in Saudi Arabia

**2006:** Invested in Onslow salt field in Western Australia

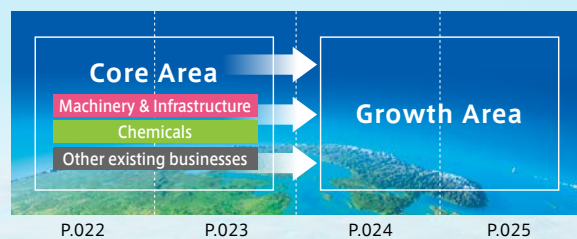
**2008:** Launched chemical tank terminal business at the Port of Antwerp in Europe

**2015:** Commenced commercial production of methanol at Fairway Methanol LLC in the U.S.

**2016:** Invested shares in Hexagon Composites ASA, a Norwegian CFRP pressure tank manufacturer

**2018:** Invested in coating manufacturing and sales business in Europe

### Explanation of Tri-Fold Pages



The results by growth area listed on the right side of the tri-fold have been realized through development of existing businesses, including those in core areas, listed on the left side of the tri-fold. Please see our value creation in growth areas after first understanding the history of growth in our existing businesses. [P.037](#)

# ARE A

## allenges in Core Areas



## Mobility

**1960s:** Invested in overseas production and sales operations of Japanese automotive and motorcycle makers (Toyota Motor Group, Hino Motor Group, Yamaha Motor Co., Ltd.)

**2001:** Invested in major U.S. automotive dealer Penske Automotive Group, Inc.

**2015:** Invested in major U.S. truck leasing company Penske Truck Leasing Co., L.P.

**2016:** Invested in the Spain-based Gestamp Automoción, S.A., the world's largest automotive press components manufacturer

**2017:** Acquired additional equity interest in Penske Truck Leasing Co., L.P., which operates a truck leasing and rental business and logistics business in the U.S.

Invested in The Mobility House AG for commercialization of German-based energy management services with electric vehicles (EVs)

Formed strategic alliance with CaetanoBus, S.A., a Portuguese electric bus manufacturer

Invested in Forsee Power SAS, a French battery system manufacturer

**2018:** Commenced production at Gestamp's Matsusaka Plant



## Healthcare

**1976:** Established AIM SERVICES CO., LTD. with major U.S. contract food service company ARA (currently Aramark Corporation)

**2007:** Formed capital and business alliance with Sogo Medical Co., Ltd.

**2008:** Created the Medical Healthcare Division

**2010:** Participated in a pharmaceutical development support business in Asia with Parkway Group Healthcare Pte. Ltd., a company under the IHH umbrella

**2011:** Invested in Asia's largest private hospital group Integrated Healthcare Holdings SB (currently IHH Healthcare Bhd.)

Acquired stake in Turkish healthcare group through Integrated Healthcare Holdings SB (currently IHH Healthcare Berhad)

**2016:** Created the Healthcare & Service Business Unit

Acquired equity stake in DaVita Care Pte. Ltd., a dialysis clinic operator in Asia

Invested in Asia's largest hospital for middle-income patients, Columbia Asia Group

Invested in Panasonic Healthcare Holdings Co., Ltd. (currently PHC Holdings Corporation), a medical equipment manufacturer

**2019:** Acquired additional shares of IHH Healthcare Berhad (IHH), Asia's largest private hospital group, thereby becoming IHH's largest shareholder

# GROWTH

## History of Pursuing Cha



## Nutrition & Agriculture

**1969:** Established Nikken Kasei (currently B Food Science Co., Ltd.) as a subsidiary that engages in the manufacture and sale of sugar alcohol

**1991:** Acquired feed additive business (currently Novus International, Inc.) from Monsanto Company in the U.S.

**2017:** Acquired Latitude® wheat fungicide business from Monsanto Company in the U.S.

Invested in ETC Group Limited, which engages in businesses involving agricultural products, sales of agricultural supplies, as well as the manufacture and sale of food stuffs, and has locations mainly in East Africa and countries bordering the Indian Ocean

Completed tender offer for the common stock of Soda Aromatic Co., Ltd., which engages in the manufacture and sale of aromatic-related products

**2018:** Participated in Nueva Agroindustrias del Norte, S.A. de C.V. (Adelnor), a Mexican agricultural supply company

Decided to upgrade facilities of Kaset Phol Sugar Ltd., a Thailand-based sugar manufacturing company, in order to increase production capacity of high-quality sugar

Invested in Thorne Research, Inc., a developer, manufacturer, and supplier of high-quality supplements in the U.S.

**2019:** Invested in Ouro Fino Quimica Ltda., a Brazilian agrochemical company



## Retail & Services

**1980s:** Provided supply chain management for the Ito-Yokado Group (currently Seven & i Holdings Co., Ltd.)

**1989:** Acquired WILSEY FOODS, INC., a U.S.-based producer of margarine, shortening, and oil

**1996:** Established Ventura Foods LLC together with Harvest States Cooperative, the largest agricultural cooperative in the U.S.

**2001:** Launched 24-hour shopping channel in Japan with QVC network

Founded Japan Alternative Investment Co., Ltd. (currently Mitsui & Co. Alternative Investments Limited)

**2005:** Listed first dedicated logistics J-REIT

**2008:** Founded the first logistics private fund

**2014:** Founded office fund/logistics development

**2016:** Founded solar energy fund

Invested in New Ocean Capital Management Limited

Listed MIRAI, a comprehensive J-REIT

**2017:** Invested in CIM Group, LLC, a U.S. real estate asset manager

**2018:** Strengthened senior living property business in the U.S.

**2019:** Acquired shares in Hans Kisse Company, LLC, a prepared foods manufacturer in the U.S.

# H A R E A

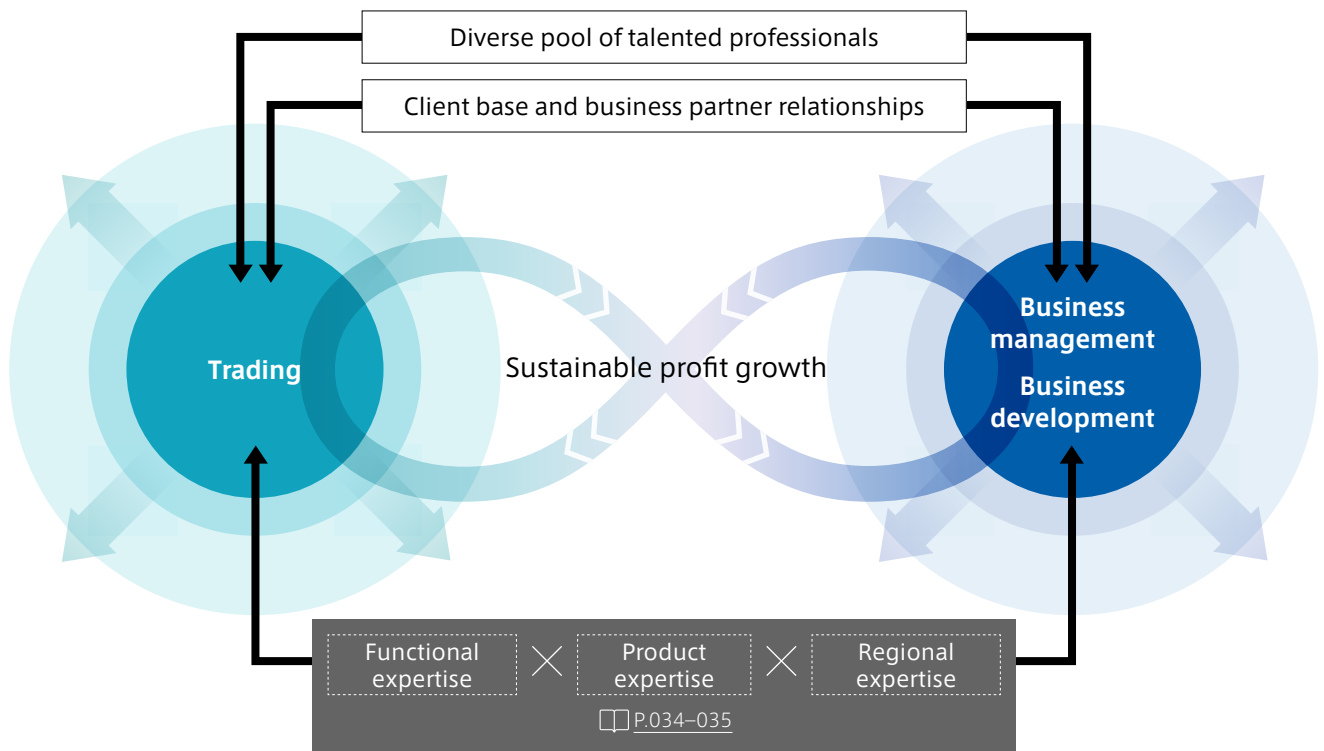
## Challenges in Growth Areas

# Mitsui's Strength 3: Business Model for Growth That Balances between Trading and Business Management

Through our original business of trading, Mitsui has cultivated expansive networks comprising a wide range of clients and has leveraged these networks to carry out business investments. Mitsui gets involved in management of the projects in which we have invested in an effort to enhance their value. In turn, these projects help Mitsui further promote our trading business and expand our networks. Through the repetition of this cycle, Mitsui has developed our current business structure.

Our diverse pool of talented professionals work to combine the sophisticated product expertise that each business unit possesses with our regional expertise, which is supported by local employees who are active in regions around the world, and various functional expertise as a general trading company. In this way, these professionals are leveraging our long-cultivated client base and networks to create new business models and pursue new projects.

## Unwavering Value Creation and Profit Growth



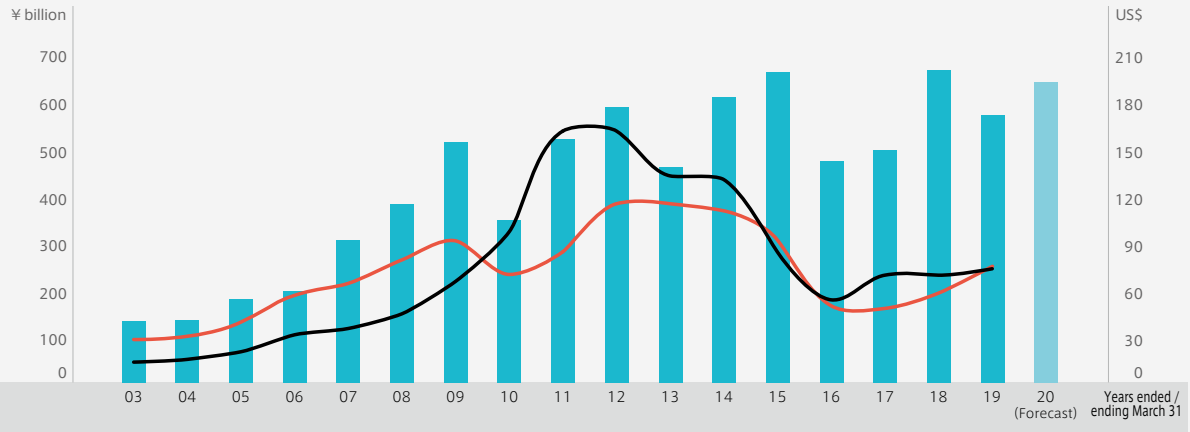
## Overview The Functions We Provide

We provide the following functions to our clients, business partners, and investees in every country and region.

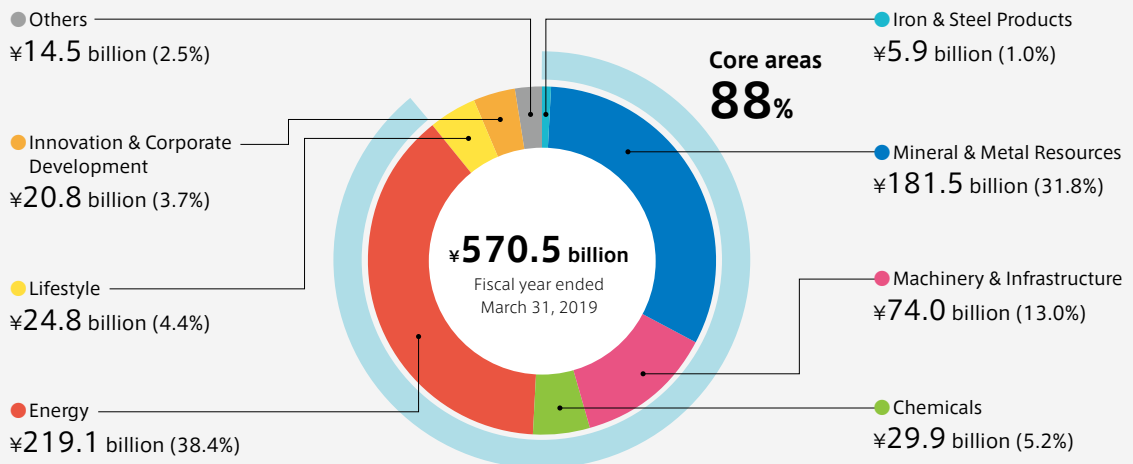
- (1) Create new markets by drawing on sales capabilities developed in extensive experience aligned with various business practices as well as our powerful information gathering and analysis expertise
- (2) Provide optimal logistics solutions in both transportation and cost efficiency
- (3) Offer and advise on various financial functions, from fund procurement and financial structuring to trade finance
- (4) Propose risk reduction and control by utilizing know-how accumulated over many years
- (5) Optimize business processes and revolutionize business models by utilizing AI and IoT

## The World-Class Portfolio of Mitsui

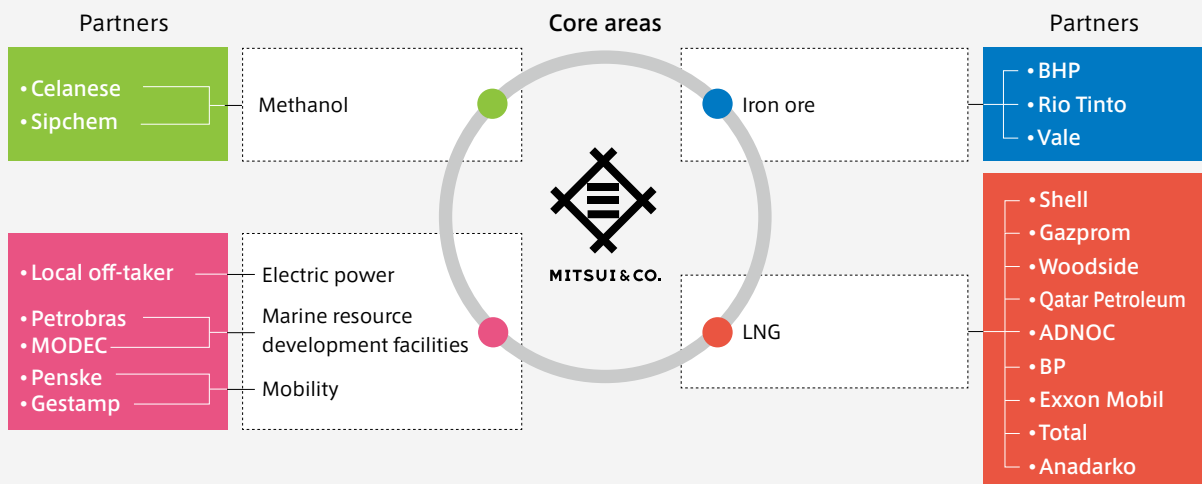
### Core Operating Cash Flow\*



■ Core operating cash flow (left scale) — Iron ore (right scale) — Crude oil (JCC) (right scale)  
 \* Cash flows from operating activities minus cash flows from changes in working capital



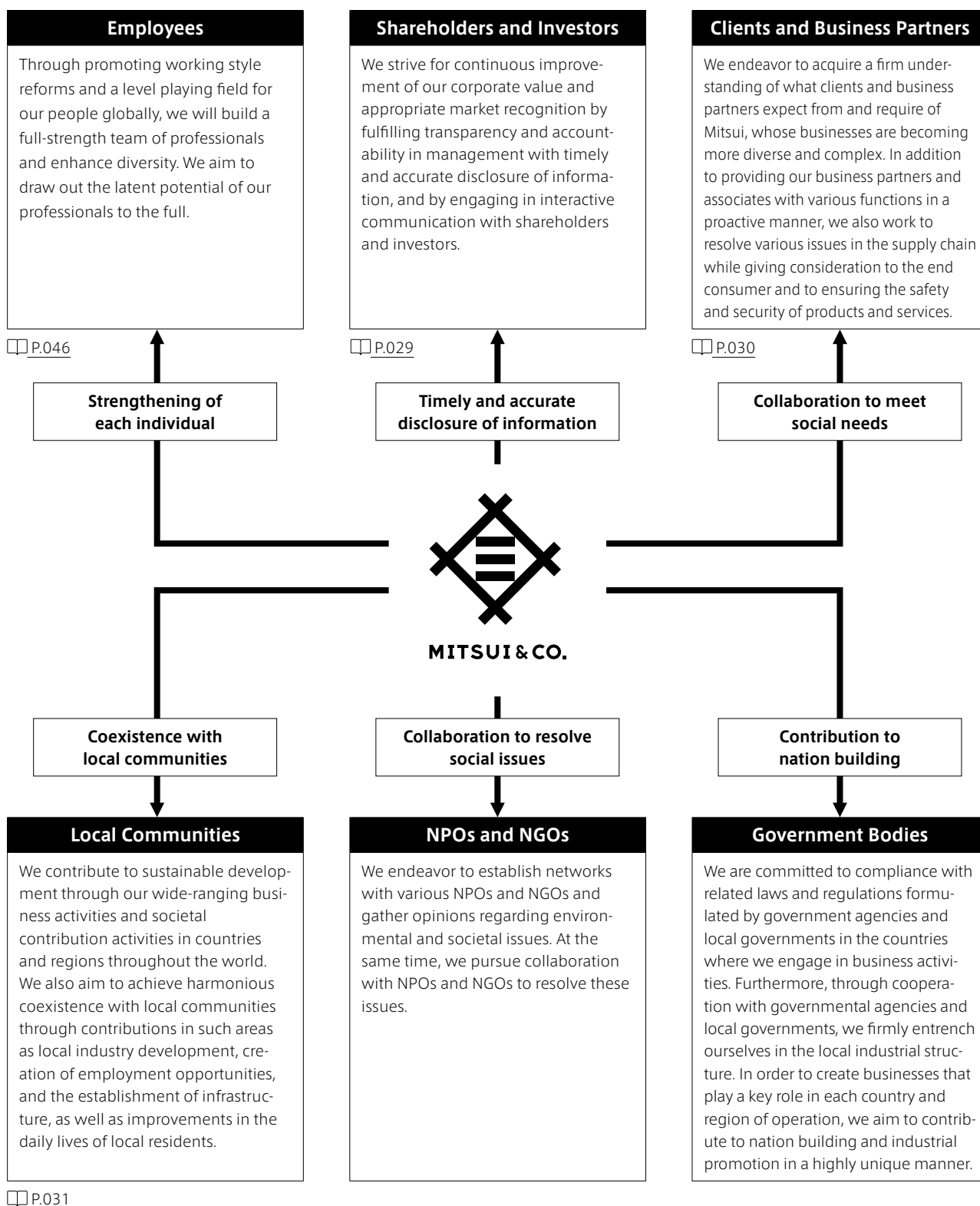
### Strategic Partnerships That Lead to Attractive Projects



## Mitsui's Strength 4: Strong Relationship with Stakeholders

Through interactive communication with our various stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of Mitsui. Based on this understanding, we strive to respond to changes in market environments and contribute to resolving social issues through our business activities.

### Engagement for Business Creation



## Timely and Accurate Disclosure of Information

### Basic Approach

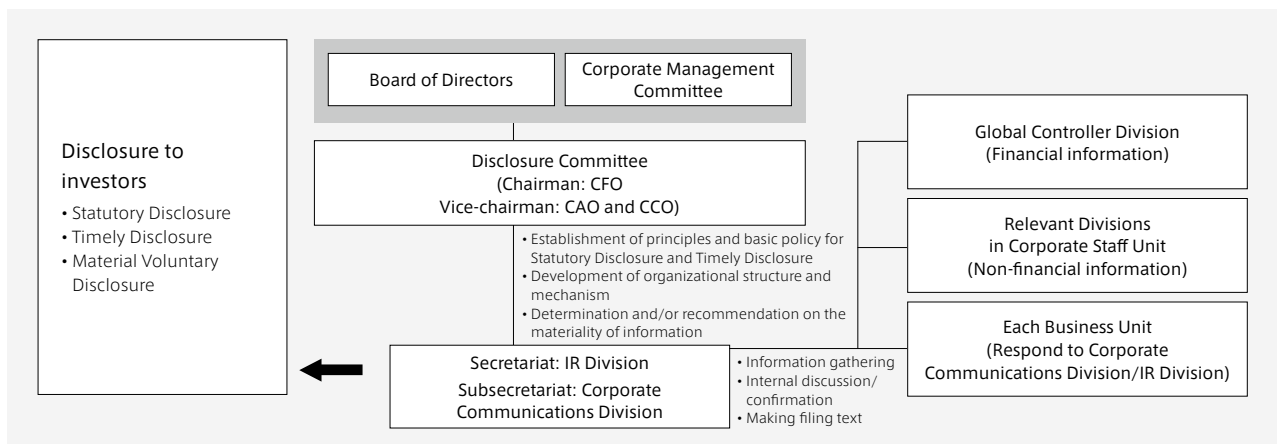
We determined the Corporate Disclosure Policy that stipulates the basic principles and procedures for the disclosure requirements of Mitsui's information in order for investors to form appropriate investment decisions. The policy works to ensure transparency and accountability to investors. Under this policy, we are committed to the timely, accurate, and fair disclosure of material information and such information shall be disclosed in a manner that ensures fair and equitable access by all investors.



For more details on the Corporate Disclosure Policy, please refer to our website.  
<https://www.mitsui.com/jp/en/ir/management/ethics/index.html>

### Structure for Disclosing Information to Investors

To serve as an organization that operates under the Corporate Management Committee, we established the Disclosure Committee, which comprises directors, executive officers, and the general managers of each relevant corporate staff division. The Disclosure Committee is in charge of determination and/or recommendation on the accuracy and adequacy of the documents to be filed or submitted for Statutory Disclosure, Timely Disclosure and Material Voluntary Disclosure. In addition to financial information, the committee also holds discussions on non-financial information to be disclosed.



### Results for the Fiscal Year Ended March 31, 2019

The Company publishes various reports and seeks to enhance information disclosure via our corporate website. The spokespersons designated by the Corporate Disclosure Policy, including the CEO, create opportunities for direct communication with the investors. Going forward, we will continue efforts to reinforce the trust-based relationships we have with investors by providing explanations on our business sustainability and the potential for medium- to long-term growth in corporate value.



Investor Day 2019

### Results of IR activities

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
		● Yearly Results			● 1Q Results			● 2Q Results				● 3Q Results
		● Investor Day			● Integrated Report (Japanese)							
					● Shareholder Meeting							
					● Integrated Report (English)							
For individual investors					● Meetings for managers at securities firms							
				● Tokyo		● Online	● Tokyo		● Osaka	● Tokyo		● Nagoya
For institutional investors					● Euro IR	● U.S. IR		● Asia IR		● Asia & Euro IR		● U.S. IR
									● Euro IR			● Asia IR
					← Meetings: 302 →							

## Promotion of Supply Chain Management

### Basic Approach

Through the global development of a broad range of businesses, Mitsui has built diverse value chains throughout the world. We are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental load, and ensuring safety for products and services and consumer confidence. To correctly assess and solve ethical and social issues in the supply chains, the Company formulated its Supply Chain CSR Policy in December 2007. We are striving to ensure compliance with and implementation of this policy while continuing to review the policy based on changing social expectation and demands. Additionally, we have since made efforts to ensure that all of Mitsui's suppliers fully understand our standards and cooperate in the implementation of the policy.

### Current State of Implementation of Supply Chain CSR Policy

In promoting compliance with this policy, we consider interactive communication with our suppliers to be very important. We work to build relationships of trust and strengthen our supply chain management by working jointly on ideas for improvements with our partners, wherever needed.

Mitsui conducts regular supplier surveys in order to confirm the actual situation of business operations and identify risks of each supplier in relation to social issues, such as climate change, biodiversity, environmental management, human rights, and working environment. In the event that we discover violations of this policy in our supply chain, we will urge the supplier to remedy and improve the situation, while providing support to the suppliers as needed. However, if there are no improvements to the situation by the suppliers, we will examine an appropriate response, including the cancellation of contracts, and determine carefully whether to continue our business with that supplier.

#### 1 Companywide uniform supplier communication forms

Beginning in the fiscal year ended March 31, 2009, we started sending letters in multiple languages to all suppliers of Mitsui's business units, overseas offices, and subsidiaries (more than 45,000 suppliers in total) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy, in a move to ensure that all Mitsui suppliers are fully aware of this policy.

#### 2 Supplier questionnaire surveys

We regularly conduct questionnaire surveys to confirm (1) the status of suppliers' adherence to our Supply Chain CSR Policy, and (2) whether they have their own policies related to such areas as "human rights and labor practices," "health and safety," "business ethics," and "environmental management," and ask that our suppliers thoroughly understand. Based on the results of the surveys, we provide advice and guidance to our suppliers, if needed.

#### 3 Supplier on-site surveys

We also conduct interviews with persons in charge and on-site inspections of suppliers' manufacturing facilities using a checklist based on the compliance items in our Supply Chain CSR Policy.



For Supply Chain CSR Policy and more details on the current correspondence situation about Supply Chain CSR Policy, please refer to *Sustainability Report 2019*.

### CASE

#### Palm Oil Import Business (Malaysia)

The Company and its investee, Wangsa Mujur Sdn. Bhd., have acquired certification from the Roundtable on Sustainable Palm Oil (RSPO),\* a nonprofit organization that promotes the production and use of sustainable palm oil. The RSPO stipulates the legal, economic, environmental, and social conditions required for sustainable palm oil production in 8 principles and 43 criteria, and both the Company and Wangsa Mujur operate in accordance with its policy. In the fiscal year ended March 31, 2019, RSPO-certified palm oil accounted for 3.6% of palm oil handled by Mitsui, and we aim to increase the ratio of sustainable certified palm oil, including RSPO-certified, that we procure to 100% by 2030.



\* RSPO certification aims to advance the production, procurement, and use of sustainable palm oil, and lessen the impact and load on the environment of producing countries and neighboring communities.

#### Mitsui's handling volume of RSPO-certified palm oil and its ratio to total handling volume

	FY2018	FY2019
Handling volume of certified palm oil	14,500t	21,500t
Total handling volume of produced/used/processed palm oil	520,000t	600,000t
Ratio	2.8%	3.6%



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## Together with Local Communities

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### Basic Approach

Conducting business globally in many countries and regions, we consider the protection of human rights in accordance with international standards constitutes the foundation of our sustainability management. “The Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” prescribe and require employees and officers of the Company to observe; full consciousness of their role as members of international society; understanding of and respect for the cultures, customs, and history of individual nations; protection of human rights; and eschewing any form of discrimination based on race, creed, gender, social status, religion, nationality, age, or physical or mental ability. On a Global Group basis, Mitsui drew up “The Mitsui & Co. Group Conduct Guidelines—With Integrity” to share this approach.

### Response to International Standards

The United Nations Global Compact asks participating corporations to support and put into practice 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. The Company signed and pledged its support for the UN Global Compact in October 2004, and has been participating as a member of the Global Compact Network Japan, complying with the principles as part of its own corporate guidelines.

We also support international standards, such as the Universal Declaration of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights.



Please see *Sustainability Report 2019* for details on our response to international standards.

### Response to Human Rights Issues in Our Business Promotion

Business opportunities, as well as the risks associated with doing business, have increased and are becoming more diversified due to increasing awareness of the importance of corporate social responsibility. Based on this understanding, we recognize the necessity for comprehensively managing risk from both quantitative and qualitative perspectives, while responding appropriately to changes in social conditions and business models. With this awareness, we have defined the businesses which have high qualitative risks including risks related to the natural environment, society, and governance as “Specially Designated Businesses,” and have been endeavoring to develop such businesses with due caution under our Specially Designated Business Management System. In addition, we have been holding serious dialogue with NPOs, NGOs, interdisciplinary organizations, government institutions, and local communities. This has helped us understand the risks and opportunities we face in our business development and examine the necessary response. In these ways, we are working to resolve issues through transdisciplinary methods, and we are also actively promoting efforts that enhance the sustainability of our businesses.

### Case Study: Introduction of Mitsui's Businesses in Mozambique

We are contributing to nation building, as the projects we are promoting in Mozambique are important to its growth and also supporting to obtain the necessary foreign currency to resolve its debt problem.

#### Moatize Coal Mine and Nacala Rail and Port Infrastructure Project

In March 2017, we invested and began participating in the Moatize Coal Mine and the Nacala rail and port infrastructure project in Mozambique. This project involves not only a coal mine but also the integration of rail and port infrastructure, including freight and passenger rail. Accordingly, the project will contribute to nation building in Mozambique. While the development of this project requires neighboring residents to relocate, we are engaging in relocation procedures in accordance with international standards, holding regular public hearings, offering financial support, and providing other kinds of support to help these residents maintain and/or improve their lifestyles. Also, we are making a broad range of efforts with the aim of realizing co-creation with nearby community members, that include supporting water pipe construction; building soccer fields, schools, and medical facilities; training teachers and providing school lunches; supporting fundamental education; providing farming advice; holding vocational training; and raising awareness on preventing infectious diseases. With these efforts, we will strive to contribute to the resolution of social issues in Mozambique.

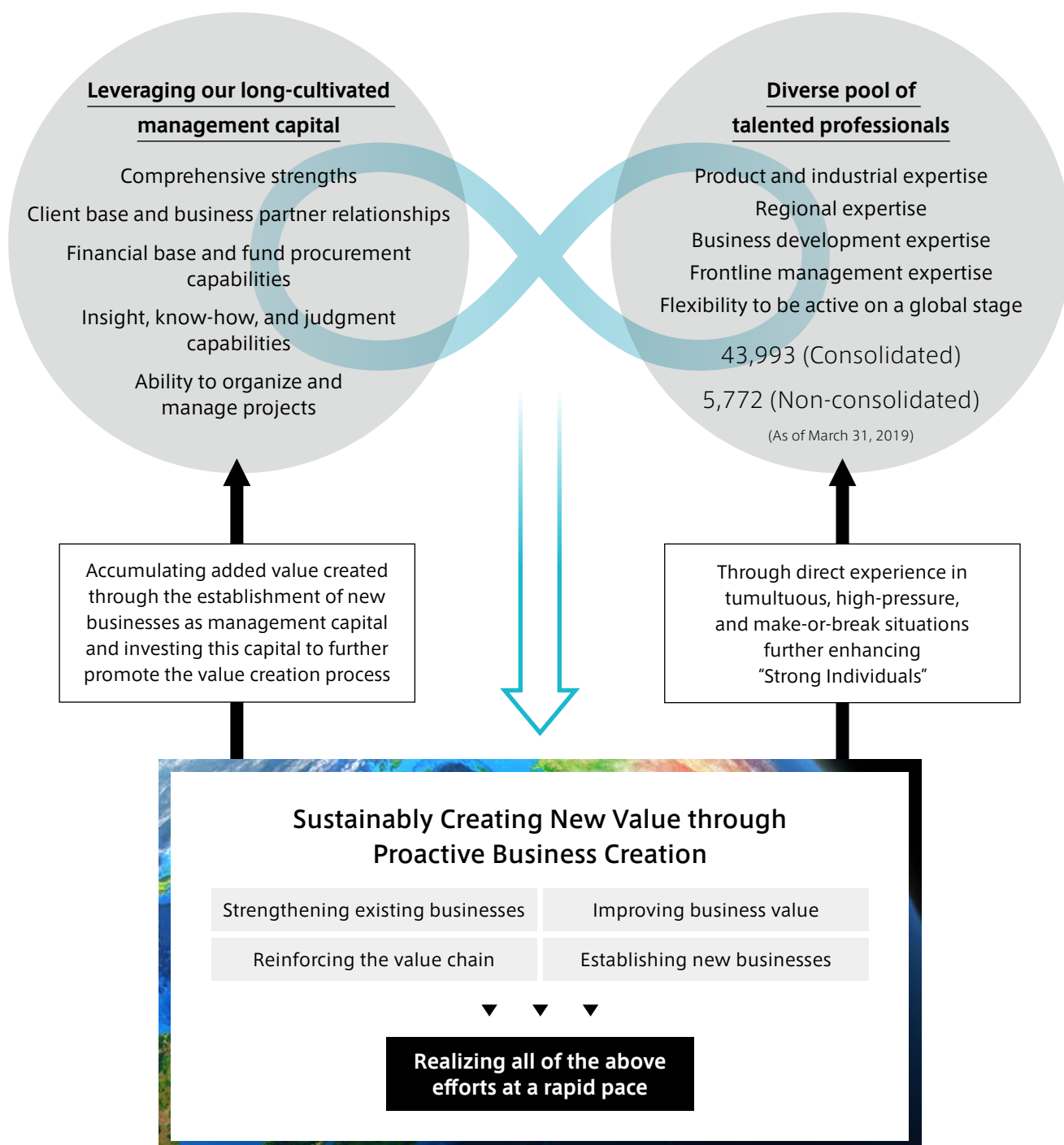
#### Area 1 LNG Project [□□ P.090–92](#)

In June 2019, we made the final investment decision related to the Area 1 Block of the Mozambique LNG project. With the development target of the gas fields on the northern coast of Mozambique, this project is an integrated upstream-mid-stream project that encompasses all stages from natural gas production and liquefaction to LNG shipment. Accordingly, the government of Mozambique positions the project as one that is important to its national development. While the promotion of this project requires neighboring residents to relocate, we have formulated plans for their relocation in accordance with the national laws of Mozambique and through over 800 discussions with local community members, NGOs, and other organizations. The process for relocation is also being carried out in a manner that conforms to international standards. In addition to providing housing for these residents for their relocation, we are supporting the construction of public facilities such as hospitals and schools. Furthermore, the project will create employment opportunities for these residents.

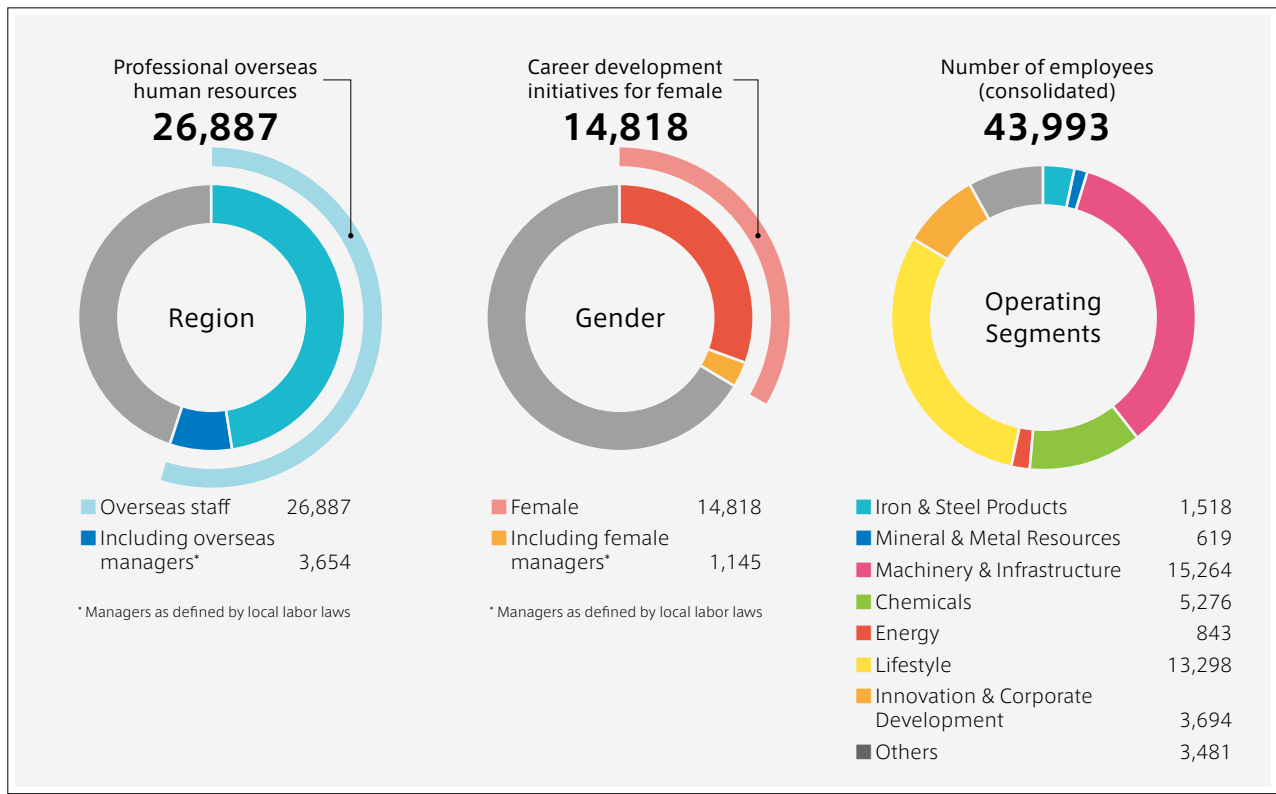
## Mitsui's Strength 5: Professional Human Resources with Sophisticated Business Know-How

As the first president of the former Mitsui,\* Takashi Masuda, stated, "Mitsui has a pool of very talented individuals. This is Mitsui's most important asset." We believe that human resources are our greatest asset. Mitsui possesses a diverse range of talented professionals in specific business domains, regions, products, and fields, and they have the qualities and capabilities to pursue the necessary initiatives to create and develop new businesses and create new value around the world. At this very moment, our human resources across the globe are leveraging our various capitals and working together to create value unique to Mitsui. At the same time, through direct experience in tumultuous, high-pressure, and make-or-break situations, we are further developing and enhancing "Strong Individuals" and "A Diverse Pool of Talented Professionals."

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



## Data Related to Our Full-Strength Team Comprising Diverse Human Resources



## Synergies for the Success of Projects According to Our Professional Human Resources

### **CASE** Pakistan LNG FSRU (Floating Storage and Regasification Unit) Business

Mitsui has a long-term agreement to jointly own a floating storage and regasification unit (FSRU). Through this agreement, we are offering regasification services for LNG in Pakistan, where demand for gas is growing.



#### **XIAOTONG BI**

Marketing Manager,  
Marine Energy Logistic Dept.  
Marine Enterprise Div.  
Mobility Business Unit II

Many colleagues are involved, they are talented and with various availabilities. Pakistan office always shared information timely, economy analyzation has been done in dozens of assumptions by analysts, some side information is collected by our Korean colleagues, etc. Without any piece, the project may not succeed.



#### **KAMAL WAJID**

Assistant General Manager  
Energy Team

Our colleagues were target oriented, timely responding, got inside local information through our existing business relations/synergy, and utilized our other local offices location presence and their strong relations with Govt, ministry helped us a lot for this project success.



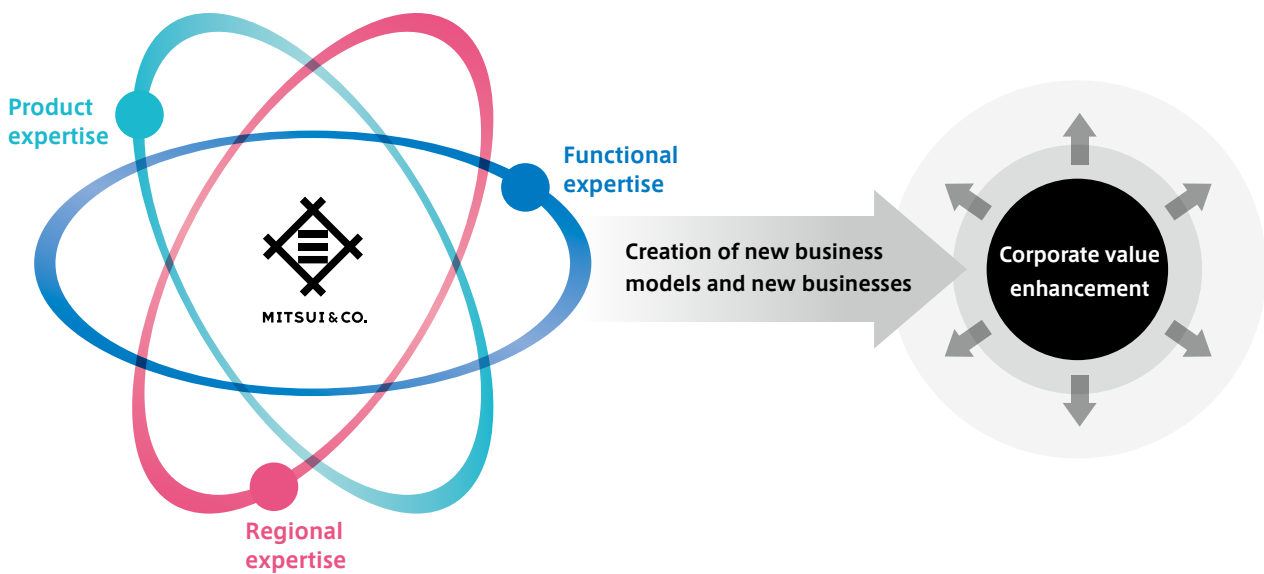
#### **TOMOKO IKEGAYA**

Assistant General Manager  
Project Management Team  
Orient Marine Co., Ltd.

To assess problem and seek improvement points, to assess all the potential risks and devise countermeasures. To research local information and provide us promptly. This project needs deep understanding of local laws, culture and business practices, which our colleague has.

## Mitsui's Strength 6: Mitsui's Comprehensive Strengths

Our talented professionals fully leverage our capitals and pursue co-creation with our stakeholders to create tremendous industrial value both quantitatively and qualitatively. In addition to this, there is another equation for value creation. That equation is the comprehensive strengths of Mitsui, which are realized through the multiplication of functional, product, and regional expertise. We have a unique operational organization that is built upon the two axes of product and regional expertise. Under this organization, we engage in business activities while leveraging the respective strengths provided by these two axes and pursuing collaboration organically between them. We work to share and apply the insight and know-how accumulated and sophisticated by each business unit, including the comprehensive knowledge pertaining to their respective products and local information, in a manner that transcends organizational boundaries. Additionally, by combining the various functions we possess as a general trading company, we are able to create new business models and new businesses and further enhance our corporate value.



### Driving Growth by Providing Support That Transcends Organizational Boundaries

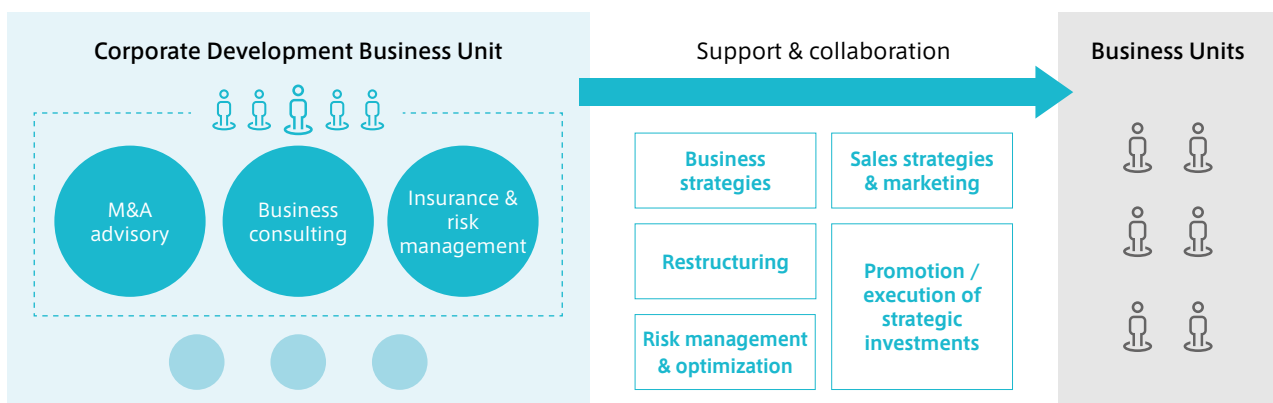
● Functional expertise × ● Product expertise

The Corporate Development Business Unit provides the engine for innovation that helps us advance into new and fast-changing markets and establish unprecedented business models. The unit draws on the particular set of skills accumulated on the frontlines of financial business and logistics business. Functioning as a financial advisor and much more, the Corporate Development Business Unit works to identify

business with high growth potential in each business unit and carries out investment, and furthermore provides comprehensive support for enhancing business value after investment.

There are two aspects of the Corporate Development Business Unit's activities as "an internal M&A advisor," one of its missions. First, it helps other business units inside Mitsui

MITSUI & CO., LTD.



pursue entirely new investment opportunities by identifying and purchasing businesses (M&A advisory). Second, it helps them manage their existing portfolio companies so as to add maximum value through bolt-on acquisitions, asset sales, or business reengineering.

The Corporate Development Business Unit has helped Mitsui evolve in all sorts of new directions. For example,

it supported the ICT and Mobility teams' joint investment in Rajant Corporation, a provider of innovative wireless technology solutions that enable industrial IoT applications and autonomous vehicle operations. It also helped Mitsui's Fashion & Retail team to invest in Indochino.com, an omnichannel retailer of made-to-measure clothing, and the Mobility team to invest in Penske Truck Leasing Co., L.P.

## Leveraging the Group's Know-How to Resolve Social Issues around the World

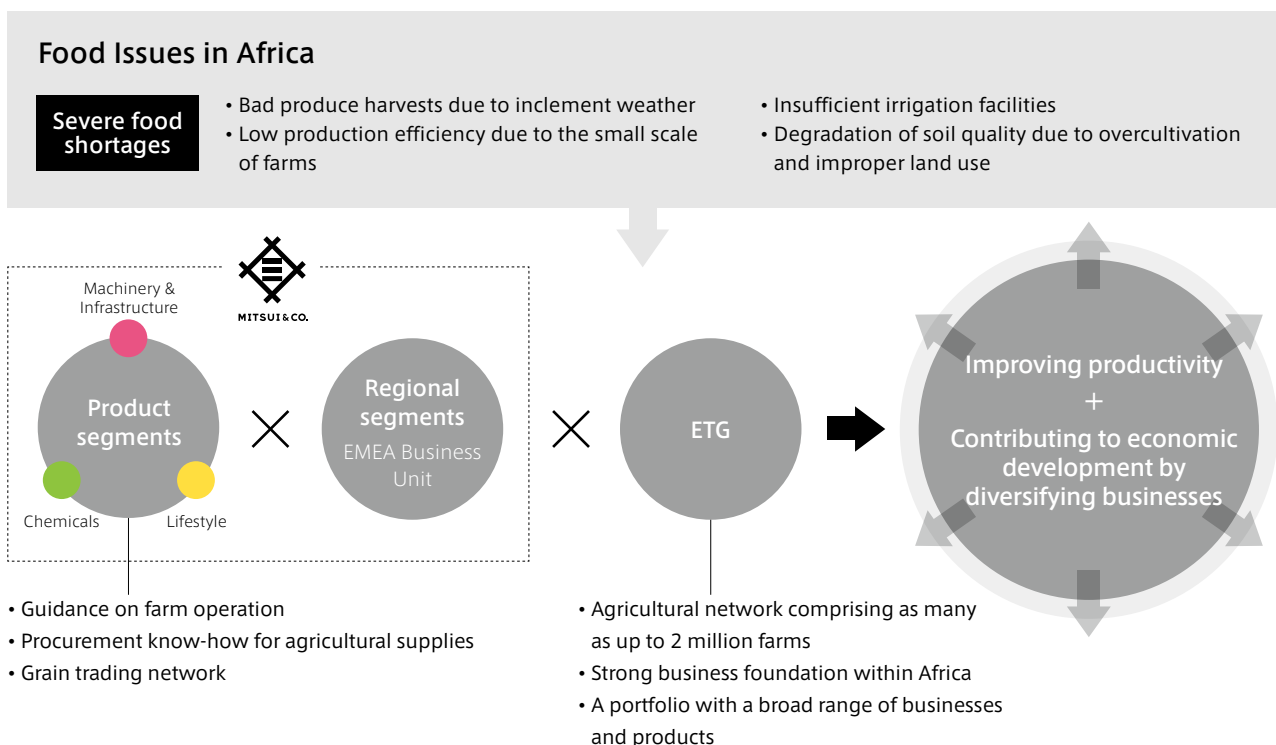
● Product expertise × ● Regional expertise

We have selected "Nutrition and Agriculture" as a growth area under our current medium-term management plan. In this area, we acquired a part of shares in ETC Group Limited ("ETG"), a company with its headquarters in Dubai, United Arab Emirates, with a total acquisition price of ¥30.0 billion. ETG has comprehensive networks comprising as many as up to 2 million farms in East Africa and countries bordering the Indian Ocean. Leveraging this network, ETG promotes efforts to contribute to agricultural growth. Through our involvement in the business expansion of ETG, we will provide the company with farming advice (advice related to improving farm management and agricultural techniques) and share the procurement know-how for agricultural supplies to contribute to the resolution of social issues related to food and agriculture in Africa.

Based on its credo "If farmers grow, we grow too," ETG has worked for over 50 years to provide support to small farmers. ETG's agricultural network was formed through deep

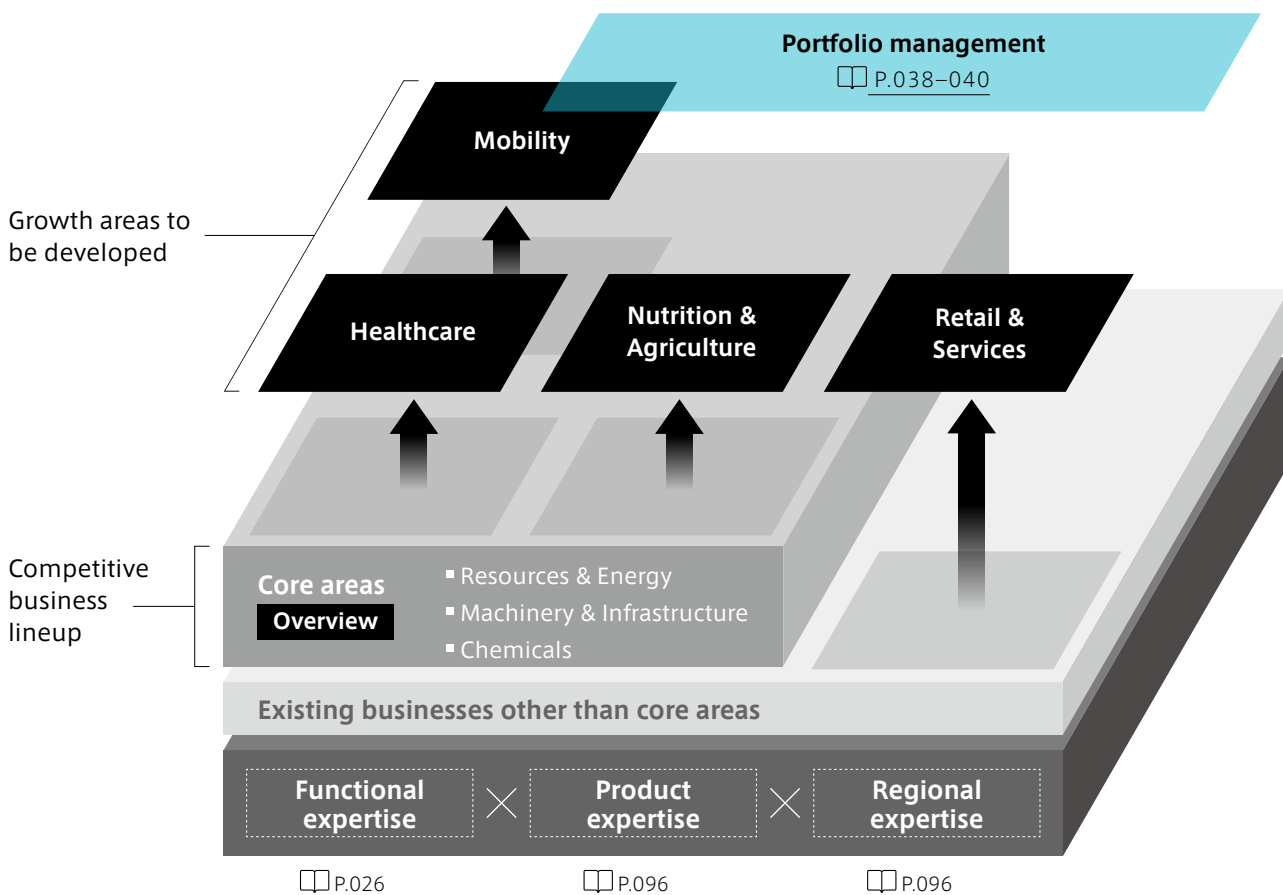
trust-based relationships with farmers. This network possesses functions for origination sales, agricultural material sales, and farming advice. In addition, the network is able to process pulses (i.e., beans excluding soybeans and peanuts) and carry out the manufacture and sale of general consumer goods, making it highly independent.

By leveraging this logistics network, we aim to provide goods and services that are deeply rooted in people's lifestyles on a one-stop basis, including processed foods, general consumer goods, materials, and insurance products, to support the improvement of ETG's corporate value. Also, through these efforts, we will encourage agricultural independence and growth in Africa while also promoting business diversification through the utilization of ICT and the collaborative development of infrastructure to improve the quality of life in African countries and contribute to their economic development.



# Mitsui's Long-Term Strategy 1: Positioning Strategy That Leverages Our Competitiveness

In "Core areas," Mitsui continuously adds assets through bolt-on acquisitions in its areas of strength, thereby further enhancing its strong businesses. In "Growth areas," Mitsui's next profit pillars, we develop and evolve our existing businesses, including those in our core areas where we are already competitive. In addition, we allocate our limited capitals in a well-balanced manner through portfolio management, with the aim of building a robust profit base as well as establishing new growth areas.

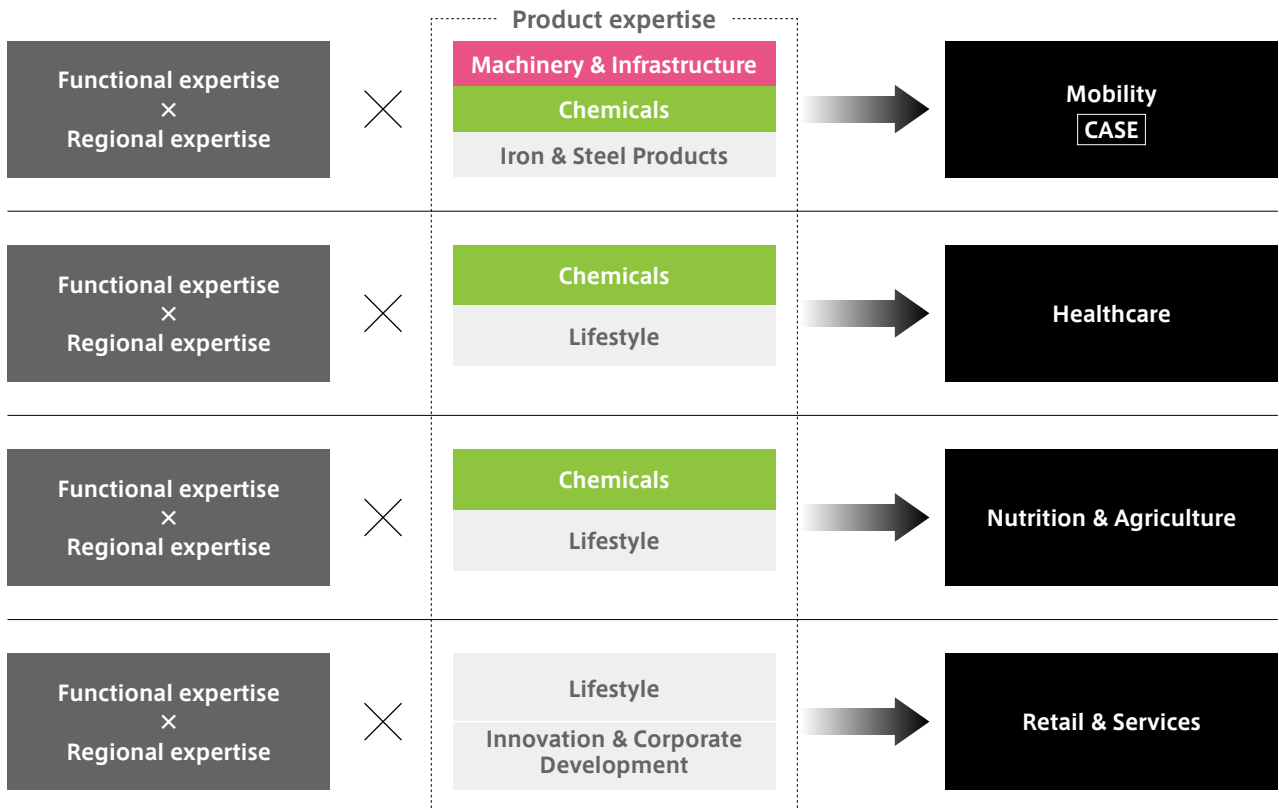


## Overview Our Competitiveness in Core Areas

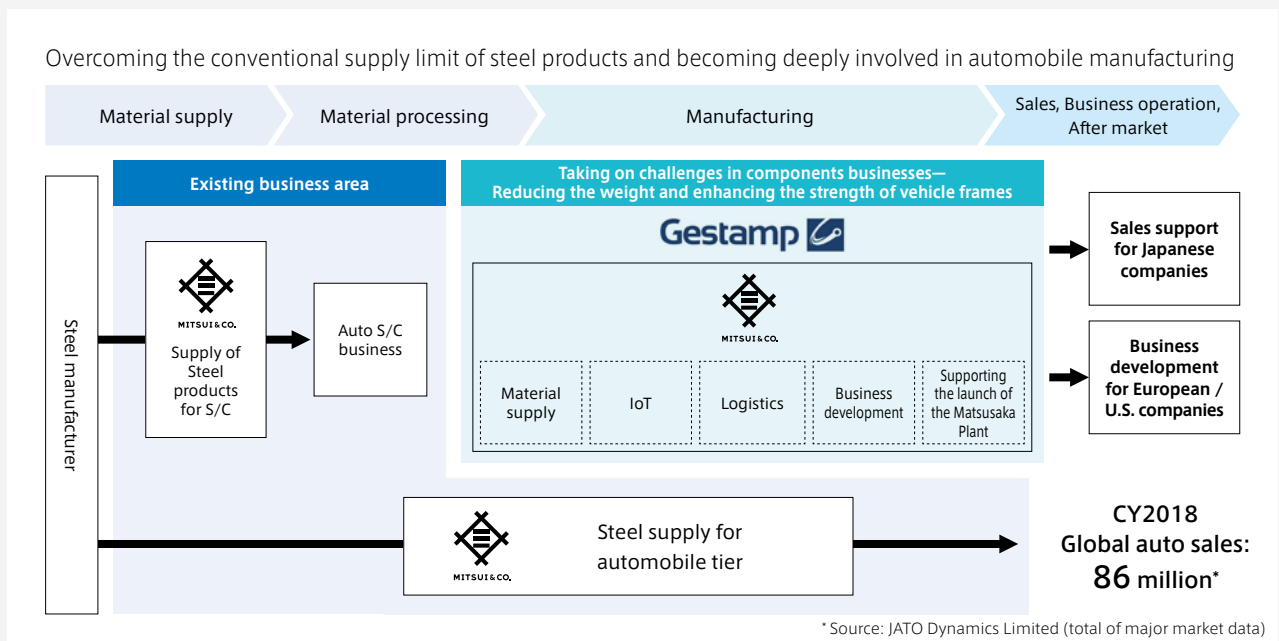
	Value provision	Competitiveness	Efforts to gain an even greater competitiveness
Mineral & Metal Resources	<ul style="list-style-type: none"> <li>• Cost competitiveness</li> <li>• Stable supply of a consistent level of quality</li> <li>• Financing</li> <li>• Marketing (purchasing power)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Overwhelming cost competitiveness of owned assets</b></li> <li>• Ability to supply a consistent level of quality</li> <li>• <b>Relationships with influential partners (including governments and local communities)</b></li> <li>• Brand and trustworthy reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen a three-pronged approach of enhancing cost competitiveness, production volume, and reserves</li> </ul>
Energy			
Machinery & Infrastructure (Infrastructure Projects)	<ul style="list-style-type: none"> <li>• Stable over the long-term supply of electricity and gas</li> <li>• Provision of services related to offshore energy</li> <li>• Financing</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ability to organize and manage projects</b></li> <li>• Know-how in infrastructure development and management</li> <li>• Ability to negotiate long-term contracts</li> <li>• <b>Long-term, trust-based relationships with important clients</b></li> <li>• <b>Relationships with influential partners (including governments and local communities)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Undertake a digital transformation for our assets</li> </ul>
Machinery & Infrastructure (Integrated Transportation Systems)	<ul style="list-style-type: none"> <li>• Establishment and expansion of local value chains</li> <li>• Sales support and provision of financing</li> <li>• Provision of comprehensive services related to leasing, maintenance, logistics, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Trading network</b></li> <li>• Marketing capabilities</li> <li>• Logistics expertise</li> <li>• <b>Long-term, trust-based relationships with important clients</b></li> <li>• <b>Relationships with influential partners</b></li> </ul>	<ul style="list-style-type: none"> <li>• Take initiatives toward the growth area of "Mobility"</li> </ul>
Chemicals	<ul style="list-style-type: none"> <li>• Virtual pipeline</li> <li>• Cost competitiveness</li> <li>• Stable supply</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Trading network</b></li> <li>• Marketing capabilities</li> <li>• Know-how in transportation of chemicals that are difficult to transport</li> <li>• Industrial and material expertise (judgment capabilities)</li> <li>• <b>Multilayered relationships with influential partners and clients</b></li> </ul>	<ul style="list-style-type: none"> <li>• Take initiatives toward the growth area of "Nutrition &amp; Agriculture"</li> <li>• Reinforce trading capabilities</li> </ul>

### Establishing Growth Areas

Rather than establishing businesses in which we have no experience or track record, we adopt a perspective that considers the overall value chains of our existing businesses, fully utilizing the industrial expertise we have cultivated in these businesses, as well as our established network of clients and partnerships, to create new business models and promote new projects. □ P.024–025 History of Pursuing Challenges in Growth Areas



### CASE Functional expertise × Regional expertise × Iron & Steel Products = Mobility: Reinforcement of Mitsui's Automobile Value Chain



## Mitsui's Long-Term Strategy 2: Portfolio Management and Financial Strategy —Practicing Disciplined Portfolio Management and Maintaining a Stable Financial Base—

Striving to improve business quality and ensure appropriate returns, Mitsui applies its refined risk management capabilities to all stages of business, beginning with selecting investment candidates that we have discovered by leveraging our expansive networks and industrial expertise, and continuing on through the process of making investment decisions, starting up projects, enhancing corporate value, and strategically recycling assets. In addition, our basic financial policy is to maintain liquidity and a stable financial base to support our diverse business portfolio as well as our growth strategies.

Through portfolio management, we efficiently allocate our limited capital in a well-balanced manner to areas that are of importance to the Group, to further strengthen our business portfolio with the aim of our sustainable growth and social development.

### Basic philosophy of portfolio management

- ▶ Strengthening earnings bases of existing businesses and leveraging economies of scale
- ▶ Generating inter-business synergies through strategic positioning in the value chain
- ▶ Acquiring new function platforms
- ▶ Expanding into new business fields and taking on the challenge of creating innovative new business models

Balance sheet (As of March 31, 2019)  
¥ trillion

Current assets <b>4.0</b>	Other liabilities <b>2.8</b>
Non-current assets <b>7.9</b>	Interest-bearing debt* <sup>1</sup> <b>4.6</b> <b>(3.7)</b>
	Shareholders' equity* <sup>2</sup> <b>4.3</b>
Non-controlling interests <b>0.2</b>	

\*1. Figure in brackets are "net interest-bearing debt," which is interest-bearing debt minus cash and cash equivalents, and time deposits.

\*2. "Shareholders' equity" means total equity attributable to owners of the parent.

### Basic Approach to Financial Strategy

- ▶ Maintain Liquidity and Stable Financial Base

#### Policy

Maintaining a sufficient amount of liquidity to cover the repayment of interest-bearing debt

Keep enough cash in hand to cover approximately two years of repayments



Hold necessary liquidity on our balance sheet even in emergency situations, including the drying up of market liquidity

#### Policy

Steadily procure funds over the long term in accordance with asset liquidity

- Procure funds for long-term investment and loan projects based on funding periods of approximately 10 years

↓

Minimize refinancing risks

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

↓

Address country risks

Maximize funding efficiency throughout our consolidated Group

Create an in-house banking process in which funding can be procured and surpluses deployed efficiently in each region according to need



Effectively leverage liquidity and lines of credit



## Lifecycle Management of Investments

01

### Project Incubation

Mitsui develops existing businesses by leveraging the networks and insights gained through partnerships and customer relationships in various industries and regions while seeking out and advancing new projects with the potential to become promising businesses in a similar manner.

**Risk Management**

- Objective self-analysis of the depth of our understanding and management capabilities regarding the risks of target markets and business models
- Necessary measures including partner involvement and risk hedging

02

### Analysis, Evaluation, and Deliberation

Investment decisions are made based on analysis of qualitative factors as well as the required profitability ratio and other quantitative standards.<sup>3</sup> Moreover, a variety of factors are evaluated in making decisions, including the ability to execute business plans, Mitsui's functions to be utilized, probability of increasing value, conditions of contracts with other related parties, risk analysis and management measures (including ESG-related risks), value of the business, period of project execution, and internal control effectiveness. Investment candidates are screened and final decisions are made after deliberations by relevant committees.

**Risk Management**

- Appropriateness evaluations and stress checks based on prerequisite conditions related to commodities markets, foreign exchange, interest rates, and costs
- Contract condition negotiations and due diligence
- Deliberations held at every stage by the Council of Investment and Finance Proposals, the Corporate Management Committee, and the Board of Directors regarding factors such as investment, loan, and guarantee amount

#### Quantitative Guidelines of Each Meeting Structure to Select Proposals for Deliberation

Meeting Structure	Proposals	Amount
Council of Investment and Finance Proposals	Investment, loan, and guarantee proposals, project entailing acquisition of business assets or other such project	Over ¥5.0 billion
Corporate Management Committee	Total investment, loan, and guarantee amount on a consolidated basis	Over ¥15.0 billion
	Among investment, loan, and guarantee proposals, matters to be resolved by the Board of Directors	—
Board of Directors	Disposal and acquisition of important business assets	Over ¥40.0 billion

- In accordance with the Specially Designated Business Management System, separate discussions are held, when necessary, regarding business domains with high qualitative risks pertaining to ESG and other factors.

03

### Final Investment Decision and Execution

Investments are decided and executed once it has been determined that they meet internal approval standards and that contractual obligations have been fulfilled.

**Investment Discipline**

- Appropriate accounting treatments for factors such as investment disparities

04

### Project Development

Energy resource and infrastructure development projects are advanced together with partners. By carefully monitoring project progress and flexibly responding to unforeseen circumstances, projects are completed within the planned budgets and timeframes.

**Risk Management**

- Project management (budgets, construction period, credit, contracts, finances, environmental concerns, etc.)

05

### Value Addition through Operation and Management

Mitsui plays a direct role in operating businesses and managing companies in order to boost their competitiveness and value. Mitsui's functions are utilized to this extent by appointing professionals who are highly specialized in the respective business area, dispatching our diverse group of professionals, and pursuing close coordination between Mitsui and individual businesses. Furthermore, inter-business collaboration is promoted to help Mitsui explore new markets and business models.

**Risk Management**

- Monitoring of and response to market conditions, competition, and other operating environment changes
- Tracking of facility operation ratio and income and expenditure trends and responding to any issues
- Management of risks related to factors including finances, taxation, labor, legal affairs, credit, and the environment

**Investment Discipline**

- Confirmation of effectiveness of internal controls
- Appropriate asset value assessments and timely and appropriate accounting treatments

06

### Strategic Asset Recycling

Businesses we have invested in are continually evaluated based on growth potential, the ability to increase value with Mitsui's functions, and strategic benefits. If it is deemed that a business's viability is beginning to peak, we will consider new strategies, such as merging businesses into other companies, or the possibility of asset recycling, and then put these plans into effect.

**Investment Discipline**

- Stringent adherence to portfolio management cycle

■ Business Frontline   ■ Business Supporting Unit<sup>4</sup>

<sup>3</sup>. Quantitative standards considered include consolidated internal rate of return, ratio of consolidated investments and loans outstanding to guarantees, and risk-return ratio. The risk-return ratio is the ratio between the amount of risk assets associated with a specific project and the profit for the year projected to be generated through Mitsui's equity holdings in the project. Risk assets refer to the maximum amount of anticipated loss on operating receivables and investments, assets such as property, and off-balance-sheet positions such as liability on guarantee belonging to the Group, calculated by multiplying internally established risk weight according to latent risks such as credit and market risks.

<sup>4</sup>. Planning & Administrative Divisions related to each business segment and Financial Management & Advisory Divisions (Please see organization chart on page 124 for details.)

## The Portfolio Management Committee's Role and Yearly Cycle of Portfolio Management

As one of the advisory bodies to the Corporate Management Committee, the Company has established the Portfolio Management Committee to establish portfolio strategy, formulate investment and loan planning, and provide portfolio monitoring. In addition, this committee reports such information to the Board of Directors on a regular basis.

▶ **Establishment of a strategy for the overall portfolio of Mitsui**

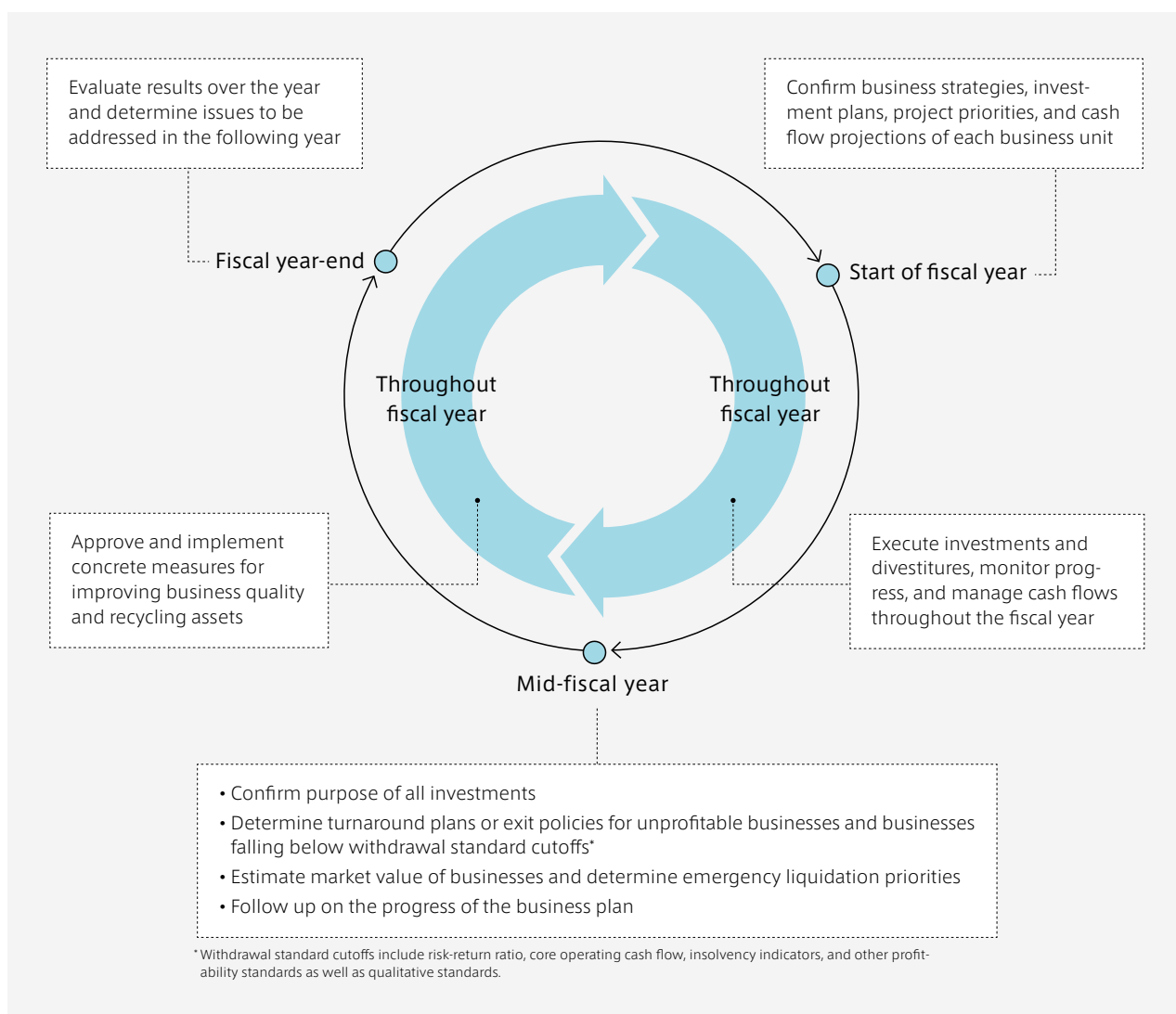
Specify priority areas and areas of focus, new target areas, and areas that need to be reviewed, in view of the overall strategy of Mitsui, the individual strategies of operating units, market trends and macro analyses, and the allocation of its management resources.

▶ **Establishment of investment and finance policies**

Establish important policies relating to the management of the overall portfolio of Mitsui such as guidelines for investment and finance limits, the design of a consolidated capital cost structure, etc.

▶ **Regular monitoring of Mitsui's overall portfolio**

Review regularly to confirm the significance of all business holdings, including listed shares, in addition to confirming the appropriateness of asset size in accordance with each business area and country.

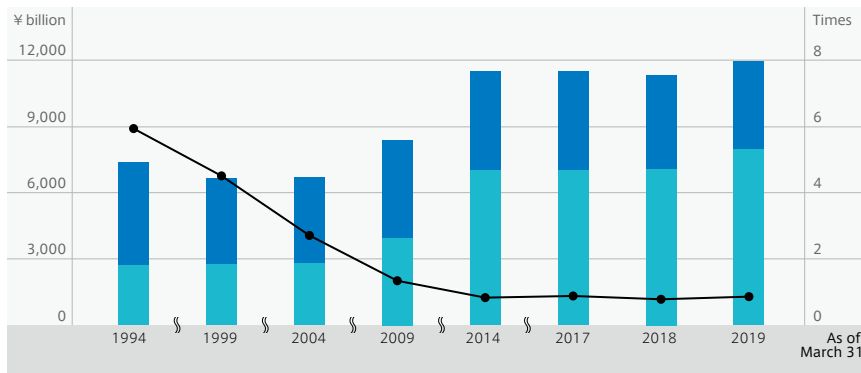


## Indicators We Focus on with Our Financial Strategies

During the previous medium-term management plan, we introduced a cash flow allocation framework. Our purpose was to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation by making a balanced allocation of cash, gained from operating cash flow and asset recycling, to both growth investments and shareholder returns.

For all of the indicators we focus on when considering financial strategy, our policy is to achieve gradual improvements by following our cash allocation framework and maintaining a positive free cash flow after returns to shareholders.

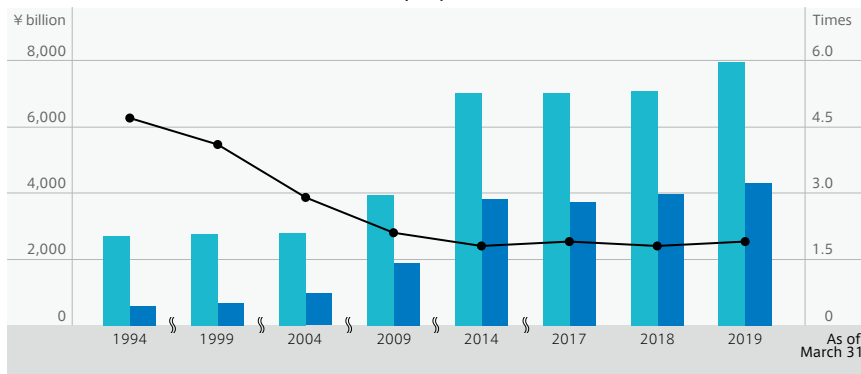
### Net DER\*



Legend: Non-current assets (left scale), Current assets (left scale), Net DER (right scale).  
\* Adjusted net DER by including 50% of subordinated syndicated loan (¥550 billion) in capital

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

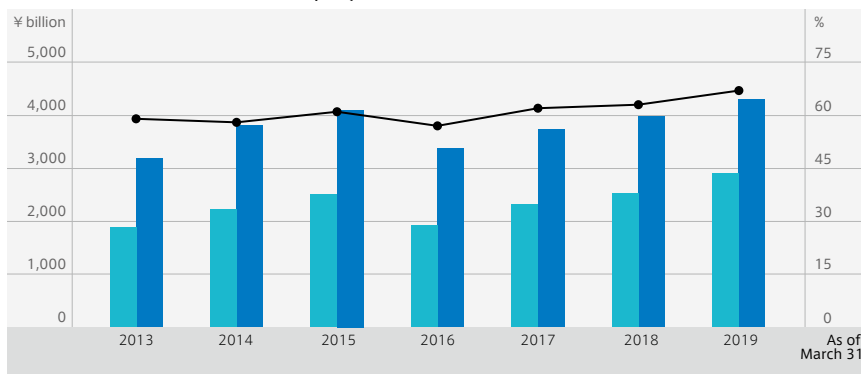
### Non-Current Assets / Shareholders' Equity



Legend: Non-current assets (left scale), Shareholders' equity (Attributable to owners of the parent) (left scale), Non-current assets/Shareholders' equity (right scale)

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

### Risk Assets / Shareholders' Equity

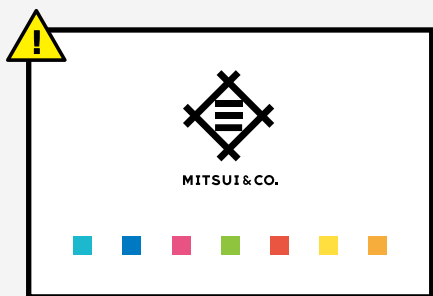


Legend: Risk assets (left scale), Shareholders' equity (Attributable to owners of the parent) (left scale), Risk assets/Shareholders' equity (right scale)

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

# Mitsui's Long-Term Strategy 3: Global Group Risk Management

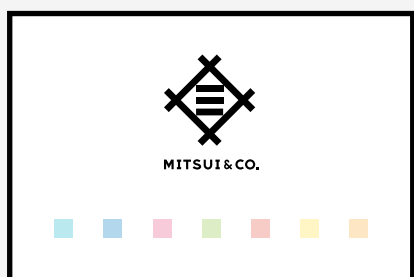
Our broad range of businesses across the globe face various risks. In addition, the environment surrounding our management and businesses is undergoing rapid change, leading to higher levels of uncertainty. Amid these circumstances, we need to heighten our awareness of risks and carry out a swift response to address them. Issues resulting from changes in the external environment, which are difficult to address in our frontline operations, need to be resolved through collaboration between the frontlines and management. To that end, we have in place the following risk management structure to ensure such collaboration.



1

## In the Event of a Crisis

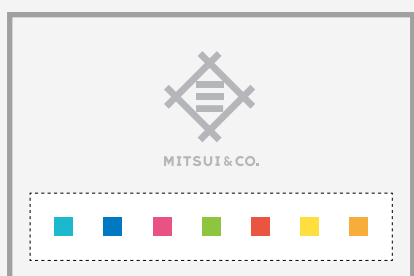
Pursuant to the Rules on the Crisis Response Headquarters, Mitsui established a Crisis Response Headquarters, headed by the President, as an organization to limit damage and loss by rapidly determining and implementing concrete measures to respond to crises appropriately.



2

## Companywide Risks

The Portfolio Management Committee and other organizations design, establish and develop risk management structures on a Global Groupwide level and handle significant risks. In addition, each division of the corporate units is responsible for surveillance of the whole Mitsui's positions, control within the range of their authority, and supporting the relevant Directors and Managing Officers.



3

## Frontline Operational Activities

Each Head Office Chief Operating Officer and Regional Chief Operating Officer manages business within the scope of the authority granted to them based on the various rules on delegation of authority, including the Rules on Delegation of Authority for Head Office Chief Operating Officers, and manages risk of loss relating to their businesses within the scope of their authority. Transactions that exceed the authority delegated to each Head Office Chief Operating Officer and Regional Chief Operating Officer require approval via Mitsui's internal approval system. In other words, approval needs to be obtained from the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation (please refer to page 39). Measures taken by each business unit to manage quantitative risks<sup>\*1</sup> include setting position limits and loss-cut limits as well as monitoring positions by divisions with relevant expertise. For the management of qualitative risks,<sup>\*2</sup> the business units are obligated to observe related internal regulations.

<sup>\*1</sup>. Credit risks, market risks, business risks arising from the businesses of subsidiaries, and country risks, etc.

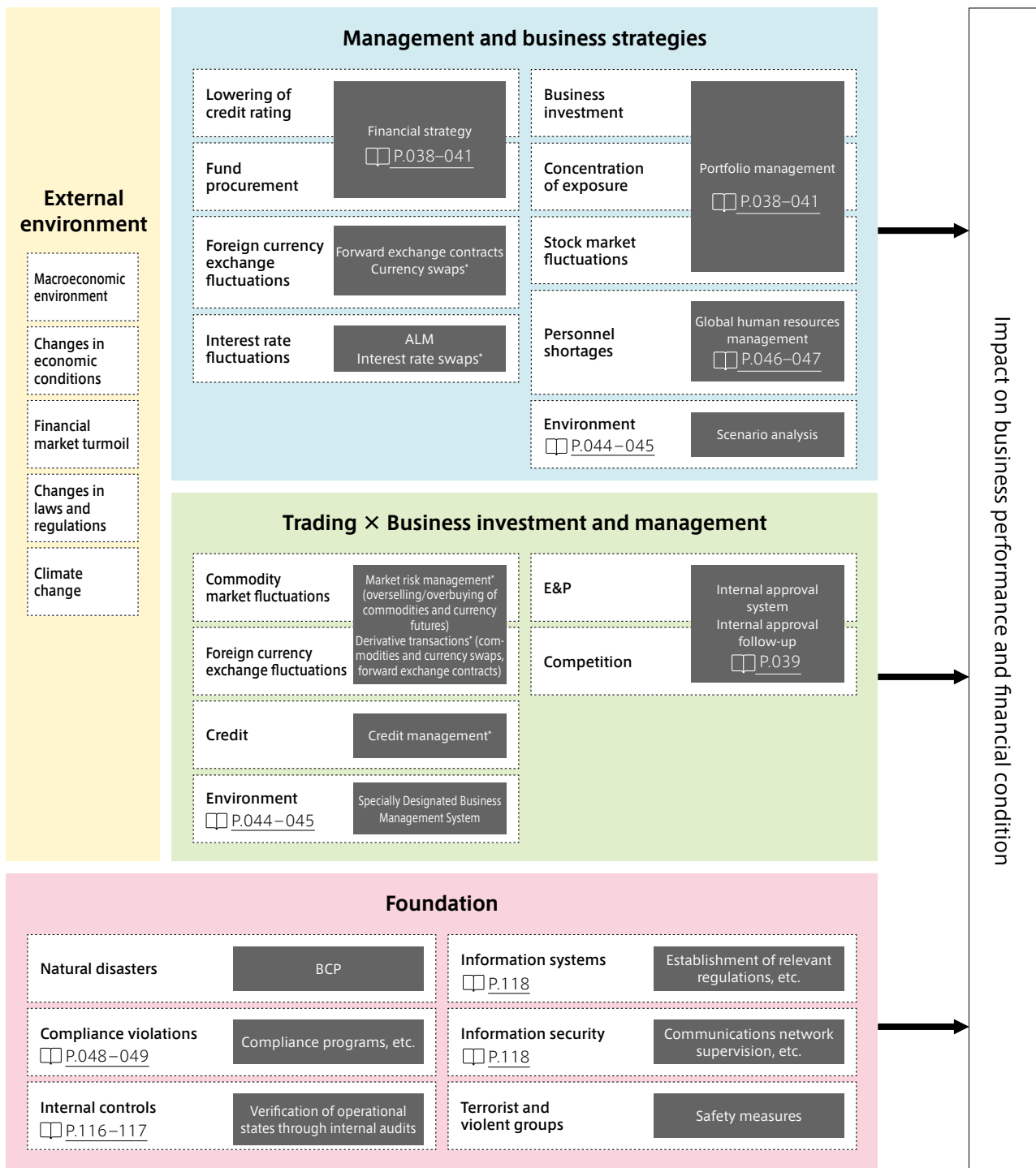
<sup>\*2</sup>. Compliance risks and operational risks, etc.

## Business Risks

Mitsui strives to identify the various causes of risks and gain an understanding of their characteristics. Mitsui also evaluates the potential of each risk materializing as well as the impact a risk would have if it were to actually materialize. Mitsui also steadily observes risks stemming from the external environment, for which it has no control over, as it executes its management and business operations. We also promote a wide range of initiatives to hedge and control risks caused by factors aside from the external environment.

### Business Risks and Risk Response

□ Risks ■ Measures to address risks



\* Please see our Annual Securities Report for details.

## Efforts to Address Climate Change through Our Business

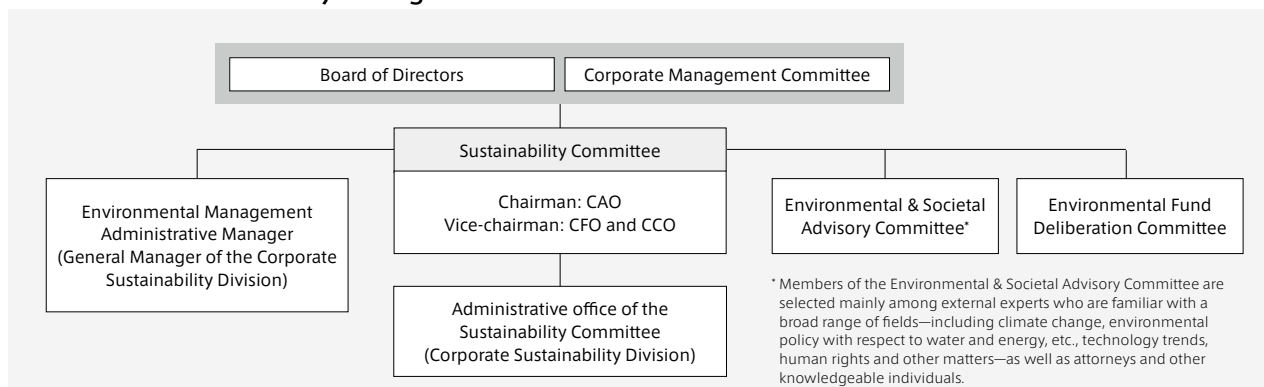
The actions of corporations to address climate change are becoming more and more important for realizing a sustainable society. This importance is highlighted by such factors as the adoption of the Sustainable Development Goals (SDGs) and the Paris Agreement by the United Nations. In December 2018, the Company declared its support for the Task Force on Climate-related Financial Disclosures (TCFD).

Mitsui has adopted the protection of the global environment as one of its material issues, "Create an eco-friendly society," in recognition of the adverse impact that climate change and other global environmental changes have on the sustainable growth of Mitsui and society as a whole. Meanwhile, the response to climate change provides us with new business opportunities, including low-carbon energy, eco-friendly infrastructure and products, and innovative services that make extensive use of digital technologies. We believe that the sustainable growth of society cannot be realized without economic development and measures to address climate change. Accordingly, we will leverage the comprehensive strengths of Mitsui's Global Group to achieve sustainable growth for society through collaboration with our various stakeholders.

### Governance Accelerating Our Response to Climate Change

To serve as an organization that operates under the Corporate Management Committee, we established the Sustainability Committee, which comprises directors, executive officers, and the general managers of each relevant corporate staff division. The Sustainability Committee engages in such efforts as collecting information related to the sustainability of Mitsui's businesses, conducting monitoring activities, and submitting proposals to the Corporate Management Committee. In addition, the committee collaborates with the Headquarter Business Units to identify business risks and opportunities pertaining to climate change and monitor the status of our frontline response to climate change. At the same time, the committee promotes activities to respond appropriately to the demand for information disclosure from external stakeholders. The details on discussions held at meetings of the Sustainability Committee are reported regularly to the Corporate Management Committee and the Board of Directors. These details are then used to help determine the future direction of our management.

### Structure for Sustainability Management



### Strategy Simultaneously Pursuing Economic, Social, and Environmental Value

We identify business risks and opportunities by Headquarter Business Units and formulate strategies for sustainable growth accordingly. While working to fulfill important missions for Mitsui, such as "Secure a Sustainable Supply of Essential Products," "Enhance Quality of Life," and "Create an Eco-Friendly Society," we are making concerted efforts to enhance the operational efficiency of our existing businesses and promote the development of innovative new technologies and business models. Through these means, we are taking on the challenge of realizing both economic development and a low-carbon society.

### Risk Management Improving Risk Tolerance and Capturing New Growth Opportunities

We have classified businesses with a high level of environmental impact as "specially designated businesses" and are working to formulate measures to address the environmental impacts that accompany these businesses. We are also making efforts to examine the compliance of the specially designated businesses with environmental regulations and guidelines and to minimize risks starting from the stage of project incubation (Specially Designated Business Management System). Furthermore, we have established the Environmental & Societal Advisory Committee, which functions as an advisory body to the Sustainability Committee. Composed of attorneys and other external experts, the Environmental & Societal Advisory Committee takes steps to improve the quality of Mitsui's projects from an objective and highly specialized perspective.

In the promotion and management of each business, we bear in mind the various climate change scenarios that are offered by internationally recognized organizations, such as the International Energy Agency, and analyze the impact of such scenarios on our businesses. Additionally, as we are a company that develops businesses all over the world, the climate change-related policies of each country have a significant impact on the profitability and sustainability of each individual business. We therefore make full use of the global network we have established through our business activities over many years to promptly gain an understanding of the policies of each country of operation as well as the stakeholder trends that could impact such policies. This understanding is then utilized in our decision-making process.

We undertake initiatives in a broad range of diverse businesses. Accordingly, we are continuously revising our portfolio with an awareness of enhancing our tolerance to climate change-related risks. We are also taking on the challenge of flexibly capturing business opportunities that leverage our expansive business development.

### Major Climate Change-related Risks and Their Impact on Mitsui's Businesses

To address the following climate change-related risks, which have the potential to adversely impact Mitsui's businesses, we are transitioning to a portfolio with a high risk tolerance in each business field. In addition, we are closely monitoring government policies, laws, and regulations in each country of operation and working to provide new products and services that give consideration to a low-carbon society. Through these means, we are preparing ourselves to respond to potential risks should they occur.

Transition Risks	
Policy and Legal	Decrease in demand for fossil fuels and impairment to Mitsui's stake in fossil fuel businesses resulting from the transition to using energy with low carbon emissions ..... Adverse impact on the profitability of Company-owned assets resulting from such factors as changes in the energy and power source mix due to government policies in each country and the introduction of new laws or regulations
Technology	Adverse impact on the supply and demand of existing products and services due to the introduction of new technologies that respond to climate change
Market	Risks that affect the procurement of funds for business promotion resulting from low-carbon policies of financial institutions and insurance companies
Physical Risks	Impediment of operations at operating companies in Australia, the U.S., and other regions due to cyclones and hurricanes

## Examples of Mitsui's Initiatives

### Initiatives toward New Technologies

To respond to the increasing demand for energy, and to pursue efforts to address climate change, we are engaging in a pilot project in the supply chain for hydrogen, which is expected to be utilized as a form of next-generation energy, and undertaking initiatives toward new technologies, including carbon capture and storage technologies.



Hydrogen supply chain project  
Source: Chiyoda Corporation

### Efforts Related to Greenhouse Gas Emissions

We have been conducting a survey of our greenhouse gas (GHG) emissions from the fiscal year ended March 31, 2006, in Japan and the fiscal year ended March 31, 2009, overseas. In the fiscal year ended March 31, 2019, GHG emissions from the Head Office, Company offices and branches, and domestic/overseas subsidiaries came to 0.69 million tons. Furthermore, GHG emissions from un-incorporated joint ventures in the metal resource and energy field totaled 3.23 million tons. As a result, total GHG emissions came to 3.92 million tons (see page 059).

Meanwhile, in addition to owning and maintaining forests that accumulate and absorb CO<sub>2</sub>, we are working to ease our total GHG emissions in such ways as participating in the Jirau run-of-the-river hydropower project in Brazil, which has received approval from the United Nations for annual carbon credits of 6 million tons.

Also, we have adopted a target to reduce energy consumption intensity by 1% or higher on average per year at our Head Office as well as at our domestic offices and branches and domestic subsidiaries.



For more information on our environmental data, please refer to *Sustainability Report 2019*.

### Mitsui's Forests

Passing on an abundance of forests to the next generation with the aim of realizing a sustainable society

We own forests in 74 locations that cover a total of roughly 44,000 hectares, which is approximately 0.1% of Japan's total land area. Taking into account the public value offered by forests, we have maintained and managed our forests over many years. In addition, all of our forests have obtained the FSC® certification (license number: FSC®C057355) and SGEC certification, which are both international standards. It is also estimated that Mitsui's forests accumulate and absorb roughly 560,000 tons of CO<sub>2</sub> per year.\* These factors demonstrate how we contribute to the mitigation of climate change-related risks through responsible forest management.

\* Based on in-house calculations that referenced "IPCC Guidelines for National Greenhouse Gas Inventories" Tier 1



# Mitsui's Long-Term Strategy 4: Human Resources Strategy

## —Maintaining and Enhancing a Strong Pool of Talent—

The source of the Mitsui & Co. Global Group's competitiveness lies in its strong pool of talent, which comprises 44,000 highly capable individuals on a consolidated basis. By having our diverse human resources engage in friendly competition as they take on the challenge of creating new value, we aim to realize growth for both our employees and the Group, which in turn will help us enhance our comprehensive strengths and bolster our competitiveness. To accomplish this aim, we will provide growth opportunities to our diverse pool of talent, who are active on the global stage, in an effort to maximize their individual capabilities and build a full-strength team of professionals. At the same time, we will strive to promote the best possible talent through fair competition and evaluation.

### Key Elements of Our Human Resources System

Mitsui regards human resource management systems as tools that help every individual employee to work energetically and lead to the realization of the corporate mission and values. This basic philosophy is reflected in the following priorities.

Mitsui's Global Group companies will share the above approaches through the Mitsui & Co. Global Business Management Guidelines and by other means. We will formulate human resource management systems, and recruit, train and appoint personnel on the basis of said guidelines, according to the particular circumstances of individual companies.

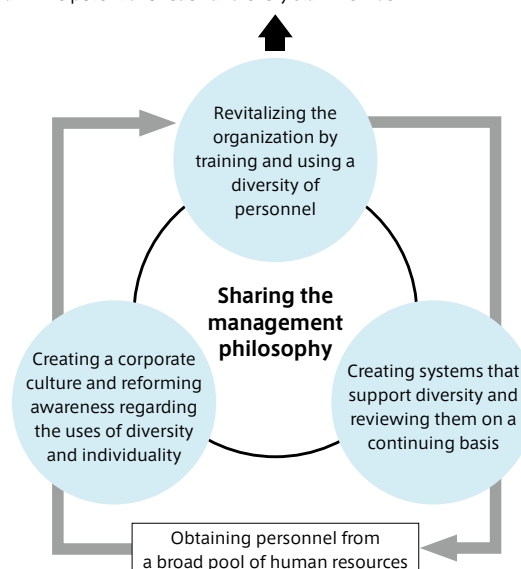
1. Recruitment of Human Resources	We will recruit people highly motivated to take on new challenges as well-balanced individuals.
2. Human Resource Development	We will develop people who share the values of Mitsui & Co. and have leadership skills that enable them to take the initiative in realizing our management philosophy.
3. Appropriate Appointment and Deployment of Personnel	We will appoint and promote optimal people from the Mitsui & Co. Global Group's human resource pool.
4. Promotion of Diversity & Inclusion	We will foster a corporate culture in which employees with diverse backgrounds accept differences and respect one another.
5. Developing of an Environment That Realizes Employee Potential	We will implement measures to develop an environment in which individuals can perform their tasks energetically at their full potential through diverse work styles.
6. Consideration for Employee Wellness, Working Environments, and Health and Safety	We will create healthy and safe working environments in which employees can continue to work with confidence.

### The Diversity Management That Mitsui Is Aiming For

Mitsui implements "diversity management," under which each and every member of our diverse human resources recognizes and respects each other, stimulates each other to exert their capabilities to the fullest, brings new value to our business, and creates innovation. This allows us to enhance the competitiveness of the Mitsui & Co. Global Group. Specifically, we strive to build a foundation on which we can realize this vision, primarily through the sharing of our management philosophy, by fostering a corporate culture that seeks to fully utilize diverse individual characteristics, by broadening employees' mindsets, and by creating and continually reviewing work-related systems to support diversity. At the same time, we train and deploy diverse human resources on a Global Group basis, and work to enhance our corporate value by building a full-strength team of professionals.

#### Increasing Competitiveness by Combining the Capabilities of Diverse Human Resources

- Development of personnel who promotes innovation with strong capabilities for flexibly adapting to and coping with change in an environment characterized by the globalization of business activities and expansion of business domains.
- To be a company that can attract human resources, draw out the individuality, and maximize potential of each and every staff member.





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## Frameworks for Promoting Active Roles for Our Diverse Human Resources

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In addition to strengthening the capabilities of our human resources, we are making thorough efforts to place the right people in the right positions on a Global Group level. In this way, we are working to further enhance our human capital and maximize the potential of organizational strengths.

### Flexible Reallocation of Human Resources

Human resources are vital but finite management resources. Taking into account the external environment and the balance between our portfolios and profits, we agilely transfer and position our human resources to growth areas that we have defined as targets under our management policies. We are continually implementing human resource reallocation measures such as the ones listed below to accelerate our business offensives, which have resulted in the promotion of business by diverse, talented professionals.

Since the fiscal year ended March 31, 2018, we have transferred approximately 100 people from corporate units to business units and affiliated companies, with the aim of streamlining administrative units and strengthening business frontline units. At the same time, we have been actively pursuing digital transformation on the corporate side, from where we dispatch these employees, equipping strong but light armor to operate with a high degree of sophistication.

### Supporting the Active Role of Women in the Workplace

The Company has formulated action plans to promote women's empowerment. The goal of "more than tripling the number of female staff in managerial positions as of June 2014 (67) by around 2020," which was described in the plans, was achieved in July 2018 (221). (Please see page 059.) In addition, to step up the cultivation of diverse leaders, the Company introduced career vision training targeting young female business staff and a female mentor system. In the fiscal year ending March 31, 2020, the Company plans on implementing the Women Leader Promotion Program, which will be geared toward our female managers.

### Introduction of the Change Leader Program

The Change Leader Program (CLP) was implemented as an initiative to identify, nurture and develop diverse talent on a global basis and to train them to become leaders who can actively and boldly push forward reforms necessary to create business. A total of 30 participants from around the world joined this program in the fiscal year ended March 31, 2019. Participants took part in various sessions including 1-on-1 programs with the top management at the Tokyo Headquarters, and underwent active business discussions with the business units and administrative units to accomplish their own stretch assignments that they set up. To promote local business origination to an even greater extent, we will continue to leverage this program for further human resource development.



A training session in the Change Leader Program

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## Implementing the Mitsui Engagement Survey

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The Company began to gather accurate data about the attitudes of employees with the implementation of a survey on work styles in October 2015 (target: Mitsui & Co., Ltd.). In November 2018, we launched the Mitsui Engagement Survey targeting employees at the Tokyo Headquarters, branches and offices in Japan as well as employees working or recruited overseas. As for the survey's results, the level of employee satisfaction, which factors in such important matters as work fulfillment and sense of personal growth, was 76.6%. This result expressed numerically how our diverse human resources are engaging their job proactively with a sense of fulfillment. Through the provision of results from the survey as feedback to each region, we are promoting the development of each organization on a global level.



Please see *Sustainability Report 2019* for more details on our efforts toward human resources.

## Mitsui's Long-Term Strategy 5: An Organization with Integrity

We believe that business is built on a foundation of trust, and compliance is necessary to maintain and foster such trust. In our pursuit of compliance, it is not enough simply to obey laws, regulations, and norms. It is also extremely important that we continually verify the appropriateness of our words and actions against our sense of integrity.

Takashi Masuda, the first president of the former Mitsui,\* once said, "Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations." Since then, the Mitsui Group has inherited the spirit of working with high aspirations to realize valuable business that is truly required by society. The foundation on which those high aspirations are based is integrity.

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

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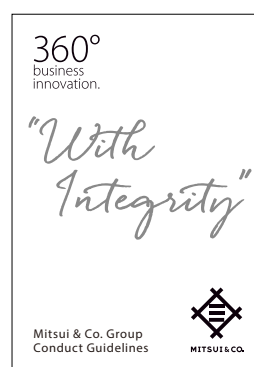
### The Mitsui & Co. Group Conduct Guidelines—"With Integrity"

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Mitsui & Co. and each of the Mitsui Group's companies have individually established their own corporate philosophy (MVV) and business conduct guidelines. While such company-level initiatives remain very important, in November 2018 we put together the Mitsui & Co. Group Conduct Guidelines—"With Integrity" to share our approach toward integrity and compliance on a Global Group basis and to continue achieving sustainable growth as a Group.

Our basic approach toward integrity involves various aspects, including not only the observance of laws and regulations but also respect for human rights, the elimination of discrimination, respect for diversity, the cultivation of an open-minded corporate culture, and consideration toward environmental conservation. Above all, our approach aims to act honestly in accordance with the highest ethical standards.

We will continue to respond faithfully and sincerely to the trust placed in us by each of us working in Mitsui Group, putting the spirit of these conduct guidelines into practice in our daily actions.



Mitsui & Co. Group Conduct Guidelines—"With Integrity"

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

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### Initiatives to Build an Organization with Integrity

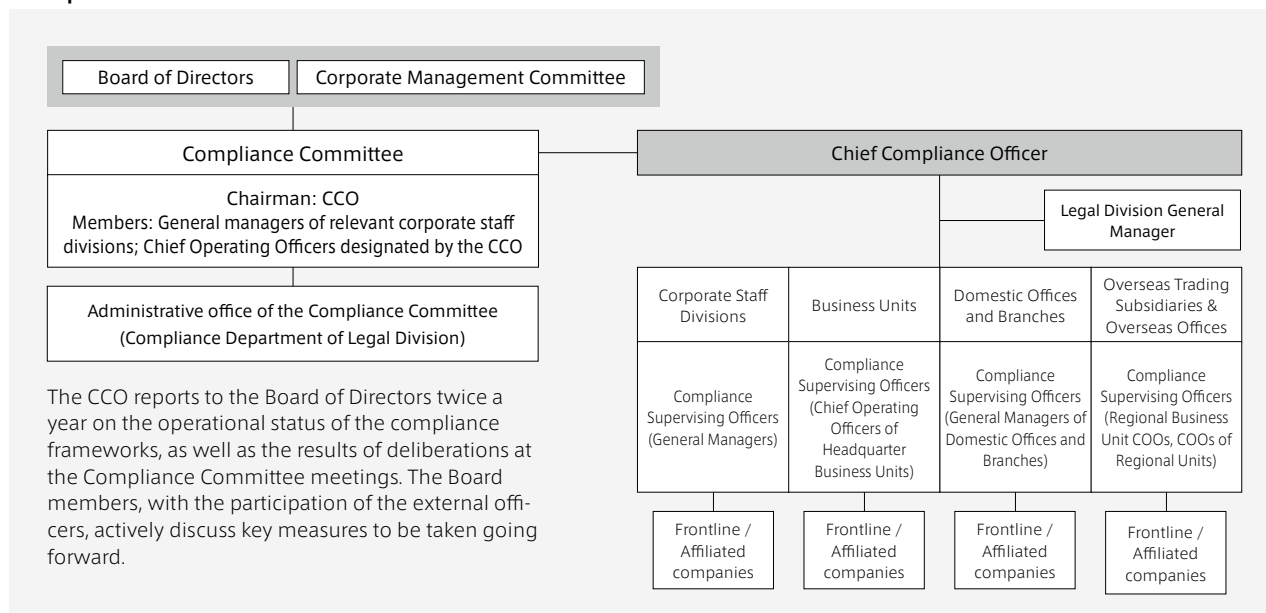
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To maintain its reputation that is truly trusted by society, we are working at the Global Group level to ensure the compliance awareness and action with integrity of its employees and build an organization with integrity.

#### 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) and in collaboration with the Compliance Supervising Officers appointed in each of Mitsui's business units, and branches and offices in Japan and overseas. The objectives of these efforts implemented on a Global Group basis are to: (i) heighten compliance awareness, (ii) improve and strengthen compliance programs, and (iii) respond to specific compliance issues as they arise. Furthermore, to serve as an organization that operates under the Corporate Management Committee, we established the Compliance Committee, which works to develop our compliance framework and maintain and improve its effectiveness. With the participation of external attorneys, the Compliance Committee discusses action plans for improving the compliance framework based on various compliance-related matters that have been reported. The minutes of the committee meetings are shared among all of our officers and employees. In addition, Group CCO meetings, in which CCOs of the Company and its affiliated companies in Japan participate, and overseas office CCO meetings, are held regularly in order to actively exchange information and opinions about optimum initiatives and other related matters, thereby strengthening the compliance framework on a Global Group basis.

## Compliance Framework



## Compliance Programs

We believe that even if a detailed, fine-tuned compliance program is formulated, the effectiveness of the compliance framework cannot be reinforced without management executives taking the lead in compliance-related initiatives. For this reason, the President & CEO, CCO, and other executives are proactively engaging in awareness-raising activities and sending messages to employees continuously and repeatedly on the importance of integrity and compliance. By leveraging the Mitsui & Co. Group Conduct Guidelines—"With Integrity," the CCO blog, and other efforts, we are striving to instill a perpetual awareness of compliance while providing as many opportunities as possible for employees to better themselves through training and other means. In these ways, we share cautionary tales and important points of concern on compliance. Any cases of compliance violations are handled strictly, including disciplinary actions, in accordance with our Working Regulations.

## Fostering a "Speak up" Culture

We believe that the essence of compliance lies in the development of an open working environment that reflects our management philosophy and values, so that problems can be prevented through smooth communication within the Mitsui Global Group. Should problems occur, a report must be immediately made to superiors or to those in charge, so that appropriate action can be taken in a timely manner. We recognize the importance of discovering problems at an early stage, and we are actively fostering a culture in which people speak up when they become aware of issues. Management executives continually disseminate the message that we can improve the Company by speaking up about issues.

The Company has established eight channels for reporting compliance-related matters within or outside of the administrative chain of command, including anonymous access to attorneys and independent organizations outside of Mitsui. The rules for the whistleblowing system already prohibited any form of retaliation against or disadvantageous treatment of whistleblowers.

Furthermore, Mitsui has introduced the Global Group Hotline, a special whistleblowing hotline for reporting and seeking advice regarding cases that breach the laws of Japan or another country in relation to anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to suspicion of such breaches. Under the system that is being put in place, the Compliance Department of the Legal Division of Head Office becomes a unified channel by which to receive whistleblowing reports from overseas trading affiliates, and other subsidiaries in Japan and overseas. Also, officers and employees of Group companies are able to seek advice directly through Mitsui's whistleblowing system when the issues are related to officers and employees of Mitsui or when the issues could have a serious impact on the Mitsui Group.

# Megatrends That Mitsui Envisions

In addition to the growing importance of sustainability around the world, the megatrends that have the potential to impact our businesses are changing by the moment. With a firm awareness of the internal and external environments of each Business Unit, we have identified the risks and opportunities facing our businesses and formulated strategies for sustainable growth accordingly. In this manner, we aim to not only achieve sustainable growth in corporate value but also contribute to the sustainable development of the environment and society as a whole.

## Megatrends

- Population increase
- Widening gap in income between rich and poor
- Climate change, environmental pollution
- Aging population
- Rapidly growing middle-income class
- Increase of healthcare needs
- Diversification of human resources
- Energy and water shortages
- Changes in work style
- Increase and diversification of infrastructure needs
- Technological innovation
- Accelerating smartification accompanied by increased security risk
- Further consideration for human rights



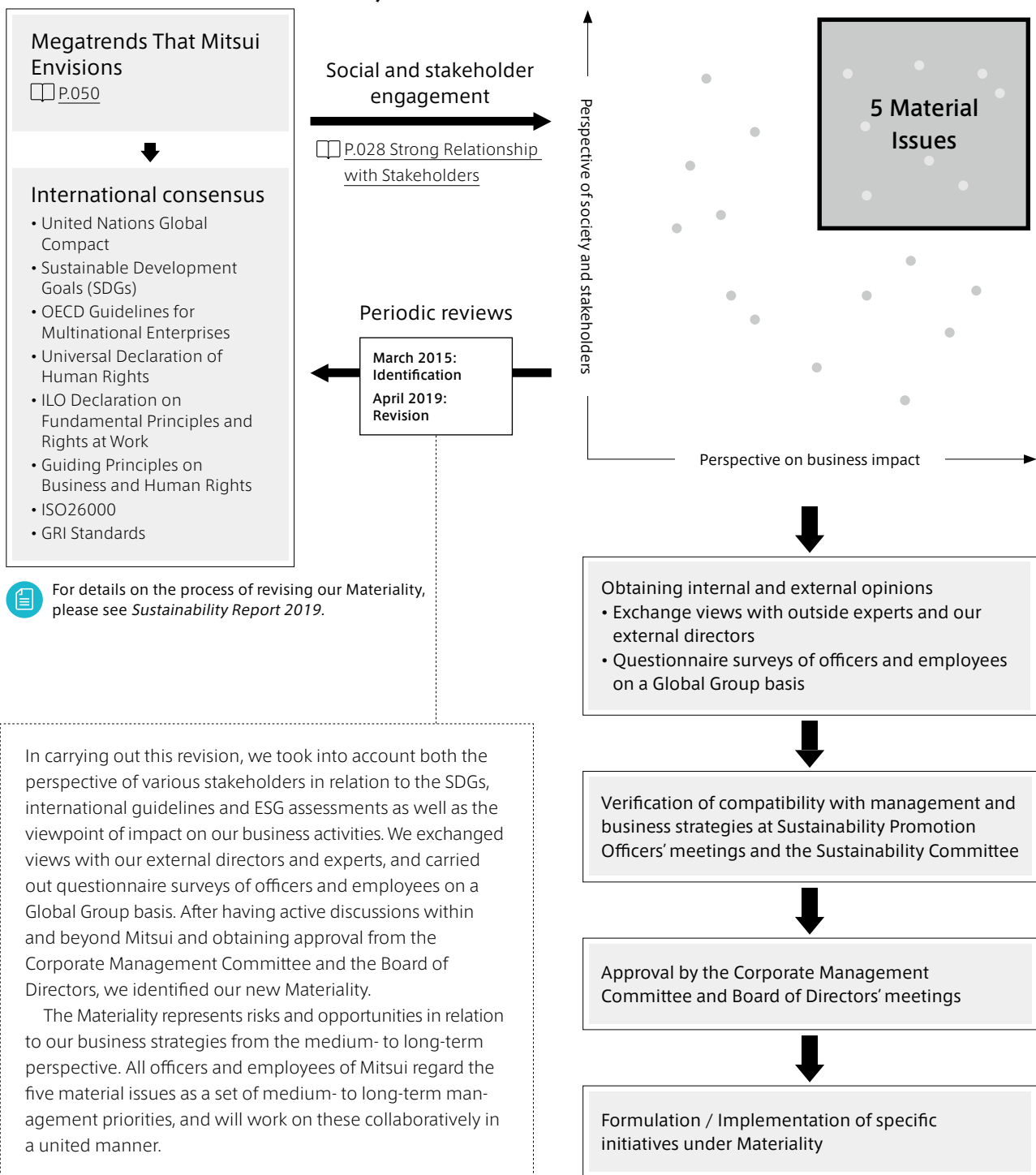
## Awareness of the Internal and External Environments

Segments	Awareness of the Internal and External Environments
<b>Iron &amp; Steel Products</b> <a href="#">P.076</a>	<ul style="list-style-type: none"> <li>■ Acceleration of transition toward a low-carbon society</li> <li>■ Restructuring of distribution systems and trend of local production for local consumption</li> </ul>
<b>Mineral &amp; Metal Resources</b> <a href="#">P.078</a>	<ul style="list-style-type: none"> <li>■ Acceleration of transition toward a low-carbon society</li> <li>■ Heightened importance of competitive minerals and metals</li> </ul>
<b>Machinery &amp; Infrastructure</b> <a href="#">P.080</a>	<ul style="list-style-type: none"> <li>■ Acceleration of transition toward a low-carbon society</li> <li>■ Increase in demand for transportation services and related infrastructures due to population increase</li> <li>■ Shift to the 3Ds (decarbonization, decentralization, and digitalization)</li> </ul>
<b>Chemicals</b> <a href="#">P.082</a>	<ul style="list-style-type: none"> <li>■ Acceleration of transition toward a low-carbon society and the circular economy</li> <li>■ Changes of consumer needs as a result of demographic changes</li> <li>■ Sharper awareness of health</li> <li>■ Progression of digitalization</li> </ul>
<b>Energy</b> <a href="#">P.084</a>	<ul style="list-style-type: none"> <li>■ Acceleration of transition toward a low-carbon society</li> <li>■ Increased need for clean energy</li> </ul>
<b>Lifestyle</b> <a href="#">P.086</a>	<ul style="list-style-type: none"> <li>■ Sharper awareness of health</li> <li>■ Sophistication of food demand following the global rise of the middle class; diversifying consumer needs as a result of demographic changes</li> <li>■ Changes in shifts in disease structure such as the increase in chronic illnesses</li> </ul>
<b>Innovation &amp; Corporate Development</b> <a href="#">P.088</a>	<ul style="list-style-type: none"> <li>■ Widespread use of IoT and AI</li> <li>■ Changes in consumer services</li> <li>■ Expanding scope of blockchain application</li> </ul>
<b>Overseas Regional Business Units</b> <a href="#">P.096</a>	<ul style="list-style-type: none"> <li>■ Heightened environmental awareness</li> <li>■ Importance of developing and promoting local talent</li> </ul>

# Material Issues of Focus (Materiality)

As a provider of industrial solutions for sustainable social development, we identified issues that are of high importance for society and our stakeholders and that have a significant impact on our corporate management. We designated these issues as Materiality. Materiality provides us with guiding principles to accurately assess expectations of Mitsui and fulfill our social responsibility. Accordingly, addressing these issues will help us maintain and strengthen our value creation capabilities in a sustainable manner.

## Identification Processes on Materiality



For details on the process of revising our Materiality, please see *Sustainability Report 2019*.

In carrying out this revision, we took into account both the perspective of various stakeholders in relation to the SDGs, international guidelines and ESG assessments as well as the viewpoint of impact on our business activities. We exchanged views with our external directors and experts, and carried out questionnaire surveys of officers and employees on a Global Group basis. After having active discussions within and beyond Mitsui and obtaining approval from the Corporate Management Committee and the Board of Directors, we identified our new Materiality.

The Materiality represents risks and opportunities in relation to our business strategies from the medium- to long-term perspective. All officers and employees of Mitsui regard the five material issues as a set of medium- to long-term management priorities, and will work on these collaboratively in a united manner.

### Mitsui and the SDGs

Adopting shared goals with its business partners, customers, local communities, NPOs, and NGOs, Mitsui has been contributing to resolve the issues facing industries and society through our businesses since our establishment by drawing on and combining our own strengths together with the strengths of our various stakeholders in a way that transcends organizational boundaries. These kinds of actions embody the essence of Goal 17 of the SDGs, "Partnerships for the Goals." With Goal 17 acting as our core, we will continue to pursue Challenge & Innovation in order to achieve the SDGs.



### Mitsui & Co.'s Materiality



Secure sustainable supply of essential products



Enhance quality of life



Create an eco-friendly society



Develop talent leading to value creation





Build an organization with integrity

### Related SDGs goals

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Secure sustainable supply of essential products	●	●	●				●					●		●	●		
Enhance quality of life	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Create an eco-friendly society			●			●	●	●	●		●	●	●	●	●		
Develop talent leading to value creation			●	●	●			●		●							
Build an organization with integrity		●	●		●	●	●	●		●		●	●	●	●	●	●

Materiality	Recognition of societal issues	Main risks and opportunities	Initiatives of Mitsui
<b>Secure sustainable supply of essential products</b> 	<ul style="list-style-type: none"> <li>Population growth and expanding demand for resources, energy, raw materials, food, manufactured products, etc.</li> <li>Improvement of production and supply capacity to respond to climate change</li> <li>Safety and security of food and manufactured products</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Climate change-related supply failures affecting resources, energy, raw materials, food, manufactured products, etc.</li> <li>Reputational damage resulting from safety and health problems affecting the final consumers of food and manufactured products</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Improvement of production and supply capacity to respond to the effects of climate change</li> <li>Enhancement of competitiveness through the establishment of traceability, responsible marketing leading to demand expansion, etc.</li> </ul>	<p>Contributing to the stable supply of resources and materials through the building of optimal supply chains, spanning all stages from upstream to downstream</p> <ul style="list-style-type: none"> <li>Contribute to the stable supply of metal resources and energy, and maintain an asset portfolio that is sustainable over the long term</li> <li>Steadily and efficiently supply safe and reliable food resources while also implementing countermeasures against climate change, abnormal weather events, and other disasters</li> </ul> <p>Supplying manufactured products and food with ensured safety and security</p> <ul style="list-style-type: none"> <li>Make traceability management a priority in the food business area</li> </ul>

Materiality	Recognition of societal issues	Main risks and opportunities	Initiatives of Mitsui
<p><b>Enhance quality of life</b></p> 	<ul style="list-style-type: none"> <li>• Infrastructure development in developing and emerging countries</li> <li>• Aging infrastructure in developed countries</li> <li>• Health maintenance, provision of healthcare, nursing, and welfare services</li> <li>• Consideration for indigenous peoples in relation to resource development and other activities</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Reputational damage resulting from safety and health problems affecting infrastructure users</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Development of sustainable infrastructure for improvement of living standards in developing and emerging countries</li> <li>• Growing demand for food with high added value in response to the growing middle-income class</li> <li>• Changes in shifts in disease structure due to population growth/economic development and increase in healthcare needs due to aging</li> <li>• Creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities</li> <li>• Market expansion by meeting diversifying consumer needs</li> </ul>	<p><b>Contributing to the enhancement of quality of life through the development of local and social infrastructures that are essential for sustainable growth and development</b></p> <ul style="list-style-type: none"> <li>• Respond to the increasing demand for core infrastructure in developing and emerging countries, which are experiencing remarkable population growth and economic development, and by doing so, work to cultivate local industries and create employment</li> <li>• Respond to repair demand resulting from the rise of aging infrastructure in developed countries</li> <li>• Respond to the global trend toward the aging of the population by developing senior housing business. Strengthen our business base centered on hospitals, which we see as core elements in the healthcare ecosystem and contribute to the advancement of healthcare from perspectives of accessibility, quality, and efficiency in Asia, where healthcare demand is expected to expand rapidly due to population growth, economic expansion, and demographic aging</li> <li>• Respond to the need for food with high added value, focusing particularly on greater demand for deliciousness and a heightened awareness of health</li> <li>• Provide products and services that meet the diverse needs of consumers</li> <li>• In cases in which resource development projects require neighboring residents in planned development areas to relocate, construct infrastructure that supports the livelihood of residents <a href="#">□□ P.031</a></li> </ul>
<p><b>Create an eco-friendly society</b></p> 	<ul style="list-style-type: none"> <li>• Global warming, climate change</li> <li>• Water resource shortages</li> <li>• Resource recycling, the circular economy</li> <li>• Environmental pollution</li> <li>• Loss of biodiversity</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Impact of tighter policies and regulations as part of the transition to a low-carbon society</li> <li>• Impact of new technologies and the creation of new markets on supply and demand in existing business areas</li> <li>• Disruption of business operations due to the impact of cyclones, hurricanes, and other events linked to climate change</li> <li>• Adverse effects on production yields in agricultural, forestry, and fishery products due to abnormal weather</li> <li>• Impact of leakage of hazardous chemicals</li> <li>• Increase of environmental costs due to the destruction/deterioration of ecosystems</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations</li> <li>• Creation of new business models based on resource recycling, the circular economy and sharing</li> <li>• Expansion of business areas, such as energy conservation and renewable energy, resulting from energy diversification</li> </ul>	<p><b>Continuously revising our asset portfolio with an awareness of enhancing our resistance to climate change-related risks</b></p> <ul style="list-style-type: none"> <li>• For energy, promote the strengthening of our asset portfolio related to gas and manage a crude oil portfolio with an awareness of the time period between 2030 and 2040</li> <li>• For metal resources, refrain from accumulating new assets for thermal coal and strengthen our asset portfolio—centered on iron ore, coking coal, and copper—by bolstering our cost competitiveness and promoting flexible asset replacement that responds to changes in demand forecasts</li> <li>• Gradually reduce the ratio of coal-fired thermal power within our equity share of power generation capacity and increase the proportion of renewable energy, including hydraulic power, to 30% by 2030</li> </ul> <p><b>Making contributions by providing industrial solutions to environmental problems through the development of environment-related businesses</b></p> <ul style="list-style-type: none"> <li>• Proceed with initiatives toward renewable businesses, the modal shift, and the widespread use of new energy vehicles such as electric vehicles</li> <li>• Promote efforts toward creating the sharing economy and resource recycling businesses (aboveground resources)</li> </ul> <p><b>Establishing targets to reduce energy consumption intensity by 1% or higher on average per year for Mitsui and its subsidiaries in Japan</b></p> <p><b>Increasing the ratio of sustainable certified palm oil including RSPO-certified procured to 100% by 2030 <a href="#">□□ P.030</a></b></p>

Materiality	Recognition of societal issues	Main risks and opportunities	Initiatives of Mitsui
<p><b>Develop talent leading to value creation</b></p> 	<ul style="list-style-type: none"> <li>• Diversity &amp; inclusion</li> <li>• Improvement on creativity through workstyle innovation and career development for diverse human resources</li> <li>• Innovation platforms</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Decline in the quality and competitiveness of human resources due to market and environmental changes</li> <li>• Outflows of employees due to the loss of career development opportunities for diverse human resources</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Improvements in productivity, efficiency, and motivation along with accelerating workstyle innovation</li> <li>• Recruitment of competitive people</li> <li>• Fine-tuned human resource development with an increased emphasis on diversity</li> <li>• Appropriate appointment and deployment of personnel on a global consolidated basis</li> <li>• Improvement of corporate competitiveness by creating innovations through diversity management promotion</li> </ul>	<p><b>Enhancing our diverse pool of talented professionals, who represent our greatest asset</b> <a href="#">□□ P.046-047</a></p> <ul style="list-style-type: none"> <li>• Guided by the belief that “human resources are our greatest asset,” strive to become a company in which individual employees can work with a sense of high motivation</li> <li>• Focus on the individual’s ability and personality in our selection processes to recruit diverse people who can succeed in a global environment</li> <li>• Foster diverse and strong individuals who can contribute to the management of our Global Group and create new value</li> <li>• Allocate human resources appropriately in order for our diverse professionals to achieve their full potential, and also to maximize our strategic potential as an organization</li> <li>• Raise awareness of and develop an environment for cultivating a corporate climate and culture of “diversity &amp; inclusion”</li> <li>• Create environments in which individual employees can enhance their efficiency and productivity and reach their full potential</li> </ul> <p><b>Health management, occupational health and safety initiatives</b></p> <p><b>Evolving into an entity capable of taking the lead in creating business by exerting our comprehensive strengths and our capabilities to connect and create</b></p>
<p><b>Build an organization with integrity</b></p> 	<ul style="list-style-type: none"> <li>• Expanding responsibility and increasing of consideration for human rights in supply chains (e.g., labor practices and impact on local communities)</li> <li>• Raising integrity awareness, including ensuring compliance among all officers and employees</li> <li>• Reinforcement of corporate governance and internal control</li> </ul>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Reputational damage resulting from human rights violations and environmental loads in supply chains</li> <li>• Compliance violations, including anti-competitive actions, corruption, and bribery, resulting from a lack of integrity awareness on the part of officers and employees</li> <li>• Information security problems</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Realize highly effective corporate governance by improving transparency and accountability and clarifying the separation between business oversight and execution</li> </ul>	<p><b>Promotion of Supply Chain Management</b> <a href="#">□□ P.030</a></p> <ul style="list-style-type: none"> <li>• Focus on complying with laws, respecting human rights, maintaining safe and sanitary working conditions, reducing environmental load, and ensuring consumer safety and confidence in relation to products and services</li> </ul> <p><b>Reinforcing compliance under the concept that our sound reputation is the foundation of our business, and recognizing that it is only through compliance that we can maintain that reputation and gain even more trust from our customers</b> <a href="#">□□ P.048-049</a></p> <ul style="list-style-type: none"> <li>• Ensure the compliance awareness of each employee</li> <li>• Build an organization with integrity on a Global Group basis</li> <li>• Take steps to improve the effectiveness of our corporate governance structure</li> <li>• Enhance our corporate governance structure and reinforce internal control on a global consolidated basis <a href="#">□□ CHAPTER 4</a></li> <li>• Strive to further improve transparency and promote active engagements with our stakeholders <a href="#">□□ P.028-031</a></li> </ul> <p><b>Risk Management</b> <a href="#">□□ P.042-043</a></p> <ul style="list-style-type: none"> <li>• Classify business areas affected by high qualitative risks relating to the environment, society, governance, and other aspects as “Specially Designated Businesses” and implement business initiatives under the Specially Designated Business Management System</li> <li>• Implement measures to protect personal information and cyber-security measures to manage information appropriately, a vital business asset</li> <li>• Formulate and regularly review a business continuity plan (BCP) to ensure that we will be able to maintain effective management structures, under our business continuity management (BCM) system</li> </ul>



## Participation in Initiatives

### United Nations Global Compact

In October 2004, the Company signed and pledged its support for the UN Global Compact. The Company has been participating as a member of Global Compact Network Japan and is complying with the principles as part of its own corporate guidelines. Currently, the Company conducts a Companywide survey every other year in order to check compliance with the UN Global Compact principles and is working to comply with and practice the principles on a Global Group basis.



#### Ten Principles of the UN Global Compact

<b>Human Rights</b>	<ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights; and</li> <li>2. make sure that they are not complicit in human rights abuses.</li> </ol>
<b>Labor</b>	<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. the elimination of all forms of forced and compulsory labor;</li> <li>5. the effective abolition of child labor; and</li> <li>6. the elimination of discrimination in respect of employment and occupation.</li> </ol>
<b>Environment</b>	<ol style="list-style-type: none"> <li>7. Businesses should support a precautionary approach to environmental challenges;</li> <li>8. undertake initiatives to promote greater environmental responsibility; and</li> <li>9. encourage the development and diffusion of environmentally friendly technologies.</li> </ol>
<b>Anti-Corruption</b>	<ol style="list-style-type: none"> <li>10. Businesses should work against corruption in all its forms, including extortion and bribery.</li> </ol>

### Sustainable Development Goals (SDGs)

Mitsui uses its capabilities in the five areas of marketing, financing, logistics, risk management, and IT process configuration to develop diverse business operations across nations and regions. As such, we believe that we can leverage these capabilities to make a wide-ranging contribution to the achievement of the 17 goals. We will strive to achieve, in particular, the goals related to our identified material issues in partnership with our stakeholders.

As a corporate member of Global Compact Network Japan, Mitsui will continue to raise awareness of the SDGs in its business organizations, to reflect the SDGs in our business strategies, and to ensure that our business activities are always guided by a determination to contribute to the achievement of the SDGs.

Please refer to the Sustainability Report for information on the themes of initiatives Mitsui has determined by material issue as well as the relationship of these initiatives with the 17 goals and 169 targets laid out in the UN SDGs. The Sustainability Report also introduces the specific activities that Mitsui is pursuing to realize the SDGs.



### Other Initiatives

- World Economic Forum
- Japan Foreign Trade Council, Inc.: Global Environment Committee, CSR Study Committee
- Japan Business Federation (Keidanren): Committee on Corporate Behavior & Social Responsibility, Committee on Gender Diversity, Committee on Environment and Safety, Committee on Nature Conservation
- Council for Better Corporate Citizenship (CBCC)
- Japan Forum of Business and Society (JFBS)
- Japan Business and Biodiversity Partnership
- Forest Stewardship Council (FSC®)
- Roundtable on Sustainable Palm Oil (RSPO)

## Message from the Chairperson of the Sustainability Committee

Toward the realization of a sustainable society, Mitsui & Co. will contribute to a brighter future filled with aspirations.

### Shinsuke Fujii

Representative Director,  
Executive Vice President  
Chief Administrative Officer (CAO)  
Chief Information Officer (CIO)  
Chief Privacy Officer (CPO)



Takashi Masuda, the first president of the former Mitsui & Co.,\* stated, "Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations." We have inherited these values of looking toward the future and the commitment to societal and corporate sustainability. Those values constitute an unshakable foundation for the Mitsui of today.

The realization of a sustainable society has become an urgent global priority, as evidenced by the adoption of the Sustainable Development Goals (SDGs) for 2030 by the United Nations, and the growing importance of environmental, social, and governance (ESG) aspects to various stakeholders. We are told that, in order to prevent climate change from having a severe impact on the earth, and on people's lives, we need to limit the increase in temperature compared with the level before the Industrial Revolution to 1.5–2°C. International efforts are now accelerating, including calls for the achievement of greenhouse gas emission reduction targets under the multilateral framework of the Paris Agreement.

With the aim of contributing to solving such problems, in July 2018, Mitsui announced that it would no longer accumulate new thermal coal assets for coal business that discharges a large amount of greenhouse gas. We also set the target of increasing the portion of our renewable energy-based power generation capacity to 30% by 2030. In December 2018, the Company expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established under the auspices of the Financial Stability Board.

In addition to the growing international importance of sustainability, we are also aware of the continual change in megatrends with the potential to affect our business activities. In response to these changes, we decided to review the Materiality (material management issues) that we identified in March 2015. While taking into consideration international frameworks

such as the SDGs, as well as the perspectives of both a wide range of stakeholders and the potential impact on our business activities, we also engaged in active discussions within and beyond Mitsui. This process culminated in the announcement of our new Materiality in April 2019.

The newly identified five material issues are: "Secure sustainable supply of essential products," "Enhance quality of life," "Create an eco-friendly society," "Develop talent leading to value creation," and "Build an organization with integrity." These constitute the basis for conducting all of Mitsui's business activities and promoting sustainability management with a focus on social and corporate sustainability.

Furthermore, we enhanced the functions of the Sustainability Committee established under the Corporate Management Committee, and in order to accelerate sustainability management initiatives on a Global Group basis, we created the Corporate Sustainability Division that plays the role of promoting and driving sustainability management on a Company-wide basis.

The corporate mission of Mitsui is to "Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled." Under that mission, we will continue to respond to the trust and expectations of all stakeholders, including our customers, business partners, the countries and regions in which we engage in business activities, and our shareholders. Moreover, through a wide range of business activities, we will contribute to sustainable economic and social development on a global scale, as well as to finding solutions to global issues, such as climate change.

April 2019

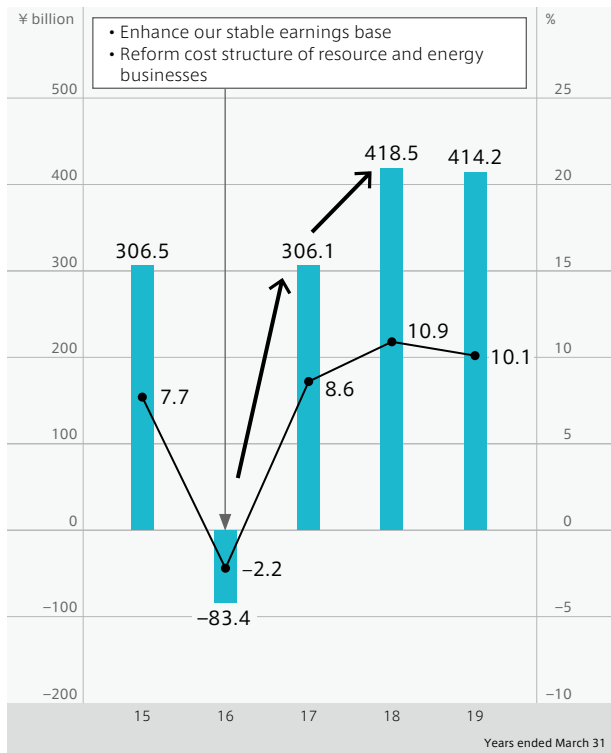
\* From a legal perspective, there is no continuity between the former Mitsui & Co. and the present Mitsui & Co., and they are totally separate corporate entities.

# Our Progress

- 058 Performance Highlights
- 060 CFO Message
- 064 Progress of Medium-term Management Plan
- 070 Results of Specific Initiatives to Create Environmental and Social Value
- 072 Evaluation by Society

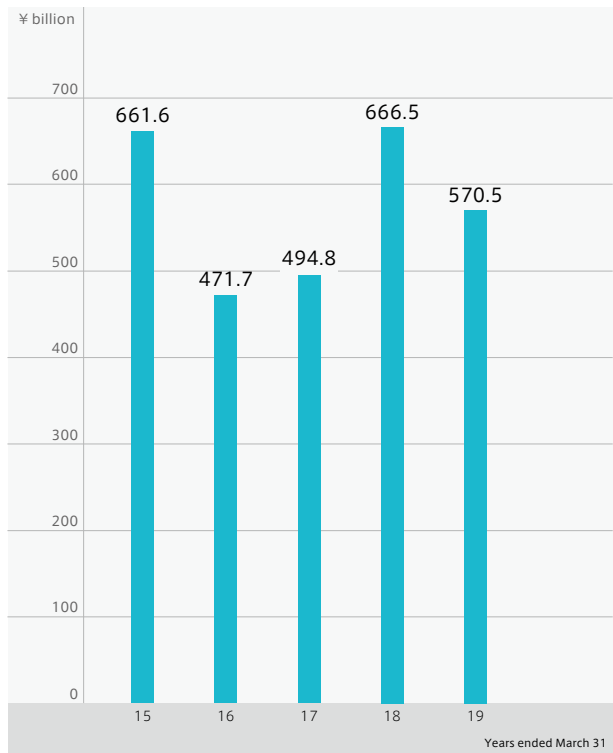
# Performance Highlights

## Profit (Loss) for the Year Attributable to Owners of the Parent / ROE 1 2 3



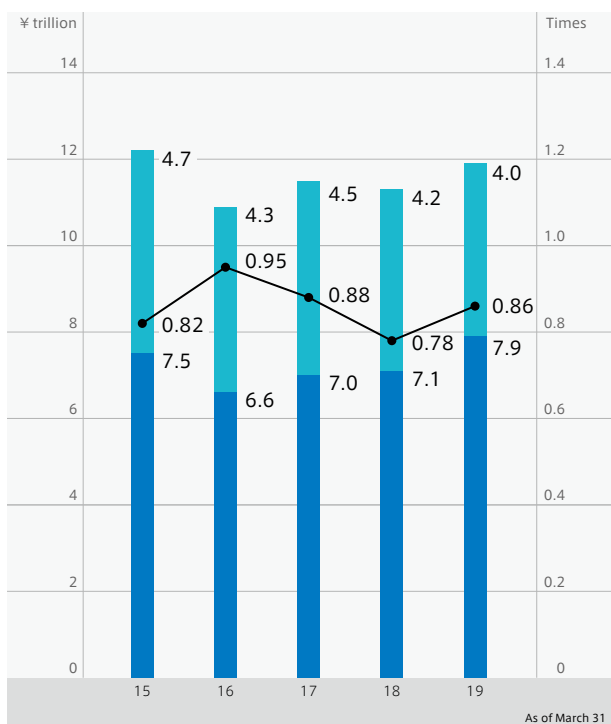
■ Profit (loss) for the year attributable to owners of the parent (left scale)  
● ROE (right scale)

## Core Operating Cash Flow\* 1 3



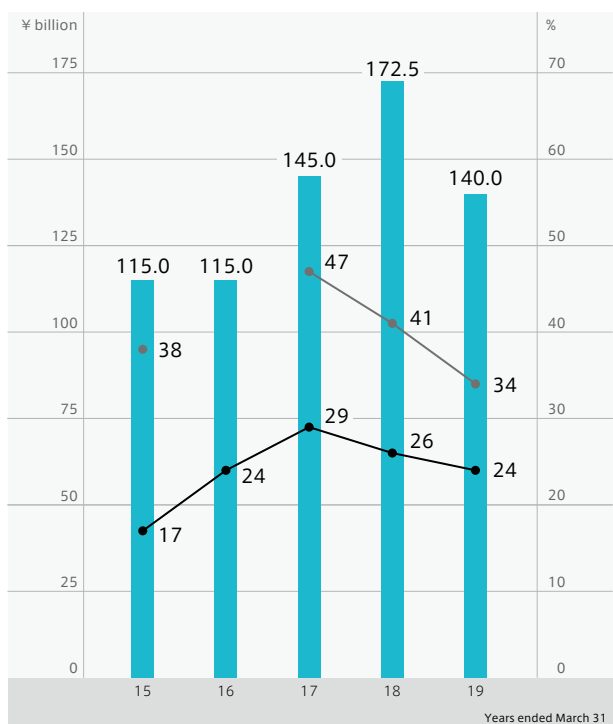
\* Cash flows from operating activities minus cash flows from changes in working capital

## Total Assets / Net DER 2



■ Current assets (left scale) ■ Non-current assets (left scale)  
● Net DER (right scale)

## Total Shareholder Return Amount / Total Shareholder Returns as a Percentage 3

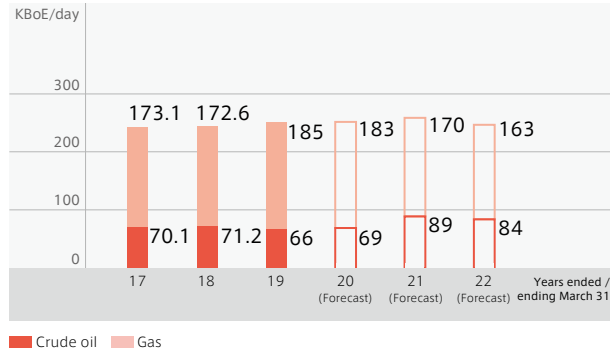


■ Total shareholder return amount (left scale)  
● Total shareholder returns as a percentage of core operating cash flow (right scale)<sup>1</sup>  
● Total shareholder returns as a percentage of profit for the year (right scale)<sup>2,3</sup>  
<sup>1</sup> Amount of shareholder returns divided by core operating cash flow  
<sup>2</sup> Amount of shareholder returns divided by profit for the year  
<sup>3</sup> The total shareholder returns as a percentage of profit for the year for 2016 was omitted due to a loss.

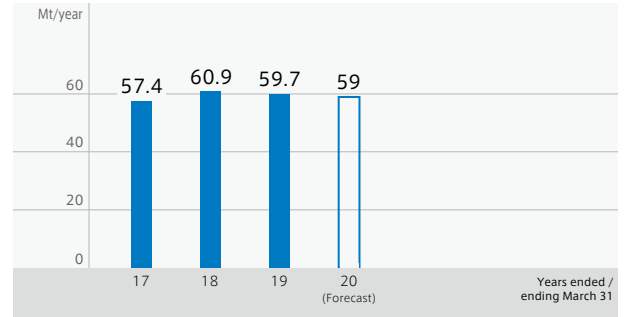
- Maintain robust, sustainable earnings growth ..... 1
- Boost asset and capital efficiency ..... 2
- Continually increase shareholder value ..... 3
- Create social and environmental value ..... 4
- Improve human resource capabilities ..... 5

Equity Share of Production ..... 1 4

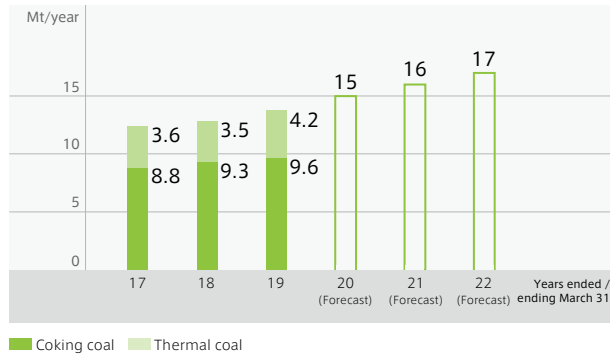
Crude Oil & Gas



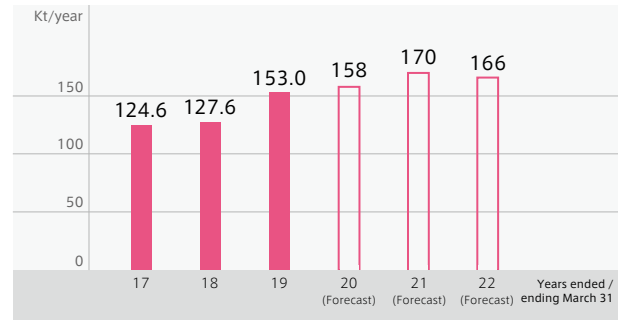
Iron Ore



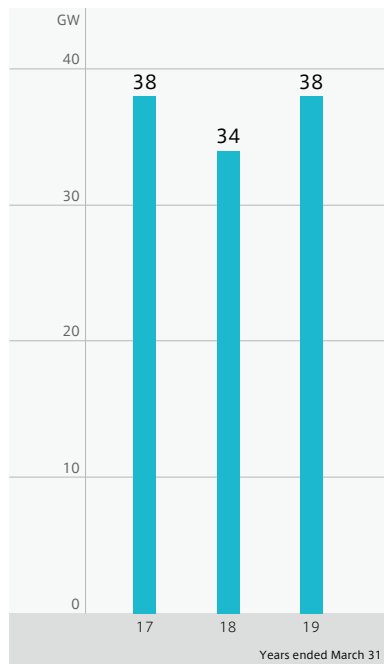
Coal



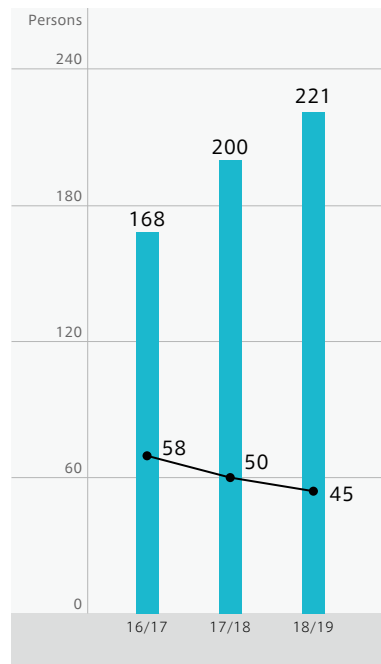
Copper



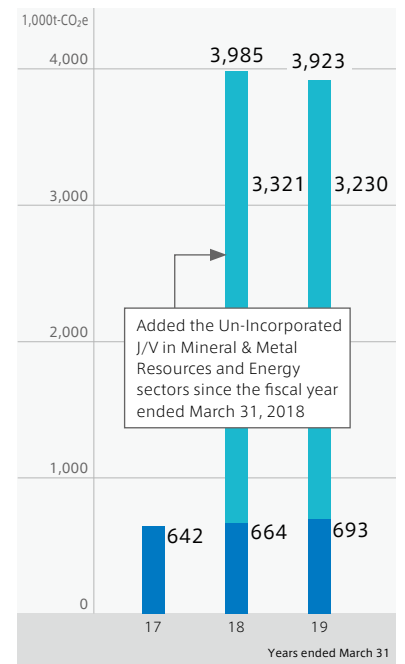
Power Generating Capacity (Gross) ..... 1 4



Female Managerial Staff\*1 / Female Employees Dispatched Overseas\*2 ..... 4 5



Greenhouse Gas (GHG) Emissions ..... 4



■ Female managerial staff  
 ● Female employees dispatched overseas  
 \*1. Non-consolidated, as of July 1 (2016–2018)  
 \*2. Overseas trading subsidiaries, as of April 1 (2017–2019)

Scope: Greenhouse gas emissions of the Company, consolidated subsidiaries, and un-incorporated joint ventures in Mineral & Metal Resources and Energy sectors (Scope 1 and Scope 2, includes gas generated at times of production)  
 ■ The Company and subsidiaries  
 ■ Un-incorporated joint ventures in Mineral & Metal Resources and Energy sectors



### Takakazu Uchida

Representative Director,  
Senior Executive Managing Officer,  
Chief Financial Officer (CFO)

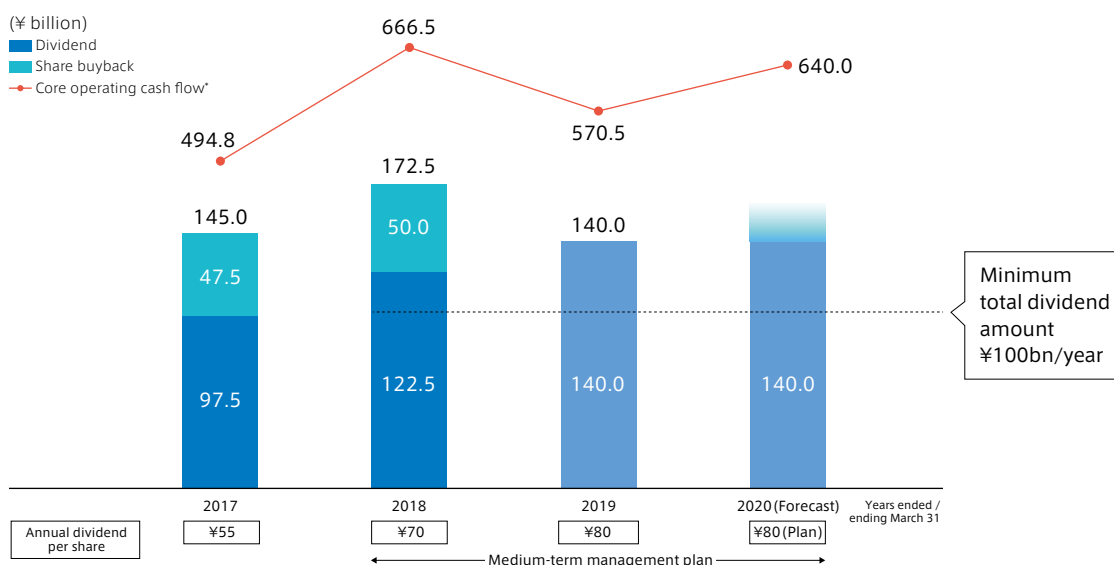
### Results for the Fiscal Year Ended March 31, 2019

Looking back on the fiscal year ended March 31, 2019, the global economy slowed its pace of growth due to the weakening momentum of the economic recovery in Europe, Japan and China despite an overall firmness in the U.S. economy.

In this environment, profit for the year attributable to owners of the parent was ¥414.2 billion (a decline of ¥4.3 billion year on year) and core operating cash flow was ¥570.5 billion (a decline of ¥96.0 billion year on year). Although the Chemicals segment fell short of the plan due to the revision of Novus' expansion project and recognition of costs related to the fire incident at the U.S. tank terminal business, Lifestyle and Innovation & Corporate Development achieved a large increase in year-on-year profit, and thus the full-year results of the Non-Resources Area were largely in line with the revised annual forecasts announced in February 2019, excluding one-time factors. Resources & Energy resulted more or less in line with the business plan in spite of Vale's incident.

In terms of shareholder returns for the fiscal

#### Shareholder Returns



\* Cash flows from operating activities minus cash flows from changes in working capital

year ended March 31, 2019, we increased the annual dividend by ¥10, to ¥80 per share, representing a total return to shareholders of approximately ¥140 billion. For the fiscal year ending March 31, 2020, we forecast a dividend of ¥80 per share, but we will consider additional shareholder returns while monitoring commodity market prices, which are steady for time being, and also paying attention to the accumulation of core operating cash flow.

Overall, one can see growing signs of stagnation throughout the global economy, and careful attention should be given to future developments of such issues as to the direction of U.S.–China trade negotiations and the policy trends of major countries.

## Evolution of Cash Flow Focused Management

During the previous medium-term management plan, we introduced a cash flow allocation framework. Our purpose was to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation by

making a balanced allocation of cash, gained from operating cash flow and asset recycling, to both growth investments and shareholder returns. As a result, we achieved positive free cash flow during the previous medium-term management plan, and realized shareholder returns totaling ¥375 billion, including share buybacks.

During the current medium-term management plan, we are taking further steps to enhance the cash flow focused management. We set a minimum dividend payment based on stable core operating cash flow, which refers to the level of core operating cash flow that we are able to generate in a stable manner with consideration to future trends in the commodities market. Also, we will manage positive free cash flow even after carrying out shareholder returns and allocate it to additional shareholder returns, repayment of interest-bearing debt, and additional investments, depending on operating conditions and the business environment at the time. We will work to maintain our current “A” credit rating while striving to raise it in a sustainable manner.

As for cash flow allocation based on the above

### Outlook for Cash Flow Allocation (FY2018–FY2020)

Unit: ¥ billion

		Medium-term management plan two-year cumulative results	Annual plan for FY March 2020	Three-year cumulative (Disclosed in May 2019)	Three-year cumulative (Disclosed in May 2017)
Cash-In	Core Operating Cash Flow <sup>*1</sup> ···[1]	1,240	640 <sup>*2</sup>	1,880 <sup>*2</sup>	1,700
	Asset Recycling···[2]	530	270	800	700
Cash-Out	Investment and Loans···[3]	-1,490	-610	-2,100	-1,700~ -1,900
	Shareholder Returns···[4]	-310	-140	-450	-300
Free Cash Flow <sup>*3</sup> after Shareholder Returns··· [1]+[2]+[3]+[4]		-30	160 <sup>*2</sup>	130 <sup>*2</sup>	200~ 400

Allocation

Additional shareholder returns

Repayment of interest-bearing debt

Additional investment

\*1. Cash flows from operating activities minus cash flows from changes in working capital

\*2. Includes ¥50bn increase in operating cash flow associated with application of IFRS 16 “Leases”

\*3. Free cash flow that excludes the effects of changes in working capital and time deposits

From the fiscal year ended March 31, 2019, cash flows of some lease transactions, which had previously been recorded as changes in working capital, are recorded as investment cash flow and have been excluded from the table above.

policies, at the announcement of the current medium-term management plan, over the three-year period we expected to generate ¥1.7 trillion in core operating cash flow and ¥700 billion through asset recycling, giving a cumulative three-year total of ¥2.4 trillion in cash inflows. Meanwhile, we anticipated between ¥2.0 trillion to ¥2.2 trillion in cash outflows, which consisted of investment totaling ¥1.7 trillion to ¥1.9 trillion and minimum dividend payments totaling ¥300 billion. Of the ¥1.7 trillion to ¥1.9 trillion we expected to use for investments, roughly 65% would be allocated to our three core business areas (Resources & Energy, Machinery & Infrastructure, and Chemicals) in an effort to maintain and enhance our ability to generate core operating cash flow, and the remaining 35% would be used for investment in growth areas with the aim of establishing the next pillars for profits.

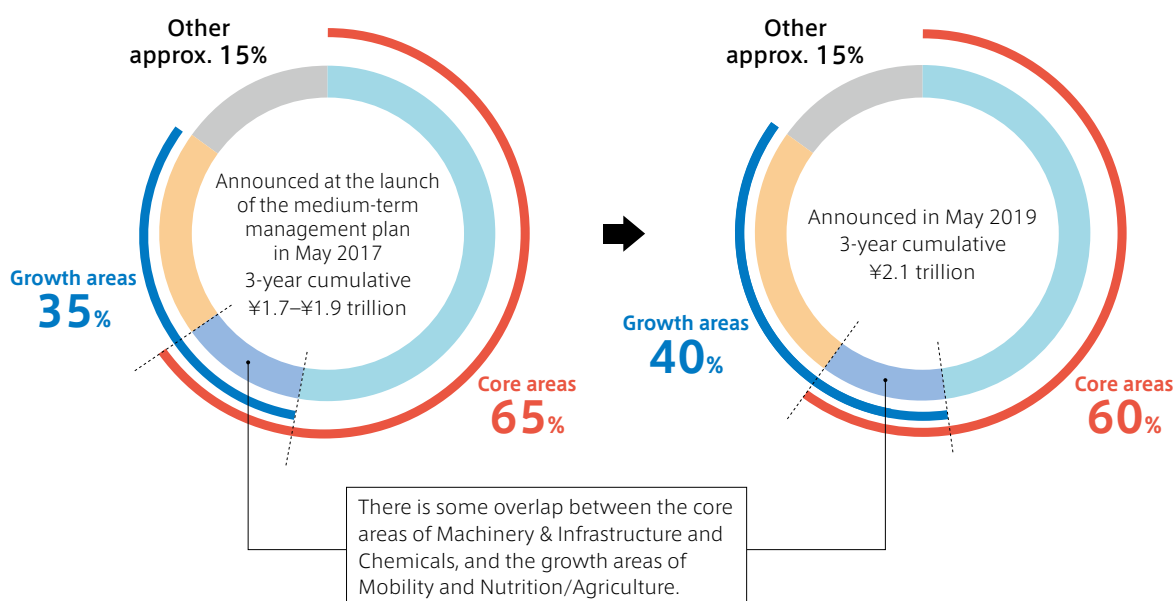
In the fiscal year ended March 31, 2019, the second year of the current medium-term management plan, core operating cash flow for the year was ¥570 billion. Combined with ¥230 billion obtained from progress in asset recycling, this produced total cash inflows of ¥800 billion.

Investment and loans totaled ¥930 billion due to carryover of some projects from the fiscal year ended March 31, 2018, and additional investment in IHH. With the addition of ¥140 billion in shareholder returns, free cash flow after shareholder returns was negative ¥270 billion, bringing the two-year total to negative ¥30 billion.

Based on results for the fiscal years ended March 31, 2018 and 2019, and the business plan for the fiscal year ending March 31, 2020, I will explain the revised three-year cumulative cash flow allocation for the period of the medium-term management plan. In the fiscal year ending March 31, 2020, we are forecasting core operating cash flow of ¥640 billion. Year-on-year growth is expected due to the approximately ¥50 billion effect of changes to the accounting standards concerning operating lease, the absence of one-time losses in the Chemicals segment in the fiscal year ended March 31, 2019, and strengthening of the cash generation capability of non-resource areas.

At the announcement of additional investment in IHH in November 2019, we revised cash flow allocations in the medium-term management plan. As a result of the additional investment, the

Allocation of Investment





cumulative amount of investment and loans over the three-year period increased to the level of ¥1.9 trillion to ¥2.1 trillion from the level of ¥1.7 trillion to ¥1.9 trillion at the announcement of the current medium-term management plan. The cumulative amount of asset recycling also increased to the ¥800 billion level from ¥700 billion. In this revision, taking dividend stability and continuity into account, we factored in the same level of shareholder returns as the amount for the fiscal year ended March 31, 2019.

At the announcement of the business plan for the fiscal year ending March 31, 2020, as for investments and loans, we are setting the target at ¥2.1 trillion, which is within the three-year cumulative range announced already, and there is no change to our forecasts for asset recycling and shareholder returns.

As a result, three-year cumulative free cash flow after shareholder returns will be approximately ¥130 billion, which will be used to pay down net interest-bearing debt including the lease fees I touched on earlier, as well as for additional shareholder returns and additional investments as appropriate in consideration of the business situation.

The breakdown of total investment and loans will be increased to growth areas as additional investment in IHH took place, and we anticipate that roughly 60% and 40% will be allocated to core business areas and growth areas, respectively. In regard to investments, we will carefully select projects while continuing to enforce strict investment discipline and manage firmly within the ¥2.1 trillion level over the three-year period.

## Strengthening Financial Base

As of March 31, 2019, total assets amounted to ¥11,945.8 billion, up ¥639.1 billion from the previous fiscal year-end, and net interest-bearing debt was ¥3,659.2 billion, up ¥570.0 billion. Shareholders' equity totaled ¥4,263.2 trillion,

a rise of ¥288.5 billion due primarily to an increase in retained earnings. The net debt-to-equity ratio increased from 0.78 times to 0.86 times.

Net interest-bearing debt increased due to large-scale investments such as in IHH as well as an increase in working capital and the conversion of foreign currency-denominated debt amid U.S. dollar appreciation. But there is no change to our policy in achieving three-year cumulative positive free cash flow after shareholder returns, and we will continue to strengthen our financial base.

## Basic Policy for Shareholder Returns

Through discussions at the Board of Directors' meetings in which external directors were involved, we have decided on two basic policies for the distribution of profits. First, in order to increase corporate value and maximize shareholder value, we will meet investment demand in core and growth areas through increases in retained earnings while also allocating a portion of profits directly to shareholder returns in a manner of dividend payouts. Second, in relation to share buybacks aimed at improving capital efficiency, the Board of Directors will flexibly determine buyback amounts and buyback timing taking into consideration various factors such as the business environment, future trends in investment demand, free cash flow, interest-bearing debt levels, and ROE.

Based on these policies, we set the dividend per share for the fiscal year ending March 31, 2020 at ¥80 per share. While our principal intention is to steadily increase dividends through improvements in corporate performance, we will consider flexible ways to address shareholder compensation, depending on the progress of our business plan, and will continue with initiatives to achieve ROE of 10% in the fiscal year ending March 31, 2020.

September 2019

— Medium-term Management Plan —

# Driving Value Creation

2018

2019

2020

## External environment

- Following the end of the global resources super-cycle, a worldwide shift away from an overreliance on volume expansion to a focus on the pursuit of growth in quality
- Continued changes at a rapid pace, with shifts such as the move away from a system of global rules led by the U.S. and Europe toward a world in which each region considers what is optimal for them



## Mitsui's focus

- Establish a profit base resilient to external changes and risks
- Dynamic allocation of resources
- Strengthening our management foundation



## Key initiatives

- 1** Build a robust profit base and thoroughly strengthen existing businesses
- 2** Establish selected new growth areas
- 3** Cash flow focused management; Strengthen financial base  
□ P.060–063 CFO Message
- 4** Enhance Governance, Personnel, and Innovation functions



## Quantitative targets

Profit for the year\*1

**¥450.0 bn**

(Year to March 31, 2020)

¥440.0 bn

(Announced at the launch of the medium-term management plan)

Core operating cash flow\*2

**¥640.0 bn**

(Year to March 31, 2020)

¥630.0 bn

(Announced at the launch of the medium-term management plan)

ROE

**10%**

(Year to March 31, 2020)

10%

(Announced at the launch of the medium-term management plan)

\*1. Profit for the year attributable to owners of the parent

\*2. Cash flows from operating activities minus cash flows from changes in working capital

## FY2020 business plan

2018

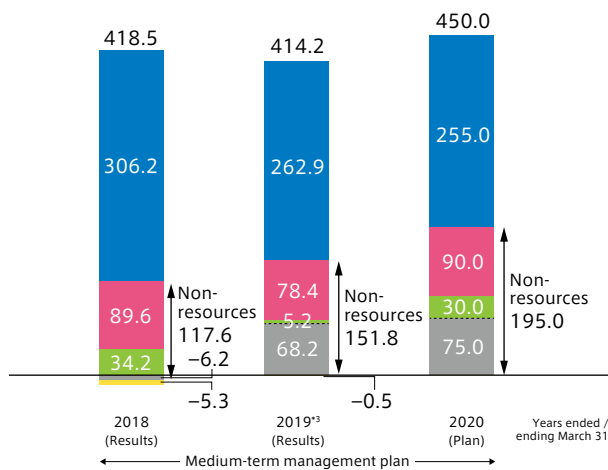
2019

2020

### Profit for the year\*<sup>1</sup> (for each segment)

- Steadily enhance revenues in non-resource areas, mainly from Machinery & Infrastructure and Lifestyle segments

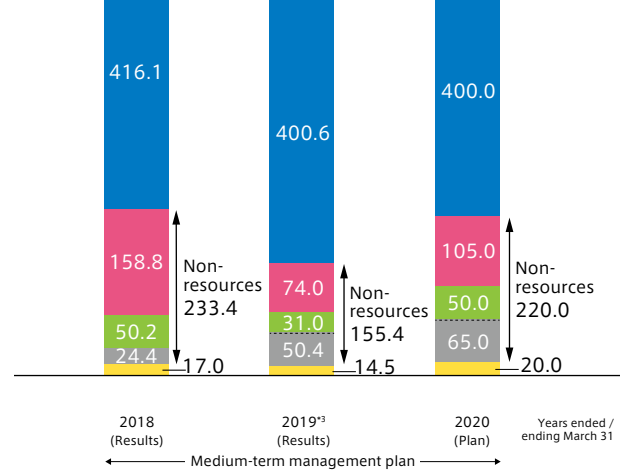
(¥ billion)



### Core operating cash flow\*<sup>2</sup> (for each segment)

- Strengthen cash generation in non-resource areas
- Increase in FY Mar/2020 core operating cash flow associated with application of IFRS 16 "Leases"

(¥ billion)



Resources & Energy Machinery & Infrastructure Chemicals Other areas All others / Adjustments and eliminations

\*1. Profit for the year attributable to owners of the parent

\*2. Cash flows from operating activities minus cash flows from changes in working capital

\*3. After reflecting modifications associated with structural reorganization

## FY2020 action plan

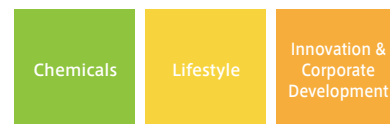
- Strengthen business base and expand to adjacent businesses focused around the environment and health
  - Focus on LNG business, a low-environmental-impact business
  - As the largest shareholder in IHH, strengthen influence on management systems to accelerate the enhancement of corporate value
  - Approach from different business areas and create value by exercising comprehensive strength
- Capture demand in Asia driven by growing middle class
- Continuously raise quality of portfolio by increasing profitability of existing assets and strategic recycling

### Environment



- Steadily establish LNG pipeline project
  - Efforts toward Mozambique FID
  - Production start at Cameron LNG Project in U.S.
- Accelerate initiatives in renewable energy and next-generation power
  - Wind farm in Taiwan, ForeFront Power in U.S. (distributed solar generation)
- Accelerate initiatives in reducing weight of vehicle frames, commercial vehicle electrification and recycling business
  - Gestamp Automoción in Spain, CaetanoBus in Portugal

### Health



- Strengthen profit base of hospitals and hospital ancillary businesses in Asia
  - Strengthen influence on IHH management system, exercise comprehensive strength
- Steadily drive personalized wellness business
  - Thorne Research in U.S.
- Strengthen U.S. high-quality prepared foods business
  - Hans Kissle in U.S.
- Strengthen senior living property business in U.S.

**Key initiatives and results of the past two years of medium-term management plan** 2018 2019 2020

**Initiative 1 Build a robust profit base and thoroughly strengthen existing businesses**



The three core areas of our medium-term management plan are Resources & Energy, Machinery & Infrastructure, and Chemicals. We aim to generate 90% of our entire core operating cash flow from these three areas. We will continue to add assets through bolt-on acquisitions in these areas of strength, thereby enhancing our strengths.



Resources & Energy	Machinery & Infrastructure	Chemicals
<ul style="list-style-type: none"> <li>• Iron Ore</li> <li>• Oil &amp; Gas</li> </ul>	<ul style="list-style-type: none"> <li>• Power generation</li> <li>• Marine energy</li> <li>• Gas distribution</li> <li>• Automotive</li> <li>• Shipping</li> <li>• Railroads</li> </ul>	<ul style="list-style-type: none"> <li>• Feed additives/Agricultural chemicals</li> <li>• Functional materials</li> <li>• Tank terminals</li> <li>• Chemical products manufacture and trading</li> </ul>

- In addition, we will thoroughly strengthen existing businesses and improve the value through the following initiatives.
- Realize latent value (raise value through operational improvement, business revitalization, and industry reorganization)
  - Pursue business entry and exit coordinated with business cycle
  - Reinforce trading by upgrading our selling power and value add

**Results of the past two years**

In FY Mar/2018, the first year of the medium-term management plan, we built a robust profit base and thoroughly strengthened existing businesses. In FY Mar/2019, in addition to strengthening our core areas, we achieved solid improvement in profitability in the Lifestyle and Innovation & Corporate Development segments.

	First year (2018)	Second year (2019)
Mineral & Metal Resources	<ul style="list-style-type: none"> <li>■ Ramping up of Moatize/Nacala, entered into project finance in Mozambique</li> <li>■ Acquired additional equity in Collahuasi copper mine in Chile</li> </ul>	<ul style="list-style-type: none"> <li>■ Maintained and expanded iron ore business base in Australia (FID to develop South Flank iron ore mine and Robe River JV deposit)</li> <li>■ Sold its equity interest in Bengalla coal mine in Australia (thermal coal)</li> </ul> <div style="text-align: right;">  <p>Robe River JV</p> </div>
Energy	<ul style="list-style-type: none"> <li>■ Start of Kipper contribution in Australia</li> <li>■ Tender offer for AWE Limited in Australia</li> </ul>	<ul style="list-style-type: none"> <li>■ Steady promotion of LNG projects (Cameron LNG Project in the U.S., Mozambique, agreed business contract extensions in Abu Dhabi LNG)</li> <li>■ Acquired AWE Limited in Australia through takeover bid</li> </ul> <div style="text-align: right;">  <p>Cameron LNG Train 1 ©2019 Cameron LNG. All copyrights and trademark rights reserved.</p> </div>
Machinery & Infrastructure	<ul style="list-style-type: none"> <li>■ Improved asset quality through IPP asset recycling</li> <li>■ Commencement of 2 FPSO charter contracts</li> <li>■ Additional investment in Penske Truck Leasing Co., L.P. in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>■ Participated in new power generation business (Taiwan offshore wind power)</li> <li>■ Expanded FPSO business <span style="background-color: black; color: white; padding: 2px;">▶ Column</span></li> </ul>

	First year (2018)	Second year (2019)
Chemicals	<ul style="list-style-type: none"> <li>Stable operations of methanol business</li> <li>Strengthened trading (Mitsui &amp; Co. Plastics Ltd., European sulphur &amp; sulfuric acid business, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Participated in European paint manufacturing business → Column</li> <li>Strengthened methanol business base</li> </ul>
Iron & Steel Products	<ul style="list-style-type: none"> <li>Promoted business reform (made NIPPON STEEL TRADING CORPORATION an equity-method affiliate, sold Champions Cinco Pipe &amp; Supply LLC in the U.S., etc.)</li> <li>Expansion of Gestamp Automoción S.A. business in Spain</li> </ul>	<ul style="list-style-type: none"> <li>Pursued business transformation (strengthened competitiveness of NIPPON STEEL TRADING CORPORATION)</li> </ul>  <p>Production line for hot rolled structural steel</p>
Lifestyle	<ul style="list-style-type: none"> <li>Decision to withdraw from Multigrain Trading AG in Brazil</li> <li>Panasonic Healthcare Holdings Co., Ltd. (currently PHC Holdings Corporation) contributed to profit</li> <li>Acquired Bigi Holdings Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Completed withdrawal from Multigrain Trading AG</li> <li>Made additional investment in IHH Healthcare Bhd. to become largest shareholder</li> </ul>  <p>IHH</p>
Innovation & Corporate Development	<ul style="list-style-type: none"> <li>Strengthened profit base of CIM Group, LLC in the U.S. by increasing assets under management</li> <li>Expanded consumer goods logistics business (Mitsui &amp; Co. Global Logistics, Ltd.)</li> </ul>	<ul style="list-style-type: none"> <li>Expanded domestic ICT-related businesses (MITSUI KNOWLEDGE INDUSTRY CO., LTD., etc.)</li> <li>Built up assets of buyout fund (expanded portfolio in MSD Investments Ltd., etc.)</li> </ul>

### Column

#### The Ultra-Deepwater FPSO Charter Project for Mero Field of Brazilian Offshore Pre-Salt Oil Field

In May 2018, Mitsui and three partners invested in a long-term charter business promoted by MODEC for the purpose of providing a floating production, storage, and offloading system (FPSO) for use in the Mero field off the coast of Brazil. The project is the fifth occasion under which the companies have collaborated to operate FPSOs in Brazil. The FPSO will be named FPSO Guanabara MV31, which will be deployed at the Mero field located in the Libra area in the year of 2021 and will be chartered for 22 years.



FPSO operating in Brazil  
©MODEC, Inc.

#### Mitsui to Participate in Coating Manufacturing and Sales Business in Europe

In April 2018, Mitsui entered into agreements with Kansai Paint Co., Ltd., concerning investment in Kansai Paint's European subsidiary, Kansai Helios Coatings GmbH. By combining Mitsui's Global Group networks, including its customers and partners, with the Kansai Paint group's products and technologies, Mitsui and Kansai Paint work together to expand coating businesses in Europe and other related markets.



**Key initiatives and results of the past two years of medium-term management plan** 2018 2019 2020

**Initiative 2 Establish selected new growth areas**

Based on the medium-term outlook for the business environment, we have selected four growth areas in which we can excel and allocate business resources to these areas dynamically.

Mobility	Healthcare	Nutrition & Agriculture	Retail & Services
Multifaceted approach to Materials and Mobility & Transportation services based on changing social needs in the environmental society	Build healthcare ecosystem around medical services businesses	Raise productivity, provide stable supplies in agriculture/livestock/fisheries, enhance added value of foods	Foster next generation digital/logistics/financial functions to meet consumer needs



**Results of the past two years**

In FY Mar/2018, we accelerated initiatives to establish four new growth areas, mainly in Mobility and Healthcare. In FY Mar/2019, we accelerated initiatives to building a profit base, mainly in Healthcare, including becoming the largest shareholder in IHH.

	First year (2018)	Second year (2019)
Mobility	<ul style="list-style-type: none"> <li>■ Commercial vehicle electrification initiatives starting in Europe (investment in EV bus business, electric vehicle battery business)</li> <li>■ Expanded railway-related business (expanded rail network in U.K. passenger rail business, started Taiwan train station business)</li> <li>■ Initiatives in operating lease and rental car business in Chile</li> </ul>	<ul style="list-style-type: none"> <li>■ Contributed to reduction in weight and strengthening of vehicle frames (began production at Matsusaka Plant) of Gestamp Automoción S.A.</li> <li>■ Accelerated commercial vehicle electrification initiatives (made additional investment in CaetanoBus, S.A.)</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>■ Expanded hospital infrastructure business in Southeast Asia (additional investment in Columbia Asia Group)</li> <li>■ Took initiatives to address new drug needs in Russia (investment in JSC R-Pharm)</li> <li>■ Expanded healthcare staffing business (acquisition of Accountable in U.S.)</li> </ul>	<ul style="list-style-type: none"> <li>■ Expanded base in hospitals and hospital ancillary businesses (became largest shareholder in IHH Healthcare Bhd., improved corporate value of Columbia Asia Group)</li> <li>■ Expanded high-quality supplement business (invested in Thorne Research, Inc. in U.S.)</li> </ul>
Nutrition & Agriculture	<ul style="list-style-type: none"> <li>■ Strengthened network and Africa regional strategy (ETC Group Limited investment agreement)</li> <li>■ Reinforced food science area (SODA AROMATIC Co., Ltd. tender offer)</li> </ul>	<ul style="list-style-type: none"> <li>■ Expanded agricultural inputs and crop protection business <span style="background-color: black; color: white; padding: 2px;">→ Column</span> (investment in Nueva Agroindustrias del Norte, S. A. de C. V. (Adelnor) in Mexico and Ouro Fino Química Ltda in Brazil)</li> <li>■ Responded to demand for high-quality sugar in Asia (increased production capacity at Kaset Phol Sugar Ltd. in Thailand and invested in SIS'88 Pte. Ltd. in Singapore)</li> </ul>
Retail & Services	<ul style="list-style-type: none"> <li>■ Expanded assets under management (¥1.4 trillion to ¥1.9 trillion)</li> <li>■ Acquired planning/marketing platform in fashion and retail business</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthened senior living property business in U.S. (acquisition of senior living properties and their operations by MBK Real Estate LLC in U.S.)</li> <li>■ Entered growing U.S. prepared foods market (acquired Hans Kissle Company, LLC in U.S.) <span style="background-color: black; color: white; padding: 2px;">→ Column</span></li> </ul>

Column

**Participation in Mexican Agricultural Supply Company**

In June 2018, Mitsui made the decision to acquire 80% of the shares of Consorcio Agroindustrias del Norte, S. A. P. I. de C. V. (CAN) from the company's current shareholders. CAN is the holding company of Nueva Agroindustrias del Norte, S. A. de C. V. (Adelnor), one of Mexico's leading agricultural supply companies. By adding Adelnor to the existing fertilizer distributors in which Mitsui already owns equity (Anagra/Chile and Equilibra/Peru), Mitsui will be able to boost the synergy between the three companies and accelerate integration of their operations, and will contribute to the development of local agriculture.



**Participation in Prepared Foods Manufacturer in the U.S.**

In January 2019, Mitsui and KENKO Mayonnaise Co., Ltd., jointly acquired 100% of the shares of Hans Kissle Company, LLC, a food manufacturing and sales company in Massachusetts, U.S. Through this acquisition, Mitsui aims to reinforce Hans Kissle's market position and expand its reach, channels, and territory to evolve in the U.S. prepared foods market by such means as utilizing products of Ventura Foods, LLC, which is a manufacturer and processor of oils and fats.



**Initiative 4 Enhance Governance, Personnel, and Innovation functions**

**Results of the past two years**

	First year (2018)	Second year (2019)
Strengthen governance	<ul style="list-style-type: none"> <li>Strengthened the effectiveness of the Board of Directors                             <ul style="list-style-type: none"> <li>Increased diversity and improved skill set balance of Board members</li> <li>Created more opportunities for discussion on Mitsui's long-term direction, including its corporate strategies and medium-term management plan</li> </ul> </li> <li>Established Sustainability Committee, and promoted management with greater emphasis on the sustainability of both society and Mitsui</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives related to improvement of Board effectiveness                             <ul style="list-style-type: none"> <li>Discussed Companywide themes of significance, such as sustainability</li> <li>Held off-site meetings for Directors and Audit &amp; Supervisory Board members to discuss strategy for sustainable growth</li> </ul> </li> <li>Appointed Takeshi Uchiyamada, who has considerable business experience, as Director (External) at shareholders' meeting on June 20, 2019</li> <li>Introduced share performance-linked restricted stock as a component of executive remuneration at shareholders' meeting on June 20, 2019</li> </ul>
Strengthen the individual	<ul style="list-style-type: none"> <li>Shifted corporate staff to business frontline</li> <li>Introduced staggered working hours at an individual level</li> <li>Launched in-house entrepreneur system, currently preparing to commercialize business plans</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened global human resource management and launched next-generation leadership program for employees hired outside Japan</li> <li>Decision to introduce teleworking in Japan as a "working style reform" measure</li> <li>Introduced merit-based compensation and promotion system</li> </ul>
Strengthen innovation functions	<ul style="list-style-type: none"> <li>Appointed CDO and established Digital Transformation (DT) team</li> <li>Accelerated initiatives of DT, focusing on three areas: reducing costs in existing businesses, increasing sales in existing businesses, and developing new business</li> </ul>	<ul style="list-style-type: none"> <li>Launched Moon Creative Lab to "create" new businesses</li> <li>Improved efficiency and value of existing businesses and accelerated DT initiatives, aiming for the creation of new business models</li> </ul>



Moon Creative Lab

## Results of Specific Initiatives to Create Environmental and Social Value

Of our five material issues (Materiality), we aim to realize the “Secure sustainable supply of essential products,” the “Enhance quality of life,” and the “Create an eco-friendly society” through our business. This section introduces the main efforts we pursued to address these material issues in the fiscal year ended March 31, 2019.

For more details on the results of our sustainability activities, please refer to *Sustainability Report 2019*.

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### Secure sustainable supply of essential products

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#### Decision to Develop Iron Ore Mines in Australia

In June 2018, Mitsui decided to develop the South Flank iron ore mine. This mine will replace production from the neighboring Yandi mine, which is coming close to the end of its economic life. Operation of South Flank is planned to be launched in 2021, and the mine is expected to produce iron ore for more than 25 years. By making full use of existing infrastructure, South Flank will significantly reduce development expenses, thereby realizing substantial cost competitiveness.

Also, in October 2018 Mitsui decided to develop new iron ore deposits in the Robe Valley mine (Mesa B/C/H) and the West Angelas mine (Deposit C/D). While existing iron ore deposits are nearing the end of their lifespan, Mitsui will develop these new iron ore deposits utilizing nearby existing rail and port infrastructure, with the objective of sustaining current rates of iron ore production as existing mines decline. Subject to government and environmental approvals, development of new deposits is expected to start, and first one is currently anticipated from 2021.



Railway used to transport iron ore

#### Increase in Production of High-Quality Sugar in Thailand

Mitsui made the decision to upgrade the facilities of Kaset Phol Sugar Ltd. (“KSP”), a Thailand-based sugar manufacturing company that is operated jointly with Mitsui Sugar Co., Ltd., in order to increase production capacity. Work on the project began in June 2018. Mitsui upgrades equipment at KSP to make full use of Mitsui Sugar’s technical expertise for the SPOON brand, which holds the largest market share in Japan. Mitsui responds to the growing demand for high-quality sugar in Asia. Also, KSP is actively pursuing businesses designed to make full use of sugar cane, including the expansion of “bagasse” power generation, which utilizes crushed sugar cane as fuel. Through these efforts, KSP strives to strengthen its earnings base, going beyond traditional sugar manufacturing, while ensuring appropriate consideration for the environment at the same time.



Sugar cane field in Thailand

#### Acquisition of Singapore’s Leading Sugar Company Together with Mitsui Sugar

In September 2018, Mitsui, together with Mitsui Sugar Co., Ltd., acquired all shares of SIS’88 Pte. Ltd. (“SIS”), a company that engages in the processing and marketing of refined sugar in Singapore and the Middle East, from SIS’ parent company, ED&F Man Holdings Limited. Through utilization of Mitsui’s network and Mitsui Sugar’s expertise in technology and production quality control, Mitsui aims to capitalize upon the growth of Asian markets by providing high quality sugar and to expand its refined sugar business in Asia, including Japan.



Products of SIS



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## Enhance quality of life

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### Acquisition of Senior Living Properties

MBK Real Estate LLC ("MRE"), a U.S.-based wholly owned subsidiary of the Company, entered into a definitive agreement to acquire senior living properties and their operations from the current operators, West Living LLC. MRE currently owns and/or manages 25 senior living properties consisting of approximately 2,600 units in six states. Through this new acquisition, the number of properties owned/managed by MRE is 34, consisting of approximately 3,700 units.



Property owned and managed by MRE

### Participation in Integrated Food Enterprise in Southeast Asia

Mitsui and the Development Bank of Japan Inc. ("DBJ") jointly acquired shares of FKS Food & Agri Pte Ltd. ("FKSFA"), an integrated food enterprise that operates in Southeast Asia, centered on Indonesia, by subscribing for a third-party allocation of new shares. While maximizing its business operations in grain producing areas, Mitsui aims through this project to build a stable earnings base across the entire supply chain, from producing areas to consumption markets.



FKSFA's grain import facility

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## Create an eco-friendly society

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### Promotion of Energy Management Services

Forefront Power LLC, a U.S.-based wholly owned subsidiary that specializes in the development and operation of distributed solar generation for commercial and industrial customers, is working to develop new business models that provide energy management services combining solar generation, storage, and demand response, thereby meeting the diverse needs of customers.



Forefront Power's distributed solar generators

### Completion of Registration for J-Credit Scheme, a System That Certifies Reductions in Greenhouse Gases

Mitsui completed J-Credit Scheme registration for wood biomass cogeneration facilities in Kobe, Hyogo Prefecture, which are owned by its affiliate company Konan Utility Co., Ltd. The reduction of 36,120 t-CO<sub>2</sub> (tons of carbon dioxide) per year predicted by J-Credit for this registered project is the largest amount for any single registered project out of the 742 registered to date.



Konan Utility's wood biomass cogeneration facility

### Business Collaboration with Hydrogen Station Operator in California

Mitsui commenced a business collaboration with FirstElement Fuel, Inc. ("FEF"), the largest hydrogen station developer and operator in the U.S. state of California, aimed at the development and maintenance of competitive hydrogen stations, the expansion of FEF's network into other regions, and the enhancement of hydrogen infrastructure. This business collaboration is expected to lead to an increase in hydrogen stations and the further expansion of the fuel cell electric vehicle (FCEV) market across California.



A hydrogen station operated by FEF

## Major Selection and Certification (Year to March 31, 2019)



### Japan Investor Relations Association's Best IR Award

The Japan Investor Relations Association has awarded the Company a Best IR Award at the IR Awards 2018. JIRA gives awards to publicly traded companies that deeply understand and proactively promote IR, earning high endorsement from their peers. Mitsui previously won JIRA's Special IR Award in 2014 and Best IR Award in 2008.



### Awards for Excellence in Corporate Disclosure

Mitsui has been selected for the top award in the commerce industry category at the 2018 Awards for Excellence in Corporate Disclosure for the third time in total and the second year running. It also won second place in the disclosure to individual investors category (selected out of 28 companies that represent the top 10% of each industry). Organized by the Securities Analysts Association of Japan, this was the 24th holding of the awards.



### Dow Jones Sustainability Indices

The Dow Jones Sustainability Indices is a global stock index developed jointly by Dow Jones & Company in the U.S. and RobecoSAM AG in Switzerland. In the fiscal year ended March 2019, 317 companies (which included 34 Japanese companies) including Mitsui were selected for the World Index.



### RobecoSAM Sustainability Award

RobecoSAM carries out surveys and analyses for the Dow Jones Sustainability Indices. From each industry, it recommends companies that have undertaken outstanding environmental, social, and economic initiatives. A total of 458 companies were selected worldwide for the RobecoSAM Sustainability Awards 2019. In the Trading Companies & Distributors category, Mitsui was selected as one of the companies to be ranked Bronze Class, which is awarded to companies that are within a 10% range of the score of the industry leaders.



### FTSE4Good Index Series

The FTSE4Good Index Series is a stock index developed by FTSE Russell, which is a wholly owned subsidiary of the London Stock Exchange. FTSE Russell evaluates major corporations around the world from the aspects of environmental, social, and governance criteria, including the labor standards applied throughout their supply chains, as well as on the basis of corporate sustainability. It selects companies that satisfy its standards as constituents of the index. Mitsui fulfilled the criteria of the index and was selected in the FTSE4 Good Index Series.



### FTSE Blossom Japan Index

The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies that demonstrate strong environmental, social and governance (ESG) practices. The index is adopted by the Government Pension Investment Fund (GPIF) of Japan as a core ESG benchmark for its passive investments. Mitsui fulfilled the criteria of the index and was selected in the FTSE Blossom Japan Index.



### MSCI Japan Empowering Women Index (WIN)

Developed by Morgan Stanley Capital International (MSCI), the MSCI Japan Empowering Women Index is adopted by Government Pension Investment Fund (GPIF) as a tracking benchmark for its passive ESG investment. The index is a selection of Japanese companies from each industry that represent high gender diversity. Mitsui fulfilled the criteria of the index and was selected for inclusion in the MSCI Japan Empowering Women Index.



### Competitive IT Strategy Company Stock Selection

The Competitive IT Strategy Company Stock Selection is designated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) from among the companies listed on the TSE on the basis of outstanding IT utilization initiatives. Mitsui has been selected for five consecutive years since the launch of the award in 2015. For the selection in 2019, high evaluation was given to: development of IT utilization from Mitsui's wide-ranging business to sport, entertainment, and other various areas, including the initiatives to establish digital twins for improving productivity of large business assets, such as energy facilities, power plants, vessels, and manufacturing lines, and to utilize collected data, as well as the establishment of a dynamic pricing company; and Companywide measures to realize work style innovation through utilization of IT tools.



### Eruboshi (L Star)

The Eruboshi system certifies companies that have submitted notifications under the Act on Promotion of Women's Participation and Advancement in the Workplace (Promotion of Women's Career Activities Act) promulgated on April 1, 2016, and that meet the specific standards and are regarded as implementing outstanding initiatives to promote the advancement of women in the workplace. Mitsui was certified as having achieved the second of three levels under the Eruboshi system.

# Business Structure & Strategic Approach

**074** Results by Operating Segment

**076** Review of Segments

Iron & Steel Products Segment

Mineral & Metal Resources Segment

Machinery & Infrastructure Segment

Chemicals Segment

Energy Segment

Lifestyle Segment

Innovation & Corporate Development Segment

**090** LNG Business Strategy


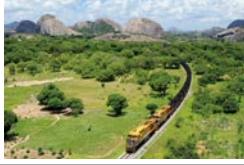


**093** Healthcare Business Strategy

**096** Product and Regional Expertise

# Results by Operating Segment

(Year ended March 31, 2019, IFRS)

(After reflecting modification associated with structural reorganization)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals
¥ billion				
Business Unit	Iron & Steel Products Business Unit	Mineral & Metal Resources Business Unit	Infrastructure Projects Business Unit Mobility Business Unit I Mobility Business Unit II	Basic Materials Business Unit Performance Materials Business Unit Nutrition & Agriculture Business Unit

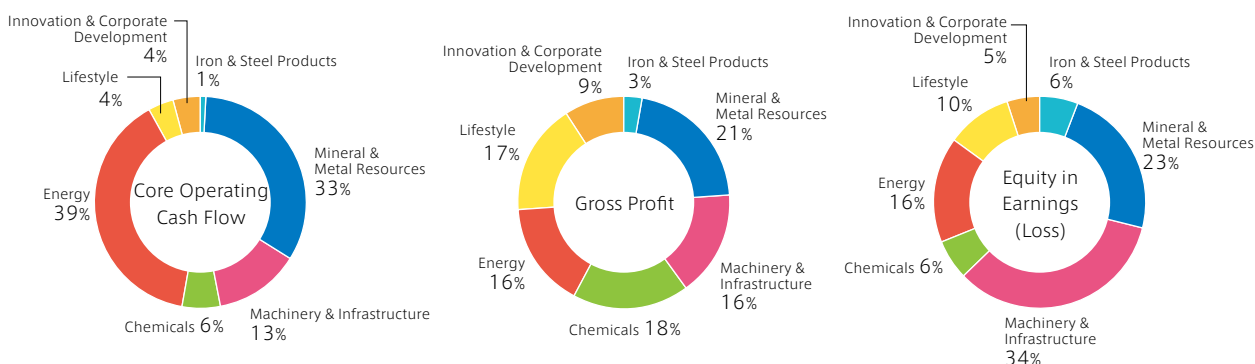
Core Operating Cash Flow	5.9	181.5	74.0	31.0
Net Investment Cash Flow	62.0	2.6	(156.9)	(80.3)
Investment Cash Flow (IN)	71.7	56.3	80.9	3.5
Investment Cash Flow (OUT)	(9.7)	(53.7)	(237.8)	(83.8)
Free Cash Flow <sup>1</sup>	67.9	184.1	(82.9)	(49.3)


Gross Profit	27.2	175.6	130.7	148.0
Equity in Earnings (Loss)	16.2	59.3	87.5	14.3
Dividend Income	1.7	20.9	5.8	2.8
Selling, General and Administrative Expenses	(27.8)	(32.3)	(123.4)	(105.0)
Other	(7.4)	(56.3)	(22.2)	(54.9)
Profit (Loss) for the Year Attributable to Owners of the Parent	9.9	167.2	78.4	5.2

Assets	606.6	2,222.9	2,450.6	1,337.7
Non-current Assets	350.3	1,564.0	1,688.4	576.4
Property, Plant and Equipment	9.2	365.8	246.8	215.0
Investments Accounted for Using the Equity Method	255.1	428.7	975.9	170.0
Other Investments	62.3	578.9	122.7	94.0
Other Non-current Assets <sup>2</sup>	23.7	190.6	343.0	97.4

Number of Employees (Non-consolidated)	328	291	844	676
Number of Employees (Consolidated)	1,518	619	15,264	5,276

## Composition by Operating Segment



	Energy ©Sakhalin Energy 	Lifestyle 	Innovation & Corporate Development ©QVC Japan, Inc. 	Others / Adjustments and Eliminations	Company Total
	Energy Business Unit I Energy Business Unit II	Food Business Unit Retail Business Unit Healthcare & Service Business Unit	IT & Communication Business Unit Corporate Development Business Unit		

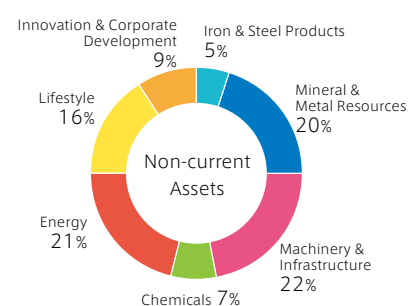
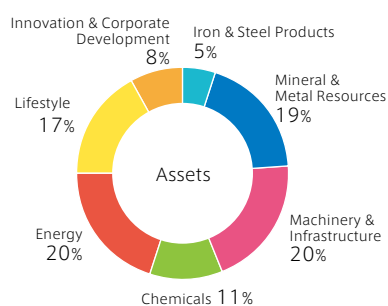
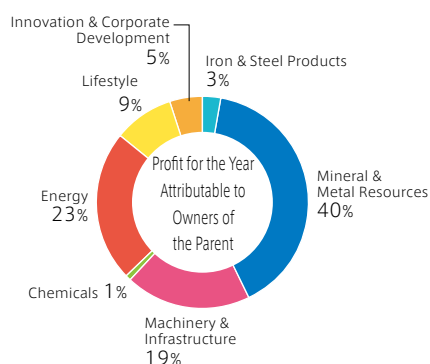
	219.1	24.7	19.8	14.5	570.5
	(171.1)	(254.0)	(68.3)	(49.8)	(715.8)
	3.7	32.5	28.2	3.0	279.8
	(174.8)	(286.5)	(96.5)	(52.8)	(995.6)
	48.0	(229.3)	(48.5)	(35.3)	(145.3)

	134.0	141.8	78.6	2.6	838.5
	40.3	26.4	13.1	(1.7)	255.4
	65.2	5.1	3.1	1.3	105.9
	(45.1)	(136.7)	(64.5)	(31.5)	(566.3)
	(98.7)	(0.3)	(8.3)	28.8	(219.3)
	95.7	36.3	22.0	(0.5)	414.2

	2,425.4	2,006.1	971.8	(75.3)	11,945.8
	1,592.5	1,198.7	690.6	288.6	7,949.5
	731.5	162.0	106.6	108.5	1,945.4
	272.8	646.5	220.8	5.9	2,975.7
	463.4	318.8	203.9	103.6	1,947.6
	124.8	71.4	159.3	70.6	1,080.8

	392	971	419	1,851	5,772
	843	13,298	3,694	3,481	43,993

Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.  
\*1. "Free cash flow" is calculated from core operating cash flow and differs from free cash flow calculated using conventional accounting methods.  
\*2. "Other non-current assets" includes non-current receivables, investment property, intangible assets, and deferred tax assets.

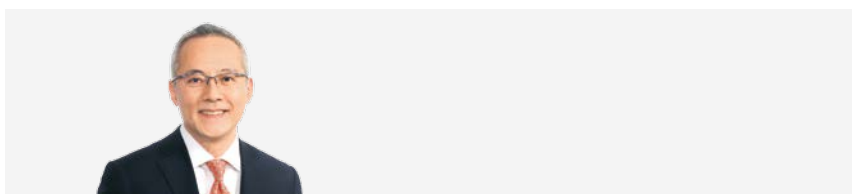


# Iron & Steel Products Segment

## Iron & Steel Products Business Unit



Iron & steel products business / Gestamp Automoción S.A. (Spain)



**Shinichi Hori**  
Managing Officer,  
Chief Operating Officer  
of Iron & Steel Products Business Unit

### Business Activities

To respond to diverse industrial needs, we procure, supply, sell, and invest in processing and functional trading businesses of iron and steel products, both in Japan and in various overseas regions.

### Mitsui's Competitive Advantages

- Comprehensive strengths that leverage the extensive customer base and partnerships possessed by our 15 Headquarter Business Units in Japan and overseas
- Diversified business portfolio with value chains around the world that cover everything from upstream to downstream operations

### Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>• Promotion of electric vehicles following the transition to a low-carbon society, diversification and increased efficiency of energy consumption, and the trend in renewable energy use</li> <li>• Trend in logistics innovation and a shift toward smart factories as a result of digital transformation</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Industrial reorganization and changes to distribution channel against the backdrop of steel overproduction in China</li> <li>• Impact of trade friction on the supply and demand of products stemming from measures by the U.S. to apply additional tariffs</li> </ul>



### Basic Strategies

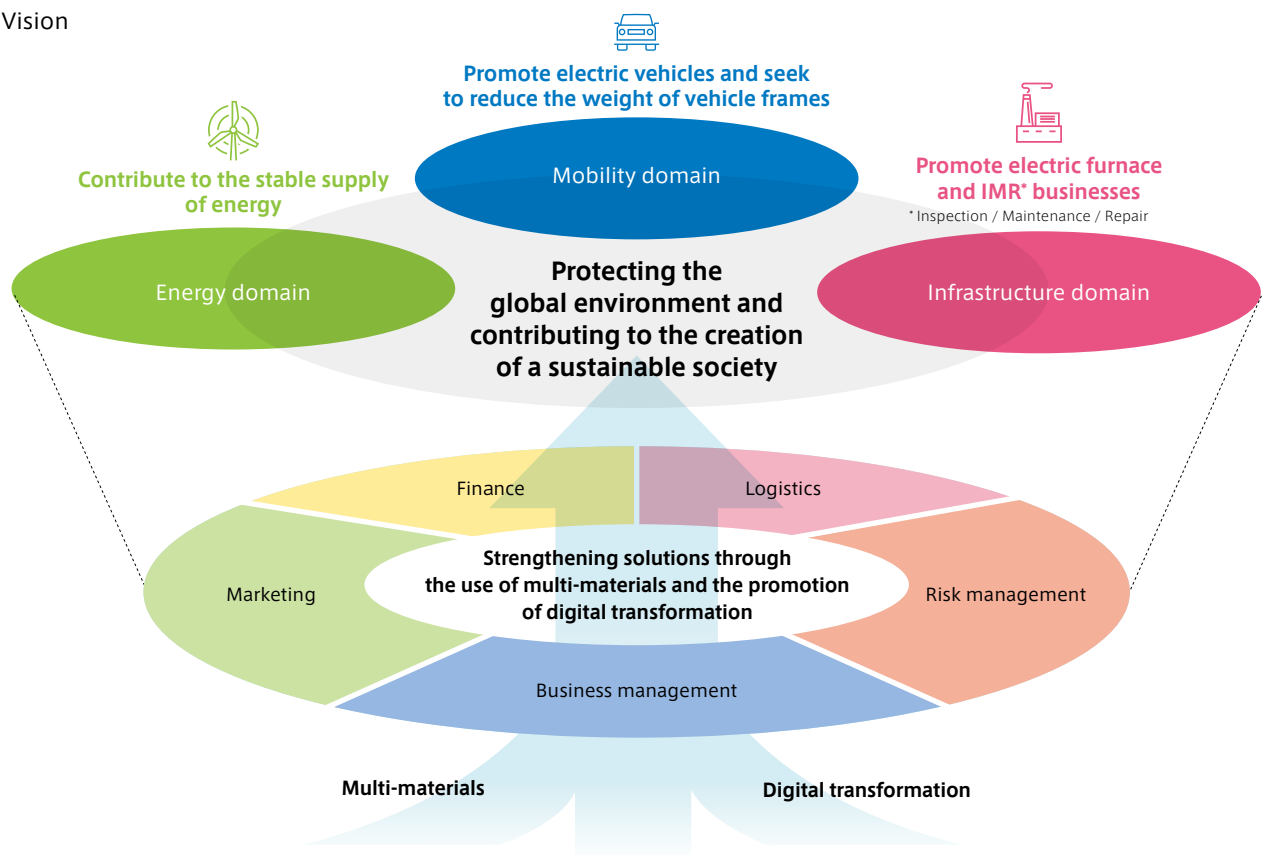
<ul style="list-style-type: none"> <li>• Create businesses through synergies between steel trading business and business investments</li> <li>• Provide high-value-added services including component manufacturing and repair and maintenance</li> <li>• Facilitate collaborations between existing businesses, assets with comprehensive strengths, and business partners by utilizing digital technologies, etc.; further pursue new business creation centered on industrial businesses</li> </ul>
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### Individual Strategies & Progress

Area	Our Approach
Automotive	<ul style="list-style-type: none"> <li>• We are providing support for business expansion in order to contribute to value improvement for Gestamp Automoción S.A. (GA). We are also promoting the establishment of new businesses and peripheral trading businesses for GA, with a focus on the core field of mobility.</li> <li>• We are working to acquire materials and components businesses in response to structural changes in the industry brought about by the shift to electric vehicles.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• We are establishing a steel supply structure through the electric furnace business in order to respond to the global demand for infrastructure.</li> <li>• We are developing steel processing and trading businesses on a local basis in response to trends relating to local production for local consumption of construction steel.</li> <li>• Expand inspection, maintenance, and repair (IMR) businesses that help extend the operating life of infrastructure</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• We are pursuing highly functional trading in the oil and gas field and stepping up our efforts in the renewable energy field centered on GRI Renewable Industries, S.L. and GEG Holdings Limited.</li> </ul>
Steel trading	<ul style="list-style-type: none"> <li>• We are creating steel trading businesses that leverage the respective strengths of Mitsui &amp; Co. Steel Ltd., MM &amp; KENZAI Corporation, and NIPPON STEEL TRADING CORPORATION.</li> </ul>

Vision

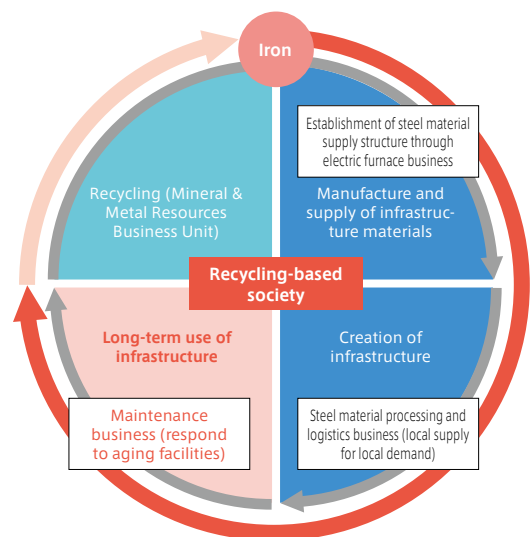


Examples of Initiatives in the Infrastructure Domain

**Establishment of Joint Venture with SHO-BOND to Develop Business Overseas**

The Company established a joint overseas infrastructure maintenance business together with SHO-BOND Holdings Co., Ltd. (“SHO-BOND”), a leading company in Japan that provides comprehensive maintenance support. As aging infrastructure becomes an increasingly urgent social issue, particularly in developed countries, demand is expected to grow not just for the supply of steel for new infrastructure projects but also for preventative maintenance and infrastructure life extension through repair and reinforcement. SHO-BOND’s technology gives it a competitive edge overseas due to its long track record of repairing buildings with serious fatigue damage, and of dealing with the effects of Japan’s climatic zones and frequent natural disasters, such as earthquakes. Mitsui and SHO-BOND will pursue development of this overseas infrastructure maintenance business by utilizing Mitsui’s overseas business know-how and global network, including a wide range of customers and partner companies, and SHO-BOND’s comprehensive technical abilities.

In addition to this project, Mitsui’s Iron & Steel Products Business Unit aims to provide a diverse range of high-value-added services that cover everything from the manufacturing and supply of iron materials and components to maintenance.

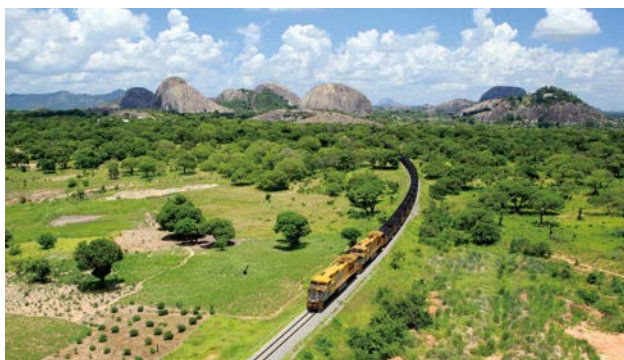


Major Subsidiaries & Associated Companies

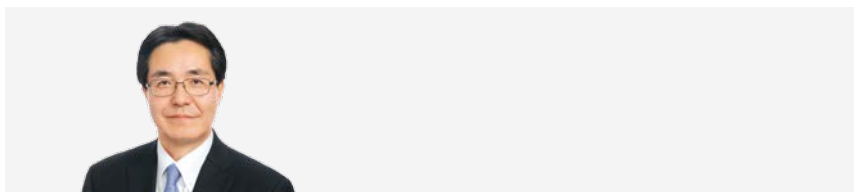
Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui & Co. Steel Ltd.	Sales, export, import of steel products	100.0	3.7	6.1	4.1
NIPPON STEEL TRADING CORPORATION	Sales, export and import of steel products	19.9	—	—	6.9
(Consolidated) Gestamp companies	Manufacture of automotive components	Var.	0.6	3.9	2.3
Game Changer Holdings Inc.	Investment in steel processing company	100.0	3.6	6.7	3.9

# Mineral & Metal Resources Segment

## ▪ Mineral & Metal Resources Business Unit



Coal and infrastructure businesses / Moatize Coal Mine and Nacala rail and port infrastructure project (Mozambique)



**Yuki Kodera**  
Managing Officer,  
Chief Operating Officer  
of Mineral & Metal Resources Business Unit

### Business Activities

Through business development, investment and trading of ferrous and nonferrous metals and resources, etc., we work to develop integrated value chains that deliver a stable supply of resources and materials essential to industrial society. We also take part in resource recycling, developing industrial solutions that address environmental issues.

### Mitsui's Competitive Advantages

- Profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves
- Business opportunities born out of functions, trust, networks, and distribution channels we have cultivated in various industries

### Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>• Increased need for high-quality resources following rapid changes in environmental policies primarily in China</li> <li>• Heightened importance to secure a stable supply of raw materials for secondary batteries in light of the widespread use of electric vehicles</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Changes in the government policies of each country brought about by the transition to a low-carbon society</li> <li>• Impact of technological innovation and other factors on the supply and demand of commodities</li> </ul>



### Basic Strategies

<ul style="list-style-type: none"> <li>• Structure a balanced asset portfolio through asset sales, purchase and swap, in addition to acquiring additional reserves and enhancing competitiveness in existing businesses</li> <li>• Create new business in anticipation of changes in raw materials demand due to rising awareness of environmental conservation</li> <li>• Create a strong organization through enhancing individual performance with a profit-generating mindset, sense of ownership and eagerness to create business</li> </ul>
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### Individual Strategies & Progress

Area	Our Approach
Iron ore	<ul style="list-style-type: none"> <li>• We are working to develop BHP South Flank and new iron ore deposits at Robe River. Through these and other means, we are promoting the further reinforcement of a profit base supported by the three pillars of cost competitiveness, production volume, and ore reserves.</li> </ul>
Coal	<ul style="list-style-type: none"> <li>• In Mozambique, we aim to establish a profit base for the Moatize Coal Mine and the Nacala rail and port infrastructure project. In Australia, we are continuing efforts to enhance our coking coal assets and bolster our portfolio. Furthermore, for thermal coal, we have completed the sale of Bengalla and refrain from accumulating new assets.</li> </ul>
Copper and others	<ul style="list-style-type: none"> <li>• We are enhancing the quality of existing businesses through operational and cost improvements at Caserones and Anglo American Sur. We are also promoting efforts in growth areas by working to establish a value chain for raw materials used in secondary batteries.</li> </ul>



## Major Businesses

Product	Name*1	Location	FY Mar/2019 Equity Production	Main Partner	Equity Ratio*4	Revenue Recognition
Iron ore	Robe River	Australia	19.4 million tons	Rio Tinto	33.00%	Consolidated (partially accounted for by equity method)
	Mt. Newman / Yandi / Goldsworthy / Jimblebar	Australia	19.1 million tons	BHP	7.00%	Consolidated (partially accounted for by dividend)
	Vale	Brazil	21.2 million tons*2	Vale	5.59%	Dividend
Coal	South Walker Creek / Poitrel	Australia	2.1 million tons*2	BHP	20.00%	Equity method
	Kestrel	Australia	1.0 million tons*2	EMR / Adaro	20.00%	Consolidated
	Moranbah North / Capcoal / Dawson	Australia	6.2 million tons	Anglo American	Various	Consolidated
	Moatize / Nacala	Mozambique	1.6 million tons*2	Vale	Moatize: approx. 15% Nacala: approx. 50%	Moatize: Dividend Nacala: Equity method
Copper	Collahuasi	Chile	61.7 thousand tons*2	Anglo American	11.03%	Equity method
				Glencore		
	Anglo American Sur	Chile	38.7 thousand tons*2	Anglo American Codelco	9.50%	Equity method
Copper	Caserones	Chile	30.8 thousand tons*2	JX Nippon Mining & Metals	22.63%	Other
				Mitsui Mining & Smelting		
Nickel	Coral Bay	Philippines	3.6 thousand tons*3	Sumitomo Metal Mining	18.00%	Equity method
	Taganito	Philippines	4.5 thousand tons*3	Sumitomo Metal Mining	15.00%	Dividend

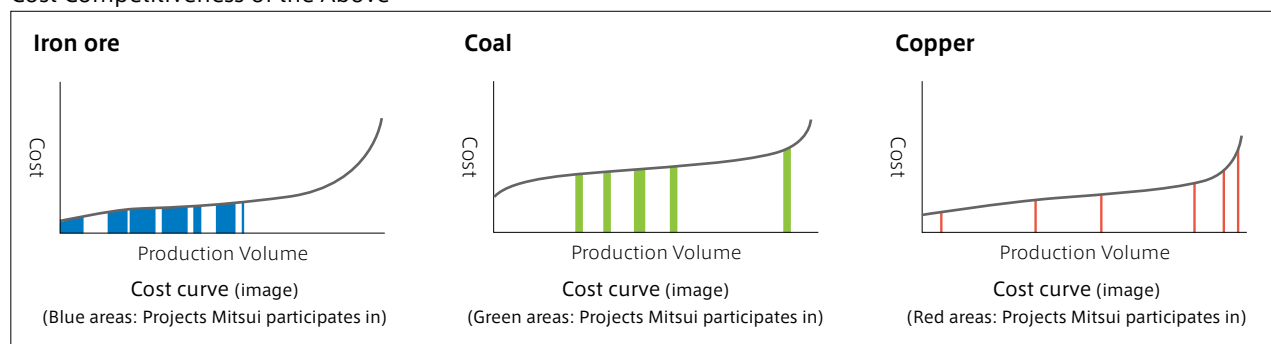
\*1. Includes JV names, company names, and project names

\*2. Jan-Dec 2018 results

\*3. Production capacity base

\*4. As of end of March 2019

## Cost Competitiveness of the Above



Source: Mitsui & Co. Investor Day 2018

## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
(Consolidated) Iron ore mining operations in Australia	Mining and sales of Australian iron ore	Var.	102.9	110.4	106.7
(Consolidated) Coal operations in Australia	Mining and sale of coal in Australia	Var.	34.3	46.3	48.5
(Consolidated) Coal and rail & port infrastructure business in Mozambique	Investment in coal and rail & port infrastructure business in Mozambique	100.0	(1.5)	2.6	4.1
Japan Collahuasi Resources B.V.	Investment in the Collahuasi copper mine in Chile	91.9	3.3	6.3	9.1
Oriente Copper Netherlands B.V.	Investment in the Chile-based copper company Inversiones Mineras Becrux SpA	100.0	(8.6)	2.6	(2.7)
Mitsui Bussan Copper Investment & Co., Ltd.	Investment in the Caserones copper mine in Chile	100.0	(8.9)	(22.6)	(2.3)

# Machinery & Infrastructure Segment

- Infrastructure Projects Business Unit
- Mobility Business Unit I

- Mobility Business Unit II



Transportation of LNG / LNG transport carrier for the U.S. LNG export project (Cameron)



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

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

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

### Business Activities

We contribute to the development of countries and the creation of better lives through the long-term, reliable supply of indispensable social infrastructure such as power, gas, water, railways and logistics infrastructure. While strengthening contact points with end users including consumers, we provide sales, financing, lease, transportation and logistics, and investment in various areas, including large-scale plants, marine resource development facilities, ships, aerospace, railways, motor vehicles, and mining/construction/industrial machinery.

### Mitsui's Competitive Advantages

- Extensive customer base and collaboration with prestigious partners
- Existing infrastructure assets supported by stable demand
- Transition to high-quality assets through increased productivity

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>• Promote electric vehicles (EVs) due to the shift toward a low-carbon society; enhanced efficiency of energy consumption and distributed power; the trend in renewable energy use</li> <li>• Accelerating changes of industrial structure following technological innovation and digital transformation</li> <li>• Expansion of the mobility market</li> <li>• Movement from ownership to usership (leasing, rentals, sharing)</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Strengthening of environmental regulations</li> <li>• Entry of competitors from other industries</li> </ul>



## Basic Strategies


<p><b>Thoroughly reinforce a sustainable profit base</b></p> <ul style="list-style-type: none"> <li>• Reduce costs and improve management efficiency through the introduction of AI and IoT; steadily complete assets under construction; and expand business through bolt-on investments</li> </ul> <p><b>Implement strategic lifecycle management</b></p> <ul style="list-style-type: none"> <li>• Recycle assets at the appropriate time and continue to review asset portfolio with consideration to the impact of climate change-related risks</li> </ul> <p><b>Take an approach toward new growth opportunities</b></p> <ul style="list-style-type: none"> <li>• Accelerate initiatives in the new growth area of mobility as well as initiatives in new infrastructure businesses</li> </ul>
---



## Individual Strategies & Progress


Area	Our Approach
Next-generation electric power	We are stepping up the pace of initiatives geared toward distributed power, energy management services, and renewable energy.
Automotive and construction equipment	We are accelerating initiatives in upstream businesses, such as EVs, storage batteries, and engineering, as well as downstream businesses, such as services, leasing, and sharing.
Ships, aerospace, and rail	We are bolstering our lease, trading, and maintenance services, while also working to improve the quality of our portfolio to contribute to the shift toward a low-carbon society.

## Competitiveness




**Electric power**

- Total power generating capacity of approximately 10.4GW
- Project operatorship
- Well-balanced power generation portfolio in terms of region and fuel **Graph 1,2**



**Next-generation businesses**


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



**Offshore energy**

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


©MODEC, Inc.



**Gas distribution**


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

160 affiliated companies




**Automotive**

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




**Construction equipment**

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




**Rail**

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



**Ships**

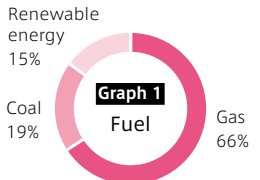
- Leveraging of comprehensive sales/purchasing and owner functions
- Diverse range of transportation and sales solutions in the LNG business



**Aerospace**

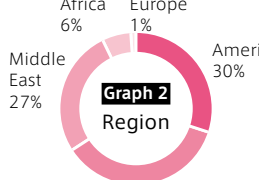
- Providing functional solutions for aircraft/engine leasing and freighter conversion, and aviation businesses
- Promoting space-related initiatives, such as the satellite deployment business

Renewable energy 15%



**Graph 1**  
Fuel

Africa 6% Europe 1% Americas 30% Middle East 27% Asia and Australia 36%



**Graph 2**  
Region

## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
(Consolidated) Power generating businesses	Investment in power generation businesses	Var.	8.6	46.4	25.1
(Consolidated) FPSO/FSO leasing businesses	FPSO/FSO leasing	Var.	7.8	9.1	9.3
(Consolidated) Gas related businesses	Gas distribution businesses in Brazil and Mexico	Var.	8.9	7.7	6.5
Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation	100.0	1.9	4.2	2.6
Penske Automotive Group, Inc.	Automotive retailer	15.7	6.3	11.1	8.2
(Consolidated) Truck leasing and rental businesses	Truck leasing, rental, and logistics businesses	100.0	2.2	4.3	7.1
(Consolidated) Rolling stock leasing businesses	Freight car and locomotive leasing	Var.	3.3	4.5	3.3
(Consolidated) Asian motor vehicle businesses	Asian motor vehicle businesses	Var.	7.5	8.2	7.2
Construction & industrial machinery businesses	Construction & industrial machinery businesses	Var.	2.5	4.7	7.1
VLI S.A.	Integrated freight transportation	20.0	2.2	2.3	2.7

# Chemicals Segment

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



Trading / Mitsui's sulphur carrier *Sulphur Guardian*



**Sayu Ueno**  
Managing Officer,  
Chief Operating Officer  
of Basic Materials  
Business Unit

**Takeo Kato**  
Managing Officer,  
Chief Operating Officer  
of Performance Materials  
Business Unit

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

### Business Activities

Our chemicals business encompasses trade and investment in a range of industries, from upstream and mid-stream chemicals such as basic chemicals and fertilizer and inorganic resources, to downstream chemicals that meet diverse market needs, including functional materials, electronics materials, forestry and housing materials, fertilizers, agrochemicals, feed additives, flavor and fragrance, and specialty chemicals. We are also pursuing new initiatives in food science, tank terminals and carbon fiber.

### Mitsui's Competitive Advantages

- Handling of products across a broad range of domains and a robust client base around the globe
- Business creation through trading that fully leverages our network and project management
- High level of investment efficiency by actively driving business initiatives

## Business Environment

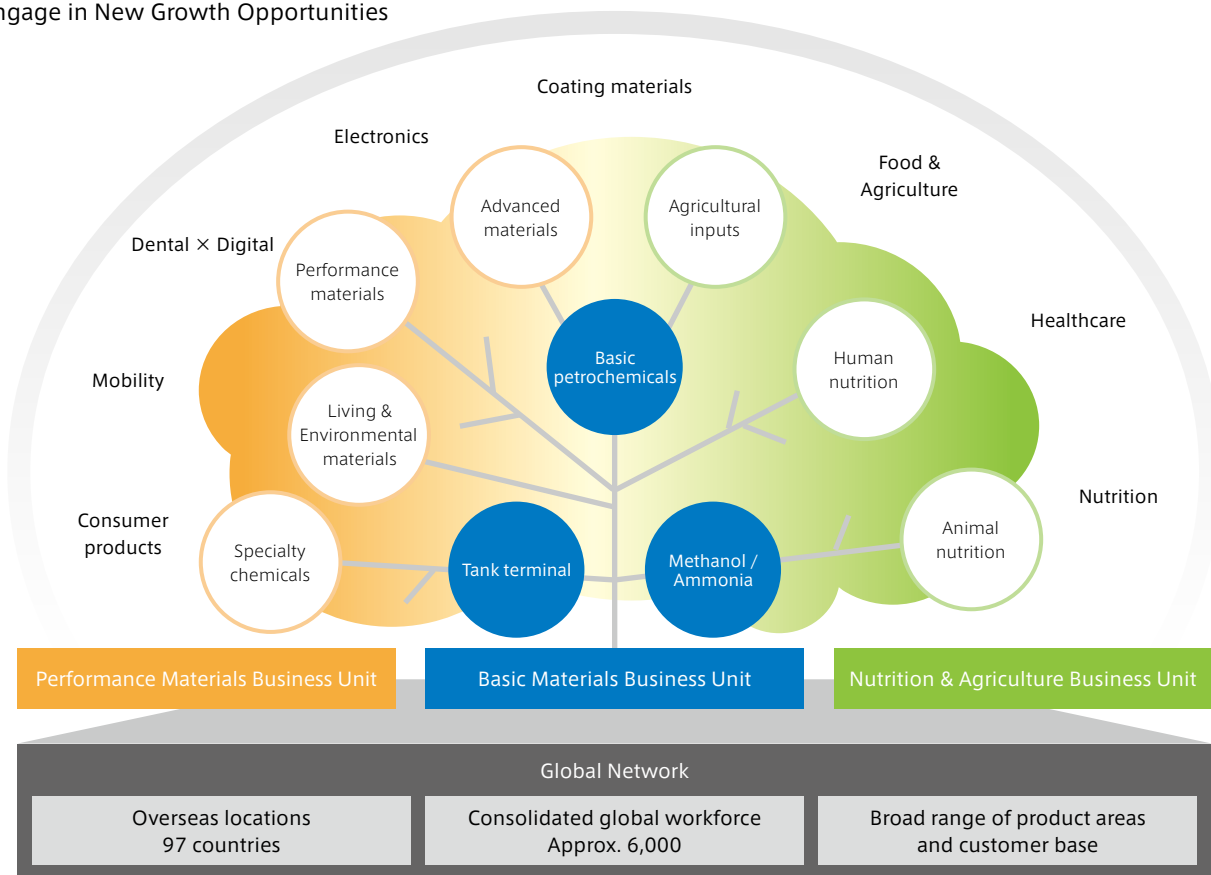
Business opportunities	<ul style="list-style-type: none"> <li>• Rise in potential businesses where industries intersect following changes to industrial structures</li> <li>• Increasing need for diversification and high performance of chemicals and materials arising from growing environmental awareness</li> <li>• Growing need for increased food production due to increasing global populations, primarily in Asia and Africa, and high value added needs resulting from a rising middle class and a sharper awareness of health</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Deterioration of customer base and the risk of existing business models becoming obsolete due to changes in industrial structures</li> <li>• Changes in the policies of each country as a result of plastic regulations and the transition to a low-carbon society</li> </ul>



## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Reinforce trading capabilities	By combining our regional expertise, which is deeply connected to local business partners and customers, extensive product expertise, and Mitsui's functional expertise, we are providing added value to customers and realizing steady business expansion.
Execute bolt-on investments	We are promoting specialty businesses with Novus International, Inc. We are also reinforcing the profit bases of tank terminal businesses in the U.S. and Europe as well as methanol businesses in the Middle East and the U.S., etc.
Engage in new growth opportunities	We are accelerating initiatives in the domains of performance materials, mobility, IoT, nutrition, and agriculture.

## Engage in New Growth Opportunities



## Major Businesses

### Methanol Business

Leveraging our robust global foundation for trading, we are promoting methanol manufacturing businesses. Beginning with methanol production in Saudi Arabia, we also began producing methanol in the U.S. in October 2015. Going forward, we will promote the stable operation and growth of existing businesses as we work to further expand our business foundation.



The methanol manufacturing business, Fairway Methanol in the U.S.

### Preventative Healthcare Business

In 2018, we invested in Thorne Research, Inc., a U.S.-based company that engages in the manufacture of high-performance supplements backed by extensive scientific evidence and operates personalized nutrition businesses combining examination and other services. Mitsui has adopted targets to strengthen its health-related business base and expand into peripheral businesses. Guided by these targets, we aim to create systems for providing solutions, starting with preventative healthcare.



Products of the U.S.-based Thorne Research

## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Novus International, Inc.	Manufacture and sales of feed additives	80.0	8.7	0.5	(9.3)
MMTX Inc.	Investment in methanol producing business in the U.S. and sale of products	100.0	1.7	2.9	7.2
MITSUI & CO. PLASTICS LTD.	Sales and marketing of plastics and chemicals	100.0	3.2	3.8	3.8
(Consolidated) Mitsui AgriScience International	Investments in crop protection businesses in Europe and the Americas	100.0	1.6	1.7	1.3

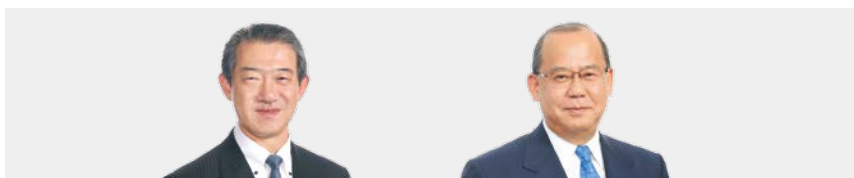
# Energy Segment

- Energy Business Unit I
- Energy Business Unit II



LNG business / Sakhalin II LNG project (Russia)

©Sakhalin Energy



**Masaharu Okubo**  
Managing Officer,  
Chief Operating Officer  
of Energy Business Unit I

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

### Business Activities

Through upstream development, logistics and trading of energy resources such as oil, natural gas/LNG, coal and uranium, we contribute to the stable supply of energy vital to society. In addition, as part of efforts to achieve a low-carbon society, we are actively involved in environmental and renewable energy businesses.

### Mitsui's Competitive Advantages

- Highly competitive, high-quality asset portfolio (growing production volume, reserves, and reinforced LNG production capacity)
- Quality business opportunities born out of our long-cultivated logistics functions, network, and trust

## Business Environment

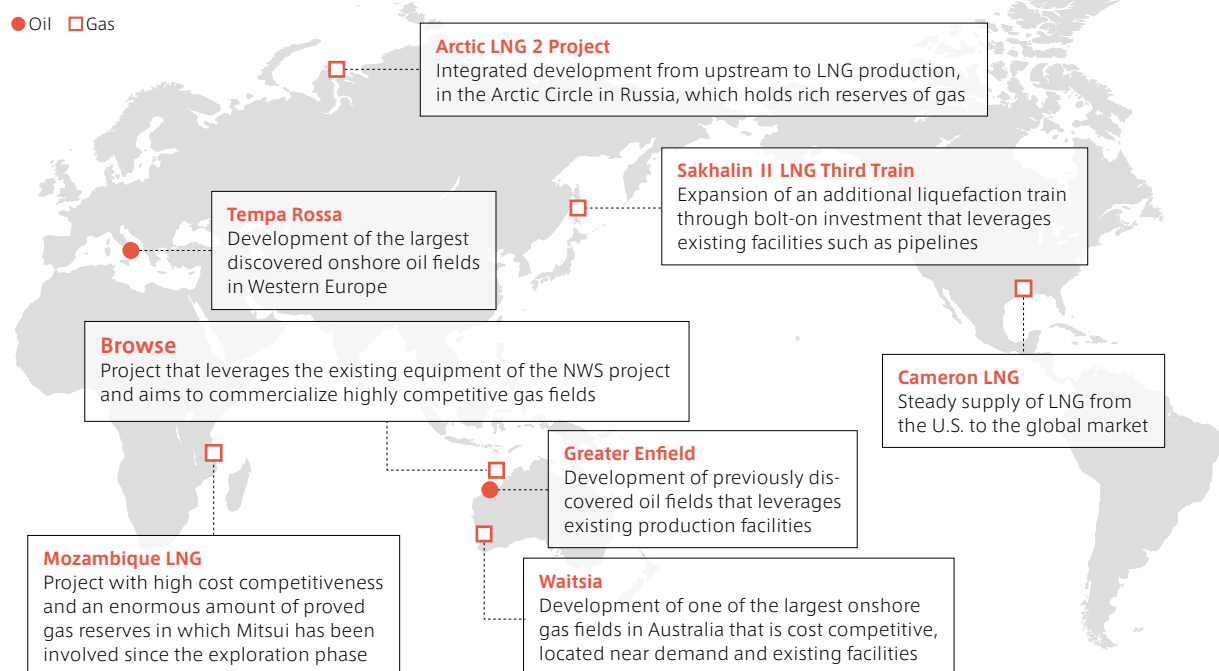
Business opportunities	<ul style="list-style-type: none"> <li>• Expansion of LNG and gas businesses that have a relatively low environmental impact</li> <li>• Emergence of opportunities to undertake initiatives in areas related to renewable energy and new energy</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Unexpected long-term stagnation of oil and gas prices</li> <li>• Changes to environmental policies in each country due to the shift to a low-carbon society</li> </ul>



## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach
Establish a competitive upstream asset portfolio	<ul style="list-style-type: none"> <li>• We are strengthening the competitiveness of existing assets, acquiring new high-quality assets, and promoting the expansion of our LNG production capacity (we are also continuously reviewing our cost competitiveness and carefully selecting new projects for investment).</li> <li>• We are expanding businesses for gas that has relatively low greenhouse gas emissions. Demand for gas is expected to increase over the long term.</li> <li>• As crude oil demand is expected to plateau between 2030 and 2040 under some scenarios, we are managing the upstream crude oil business bearing in mind cost competitiveness and timeframes.</li> </ul>
Increase profit in midstream and downstream businesses by leveraging Mitsui's functions	<p>In addition to supplying our customers with energy, we are pursuing a variety of other efforts to develop value chains. These include promoting trading, and marketing activities that capture opportunities from environmental changes such as the shale gas revolution and changes in government policies; acquiring high-quality assets and expanding businesses in the midstream and downstream, including LNG vessels; and developing power generation and other related businesses.</p>
Expand renewable energy and new energy businesses	<ul style="list-style-type: none"> <li>• It is expected that the demand from society for non-fossil fuels and renewable energy will grow and that the reduced cost of these types of fuel and energy will encourage their widespread use going forward. Under such circumstances, we are stepping up our efforts toward the biomass power generation project in Tomakomai and Shimokawa in Hokkaido, our work in domestic and international geothermal business, and next-generation energy businesses such as hydrogen.</li> <li>• We have invested in the U.S.-based LanzaTech Inc., which uses microorganisms to develop gas fermentation technology. Through this investment, we are taking steps to convert greenhouse gases into energy sources and chemical products and working to expand businesses for the manufacture and supply of sustainable aviation fuel.</li> </ul>

## Asset Portfolio That Will Contribute to Future Profits



## Efforts toward Renewable Energy and New Energy Businesses

### 1 Wood Biomass

Mitsui engages in wood biomass power and heat generation businesses in Tomakomai and Shimokawa in Hokkaido. These businesses are carbon neutral, which can contribute to global warming mitigation. In addition, these businesses are fueled by wood chips produced entirely from unused timber from forests in Hokkaido, and will contribute to regional revitalization through the provision of locally distributed energy supply businesses.



The biomass power station in Tomakomai, Hokkaido

### 2 Hydrogen

With the aim of establishing technologies for the large-scale transport and supply of hydrogen from overseas, Mitsui is pursuing a pilot project in the hydrogen supply chain. As requirements for the reduction of greenhouse gas emissions will become greater going forward, Mitsui will contribute to the practical application of hydrogen, which does not release CO<sub>2</sub> when burned, in such areas as large-scale power generation and mobility.



Hydrogen supply chain project  
Source: Chiyoda Corporation

### 3 Next-Generation Fuel

Mitsui has invested in LanzaTech, a U.S.-based venture company, which is pursuing various manufacturing businesses for next-generation ethanol and sustainable aviation fuel. In the future, Mitsui will leverage LanzaTech's technologies to realize the mass production of sustainable aviation fuel using ethanol produced from exhaust gas. In this way, Mitsui will significantly contribute to reducing CO<sub>2</sub> emissions and protecting the environment.



Freedom Pines Plant  
©LanzaTech

## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	74.3	6.7	11.5	24.8
Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas in Middle East	89.7	2.5	3.5	6.5
Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas in Oceania	100.0	1.7	3.9	(0.3)
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	100.0	1.2	(4.4)	0.8
Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of LNG in Mozambique	50.0	(3.1)	(3.4)	(3.2)

# Lifestyle Segment

- Food Business Unit
- Retail Business Unit

- Healthcare & Service Business Unit



Oils and fats business / Retail brand product of Ventura Foods (U.S.)

### Business Activities

Adapting to changes in consumption and lifestyles while meeting consumers' diverse needs, we provide value-added products and services, develop businesses and make investments in business fields such as food resources and food products, retail services, fashion and textiles, healthcare, and outsourcing.

### Mitsui's Competitive Advantages

- Global network for the origination and sale of grains and other products
- Trust-based relationships with numerous prestigious partners in the value chains of Japan's foodstuff and food product markets
- Extensive contact points with consumers and collaborative relationships with world-class partners



**Miki Yoshikawa**  
Executive Managing Officer,  
Chief Operating Officer of Food Business Unit

**Yoshiki Hirabayashi**  
Managing Officer,  
Chief Operating Officer of Retail Business Unit

**Koji Nagatomi**  
Managing Officer,  
Chief Operating Officer of Healthcare & Service Business Unit

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>• Rising need for securing food resources and securing a sustainable food supply</li> <li>• Increased demand for securing the safety and reliability of food as well as for providing food with high added value due to the emergence of a growing middle class</li> <li>• Heightened need for healthcare services resulting from changes to the pattern of illnesses and the rapidly aging population</li> <li>• Structural changes to the consumer market brought about by technological innovation, higher standards of living, and various lifestyle changes</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Impact of a shift in production areas and other factors caused by import regulations on global logistics</li> <li>• Physical risks resulting from climate change, such as cyclones, hurricanes, and abnormal weather patterns, as well as infectious diseases in livestock and marine products, etc.</li> </ul>



## Individual Strategies & Progress

Area	Our Approach
Food Business Unit	We have established our business domains as proteins, sugars, oils & fats, staple foods, grain and feed networks, and wellness and functional food ingredients. In light of the increasingly more sophisticated consumption needs and behavior of consumers, we are establishing a global business foundation in each of these domains.
Retail Business Unit	<ul style="list-style-type: none"> <li>• We are working to gain a thorough understanding of consumers by equipping ourselves with functions to provide retail solutions.</li> <li>• Based on the consumer insight we have gained through retail solution functions, we are enhancing the value of existing assets and acquiring new assets in merchandizing domains, such as prepared foods, commercial foods, and food materials, as well as growing retail domains, such as overseas franchising, "grocerants" (combined grocery–restaurant), home and food delivery, and specialized retailing.</li> <li>• We are refining our existing functions such as demand chain management (DCM) and logistics by utilizing digital transformation, robotics, and other technologies, in existing midstream domains.</li> </ul>
Healthcare & Service Business Unit	<ul style="list-style-type: none"> <li>• We are strengthening existing business and acquiring operatorships in order to expand healthcare ecosystems that combine the five elements of places, people, goods, services, and information.</li> </ul> <p><input type="checkbox"/> Please see "Healthcare Business Strategy" on pages 093–095.</p>



## Examples of Initiatives

### Global food transactions

- Mitsui owns business assets in major food producing areas around the world. Through domestic sales, tripartite trade, and exports, we realize a stable supply of food and food products in regions with high demand. Particularly in Japan, a country with one of the lowest rates of food self-sufficiency, it is extremely important to provide stable exports, and we are working to provide high-quality food produced overseas in a stable manner to meet domestic demand.

### Quality control and product development capabilities, and emphasis on sustainability

- In Japan and overseas, leveraging our quality control capabilities, which we have cultivated domestically through Group companies such as Mitsui Norin Co., Ltd., Prifoods Co., Ltd., and Mitsui Sugar Co., Ltd., as well as our product development and proposal capabilities, which we have gained through our development center and Group companies such as Bussan Food Materials Co., Ltd.
- Establishing a sustainable food supply chain, including shrimp farming in Vietnam and salmon farming in Chile

### Initiatives in the food and retail management business

- Providing value to Seven & i Holdings Co., Ltd., by refining our functions for supply, procurement, logistics, etc.
- Acquiring and understanding consumer data and insight, equipping ourselves with retail solution functions aimed at the diversification of products, services, and sales floors, while improving the quality of existing assets and acquiring new business assets
  - Domestic and overseas merchandising domains, such as manufacturing of prepared foods, commercial foods, and food

### Functions Provided to Seven & i Holdings

Function	Details
DCM functions*	Centralized management of raw materials (food materials for boxed lunches, packaging and containers) <ul style="list-style-type: none"> <li>Inventory management and recipe and traceability management, etc., based on demand forecasts that give consideration to such factors as order history and campaigns at all 7-Eleven stores</li> </ul>
Logistics functions	Store delivery <ul style="list-style-type: none"> <li>Top share of delivery in all controlled temperature ranges</li> </ul>
Wholesale functions	Handling of processed foods and liquor

\* Demand chain management (DCM): System that comprehensively manages the chain with demand forecast information as the starting point

materials, and the planning and manufacturing of fashion and general goods (OEM)

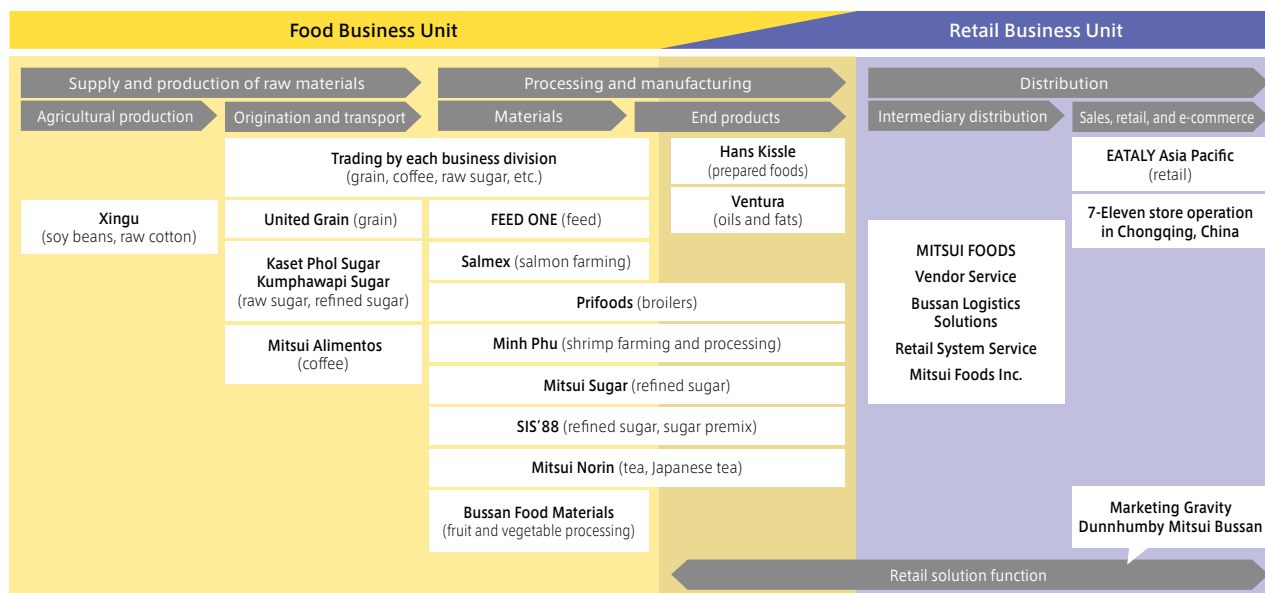
- Domestic and overseas retail domains such as retail business, brand business, e-commerce, franchising, and last mile business

### Initiatives in the fashion and textile businesses

- Domestic and overseas brand retail businesses; planning and manufacturing of clothing products (OEM)
- Developing procurement businesses for textile materials and resources



## Major Businesses within the Food and Food Product Value Chain



## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	32.2	5.1	3.3	2.1
WILSEY FOODS, INC.	Investments in edible oil products company	90.0	3.5	3.4	3.3
IHH Healthcare Berhad	Healthcare related business	18.0*	17.3	1.6	1.9
AIM SERVICES CO., LTD.	Contract food services	50.0	1.9	2.3	2.4

\* As of March 31, 2019: 32.9%; Commence pick up at same percentage from the fiscal year ending March 31, 2020

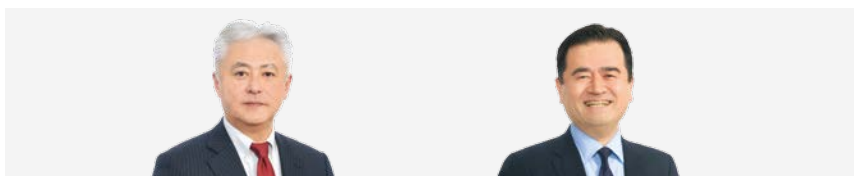
# Innovation & Corporate Development Segment

- IT & Communication Business Unit
- Corporate Development Business Unit



TV shopping /  
QVC JAPAN INC. (Japan)

©QVC Japan, Inc.



**Masahiro Moriyasu**  
Managing Officer,  
Chief Operating Officer  
of IT & Communication  
Business Unit

**Shinichi Kikuchihara**  
Managing Officer,  
Chief Operating Officer  
of Corporate Development  
Business Unit

### Business Activities

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

### Mitsui's Competitive Advantages

- Network with prominent business partners in Japan and overseas and established business models that leverage our customer base
- Development and fostering of human resources that oversee business management, investment, and digital transformation

## Business Environment

Business opportunities	<ul style="list-style-type: none"> <li>• Significant business environment changes, including the widespread use of IoT, AI, and robotics, as well as the establishment of 5G networks</li> <li>• Global expansion of real estate asset management businesses, which combine insight in real estate and financial businesses</li> <li>• Diversification of consumer needs; changes and expansion in the logistics industry due to the heightened awareness of labor shortages and the working environment</li> </ul>
Business (competitive) risks	<ul style="list-style-type: none"> <li>• Uncertainty of technological innovations, new services, and business models</li> <li>• Impact of macroeconomics, stock markets as well as trends in property prices on the real estate asset management business</li> </ul>



## Basic Strategies, Our Approach & Progress

Basic Strategies	Our Approach & Progress
Bolster profit base of domestic affiliated companies in the ICT domain	To bolster the profit base of major domestic affiliated companies, such as MITSUI KNOWLEDGE INDUSTRY CO., LTD., Mitsui Bussan Electronics Ltd., Mitsui Bussan Secure Directions, Inc., QVC Japan, Inc., and Relia, Inc., we are implementing a wide range of initiatives, including increasing employee capabilities and sharpening our management strengths.
Provide specialized, high-value-added services and actively drive initiatives	<ul style="list-style-type: none"> <li>• We are working to strengthen the wide range of services, including alternative asset management services, that we offer to both institutional and individual investors; highly sophisticated consumer goods logistics services that are extremely cost competitive; and corporate value improvement services where we invest in other companies to help improve their management.</li> <li>• We are further strengthening profitability by integrating real estate development and asset management businesses.</li> </ul>
Support efforts to improve corporate value Companywide	<ul style="list-style-type: none"> <li>• We provide support for establishing structures to enhance human resources so that they can contribute to achieving Companywide digital transformation.</li> <li>• We offer assistance to large-scale M&amp;A projects of other business units as well as support and consulting services for existing business turnaround and management improvement.</li> <li>• We are enhancing data marketing businesses, which help expand retail businesses and improve profits, and providing Companywide functions.</li> </ul>

## Major Businesses

### **mitsui Knowledge Industry Co., Ltd., Mitsui Bussan Electronics Ltd., Mitsui Bussan Secure Directions, Inc.**

MITSUI KNOWLEDGE INDUSTRY establishes corporate systems and networks and provides cloud and other services. Mitsui Bussan Electronics engages in the development and sale of IoT solutions and the sale of manufacturing equipment. Mitsui Bussan Secure Directions provides cybersecurity services. In the fiscal year ended March 31, 2019, all three of these companies steadily captured domestic demand, thereby realizing significant profit growth.

### **QVC Japan, Inc.**

QVC Japan is a television shopping company in Japan that operates under the U.S.-based Qurate Retail Group. While reinforcing its customer base with a high percentage of repeat sales, QVC Japan has been achieving a solid business performance year after year. The company aims to further expand profits through new measures including broadcasting in 4K, which began in December 2018.

### **World Hi-Vision Channel, Inc.**

Since 2007, World Hi-Vision Channel has been operating "BS12TweIV," a 24/7 free-to-air BS channel. The company has been improving its level of recognition and steadily increasing its profits.

### **CIM Group (Owner and Operator of Real Assets in North America)**

In 2017, Mitsui invested approximately ¥50 billion in CIM Group (CIM) and funds operated by CIM. CIM's unique strategy utilizes its in-house expertise to create value in real estate and infrastructure, benefiting communities. As defined by CIM, it has USD30.2 billion in assets owned and operated. Mitsui contributes to CIM's business expansion and diversification of partner and co-investor base, by providing access to Japanese institutional investors.

### **Mitsui & Co. Global Logistics, Ltd. ("MGL")**

Centering on the logistics center operation business (distribution and processing for retailing such as e-commerce and apparel), MGL engages in various operations,

including the real estate leasing business and the iron and steel machinery and equipment transportation business. The company possesses 21 offices in seven major cities across Japan and a group network that spans 150 cities in 35 countries around the world. The company operates a warehouse that covers 730,000 m<sup>2</sup>, which is the largest of its kind in Japan.

### **MBK Real Estate LLC**

MBK Real Estate ("MRE") entered into the senior living properties business in 1990. With the acquisition of nine new properties in the fiscal year ended March 31, 2019, the company now owns 34 properties with approximately 3,700 units. MRE is continuing to enhance its value by raising its operation rate and rent levels through operational improvements.



### **Initiatives in Buyout Fund Businesses**

Starting from the fiscal year ended March 31, 2016, Mitsui has been operating buyout fund businesses in Japan, through MSD Investments Ltd., and in Asia, through collaboration with Advantage Partners, LLP. Following this, we invested in Ant Capital Partners Co., Ltd. in the fiscal year ended March 31, 2019. At the wholly owned subsidiary Mitsui & Co., Principal Investments Ltd., we are working to recruit and develop human resources that specialize in buyouts. Through these activities, we will expand and further enhance our pool of talent that excel at investment practices and improve the management of investee companies.

## Major Subsidiaries & Associated Companies

Company Name	Businesses	Ownership Interest (%)	Annual Earnings (¥ billion)		
			17/3	18/3	19/3
QVC Japan, Inc.	TV shopping using a 24-hour dedicated channel	40.0	4.4	5.2	5.3
MITSUI KNOWLEDGE INDUSTRY CO., LTD.	Planning, development and sales of information and communication systems	100.0	1.3	2.1	3.5
JA Mitsui Leasing, Ltd.	Leasing and financing business	31.4	3.3	4.0	3.8
Mitsui & Co. Global Logistics, Ltd.	Domestic warehousing transportation and customs clearance, and real estate leasing, globally integrated transportation services	100.0	1.9	2.3	2.3
Mitsui & Co. Real Estate Ltd.	Real estate sales, leasing, management and consulting	100.0	2.4	2.8	2.6
Mitsui & Co. Asset Management Holdings LTD.	Real estate asset management	100.0	1.7	2.0	1.9



LNG BUSINESS

# LNG Business Strategy

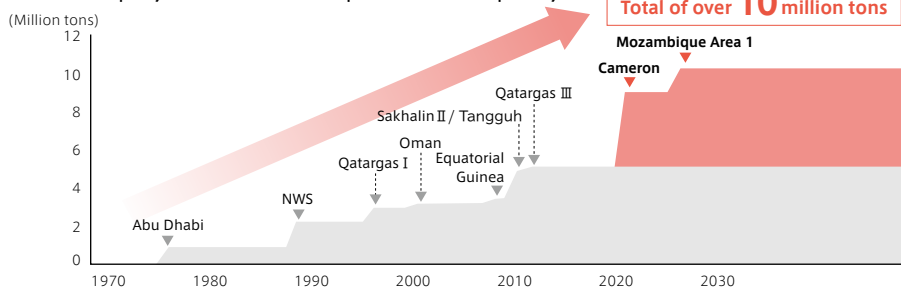
## ▶ The Competitiveness of LNG as an Energy Source

Global demand for energy is projected to increase in the medium to long term amid economic expansion and population growth. And calls for cleaner energy are expected to increase as the need to address climate change grows. These demands for MORE energy and CLEANER energy, present a dual challenge for the Energy sector. While the use of renewable energy such as wind and solar is steadily expanding, they haven't been able to meet the growing demand, and it looks likely that fossil fuels will play an essential role for the time being. Natural gas is seen as a solution to the Dual Challenge because it releases comparatively low amounts of greenhouse gases when burned. With increasing demand throughout the world for natural gas, and the need to connect the suppliers and the buyers, the importance of LNG is growing as it can be easily transported in liquefied form via LNG carriers.

## ▶ Mitsui's LNG Business

Mitsui has participated in 10 LNG projects spanning eight countries and more than 40 years, beginning with UAE/Abu Dhabi in the 1970s to Cameron in the U.S., where we began production in May 2019, Area 1 in Mozambique where we achieved the final investment decision in June 2019, and the Arctic LNG 2 in the Arctic Circle where we announced the equity participation in the same month. We have been building a balanced portfolio of assets in terms of various factors such as geographics, developing/producing stages, partners, possibility of extension or expansion for the future, etc. Over the past 40 years, in addition to increasing equity LNG production capacity, we have also focused on developing relationships of trust with various stakeholders including LNG buyers, operators and host countries' governments.

Mitsui's equity share of annual production capacity



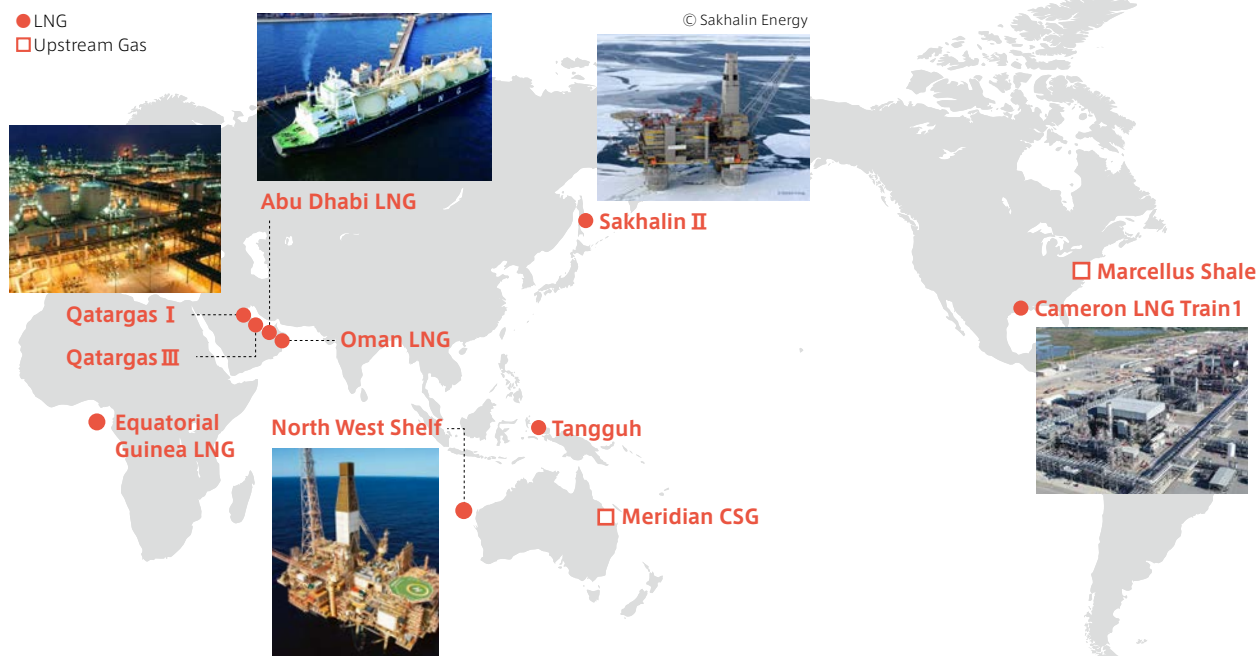
## ▶ Basic Strategies for Mitsui's LNG Business

Mitsui has formulated two basic strategies, **1** to Reinforce our competitive asset portfolio and **2** to Expand and optimize our LNG sales and supply portfolio. For the first strategy, we are maximizing the value of existing assets and steadily ramping up projects under development. For the second strategy, we are enhancing global networks to optimize sales and distribution to global markets of the LNG we supply.

# 1 Reinforce Our Competitive Asset Portfolio

## Existing LNG assets

- LNG
- Upstream Gas



## ■ Area 1 Project in Mozambique

Mitsui has participated in the Mozambique Area 1 LNG Project since the exploration phase. This project involves integrated development from upstream to LNG production. In June 2019, we reached our final investment decision, and are currently moving forward with development under the aim of starting LNG production in 2024. We hold a 20% interest in Area 1 together with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). We have confirmed the presence of over 75 trillion cubic feet of recoverable gas reserves at Area 1, which is large enough to support half of Japan's current annual LNG demand for approximately 30 years. In addition to the massive amount of gas reserves, global LNG buyers have placed high expectations on Area 1 as it is in a geographically competitive location with direct access to regions such as Far East Asia and Europe. In fact, it is anticipated that Mozambique will grow to become a major LNG exporter comparable to other large-scale LNG producers such as Australia, Qatar, and the U.S. In addition, the government of Mozambique has positioned the project as being extremely important to the country's national development. As a project that will contribute to nation building, we will strive to launch the Area 1 Project as quickly as possible together with the Mozambique government and our business partners.

## ■ Arctic LNG 2 Project in Russia

Located on the Gydan Peninsula within the Arctic Circle, north of Russia, the Arctic LNG 2 Project involves integrated development from upstream to LNG production. The project will develop 19.8 million tons of LNG per year.

## Main Sales Destinations

LNG sales destination	Annual sales volume (million tons)
Tokyo Gas & Centrica	2.6
Shell	2.0
JERA & CPC	1.6
CNOOC	1.5
EdF	1.2
Bharat	1.0
Pertamina	1.0
Tohoku Electric Power	0.28

Total of over  
**11**  
million tons



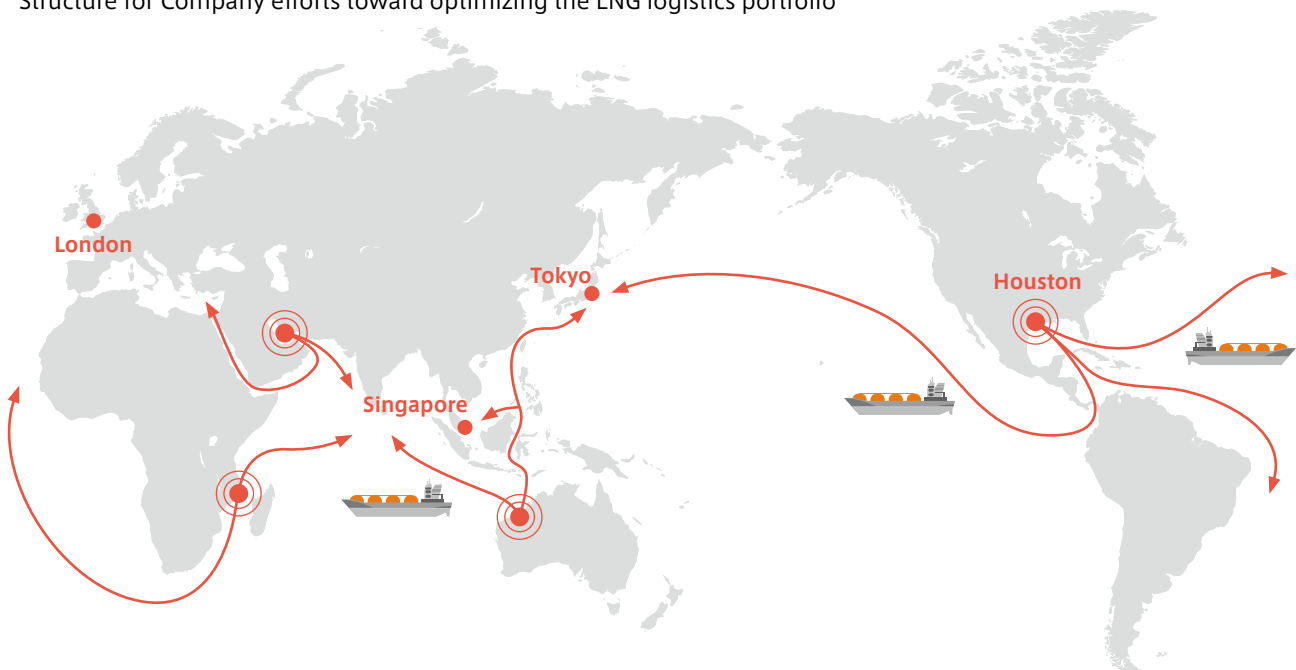
Liquefaction facility mounted on a concrete structure stabilized on the sea bed

In collaboration with JOGMEC, we entered into a share purchase agreement in June 2019 with the project's operator, PAO Novatek ("Novatek"), to acquire 10% equity in the project company, Arctic LNG 2 LLC. The project is expected to commence LNG production from 2023 onward. By establishing a second LNG base in Russia, which has one of the largest gas reserves in the world, to follow the Sakhalin II Project, which continues to be in steady operation, we will

strengthen our LNG business while contributing to the stable supply of energy at the same time. The Arctic LNG 2 Project is supported by the Russian government, providing it with an optimal operating environment for an LNG project. Participating companies will acquire LNG produced in the project in an amount that corresponds to the percentage of equity they hold. Together with JOGMEC, we expect to take and sell approximately 2 million tons of LNG per year.

## 2 Expand and Optimize Our LNG Sales / Supply Portfolio

Structure for Company efforts toward optimizing the LNG logistics portfolio

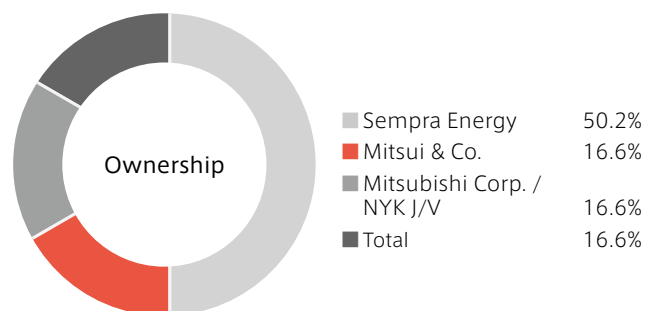


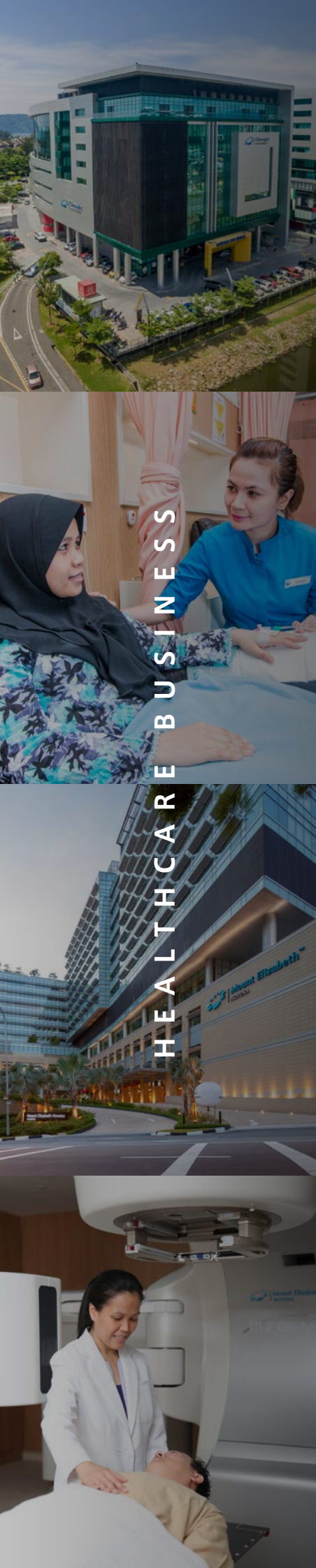
### ■ Cameron LNG Project

The Cameron LNG Project originally was an LNG receiving terminal. With the surge in U.S. shale gas production, however, facilities were later added to turn the terminal into an LNG production facility. Upon full start-up, the three LNG production trains in the project will have an annual production capacity of 12 million tons, of which we hold the right to acquire one-third, or four million tons. The first train of the Cameron LNG Project began production in May 2019, with the second and third trains slated to commence production between January and March 2020 and April and June 2020, respectively.

We are going to bring eight LNG tankers into operation to serve this facility along with its ramp-up. Ship business is under the purview of Mobility Business Unit II. We will work together to manage this fleet and optimize the logistical aspects to supply the global market. By making

adjustments with the flow of other LNG cargo we handle, we will strive to meet the needs of customers in terms of supply timing. At the same time, we will work to realize enhanced and optimized LNG transport across our entire LNG distribution portfolio.





HEALTHCARE BUSINESS

# Healthcare Business Strategy

## ▶ Background for Mitsui's Efforts Focused on the Hospital Business in Asia

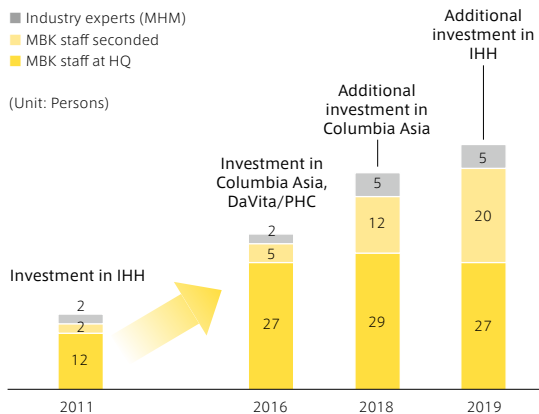
We anticipate healthcare expenditures in Asia to rise at a rate much higher than GDP (per annum) at 12%, eventually reaching approximately USD3.1 trillion, or ¥350 trillion by 2030. This rapid growth will be supported by factors such as population growth, an increase in income especially among the middle class, aging populations centered on China and Singapore, and a change in disease patterns from infectious diseases to chronic illnesses. Additionally, in Asia, the ratio of hospital beds per 1,000 people is somewhere between 0.7 and 2.8. This is much lower than the Organisation for Economic Co-operation and Development (OECD) average of 4.8, indicating a significant shortage. Moreover, not only is there an imbalance in the supply of physical capacity, we are also seeing uneven distribution of products, such as medicine and medical devices; people, including medical professionals such as doctors, nurses, and therapists; high-quality services; and medical information. We believe that capital and insight of corporations, such as ourselves, can be leveraged to help address this imbalance.

Source: The figures listed above were prepared based on various documents provided by the OECD, global banks, the Ministry of Economy, Trade and Industry, and the Singaporean government, as well as on Company estimations.

## ▶ Sophistication of Resources in the Healthcare Business

Since our initial equity investment in IHH Healthcare Berhad ("IHH") in 2011, we have been gradually establishing a healthcare platform centered on IHH and building up the necessary human resources to engage in hospital management. In terms of internal resources, we have been cultivating the decision-making capabilities of our senior executives at the Board level by nominating them as non-executive directors. At the same time, we have been seconding our mid-career employees to corporate planning divisions in order to accumulate know-how on hospital management. As a result, the cumulative number of employees with experience in hospital management has grown by three-fold since 2011, from 16 to 52. We are also highly focused on utilizing professional external talents. In 2016, we established the wholly owned Singapore-based subsidiary MBK Healthcare Management Pte. Ltd. Through this company, we have been working to secure hospital management experts and further accumulate and enhance our management capabilities. Furthermore, since our 2011 investment in IHH, our presence has been rising through the process of examining numerous hospitals and ancillary businesses, leading to an increase in the number of excellent investment opportunities for new businesses.

### Mitsui's resources in hospital business



### 1 Platform

Developing a large and strong platform by participating in management of hospital businesses, such as IHH

### 2 Professionals

Expanding human resource including industry experts and professional managers

### 3 Network

Connection with industry experts, increasing new business opportunities

### ▶ Elements for Realizing Differentiation in Our Healthcare Business

While the healthcare market is a growth area, the competitive environment is intensifying as new players enter the market. Amid these circumstances, there are two major elements that differentiate our healthcare business from that of our competitors.

The first element is that we operate a hospital business that contains multiple functions as a core asset. In Asia, the functionalization of hospitals has yet to occur. Unlike Japan, Europe and the U.S., where ancillary services such as pharmacies, clinical laboratories, and diagnostic imaging services are outsourced, in Asia, let alone above, even clinics for simple diagnoses and dialysis are provided by the hospital. In Asia, people concerned about their health generally visit hospitals, and hospital businesses therefore represent a microcosm of the healthcare industry. Accordingly, we are able to identify new demand-driven business opportunities through our participation in the hospital business. We are also able to promote proactive efforts with an awareness of functionalization timing, starting with establishing clinical laboratories and diagnostic imaging services independent from hospitals.

As for the second element, we are a major player in industries other than the hospital business. For example, we operate businesses related to pharmaceuticals, medical equipment, medical personnel staffing, meal provision, facility management, and ICT-related businesses. While keeping the hospital business as our core, we are therefore able to maintain an awareness of and incorporate new technologies and best practices from other industries in order to enhance our hospital business. Additionally, we have the ability to promote the hospital business in collaboration with optimal partners.

### ▶ Mitsui's Unique Growth Strategies

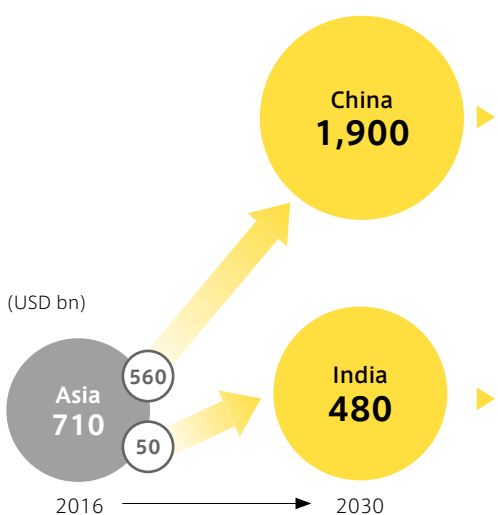
We will promote three initiatives leveraging the aforementioned strengths: **1** pursue regional expansion focused on China and India, **2** create new businesses by carving out certain ancillary services businesses in accordance with the progress in hospital functionalization, and **3** create new businesses by utilizing medical data. Going forward, we will promote growth strategies centered on these three initiatives.

## 1 Regional Development: Expansion into China and India

The Chinese market is enormous and medical expenditures are expected to reach ¥200 trillion by 2030. India is a similarly huge market forecast to see rapid growth, with medical expenditures rising to ¥50 trillion by 2030 as well. IHH began activities in China over 10 years ago and now operates nine clinics in the country and one hospital in

Hong Kong. Currently, IHH is preparing to open new hospitals in Chengdu and Shanghai. It follows a hub-and-spoke strategy wherein it operates "spokes," which are clinics providing outpatient treatment and basic inpatient care, and "hubs," which are core general hospitals located in urban centers providing advanced care across various medical

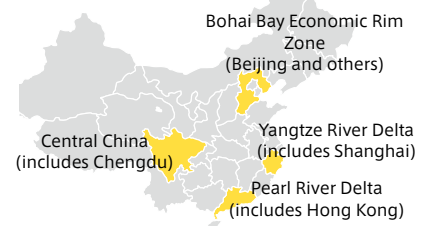
Growth of healthcare spending in China and India



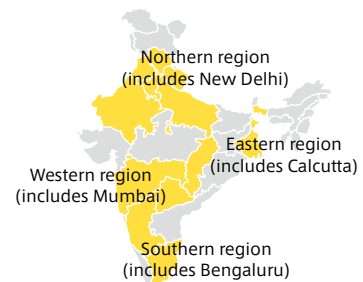
Source: OECD, World Bank, Mitsui's forecasts



IHH's geographical presence



IHH's geographical presence





fields, for seamless patient referral flow. Furthermore, we believe partnerships with influential local companies are essential to expanding our business in China and, as such, are considering various business collaborations. In 2018, we concluded a comprehensive memorandum of understanding with China Resources Enterprise, which operates over 110 hospitals and clinics across China. As for specific initiatives we are pursuing, we have established a fund with a scale of USD1 billion together with China Resources and HOPU Investments. While striving to provide industrial solutions to the various issues in the Chinese healthcare

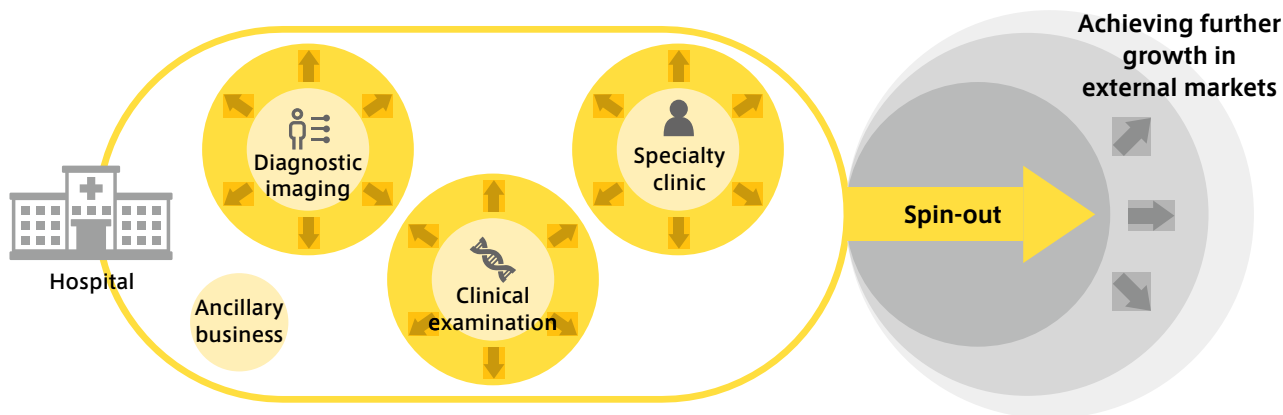
market, we will accelerate efforts within this market, which continues to grow.

Meanwhile, in India, IHH acquired Fortis Healthcare Limited, India's second-largest hospital chain, significantly enhancing its business base. The post-merger integration is now proceeding steadily, and we will aim to enhance profitability through the synergistic effects of this integration. At the same time, we will further expand business by strengthening partnerships with influential local partners leveraging Mitsui's network.

## 2 Functional Expansion: Business Carve-Outs

In developed countries such as Japan, the U.S., and in Europe, hospital operators tend to outsource ancillary services such as pharmacies, clinical laboratories, diagnostic imaging, and specialist clinics with the aim of improving operational efficiency. This trend has led to the creation of independent markets by the specialist providers of these ancillary services. At the moment, these kinds of functions are contained within hospitals in Asia. Expanding these businesses within hospitals is obviously important.

However, if we view each function as a separate individual business, we believe carving these functions out in pursuit of scale will lead to further growth. Furthermore, for hospitals, carving these functions out will lead to better returns on assets and enhanced operational efficiency. As a major theme going forward, we will strive to carve out hospital ancillary businesses at an appropriate time while monitoring the status of IHH.



## 3 New Business Expansion: Utilization of Medical Data

We are particularly interested in leveraging medical data to realize further growth in our hospital business. For example, IHH currently has more than six million outpatients and 600,000 inpatients per year. We are utilizing the

massive volume of data gained from IHH's patient base to enhance operations and reduce costs in the hospital business, thereby working to improve the quality and efficiency of medical care.

# Product and Regional Expertise

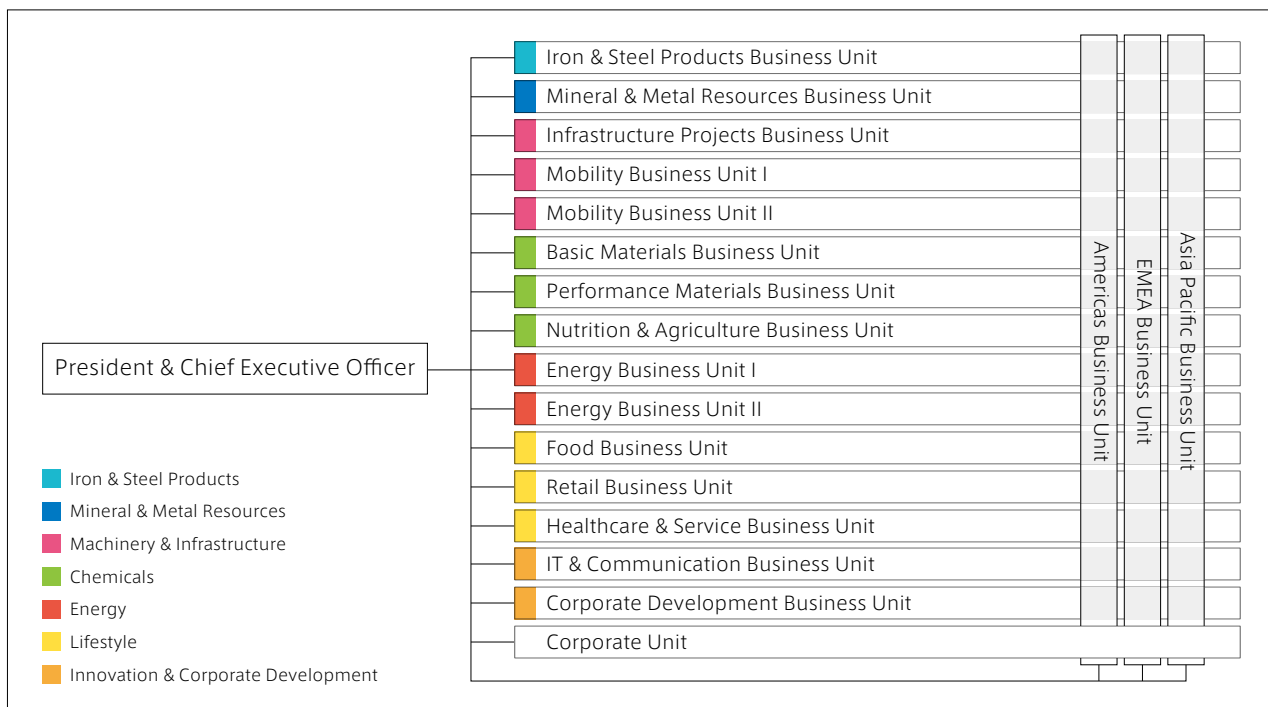
Mitsui has a unique operational organization that is built upon the two axes of product and regional expertise. Under this organization, we engage in its business activities while leveraging the respective strengths provided by these two axes and pursuing collaboration between them.

One strength provided by our product expertise is our 15 Headquarter Business Units. Each Headquarter Business Unit formulates comprehensive strategies for each product it is responsible for, and these strategies integrate our domestic and overseas operations. Guided by such strategies, our Headquarter Business Units promote business activities around the globe. Furthermore, we are working to deepen the horizontal connections between each unit in order to leverage our comprehensive strengths. By doing so, we are promoting Groupwide businesses through collaborative initiatives between each Headquarter Business Unit.

One strength provided by our regional expertise is our three Overseas Regional Business Units. We have divided the overseas markets on which we focus into three regions—the Americas;

Europe, the Middle East and Africa (EMEA); and Asia Pacific—and have put into place a trilateral structure that provides independence to each region. Acting as a cornerstone for our regional strategies, each Overseas Regional Business Unit is entrusted with the business operations in their respective area of responsibility. While collaborating with our Headquarter Business Units, the Overseas Regional Business Units manage a diverse array of businesses together with affiliated companies that operate under their jurisdiction. Furthermore, the Overseas Regional Business Units function as expert organizations that have thorough knowledge of information pertaining to their respective area of responsibility, and this knowledge is leveraged to form close relationships with prominent local companies. In these ways, the Overseas Regional Business Units provide the foundation for our global strategies.

By combining the product strategies of the 15 Headquarter Business Units and the regional strategies of the three Overseas Regional Business Units, which are implemented under a trilateral structure, we are able to realize an organic global network.



\* China, Taiwan, South Korea, and CIS are regions under the direct jurisdiction of the Head Office.

\* The Headquarter Business Units and the Overseas Regional Business Units have thus far been organized into product segments and regional segments. However, from the fiscal year ended March 31, 2018, these units are organized under seven product segments in consideration of decision making pertaining to management resource allocation as well as the evaluation process for business performance.

## Chief Operating Officers of the Overseas Regional Business Units



**Katsurao Yoshimori**  
Senior Executive Managing Officer,  
Chief Operating Officer  
of Americas Business Unit

**Yasuyuki Fujitani**  
Senior Executive Managing Officer,  
Chief Operating Officer of EMEA (Europe,  
the Middle East and Africa) Business Unit

**Taku Morimoto**  
Executive Vice President,  
Chief Operating Officer  
of Asia Pacific Business Unit

# Corporate Governance

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106 Effectiveness of the Board of Directors

117 Execution of Business Activities and Internal Controls

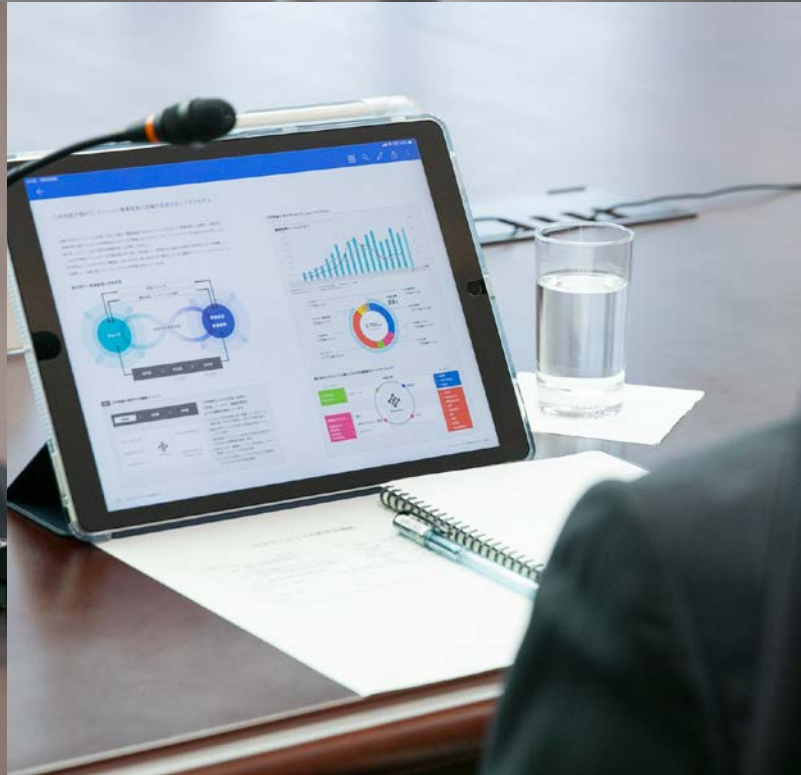
120 Board of Directors and Independent Directors

122 Full-time and Independent Audit & Supervisory Board Members

123 Managing Officers

124 Organization Chart





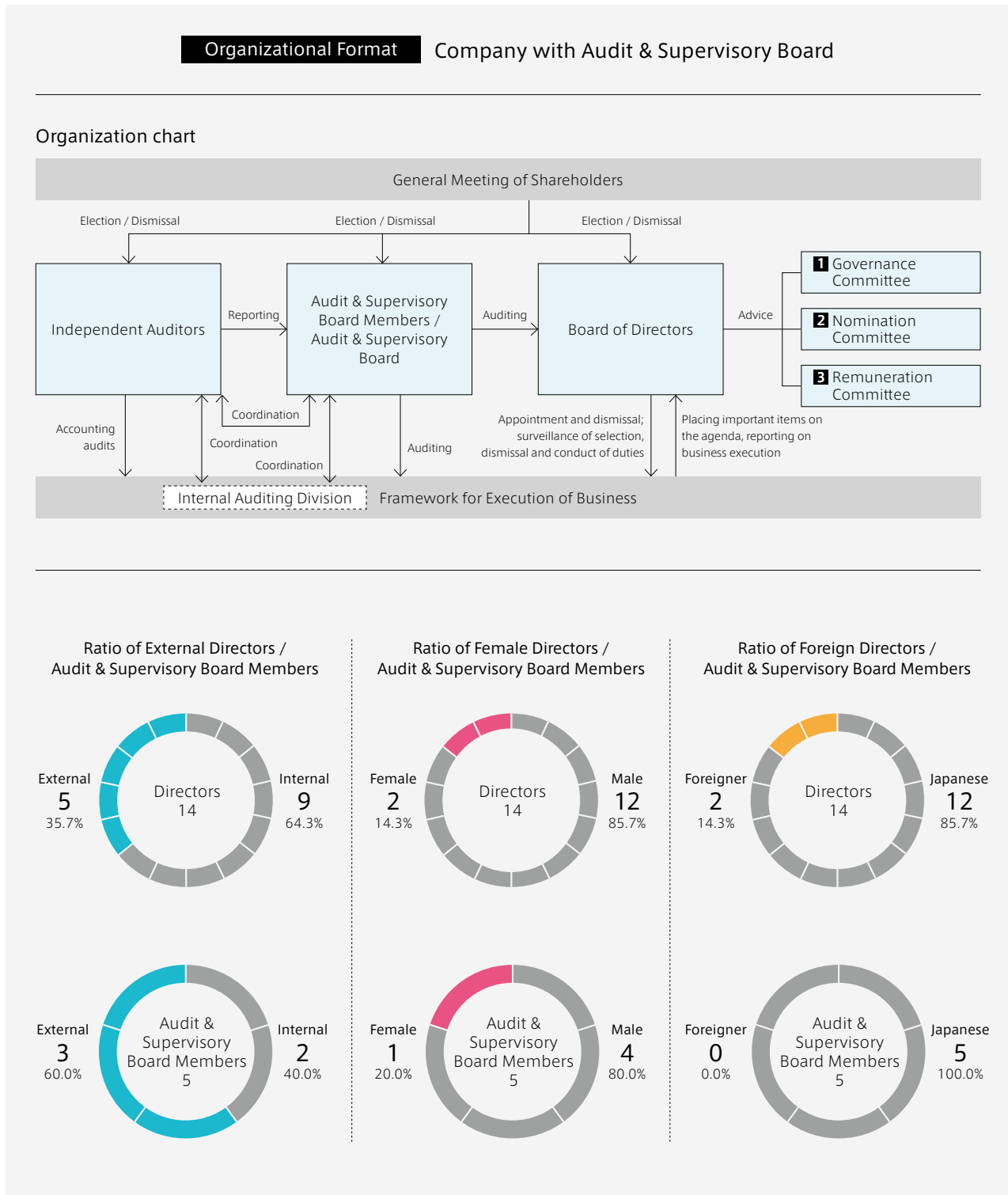




# Mitsui's Corporate Governance

In terms of strengthening corporate governance, the Company worked to improve diversity among members of the Board of Directors. At the same time, an even greater number of discussions regarding Mitsui's future direction and business strategies were held at Board of Directors' meetings. In these ways, the Company has been moving forward with efforts to enhance the effectiveness of the Board of Directors.

## Corporate Governance Framework





## Directors and Audit & Supervisory Board Members

	Name	Position at the Company	Term of Office Stipulated	Governance Committee <sup>*1</sup>	Nomination Committee <sup>*1</sup>	Remuneration Committee <sup>*1</sup>	Diversity	
							Female	Foreigner
Directors	Masami Iijima	Representative Director, Chairman of the Board of Directors	1 year	◎	○			
	Tatsuo Yasunaga	Representative Director, President and Chief Executive Officer		○	○			
	Shinsuke Fujii	Representative Director, Executive Vice President		○				
	Nobuaki Kitamori	Representative Director, Executive Vice President						
	Yukio Takebe	Representative Director, Executive Vice President				○		
	Takakazu Uchida	Representative Director, Senior Executive Managing Officer						
	Kenichi Hori	Representative Director, Senior Executive Managing Officer						
	Hirotsu Fujiwara	Representative Director, Senior Executive Managing Officer				○		
	Yoshio Kometani	Representative Director, Executive Managing Officer						
	Toshiro Muto	Director (External) <sup>*2</sup>		○		◎		
	Izumi Kobayashi	Director (External) <sup>*2</sup>			◎	○	○	
	Jenifer Rogers	Director (External) <sup>*2</sup>		○			○	○
	Samuel Walsh	Director (External) <sup>*2</sup>		○				○
	Takeshi Uchiyamada	Director (External) <sup>*2</sup>			○			
Audit & Supervisory Board Members	Makoto Suzuki	Full-time Audit & Supervisory Board Member	4 years					
	Kimiro Shiotani	Full-time Audit & Supervisory Board Member						
	Haruka Matsuyama	Audit & Supervisory Board Member (External) <sup>*2</sup>		○			○	
	Hiroshi Ozu	Audit & Supervisory Board Member (External) <sup>*2</sup>			○			
	Kitataka Mori	Audit & Supervisory Board Member (External) <sup>*2</sup>				○		

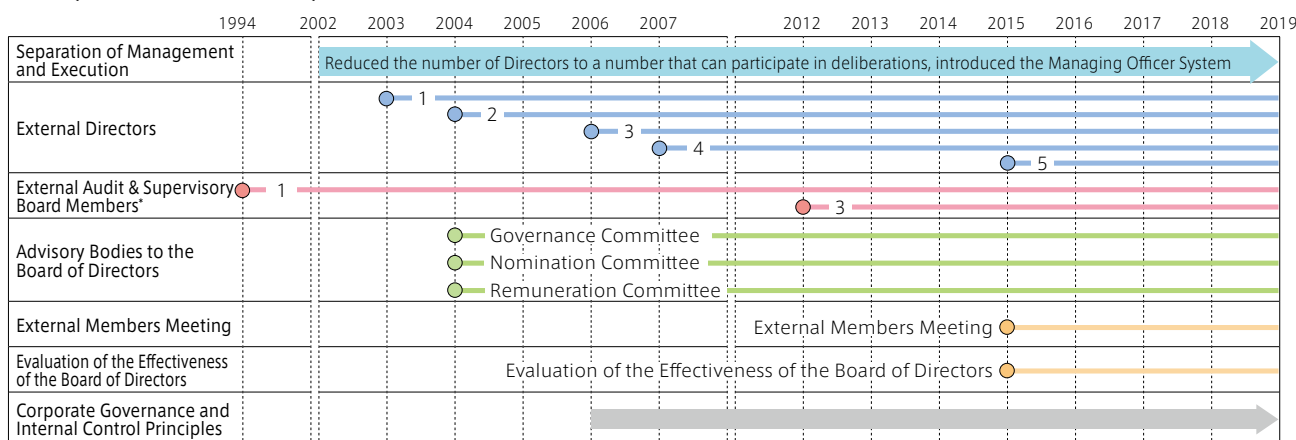
\*1. ◎ : Committee chair for the respective advisory committees

\*2. Independent Director / Audit & Supervisory Board Member

### Advisory Bodies

Advisory bodies	1 Governance Committee	2 Nomination Committee	3 Remuneration Committee
Committee chair	Chairman of the Board of Directors	External Director	External Director
Composition (including committee chair)	Chairman of the Board of Directors President and Chief Executive Officer 1 Internal Director 3 External Directors 1 External Audit & Supervisory Board Member	Chairman of the Board of Directors President and Chief Executive Officer 2 External Directors 1 External Audit & Supervisory Board Member	2 Internal Directors 2 External Directors 1 External Audit & Supervisory Board Member
Role	To study the state and future vision of Mitsui's corporate governance with the viewpoints of External Directors and External Audit & Supervisory Board Members	To establish the standards and processes used in nominating and dismissing Directors and Managing Officers (including the CEO, the same shall apply hereafter), set succession planning for CEO and other top executives, and to evaluate the Director nomination proposals	To study the system and decision-making process related to remuneration and bonuses including evaluation of officer remuneration proposals, for Directors and Managing Officers
Meetings in the fiscal year ended March 31, 2019	3	4	5
Results in the fiscal year ended March 31, 2019	The Governance Committee responded to the revision of the Corporate Governance Code, carried out reviews of matters such framework of corporate governance of Mitsui, and the effectiveness of the Board of Directors.	The Nomination Committee responded to the revision of the Corporate Governance Code, carried out a review of the standards and processes for nominating and dismissing Directors and Managing Officers. The Committee confirmed that the candidates met the selection criteria of the Directors, and discussed the succession planning of the CEO and the composition and balance of the Board of Directors.	The Remuneration Committee responded to the revision of the Corporate Governance Code, carried out a review of the remuneration structure for Directors and Managing Officers, and evaluated remuneration proposals.

### History of the Governance System



\* The number of External Audit & Supervisory Board Members (number appointed / upper limit according to the Articles of Incorporation), was temporarily 4/7 and is currently 3/5.

### Board and Other Meetings Held in FY Ended March 2019

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD
Ex	BD	BD		Ex	G	BD	FD	Ex	Ex	BD	N
	R	Ex		Ex		N		Ex	N	Ex	R
						R		G		Ex	
								N		G	
								R		R	

BD Board G Governance Committee R Remuneration Committee N Nomination Committee Ex External Members Meeting FD Free Discussion

#### Free discussion among all members of BOD and ASB

For evaluation of the effectiveness of the fiscal year ended March 31, 2018, considering the opinions to set an opportunity of free discussion, we organized free discussion during the fiscal year ended March 31, 2019

FY 2018 March The opinions for the evaluation of the effectiveness	<b>Date, Venue, etc.</b>	<b>Agenda</b>
	<ul style="list-style-type: none"> <li>Nov 15, 2018</li> <li>Offsite meeting at a training facility of the Company</li> <li>Free discussion attended by all members of the Board of Directors and the Audit &amp; Supervisory Board</li> </ul>	<ol style="list-style-type: none"> <li>Mitsui &amp; Co. governance and organizational design</li> <li>Realization of sustainable growth</li> <li>Current status and future issues of human resources to support realization of sustainable growth</li> </ol>

### Basic View on Corporate Governance

In structuring the 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 delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers' business activities. Chief Operating Officers

of the 15 Headquarter Business Units and the 3 Overseas Regional Business Units 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 External Directors and External Audit & Supervisory Board Members participate, 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."

## Board of Directors

The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, the Company has limited the number of Directors to the maximum to enable substantial discussions and gives priority to the appointment of new External Directors in the case of increasing the number of Board members in order to enhance the division of roles between management oversight and execution. The tenure of Directors is one year, and Directors can be reappointed. The Chairman is authorized to call for a meeting of the Board of Directors and to chair the meeting. His role as the Chairman of the Board of Directors of the Company chiefly involves carrying out supervision of management. He does not concurrently serve as an executive officer and he 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 bodies to the Board of Directors. These committees comprise mainly external members.

At Board of Directors' meetings, matters that are deliberated or reported on abide by the Company's internal regulations. In addition to matters concerning fundamental policies related to management, important business execution and matters

authorized by resolutions of the General Meeting of Shareholders, the Company passes resolutions on matters determined by law and company statute. The Board of Directors also receives reports regarding matters determined by law and the status of important business operations.

Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held from time to time at any time if deemed necessary.

### Number of proposals/reports to the Board FYE March 2019

Type of proposals/reports	FY2019
Corporate strategy, sustainability and other matters related to governance	16
Financial results and other related matters	14
Matters related to internal controls, risk management and compliance	7
Matters related to human resources	6
Matters related to Audit & Supervisory Board Members and independent auditor	2
Individual projects/matters (incl. investments over ¥40 billion)	20
Total	65

### Internal control or risk management-related reports to the Board FYE March 2019

Agenda of the Board	Time of Meeting	Matters Reported	Relevant Risk Management Structures/Systems
Review of status of internal control systems	Mar 2019	<ul style="list-style-type: none"> <li>Overview of internal control system</li> </ul>	<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 Committee, Portfolio Management Committee</li> </ul>
Sustainability	Apr 2018	<ul style="list-style-type: none"> <li>Overview of sustainability activities</li> <li>Approach to coal-related business</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Committee</li> </ul>
	Jun 2018	<ul style="list-style-type: none"> <li>Responding to climate change</li> </ul>	
Compliance structures/operational status	Mar 2019 Oct 2018	<ul style="list-style-type: none"> <li>Compliance risks</li> </ul>	<ul style="list-style-type: none"> <li>Compliance Committee</li> <li>Establishment of and compliance with the Business Conduct Guidelines for Employees and Officers of Mitsui &amp; Co.</li> <li>Development of internal whistleblowing system</li> <li>Training and other awareness-raising activities</li> </ul>
Assessment of internal control system in accordance with Financial Instruments and Exchange Act	Jun 2018	<ul style="list-style-type: none"> <li>Internal control systems for financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>J-SOX Committee</li> <li>Self-assessment of the effectiveness of internal control systems by units subject to assessment and testing by independent units</li> </ul>
Internal audit results	Aug 2018	<ul style="list-style-type: none"> <li>Results of internal audit</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit structure centering on the Internal Auditing Division</li> </ul>
Mitsui's risk exposures and management	Sep 2018	<ul style="list-style-type: none"> <li>Credit risks (commercial claims, external loans/guarantees, term deposits)</li> <li>Market risks (commodity/forex long and short positions, inventories)</li> <li>Business risks (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> screening of commodity/forex long and short positions, on-site inspection of inventories, etc.</li> <li>Screening 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 of individual countries, designation of business-suspended countries and restricted countries, formulation of country-specific response policies</li> </ul>
Cybersecurity	Dec 2018	<ul style="list-style-type: none"> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Technological countermeasures, human countermeasures (including activities to raise awareness of security), countermeasures targeting affiliated companies</li> </ul>

## Audit & Supervisory Board

The Audit & Supervisory Board Members supervise the Directors' execution of duties as an independent institution with the mandate of the shareholders. For this purpose, Audit & Supervisory Board Members carry out multifaceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner.

Audit & Supervisory Board meetings are held periodically and precede meetings of the Board of Directors. Moreover, additional meetings are held on an as-needed basis. The Audit & Supervisory Board Members attend meetings of the Board of Directors to monitor how the proceedings of the meetings are

managed and the content of the decisions made. These members also actively express their opinions.

Auditing by the Audit & Supervisory Board Members covers a variety of areas, among which are execution of duties by Directors, decision-making processes at the meetings of the Board of Directors and others, status of construction and operation of the internal control system, independence of the Independent Auditors, system of financial reporting, accounting policies and processing of financial information, audit of financial statements, reports from the Independent Auditors, and the system of disclosure.

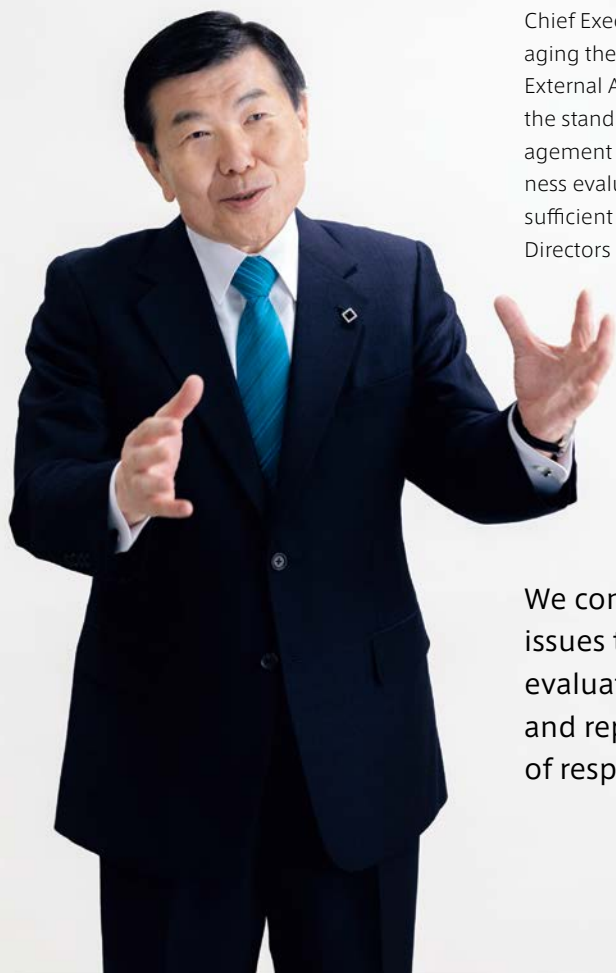
## Effectiveness of the Board of Directors

—Comments from the Chairman of the Board of Directors and the Chairman of each Advisory Committee—

**I**n our company, the Chairman of the Board chairs the meetings of the Board of Directors and the Governance Committee. The Principles of Corporate Governance and Internal Control states that the Chairman shall be primarily responsible for management supervision and shall not be involved in the execution of daily operations, rather than concurrently serving as an executive officer. In light of this position as Chairman, as an experienced ex-President and Chief Executive Officer with good understanding of Mitsui, I am committed to managing the meetings, respecting the views and opinions of External Directors and External Audit & Supervisory Board Members, who are independent members from the standpoint of understanding Mitsui, and I am aware that the way of this management style of the Board as its Chairman has been appreciated in the effectiveness evaluation questionnaire. Each year, the Board of Directors meets with sufficient time to evaluate the effectiveness of the Board of Directors. The Board of Directors discusses the effectiveness of the Board of Directors and the Governance Committee through questionnaire and responses, including free descriptions, and free discussions at External Members Meetings. As the responsibilities and roles expected of the Board of Directors changes in response to developments in the business environment and other factors, it is necessary to continuously identify issues through the evaluation of effectiveness and repeat the process of responding to such issues.

**We continuously identify issues through the evaluation of effectiveness and repeat the process of responding to such issues.**

As Chairman of the Board of Directors and Chairman of the Governance Committee, I intend to continue to evaluate the effectiveness of the Board of Directors and disclose its results as a tool to help our stakeholders better understand the status of our governance, and to resolve any issues that the Board of Directors should address.



Masami Iijima  
Representative Director and  
Chairman of the Board of Directors  
Chairman of the Governance Committee



Toshiro Muto  
External Director  
Chairman of the  
Remuneration Committee

**S**ince the introduction of the Corporate Governance Code in Japan, our Board's discussions have become even more active, and I feel that the voices of our External Directors have become a major influence on management. In our Board deliberations, External Directors are encouraged to reflect the opinions and perspectives of various stakeholders from a broader and diversified perspective, in our management decision-making process, in addition to the opinions that make use of their expertise. We believe that our Board's discussions are deepening.

In addition to the Board of Directors, improvements have also been witnessed in the advisory committees. For example, in the fiscal year ended March 31, 2019, the Nomination Committee included the formulation of a succession plan for the CEO and deliberations on the dismissal of directors and managing officers, including the CEO, as well as the exclusion of two internal directors who could be candidates for CEO in terms of the composition of the committee, and the inclusion of a chairman and a majority of External Directors, which resulted in substantial discussions among the Board. In the past, reporting of the results of deliberations by the Nomination Committee to the Board of Directors was mainly based on the results of evaluations of important personnel matters, centering on the drafting of the Board of Directors. Although there were limited opportunities to report on the contents of discussions, in the fiscal year ended March 31, 2019, we reported the details of the discussions with the Board of Directors. In the fiscal year ending March 31, 2020, we will thoroughly manage the succession plan, such as training executives, and hold continued discussions to convey the composition and balance of our Board of Directors in an easy-to-understand manner.

**We will thoroughly manage the succession plan, such as training executives.**



**Izumi Kobayashi**  
External Director  
Chairman of the Nomination Committee

**O**ur Board of Directors, which has a diversity of External Directors, including those with business experience, foreigners, and females, is openly and actively engaged in continuous discussions. In the fiscal year ended March 31, 2019, a free discussion camp session by Directors and Audit & Supervisory Board Members was held at our training center, which included our External Members, and Mitsui's direction and business strategy were actively discussed. When discussing major themes in depth such as business strategy, it takes a certain amount of time to deepen the discussion. Therefore, it is very meaningful to hold a free discussion camp session, and I appreciate that a free discussion camp session is meaningful to enhance and supplement the functions of the Board of Directors.

As Chairman of the Remuneration Committee and a member of the Governance Committee, I have been involved in our governance system. With regard to the activities of the Remuneration Committee for the current year, the Corporate Governance Code was revised, and it was stated that the remuneration system should be designed, and the specific amount of remuneration should be determined, in accordance with objective and transparent procedures. Based on this statement, the details of the remuneration system, including the amount of individual remuneration, were again reported to the Board of Directors.

**We will continue to discuss the content of the remuneration system, which serves as a sound incentive for our sustainable growth.**

Although the remuneration system may not be changed frequently, it needs to be reviewed regularly, taking into account management environments and trends in other companies' executive remuneration, as well as the public interest. We will continue to discuss the content of the remuneration system, which serves as a sound incentive for our sustainable growth, during the fiscal year ending March 31, 2020.

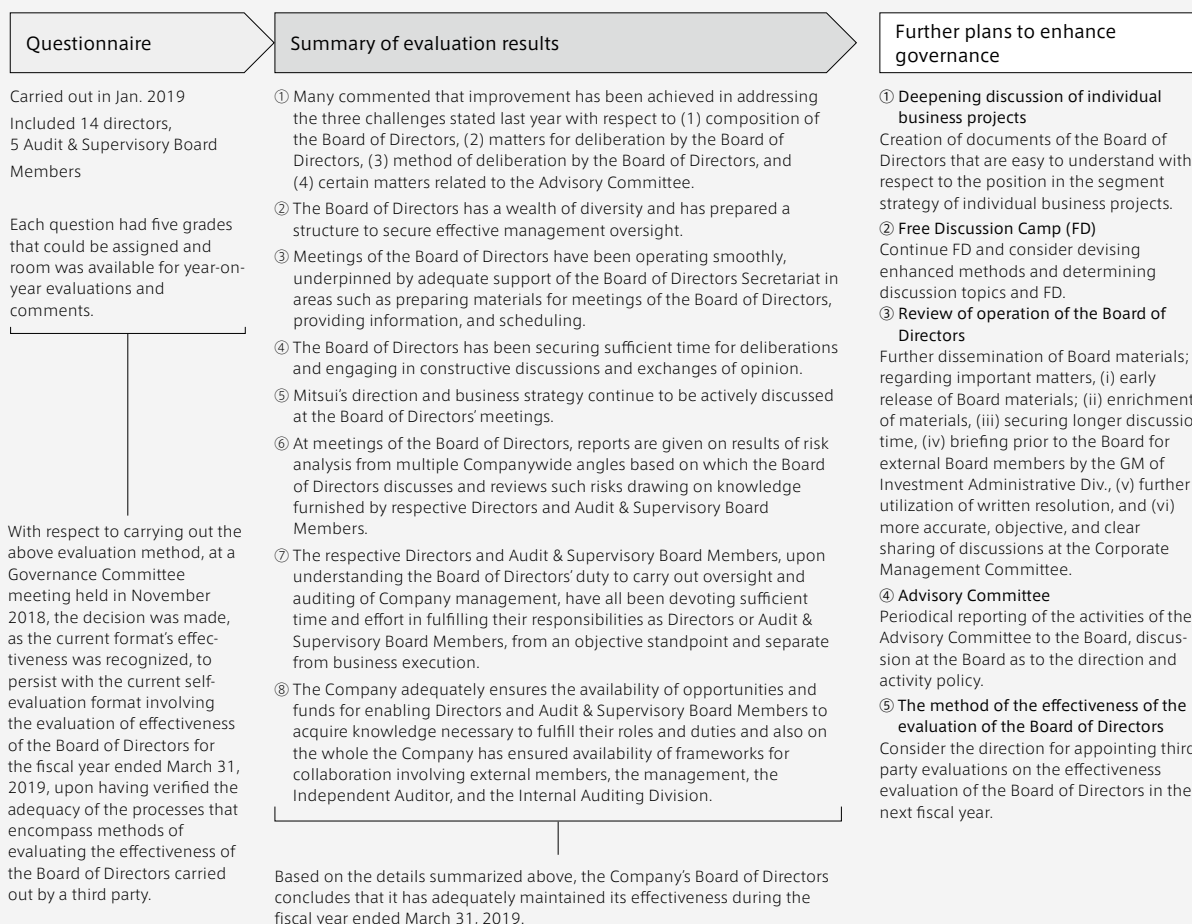
## Evaluation of the Effectiveness of the Board of Directors

Every fiscal year, the Company carries out an evaluation of the effectiveness of the Board of Directors, whereby we confirm results of various initiatives carried out to address Board performance issues the Company has previously recognized and whereby the Company also selects new areas of focus in order to enhance Board effectiveness. Based on the results of the previous year's evaluation, the Board of Directors and its secretariat implemented the following initiatives in the fiscal year ended March 31, 2019, to further improve Board effectiveness.

Recognition of issues based on evaluation results carried out on March 31, 2018	Initiatives	Evaluation of questionnaire carried out on March 31, 2019
Composition of the Board of Directors	<ul style="list-style-type: none"> <li>We discussed the ideal composition of the Board of Directors at Free Discussion Camp.</li> <li>Mr. Uchiyamada, who has significant business experience (Chairman of Toyota Motor Corporation), was appointed as an External Director at the general shareholders' meeting, which was held on June 20, 2019.</li> </ul>	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.
Discussion topics	Create a Board agenda suitable for discussions with External Directors and set up opportunities for discussions among Directors on internal control, risk management, sustainability and similar Companywide themes and topics based on trends around the world and current affairs.	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.
Discussion method of the Board of Directors	We held a free discussion with Directors and Audit & Supervisory Board Members at our training center.	A significant majority of the external members responded with favorable assessment.
Advisory Committee	In the fiscal year ended March 31, 2019, we conducted reports to the Board of Directors on the deliberations by each Advisory Committee, and implemented measures to enhance the determination procedures for, and discussion of, meeting frequency of each Advisory Committee.	A significant majority of the external members responded with favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.

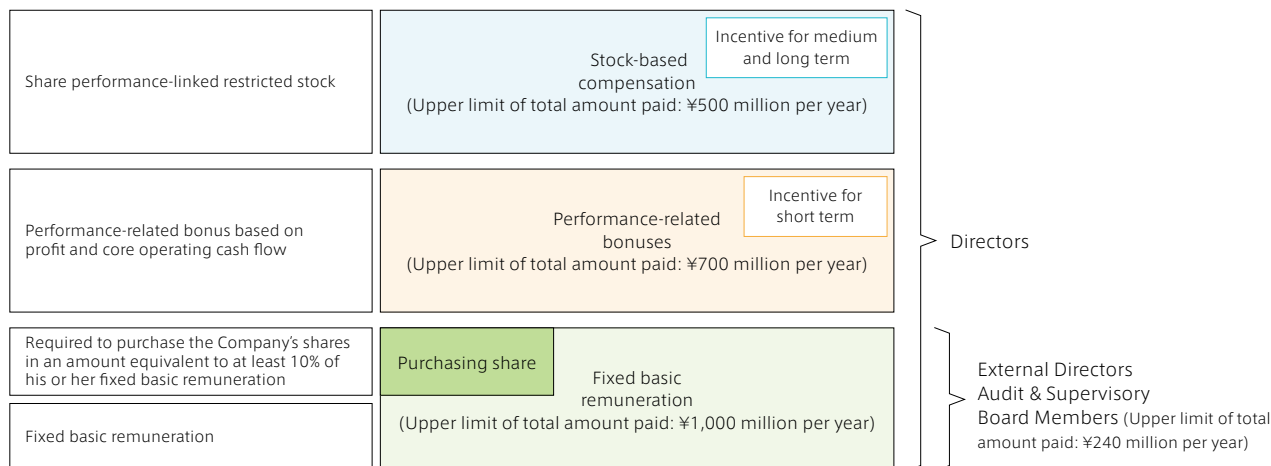
### ► Evaluation of the Effectiveness of the Board of Directors for the Fiscal Year Ended March 31, 2019

In light of the results of the questionnaires, a resolution was passed at a Board of Directors' meeting held in March 2019 after discussions were held at an External Members Meeting and at meetings of the Governance Committee, which took place in February 2019.



# Remuneration of Directors and Audit & Supervisory Board Members

## Structure of Remuneration



### ► Remuneration of Directors

Remuneration of Directors (excluding External Directors) is determined by a resolution of the Board of Directors on the basis of deliberations by the Remuneration Committee, which is chaired by an External Director. It consists of fixed basic remuneration, performance-related bonus based on Mitsui's key performance indicators, and stock-based compensation linked to the stock price as medium-to-long-term incentive compensation. As for stock-based compensation linked to the stock price, it is provided in the form of share performance-linked restricted stock from the fiscal year ending March 31, 2020. Also, each Director (excluding External Directors) is required to purchase the Company's shares in an amount equivalent to at least 10% of his or her monthly remuneration but less than ¥1 million through Mitsui Executives' Shareholding Association. The appropriateness of percentages of fixed basic remuneration, performance-related bonus, and stock-based compensation is verified each year by the Remuneration Committee, taking trends at other companies and other factors into consideration. The findings are reported to the Board of Directors. Retirement compensation is not paid to Directors.

### Performance-related bonus

#### 1 Total amount paid in bonuses for Directors

The performance-related bonus is calculated by the formula that is advised as appropriate by the Remuneration Committee and subsequently resolved at a Board of Directors' meeting. For the fiscal year ending March 31, 2020, the total amount of bonus is calculated as follows:

Total amount of bonus = (Consolidated profit for the period attributable to owners of the parent × 50% × 0.1%) + (Core operating cash flow × 50% × 0.1%)

However, the total amount shall not exceed ¥700 million. If the consolidated profit for the period attributable to owners of the parent is minus, i.e., a "net loss," and/or core operating cash flow is minus, i.e., "cash outflow," then such item is set as 0 for

the calculation. Consolidated profit for the period attributable to owners of the parent and core operating cash flow are important indicators for Mitsui, and they are taken into consideration when determining the dividend policy.

#### 2 Amount paid as individual bonuses

The total amount calculated by the method shown above is distributed to each Director in proportion to the following points, which are assigned for each position. Amounts will be rounded to the nearest ¥10,000, however, if the total amount of the individual bonuses paid exceeds ¥700 million, each amount less than ¥10,000 will be rounded down.

Amount individually paid = total amount of bonus × position points / sum of position points

#### Points by position

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

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

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

### Remuneration system of share performance-linked restricted stock

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

#### 1 Payment method

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

#### 2 Total number of shares to be issued or disposed of, paid-in amount per share

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

#### 3 Details of share performance linkage conditions

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

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

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

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

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

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

B: The total dividend per share for Mitsui's ordinary shares during the valuation period  
 C: The average closing price of Mitsui's stock on the Tokyo Stock Exchange during the three months immediately prior to the month in which the date of the Board of Directors' resolution falls

$$\text{Growth rate of Mitsui's share price} = (A+B) \div C$$

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

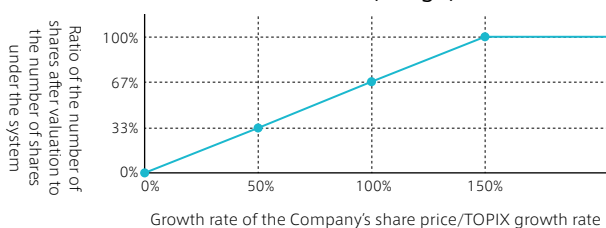
D: The average TOPIX closing price on the Tokyo Stock Exchange during the three months immediately prior to the month in which the final day of the valuation period falls

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

$$\text{TOPIX growth rate} = D \div E$$

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

#### Number of shares after valuation (image)



#### 4 Restriction on transfer

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

#### 5 Lifting of the Restriction on Disposal

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



## 6 Grounds for acquisition without compensation

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

## 7 Procedures in the event of organizational restructuring, etc.

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

## The Company's policy on the method used to calculate remuneration for Directors

The Company's policy on the method used to calculate remuneration for Directors is decided by the Board of Directors within limits approved by resolutions at General Meetings of Shareholders. Before making decisions, the Board of Directors receives a report from the Remuneration Committee, which is chaired by an External Director, to the effect that the amounts are appropriate, based on prior deliberations by the committee. The amounts for the year ended March 31, 2019 were determined through the following processes.

1. The basic remuneration for Directors excluding External Directors has been decided according to a specific formula based on the resolution of the Board of Directors on April 12, 2017, delegating authority to decide individual payment

amounts to the Representative Director, President and Chief Executive Officer. The formula was approved as appropriate by the Remuneration Committee, and it was reported at the meeting of the Board of Directors held on December 19, 2018 that individual remuneration was being paid on the basis of said formula. The individual amounts of basic remuneration paid to the External Directors were decided at the meeting of the Board of Directors held on April 12, 2017, based on the report of the Remuneration Committee stating that these amounts were appropriate.

2. The amounts of performance-related bonus were decided according to a formula adopted at the meeting of the Board of Directors held on April 12, 2017. After deliberating on this formula, the Remuneration Committee reported to the meeting of the Board of Directors held on April 12, 2017 that the formula was appropriate.
3. The number of stock options allocated was decided by a resolution of the Board of Directors at a meeting held on July 4, 2018. The Remuneration Committee reported to that meeting of the Board of Directors that the number of stock options to be allocated was appropriate.

### ► Remuneration for External Directors

Remuneration of External Directors is limited to a fixed remuneration that does not include a performance-related portion, and there is no obligation of share purchasing for External Directors.

### ► Remuneration of Audit & Supervisory Board Members

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

## Remuneration of Directors and Audit & Supervisory Board Members in the fiscal year ended March 31, 2019

Category of position	Number of recipients <sup>1</sup>	¥ million			
		Basic remuneration	Bonus	Stock option	Total remuneration <sup>2</sup>
Directors (excluding External Directors)	12	719	492	116	1,328
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>22</b>	<b>1,015</b>	<b>492</b>	<b>116</b>	<b>1,624</b>

<sup>1</sup> The above includes Directors and Audit & Supervisory Board Members who retired from office in the fiscal year ended March 31, 2019.

<sup>2</sup> In addition to the above amounts, a total of ¥490 million was paid to 109 retired Directors, and ¥44 million to 13 retired Audit & Supervisory Board Members, as pensions (representing payments determined prior to the abolition of those systems).

## External Directors / External Audit & Supervisory Board Members

### ► Selection Criteria

#### External Directors

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

### Reasons for Appointing Each External Director

Name	Independent Director	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Toshiro Muto	○	Mr. Muto has deep insight into fiscal and monetary affairs, as well as in economics in general, gained at the Ministry of Finance and the Bank of Japan. At Board of Directors' meetings, he uses his specialist knowledge to speak out actively, making a significant contribution to deepening the discussion. In the fiscal year ended March 31, 2019, as chair of the Remuneration Committee (attending all 5 such meetings) and as a member of the Governance Committee (attending 2 of 3 such meetings), he exercised strong leadership in conducting discussions and revision related to the remuneration system for Directors and Officers and in response to the revision of the Corporate Governance Code. Although Mr. Muto has no direct experience participating in corporate management, he has deep insight into fiscal and monetary affairs as well as knowledge of corporate governance. We appointed him as External Director so that he may continue to advise and supervise its management.	BD (15/16) G (2/3) R (5/5) Ex (7/9)	Honorary Chairman, Daiwa Institute of Research Ltd. Director General / CEO, The Tokyo Organising Committee of the Olympic and Paralympic Games
Izumi Kobayashi	○	Ms. Kobayashi has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral 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, 2019, she served as a member of the Remuneration Committee (attending all 5 such meetings), and contributed to the discussions and revisions related to a remuneration system for Directors and Officers. In addition, as chair of the Nomination Committee (attending all 4 such meetings), she exercised strong leadership in conducting discussions related to the policy and procedures for the dismissal of executives, including the CEO, in response to the revision of the Corporate Governance Code, and to the design and consideration of succession plans. In view of these points we appointed her as External Director so that she may continue to advise and supervise its management.	BD (16/16) N (4/4) R (5/5) Ex (9/9)	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc.
Jenifer Rogers	○	Ms. Rogers has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an 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, 2019, she served as a member of the Governance Committee (attending all 3 such meetings), actively provided her opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. In view of these points, we appointed her as External Director so that she may continue to advise and supervise its management.	BD (16/16) G (3/3) Ex (9/9)	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd.
Samuel Walsh	○	Mr. Walsh has global expertise and excellent management skills cultivated through his long career working in upper management in the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors' meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the fiscal year ended March 31, 2019, he served as a member of the Governance Committee (attending all 3 such meetings), actively provided his opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. He has diverse perspectives based on global corporate management experience and expertise and knowledge related to capital policy and business investment. We appointed him as External Director so that he may continue to advise and supervise its management.	BD (16/16) G (3/3) Ex (8/9)	Gold Corporation (Australia) Chairman of the Board

Name	Independent Director*	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Takeshi Uchiyamada	○	Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation that could realize a smart mobility society called for by today's society, as well as in the development of products demanded by consumers. He has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. He has also contributed to the public interest in a wide range of areas through his duties as a vice chair of the Keidanren (Japan Business Federation) and as a member of the Council for Science, Technology and Innovation, Cabinet Office. We appointed him as External Director so that he may advise and supervise its management from a diverse perspective, capitalizing on his management experience at a global company and his in-depth knowledge of society in general. In our Medium-term Management Plan, we have positioned "establishing a new growth area" as one of our priorities, for which Mobility and Retail & Services are included. We expect Mr. Uchiyamada to offer advice based on his expertise and experience toward establishing the next profit pillars through the creation of new value in these areas.	BD — N — Ex —	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION External Audit & Supervisory Board Member, TOKAI RIKA CO., LTD. External Audit & Supervisory Board Member, Toyoda Gosei Co., Ltd.  JTEKT CORPORATION, TOKAI RIKA CO., LTD., and Toyoda Gosei Co., Ltd. are all equity accounted associated companies of Toyota Motor Corporation.

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

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

## External Audit & Supervisory Board Members

The External Audit & Supervisory Board Members shall be selected with the objective of further heightening the neutrality and independence of the auditing system, and, in particular, it is expected that the External Audit & Supervisory Board Members will give an objective voice to their auditing opinions from the standpoint of neutrality, building on such factors 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 such factors as relations with the Company, management and important staff members.

### Reasons for Appointing Each External Audit & Supervisory Board Member

Name	Independent Audit & Supervisory Board Member*	Reasons for Appointment	Attendance at Meetings in FY2019 (Number of Meetings Attended / Total Number of Meetings)	Significant Concurrent Positions (As of June 20, 2019)
Haruka Matsuyama	○	Ms. Matsuyama is appointed as an External Audit & Supervisory Board Member in expectation of the expression of her objective audit opinions from an independent and neutral standpoint, with advanced insight into corporate governance and risk management cultivated through her many years of experience in legal affairs as a judge and as an attorney at law. In the fiscal year ended March 31, 2019, as a member of the Governance Committee (participated in all 3 meetings), she actively provided opinions that contributed to developing transparent and objective governance.	BD (15/16) AS (24/24) G (3/3) Ex (7/9)	Attorney at Law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. External Director, Restar Holdings Corporation
Hiroshi Ozu	○	Mr. Ozu is appointed as an External Audit & Supervisory Board Member in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, with advanced insight into governance and risk management cultivated through the many years of experience and perspective he has gained, mainly as a prosecutor. In the fiscal year ended March 31, 2019, as a member of the Nomination Committee (participated in all 4 meetings), he contributed to enhancement in the transparency of the Company's nomination of officers.	BD (15/16) AS (24/24) N (4/4) Ex (9/9)	Attorney at Law External Audit & Supervisory Board Member, Toyota Motor Corporation External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	○	Mr. Mori is appointed as an External Audit & Supervisory Board Member because the Company deems him capable of clearly expressing an opinion as External Audit & Supervisory Board Member from a neutral and objective perspective based on his advanced expertise in corporate accounting cultivated through his many years of experience as a certified public accountant. In the fiscal year ended March 31, 2019, as a member of the Remuneration Committee (participated in all 5 meetings), he contributed to the discussions related to an objective remuneration system for officers and its revision.	BD (15/16) AS (24/24) R (5/5) Ex (8/9)	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company

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

\* An External Audit & Supervisory Board Member who is unlikely to have conflicts of interest with general shareholders, as stipulated by the stock exchange

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

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

- (1) Person who is currently or was in the past 10 years an executive director, executive officer, managing officer, manager, employee, administrative officer, etc. (hereinafter referred to as "executing person") of the Company or its consolidated subsidiaries
- (2) Person or the executing person of a corporation holding either directly or indirectly 10% or more of the total number of the voting rights of the Company
- (3) Person whose major business partner is the Company or its consolidated subsidiaries<sup>1</sup> or the executing person of the same
- (4) Major business partner of the Company or its consolidated subsidiary<sup>2</sup> or the executing person of the same
- (5) Independent auditor of the Company or its consolidated subsidiary or employee, etc., of the same
- (6) Person providing professional services such as consultant, lawyer and certified public accountant who received from the Company monetary payment or other property benefits exceeding ¥10 million in total other than officer remuneration in the most recent fiscal year (referring to the person belonging to the organization if the one who received the relevant property is an organization such as corporation and association)
- (7) Person or the executing person of a corporation who received the annual total of ¥10 million or more of donations or aid funds from the Company or its consolidated subsidiary in the most recent fiscal year
- (8) Person who has fallen under any of (2) to (7) above in the past three years
- (9) Spouse or relative within the second degree of kinship (hereinafter referred to as "close relatives") of the person who is currently or has been recently the important executing person of the Company or its consolidated subsidiary (including director who is not the executing person in the case of External Audit & Supervisory Board Member)
- (10) Close relatives of the person who currently falls or has fallen recently under any of (2) to (7) above (excluding the one who is not important)

<sup>1</sup> If the relevant business partner received from the Company or its consolidated subsidiary the payment equivalent to 5% or more of its annual transaction volume (non-consolidated) in the most recent fiscal year or the relevant business partner obtained from the Company or its consolidated subsidiary the money loans equivalent to 5% or more of its consolidated total assets in the most recent fiscal year, the relevant business partner is deemed to be the person whose major business partner is the Company or its consolidated subsidiary.

<sup>2</sup> If the Company or its consolidated subsidiary received from the relevant business partner the payment equivalent to 2% or more of Mitsui's annual consolidated transaction volume in the most recent fiscal year or the relevant business partner provided the Company or its consolidated subsidiary with the money loans equivalent to 2% or more of Mitsui's consolidated total assets, the relevant business partner is deemed to be the major business partner of the Company or its consolidated subsidiary.

### ► Support Systems

For External Directors, before regular and extraordinary meetings of the Board of Directors, materials on the proposals are provided and advance explanations are given. For External Audit & Supervisory Board Members, company information which contributes their auditing, including summaries of regular meetings between Full-time Audit & Supervisory Board Members and staff in the Audit & Supervisory Board Member Division, is timely provided by the Full-time Audit & Supervisory Board Members and the staff. Advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Audit & Supervisory Board and of the Board of Directors. For external members, the Company provides personal computers and tablets (hereinafter referred to as the "External Members' PCs") and distributes materials for meetings of the Board of Directors in a timely manner, thereby ensuring the time to review agendas. The Company sets up a Board of Directors' database for use in storing information such as minutes and other materials of past meetings of the Board of Directors, and maintains a platform that enables access to such database from the officers' PCs.

### ► External Members Meeting

The meeting composed of all External Directors and External Audit & Supervisory Board Members is held periodically, for the purpose of exchanging information and opinions regarding important matters in management among External Directors, or among External Directors and/or Internal Directors, Audit & Supervisory Board Members, and Managing Officers. In the fiscal year ended March 31, 2019, the External Members Meeting was held nine times. At these meetings, the External Members discussed such matters as business strategies for each business unit, consolidated internal control systems, auditing of the Global Group, and evaluation on the effectiveness of the Board of Directors.

#### Agenda of External Members Meeting in FYE Mar 2019

Agenda	
1	Consolidated Basis Internal Controls & Global Group Audit
2	Draft Agenda of Offsite Free Discussion
3	FYE Mar 2018 Full-Year Results Presentation and FYE Mar 2019 Business Plan, Capital Market Reaction, Points of Interest
4	Briefing on Business Units by COOs (Nutrition & Agriculture, Performance Materials)
5	Business Environment Outlook
6	Decision-making Mechanism at Mitsui & Co.
7	Accounting Auditors Engagement
8	Evaluation of Board Effectiveness (Free Discussion)
9	Review of Materiality

Note: At one of the nine meetings, the External Directors and the External Audit & Supervisory Board Members met separately based on the themes of discussion.

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

The External Directors and External Audit & Supervisory Board Members, through the meetings of the Board of Directors, the meetings of the Audit & Supervisory Board and the External Members Meetings respectively, exchange information and opinions on auditing by the Internal Auditing Division, auditing by Audit & Supervisory Board Members and accounting audits by the Independent Auditors as well as mutually coordinate with them to supervise and audit the internal control system. Specifically, they periodically receive reports on the following at the meetings of the Board of Directors, respectively; results and

plans of the internal audits, results and plans of auditing by the Audit & Supervisory Board, summary of the management letter by the Independent Auditors, results of the internal control system assessment in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the management and improvement of the internal control systems. At the External Members Meetings, External Directors, Audit & Supervisory Board Members and the Independent Auditors mutually exchange information and opinions regarding the policy of audits. Full-time Audit & Supervisory Board Members, at their discretion, hold a meeting to exchange opinions beforehand among the External Directors and External Audit & Supervisory Board Members on certain important matters to be discussed at meetings of the Board of Directors, in order to provide External Board Members with sufficient information for effective discussion at meetings of the Board of Directors.

## Policy on Training for Directors and Audit & Supervisory Board Members

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Upon assumption, opportunities are given to Directors and Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc., of Mitsui, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may

fulfill their duties including the respective roles expected of Directors or Audit & Supervisory Board Members, which are mandated by the shareholders and each responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.

## Policy Related to Acquisition and Holding of Cross-Shareholdings

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The Company defines listed shares held for reasons other than purely for investment returns as cross-shareholdings. Cross-shareholdings here include not only mutual shareholdings but also unilateral ones. These are acquired and held in accordance with the following policy.

(1) The purpose of cross-shareholdings in investees for which the equity-method is applicable is to improve the corporate value of the investees and increase equity-method based profit and dividends to be received through participation in the management of the investees. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) will be categorized as "listed shares for general investment purposes" and regarded as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.

(2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors shall review the meaning of and policy on holding such shares, including a verification of the rationale in relation

to our cost of capital, within the framework of portfolio reviews that are carried out in relation to investment assets generally, including unlisted shares. If the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be set out.

(3) When acquiring listed shares for general investment purposes, the Company shall conduct a prior stringent assessment of the probability of the investment creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships. At the same time, each year, the Board of Directors shall review the meaning of and policy on holding listed shares for general investment purposes by verifying the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to our cost of capital, and verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship with each cross-shareholding investee. If as a result of this review the meaning of holding these assets has significantly declined, our policy is to sell such assets, thereby reducing the cross-shareholdings.

## Independent Auditors

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The Company appoints certified public accountants belonging to Deloitte Touche Tohmatsu LLC as Independent Auditors to carry out auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of consolidated financial statements in English.

To secure prompt financial closing and reliability, the auditing work of the Company and its consolidated subsidiaries is in principle entrusted solely to Deloitte Touche Tohmatsu, which belongs to the same network as Deloitte Touche Tohmatsu LLC.

## Internal Audits

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

The Internal Auditing Division carries out regular audits that cover the Company, overseas offices and subsidiaries, domestic subsidiaries, and other affiliated companies. Identifying the items to be audited based on risk, these audits provide an

independent and objective evaluation in accordance with international internal audit standards. Additionally, the division carries out audits based on Companywide themes, such as import/export management, and on the protection of private information. The division also implements extraordinary audits of events that have brought about exceptional economic loss or have damaged the Company's reputation, investigating the causes of such events and examining the adequacy of measures to prevent recurrence. Furthermore, the Internal Auditing Division, as an independent body, complies with and assesses internal controls regarding the credibility of financial reporting, pursuant to the Financial Instruments and Exchange Act.

# Execution of Business Activities and Internal Controls

## Execution of Business Activities

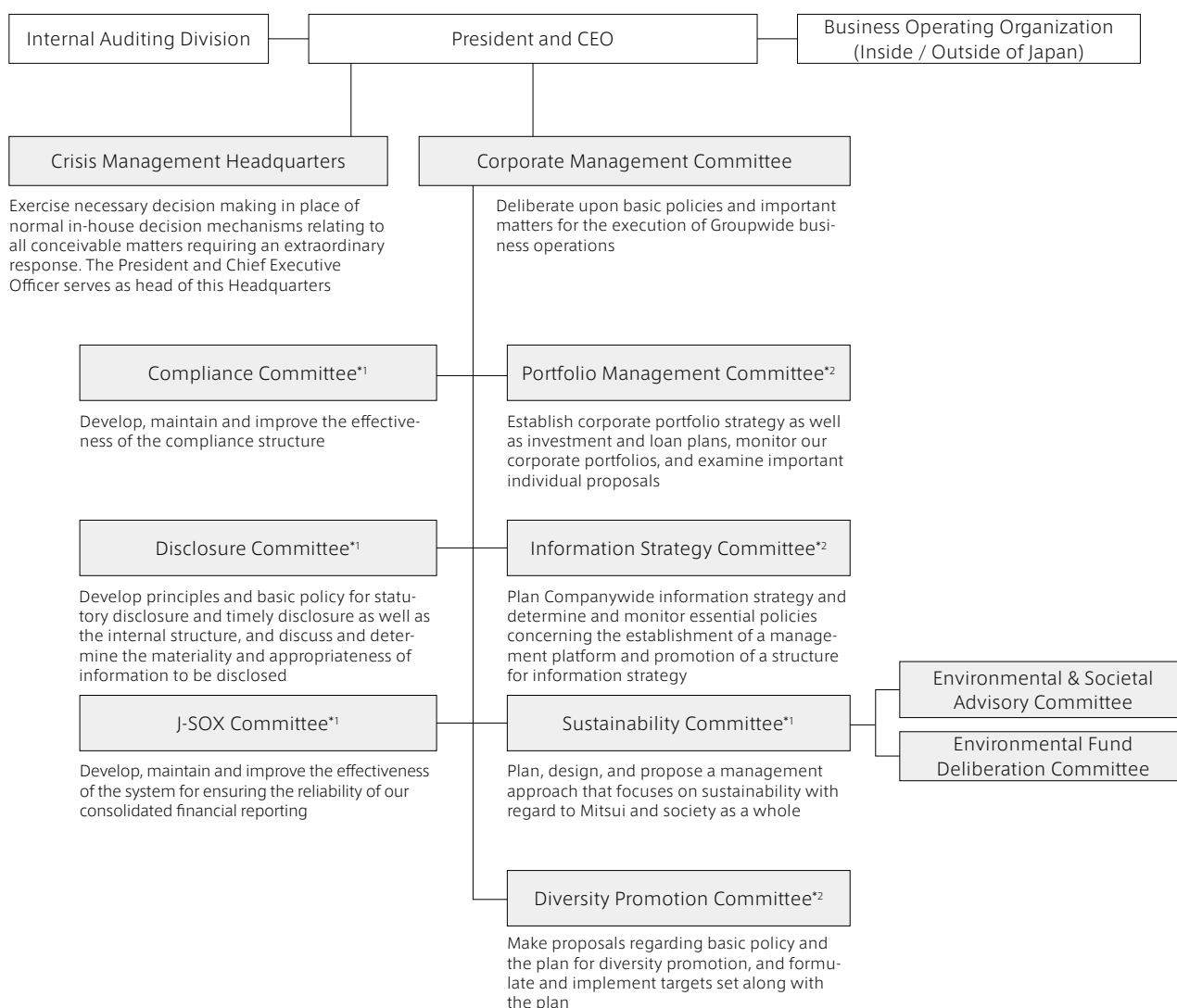
Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chairman of the Board of Directors, 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 meeting 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, the management assumes the role and responsibility of maintaining, operating and assessing internal controls at Mitsui and Mitsui affiliated companies. The Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui.

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

### Framework for Internal Controls and Execution of Business Activities



\*1. Sub-committees to the Corporate Management Committee

\*2. Advisory bodies to the Corporate Management Committee

## Internal Controls

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In the construction of internal control processes, aiming to achieve the objective of the internal control process—"Improvement of effectiveness and efficiency of operations," "Compliance with accounting standards and securing reliability of financial reporting," "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and "The conservation of company assets"—the following systems are implemented.

### ▶ Risk Management System

Risks arising from Mitsui's business activities are monitored and managed by chief operating officers of business units and regional business units within the authorization delegated to them from 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 approval of the Corporate Management Committee or a relevant representative director or senior managing officer, depending on the importance of the situation, in accordance with the standards of the internal approval system.

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

### ▶ Internal Controls over Financial Reporting

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

### ▶ Internal Controls Related to Information Systems and Information Security

The Information Strategy Committee establishes important policies related to Global Group information strategy. 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. The committee ensures the establishment of systems to control risk associated with information assets appropriately. Specifically, it establishes rules for process of procurement, introduction and

operation of information assets; code of conduct for the system supervisory divisions regarding IT security; requirements for information risk management systems and the basics of information management; and internal rules relating to the handling of personal information required in the course of business operations as well as Cyber Security Countermeasures.

### ▶ Compliance

Mitsui has a strong belief that a sound reputation is the foundation of Mitsui's business. At Mitsui, we define compliance as complying with corporate ethics and social norms in addition to laws, regulations, and internal rules of the Company. By word "compliance," Mitsui requires its employees and officers to act in accordance with its corporate ethics, based on its management philosophy and social norms in addition to laws and regulations as well as internal rules of the Company. To those ends, we carry out corporate management with emphasis on compliance. With the Chief Compliance Officer as a chairperson and including an external lawyer as an observer, the Compliance Committee develops Mitsui's compliance system and maintains and enhances its effectiveness.

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

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



### ▶ Specially Designated Business Management System

In response to the DPF Incident, the Company established the "Specially Designated Business Management System" in April 2005. Under this system, internal review of four business domains which are "Environment-related business," "Medical, Healthcare and Bioethics-related businesses," "Businesses with subsidy," and "Business harboring other unusual reputation risks" is strengthened. When examining these matters, reports from the Sustainability Committee or the Environmental & Societal Advisory Committee in which external experts participate as members, or opinions from other external experts will be obtained, as necessary. In addition, the Company appoints consultants with insights into environmental and social risk, human rights and utilizes their advice for new and existing environment-related businesses as necessary.

### ▶ Ensuring the Appropriateness of Operations within the Corporate Group

The Company has set forth the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles." In light of other laws and regulations, the Company requires its subsidiaries to develop and operate internal controls based on these principles and to the extent reasonable. 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."

# Board of Directors and Independent Directors

As of June 20, 2019

## Directors

Years as a Director / Number of Company shares held

### Masami Iijima

11 years / 102,250 shares

Representative Director,  
Chairman of the Board  
of Directors



1974 Joined Mitsui & Co., Ltd.  
2015 Representative Director, Chairman of the Board of Directors  
(current position)

### Takakazu Uchida

1 year / 22,717 shares

Representative Director,  
Senior Executive Managing  
Officer  
Chief Financial Officer (CFO)



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer, CFO  
(current position)

### Tatsuo Yasunaga

4 years / 85,716 shares

Representative Director,  
President and Chief Executive  
Officer



1983 Joined Mitsui & Co., Ltd.  
2015 Representative Director, President and Chief Executive Officer  
(current position)

### Kenichi Hori

1 year / 14,544 shares

Representative Director,  
Senior Executive Managing  
Officer



1984 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer  
(current position)

### Shinsuke Fujii

3 years / 34,429 shares

Representative Director,  
Executive Vice President  
Chief Administrative Officer (CAO)  
Chief Information Officer (CIO)  
Chief Privacy Officer (CPO)



1981 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President, CAO, CIO, CPO  
(current position)

### Hirotatsu Fujiwara

New / 27,145 shares

Representative Director,  
Senior Executive Managing  
Officer  
Chief Compliance Officer (CCO)



1984 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Senior Executive Managing Officer, CCO  
(current position)

### Nobuaki Kitamori

2 years / 27,076 shares

Representative Director,  
Executive Vice President  
Chief Digital Officer (CDO)



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President, CDO  
(current position)

### Yoshio Kometani

New / 13,522 shares

Representative Director,  
Executive Managing Officer



1985 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Managing Officer  
(current position)

### Yukio Takebe

1 year / 20,152 shares

Representative Director,  
Executive Vice President



1983 Joined Mitsui & Co., Ltd.  
2019 Representative Director, Executive Vice President (current position)

## Independent Directors

Years as a Director / Number of Company shares held

### Toshiro Muto

9 years / 14,225 shares

External Director



- 1966 Entered the Ministry of Finance
- 1999 Director-General of the Budget Bureau, Ministry of Finance
- 2000 Administrative Vice Minister, Ministry of Finance
- 2003 Special Advisor, Ministry of Finance  
Deputy Governor, Bank of Japan
- 2008 Chairman, Daiwa Institute of Research Ltd.
- 2010 External Director, Mitsui & Co., Ltd. (current position)
- 2018 Honorary Chairman, Daiwa Institute of Research Ltd.  
(current position)

### Samuel Walsh

2 years / 4,800 shares

External Director



- 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)

### Izumi Kobayashi

5 years / 3,468 shares

External Director



- 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.
- 2008 Executive Vice President, Multilateral Investment Guarantee Agency,  
World Bank Group
- 2014 External Director, Mitsui & Co., Ltd. (current position)

### Takeshi Uchiyamada

New / 0 shares

External Director



- 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)

### Jenifer Rogers

4 years / 4,668 shares

External Director



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

# Full-time and Independent Audit & Supervisory Board Members

As of June 20, 2019

## Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company shares held

### Makoto Suzuki

New / 76,466 shares

Full-time Audit & Supervisory Board Member



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

### Kimiro Shiotani

New / 8,183 shares

Full-time Audit & Supervisory Board Member



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

## Independent Audit & Supervisory Board Members

Years as an Audit & Supervisory Board Member / Number of Company shares held

### Haruka Matsuyama

5 years / 1,736 shares

External Audit & Supervisory Board Member



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

### Hiroshi Ozu

4 years / 1,376 shares

External Audit & Supervisory Board Member



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)

### Kimitaka Mori

2 years / 3,109 shares

External Audit & Supervisory Board Member



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

# Managing Officers

As of June 20, 2019

## Managing Officers

\* Corporate officer also serving as a director.

### President

#### Tatsuo Yasunaga\*

President and Chief Executive Officer; Head of Crisis Management Headquarters

### Executive Vice Presidents

#### Shinsuke Fujii\*

Chief Administrative Officer; Chief Information Officer; Chief Privacy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Investment Administrative Division, Information Technology Promotion Division, Regional Business Promotion Division, Corporate Communications Division, Corporate Sustainability Division, Business Supporting Unit (Each Planning & Administrative Division)); Domestic Offices and Branches; HQ Overseen Region; Chairman, Information Strategy Committee; Chairman, Sustainability Committee

#### Nobuaki Kitamori\*

Chief Digital Officer; Healthcare & Service Business Unit; IT & Communication Business Unit; Corporate Development Business Unit; Digital Transformation

#### Taku Morimoto

Chief Operating Officer of Asia Pacific Business Unit

#### Yukio Takebe\*

Iron & Steel Products Business Unit; Mineral & Metal Resources Business Unit; Energy Business Unit I; Energy Business Unit II

### Senior Executive Managing Officers

#### Takakazu Uchida\*

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

#### Hirotsu Fujiwara\*

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

#### Motoo Ono

Chief Representative of East Asia Bloc

#### Kenichi Hori\*

Basic Materials Business Unit; Performance Materials Business Unit; Nutrition & Agriculture Business Unit; Food Business Unit; Retail Business Unit; Chairman, Portfolio Management Committee

#### Yasuyuki Fujitani

Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit

#### Shinsuke Kitagawa

General Manager of Osaka Office

#### Shinichiro Omachi

Country Chairperson in India; Managing Director, Mitsui & Co., India Pvt. Ltd.

#### Katsurao Yoshimori

Chief Operating Officer of Americas Business Unit

### Executive Managing Officers

#### Yoshio Kometani\*

Infrastructure Projects Business Unit; Mobility Business Unit I; Mobility Business Unit II; Digital Transformation (Deputy)

#### Hiroyuki Tsurugi

Representative Director, President & CEO of Mitsui Oil Exploration Co., Ltd.

#### Miki Yoshikawa

Chief Operating Officer of Food Business Unit

#### Noboru Katsu

Chairman & CEO of Mitsui & Co. (Australia) Ltd.

#### Shingo Sato

President of Mitsui & Co. (Brasil) S.A.

#### Motoaki Uno

President & CEO of P.T. Mitsui Indonesia

#### Osamu Toriumi

General Manager of Internal Auditing Division

### Managing Officers

#### Hiroshi Meguro

Chief Representative of Mitsui & Co., Ltd. in CIS; General Director of Mitsui & Co. Moscow LLC

#### Yuki Kodera

Chief Operating Officer of Mineral & Metal Resources Business Unit

#### Motoyasu Nozaki

Chief Operating Officer of Energy Business Unit II

#### Koji Nagatomi

Chief Operating Officer of Healthcare & Service Business Unit

#### Hirohiko Miyata

General Manager of Investment Administrative Division

#### Masahiro Moriyasu

Chief Operation Officer of IT & Communication Business Unit

#### Kohei Takata

Chief Operating Officer of Nutrition & Agriculture Business Unit

#### Yoshiki Hirabayashi

Chief Operating Officer of Retail Business Unit

#### Tetsuya Daikoku

Chief Operating Officer of Mobility Business Unit I

#### Sayu Ueno

Chief Operating Officer of Basic Materials Business Unit

#### Yoshiaki Takemasu

General Manager of Human Resources & General Affairs Division

#### Tatsuya Okamoto

Chief Operating Officer of Mobility Business Unit II

#### Yumi Yamaguchi

President & CEO of Mitsui Global Strategic Studies Institute

#### Yoshimitsu Gushiken

General Manager of Finance Division

#### Yuji Mano

General Manager of Information Technology Promotion Division

#### Takeshi Setozaki

General Manager of Chubu Office (Nagoya)

#### Shinichi Hori

Chief Operating Officer of Iron & Steel Products Business Unit

#### Masato Sugahara

Deputy Chief Operating Officer of Asia Pacific Business Unit

#### Reiji Fujita

President of Mitsui & Co. (Thailand) Ltd.

#### Shinichi Kikuchihara

Chief Operating Officer of Corporate Development Business Unit

#### Kazumasa Nakai

Chief Operating Officer of Infrastructure Projects Business Unit

#### Takeo Kato

Chief Operating Officer of Performance Materials Business Unit

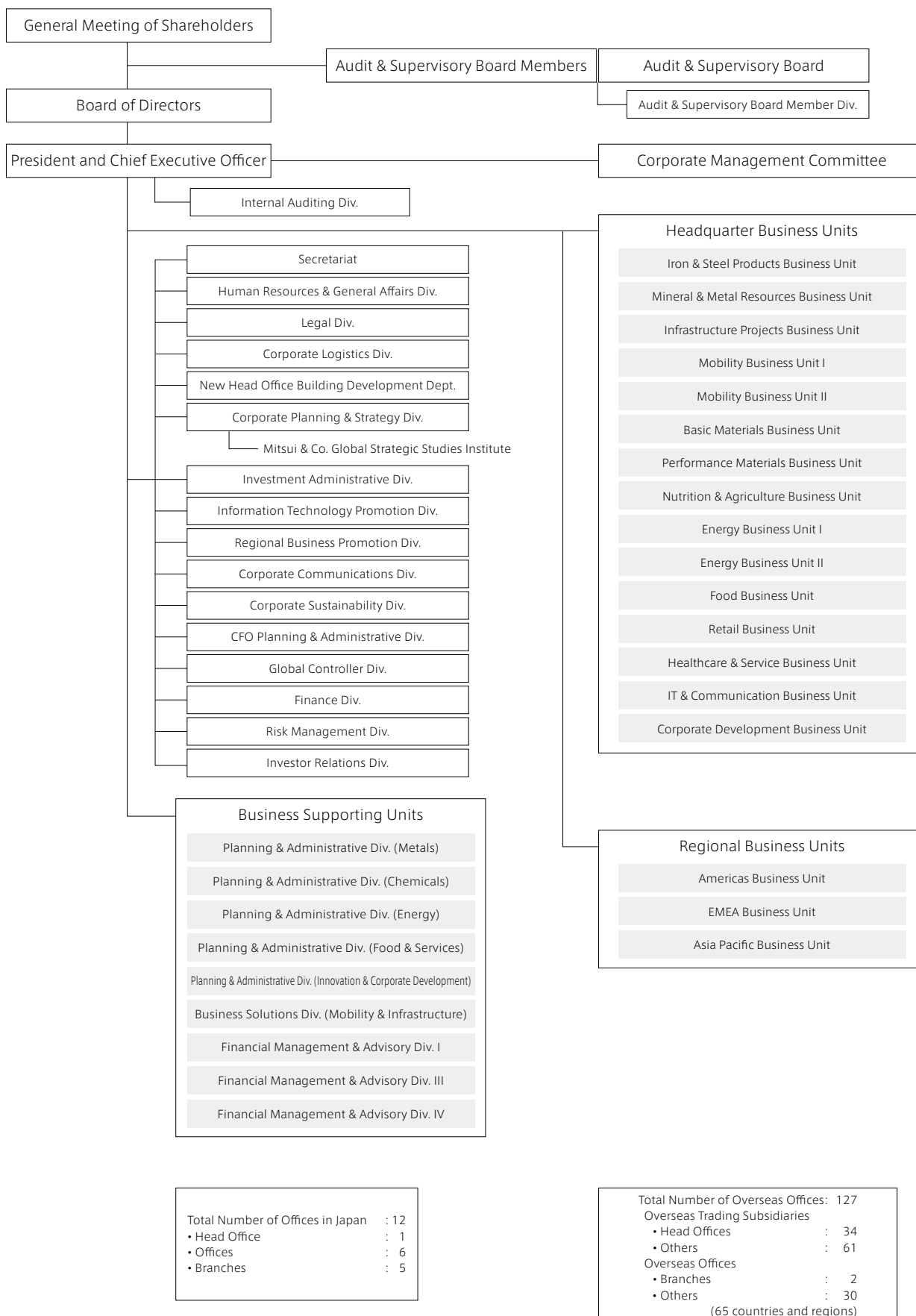
#### Masaharu Okubo

Chief Operating Officer of Energy Business Unit I

#### Tetsuya Shigeta

General Manager of Global Contoller Division

# Organization Chart (As of April 1, 2019)



Total Number of Offices in Japan	: 12
• Head Office	: 1
• Offices	: 6
• Branches	: 5

Total Number of Overseas Offices:	127
Overseas Trading Subsidiaries	
• Head Offices	: 34
• Others	: 61
Overseas Offices	
• Branches	: 2
• Others	: 30
(65 countries and regions)	

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# 10-Year Financial Data (Including Sustainability Data)

Mitsui & Co., Ltd. and its subsidiaries  
Fiscal years to March 31

## U.S. GAAP

Billions of yen

	2009	2010	2011	2012	2013	2014
<b>Consolidated Operating Results (For the Year):</b>						
Revenues	5,535.2	4,096.4	4,679.4	5,251.6	4,911.6	5,740.7
Gross Profit	1,016.3	702.0	859.2	878.3	790.4	859.9
Operating Income	394.7	144.5	317.0	348.4	254.6	275.2
Equity in Earnings of Associated Companies	84.8	131.5	242.1	232.1	176.2	173.7
Net Income Attributable to Mitsui & Co., Ltd.	177.6	149.7	306.7	434.5	307.9	422.2
<b>Consolidated Financial Position (At Year-End):</b>						
Total Assets	8,364.2	8,369.0	8,598.1	9,011.8	10,324.6	11,001.3
Total Mitsui & Co., Ltd. Shareholders' Equity	1,881.7	2,230.1	2,366.2	2,641.3	3,181.8	3,586.4
Interest-bearing Debt	3,668.6	3,471.7	3,377.5	3,578.0	4,269.3	4,455.1
Net Interest-bearing Debt	2,515.1	2,055.7	1,933.9	2,142.8	2,839.4	3,224.4
<b>Consolidated Cash Flows (For the Year):</b>						
Net Cash Provided by Operating Activities	582.7	632.4	504.5	381.0	461.4	521.5
Net Cash Used in Investing Activities	(290.9)	(180.1)	(484.0)	(438.2)	(753.3)	(704.5)
Net Cash Provided by (Used in) Financing Activities	(9.8)	(214.4)	33.8	57.4	221.6	(34.7)
Free Cash Flow	291.8	452.3	20.5	(57.2)	(291.9)	(183.0)
Investments and Loans	(520.0)	(360.0)	(690.0)	(650.0)	(960.0)	(1,010.0)
Divestitures	190.0	210.0	190.0	210.0	220.0	305.0
Net Cash Outflow	(330.0)	(150.0)	(500.0)	(440.0)	(740.0)	(705.0)
<b>Financial Indicators:</b>						
Return on Equity (ROE) (%)	8.7%	7.3%	13.3%	17.4%	10.6%	12.5%
Return on Assets (ROA) (%)	2.0%	1.8%	3.6%	4.9%	3.2%	4.0%
Net Debt-to-Equity Ratio (Net DER) (times)	1.34	0.92	0.82	0.81	0.89	0.90

Yen

<b>Amounts per Share:</b>						
Net Income Attributable to Mitsui & Co., Ltd.						
Basic	97.59	82.12	168.05	238.10	168.72	231.79
Diluted	97.32	82.11	168.05	—	—	231.78
Cash Dividends	25	18	47	55	43	59
Consolidated Dividend Payout Ratio (%)	25.6%	21.9%	28.0%	23.1%	25.5%	25.5%
Shareholders' Equity	1,033.22	1,222.11	1,296.66	1,447.34	1,743.34	2,000.78
<b>Stock Price:</b>						
Stock Price (closing stock price on the Tokyo Stock Exchange) (yen)	986	1,571	1,491	1,357	1,313	1,459
Price Earnings Ratio (PER) (times)	10.10	19.13	8.87	5.70	7.78	6.29
Price Book-Value Ratio (PBR) (times)	0.95	1.29	1.15	0.94	0.75	0.73
<b>Sustainability:</b>						
Number of Employees (Consolidated)	39,864	41,454	40,026	44,805	45,148	48,090
Ratio of External Directors (%)	33.3%	30.8%	30.8%	30.8%	30.8%	30.8%
Paper Consumption (thousand sheets; A4-size equivalent)	85,547	76,049	66,701	59,810	57,833	56,588

- Notes: 1. Figures for prior years have not been reclassified in accordance with Accounting Standard Codification ("ASC") 205-20, "Presentation of Financial Statements—Discontinued Operations."  
2. Operating Income is comprised of "gross profit," "selling, general and administrative expenses," and "provision for doubtful receivables."  
3. Tax effects on investments in associated companies which were formerly included in "Equity in Earnings of Associated Companies" are included in "Income Taxes" from the fiscal year ended March 31, 2010. Figures for prior years have not been reclassified.  
4. Per-share information is calculated based on the number of shares issued at year-end.  
5. Diluted net income attributable to Mitsui & Co., Ltd. per share for the fiscal years ended March 31, 2012 and 2013 are not disclosed because there are no dilutive potential shares.  
6. Price earnings ratio (PER) is calculated based on the year-end closing stock price on the Tokyo Stock Exchange divided by basic net income attributable to Mitsui & Co., Ltd. per share.  
7. Price book-value ratio (PBR) is calculated based on the year-end closing stock price on the Tokyo Stock Exchange divided by shareholders' equity per share.  
8. Ratio of external directors is calculated based on director numbers upon the conclusion of the general meeting of shareholders held after the end of the respective fiscal year.  
9. Paper consumption is calculated based on all offices in Japan (Head Office (Tokyo), 6 offices and 5 branches).



## IFRS

	Billions of yen					Millions of U.S. Dollars	
	2014	2015	2016	2017	2018	2019	2019
<b>Consolidated Operating Results (For the Year):</b>							
Revenue	5,731.9	5,404.9	4,759.7	4,364.0	4,892.1	<b>6,957.5</b>	<b>62,680</b>
Gross Profit	880.1	845.8	726.6	719.3	790.7	<b>838.5</b>	<b>7,554</b>
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	171.2	144.6	(132.0)	170.6	234.9	<b>255.4</b>	<b>2,301</b>
Profit (Loss) for the Year Attributable to Owners of the Parent	350.1	306.5	(83.4)	306.1	418.5	<b>414.2</b>	<b>3,732</b>
<b>Consolidated Financial Position (At Year-End):</b>							
Total Assets	11,491.3	12,202.9	10,910.5	11,501.0	11,306.7	<b>11,945.8</b>	<b>107,620</b>
Total Equity Attributable to Owners of the Parent	3,815.8	4,099.8	3,379.7	3,732.2	3,974.7	<b>4,263.2</b>	<b>38,407</b>
Interest-bearing Debt	4,411.1	4,793.9	4,710.5	4,801.6	4,226.9	<b>4,625.5</b>	<b>41,671</b>
Net Interest-bearing Debt	3,178.8	3,382.2	3,215.0	3,282.1	3,089.2	<b>3,659.2</b>	<b>32,966</b>
<b>Consolidated Cash Flows (For the Year):</b>							
Net Cash Provided by Operating Activities	449.2	640.0	587.0	404.2	553.6	<b>410.7</b>	<b>3,700</b>
Core Operating Cash Flow	608.9	661.6	471.7	494.8	666.5	<b>570.5</b>	<b>5,140</b>
Net Cash Used in Investing Activities	(659.8)	(386.4)	(408.1)	(353.3)	(248.2)	<b>(719.0)</b>	<b>(6,477)</b>
Net Cash Provided by (Used in) Financing Activities	(13.2)	(126.2)	(50.5)	(50.3)	(652.3)	<b>127.4</b>	<b>1,148</b>
Free Cash Flow	(210.6)	253.6	178.9	50.9	305.4	<b>(308.3)</b>	<b>(2,777)</b>
Investments and Loans	—	(715.0)	(600.0)	(635.0)	(560.0)	<b>(930.0)</b>	<b>(8,378)</b>
Divestitures	—	340.0	190.0	290.0	300.0	<b>230.0</b>	<b>2,072</b>
Net Cash Outflow	—	(375.0)	(410.0)	(345.0)	(260.0)	<b>(700.0)</b>	<b>(6,306)</b>
<b>Financial Indicators:</b>							
Return on Equity (ROE) (%)	9.7%	7.7%	(2.2%)	8.6%	10.9%	<b>10.1%</b>	
Return on Assets (ROA) (%)	3.1%	2.6%	(0.7%)	2.7%	3.7%	<b>3.5%</b>	
Net Debt-to-Equity Ratio (Net DER) (times)	0.83	0.82	0.95	0.88	0.78	<b>0.86</b>	

	Yen					U.S. Dollars	
<b>Amounts per Share:</b>							
Profit (Loss) for the Year Attributable to Owners of the Parent							
Basic	192.22	170.98	(46.53)	171.20	237.67	<b>238.33</b>	<b>2.15</b>
Diluted	192.21	170.95	(46.54)	171.10	237.50	<b>238.15</b>	<b>2.15</b>
Cash Dividends	59	64	64	55	70	<b>80</b>	<b>0.72</b>
Consolidated Dividend Payout Ratio (%)	30.7%	37.4%	—	32.1%	29.5%	<b>33.6%</b>	
Total Equity Attributable to Owners of the Parent	2,128.73	2,287.17	1,885.47	2,115.80	2,287.10	<b>2,452.81</b>	<b>22.10</b>
<b>Stock Price:</b>							
Stock Price (closing stock price on the Tokyo Stock Exchange) (yen)	1,459	1,612	1,295	1,612.5	1,822.5	<b>1,718.5</b>	
Price Earnings Ratio (PER) (times)	7.59	9.43	—	9.42	7.67	<b>7.21</b>	
Price Book-Value Ratio (PBR) (times)	0.69	0.70	0.69	0.76	0.80	<b>0.70</b>	
<b>Sustainability:</b>							
Number of Employees (Consolidated)	48,090	47,118	43,611	42,316	42,304	<b>43,993</b>	
Ratio of External Directors (%)	30.8%	35.7%	35.7%	35.7%	35.7%	<b>35.7%</b>	
Paper Consumption (thousand sheets; A4-size equivalent)	56,588	50,155	50,369	48,529	45,894	<b>38,614</b>	

Notes: 1. Figures calculated in accordance with IFRS standards for investments and loans, divestitures, net cash outflow are have not been disclosed for the fiscal year ended March 31, 2014.

2. Per share information is calculated based on the number of shares issued at year-end.

3. Price earnings ratio (PER) is calculated based on the year-end closing stock price divided by basic profit (attributable to owners of the parent) per share.

4. The consolidated dividend payout ratio for 2016 was omitted due to a loss.

5. The price earnings ratio (PER) for 2016 was omitted due to a loss.

6. In adopting IFRS 15 "Revenue from Contracts with Customers" from the fiscal year ended March 31, 2019, figures for prior years have not been reclassified.

7. Price book-value ratio (PBR) is calculated based on the year-end closing stock price divided by equity attributable to owners of the parent per share.

8. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate of ¥111.00=U.S.\$1, the approximate rate of exchange on March 31, 2019.

9. The U.S. dollar amounts for cash dividends represent translations of the Japanese yen amounts at the rate in effect on the payment date.

# Operating Environment Analysis

## Operating Environment

Note: The following describes the understanding of the economic environments as of April 2019. Descriptions included herein may differ from our current understanding.

In the fiscal year ended March 31, 2019, the global economy slowed its pace of growth due to the weakening momentum of economic recovery in Europe, Japan and China despite an overall firmness in the U.S. economy. In the U.S., although consumer spending continues to be resilient on account of a favorable environment for employment and employee income, the pace of economic expansion is projected to slow due to the prediction that the stimulus effect from lower taxation will dwindle. Also, in Europe, stagnating exports are anticipated to prolong the weakening trend in growth. In Japan, concerns over stagnation in business activity have arisen from a prognosis of weaker capital expenditure as exports to China exhibit a slowing trend, particularly in the information field. Among the emerging economies, China's economy is still expected to continue slowing partly due to the impact of trade friction with the U.S., although policy by its government is expected to provide certain underlying support. In contrast, Brazil's economy is picking up under its new administration while Russia's economy has stopped dipping as a result of a recovery in exports.

Overall, one can see growing signs of stagnation throughout the global economy, and careful attention should be given to future developments of such issues as the direction of the U.S.–China trade negotiations and the policy trends of major countries.

## Business Environment by Segment

### Iron & Steel Products

Global steel output for 2018 increased by 4.6% year-on-year to approximately 1.8 billion tons, reflecting steel demand not only in emerging markets such as China and India but also in North America and the EU. On the other hand, due to continued excessive steel supply mainly from Chinese steel manufacturers, which account for almost half of the global steel output, the difficult business environment is expected to persist. Under this situation, amid the integration in the steel industry even more intensified reorganization could occur among steel distributors. Also, the influence caused by the trade conflict between U.S., and China needs to be watched carefully.

Over the medium to long term, the domestic iron and steel market is expected to shrink gradually due to population decline, among other factors. However, we anticipate that the Americas and Asia will drive a global economic recovery, resulting in increased demand overseas for iron and steel products. Many business opportunities are expected to arise from this development.

### Mineral & Metal Resources

In the short term, there is a risk that economic growth in China and emerging countries could slow down, which may lead to a weaker commodity market, however, steel and non-ferrous metals are core industrial materials, and demand for these materials is likely to grow over the long term. On the other hand, over the medium to long term, supply and demand is expected to be tightened due to supply limitations resulting from the limited availability of high-quality undeveloped

projects, in addition to rising development and production costs, depletion of reserves, and deterioration of quality minerals from existing mines. The segment believes the mineral and metal resources business will continue to be an important aspect of its operations.

### Machinery & Infrastructure

In emerging countries, where economics and populations continue growing markedly, demand is rising for the development of basic infrastructure, including electrical, water-related and logistical infrastructure. As for industrialized countries, aging infrastructure is leading to increased demand for repairs. The efforts to create a low-carbon society, with the growing interest in ESG, are also boosting demand for related infrastructure investment, such as a rapid expansion of environmentally friendly renewable energy. It is also led by new entrants from different industries in next-generation power. There are also strong local demands for infrastructure business in Asian countries and rising investment interest in the infrastructure projects which can expect stable revenue. Therefore, it continues to be an important business.

In mobility business area, the traffic volume of goods and people are increasing and especially the demand for the transportation services and its infrastructure which contributes the protection of the global environment is growing. External business environment is shifting rapidly due to more strict regulations related to global warming, operational efficiency using IT and big data, structural changes caused by the disappearance of industrial borders. We can see a new business opportunity in services in outer space for long term. While in short term, the sales of new automobile are softening and the market for the construction machinery and shipbuilding contains uncertainty, the mobility industry, together with energy and electricity industries, who are competing to establish the service platform for the end-users, are expected to grow strongly.

### Chemicals

Due to the shale revolution, the petrochemical industry in North America has regained its competitiveness. Also due to restriction of capital and environment in China and geographical risk in Middle East, more volatility in the petrochemicals market could occur. The impact toward petrochemicals industry given by the movement of the fossil fuel demand due to the climate change issue is also drawing attention. In the areas of performance materials, growth areas are garnering in a higher awareness toward the environmental issues, improvement of the quality of life, and advances in digitalization. These growth areas are in the drastic change of mobility for both people and goods; consumer products, such as housing materials, packaging, and personal care products; and the electronics and new industries, which include upcoming new generation communication related business, in addition to robotics and healthcare.

In the agricultural chemicals and food and nutrition science areas, the need for increased food production and the demand for high-value-added food are increasing significantly with population and economic growth in global and the increase in middle income earners and an improved awareness toward health, which has led to market expansion.

## Energy

Energy demand is expected to increase along with population and economic growth around the world, and oil, natural gas, coal, and nuclear fuel are expected to continue as main sources of primary energy over the medium to long term. However, due to the introduction of new policies to tackle climate change, there are analyses and scenarios that show a plateau in the energy demand for fossil fuel from around 2030 to 2040, and it is important for us to build a strong portfolio of cost competitive assets that can thrive under that environment.

As oil demand is expected to increase in the medium to long term, the crude oil market is expected to follow a gentle uptrend, mainly due to the effect of slowed-down development by restrained new upstream investment and the necessity to develop higher cost fields. On the other hand, we are aware of the rapid growth in sales of EVs and compounded with the effect of environmental regulations, the potential decrease in the demand for oil needs to be carefully monitored.

The LNG market is expected to remain as an oversupply situation for the time being, because the pace of LNG demand increase will not match with the supply increase by start-up of new large-scale LNG projects in Australia, the U.S., and so on. However, in the medium and long term, the oversupply situation is expected to be resolved around the early 2020s due to the firm demand increase mainly resulting from market expansion in emerging countries and an environmental consideration.

In the upstream and midstream business, including E&P and LNG projects, we are promoting the development of undeveloped reserves and acquisition of good quality assets, which will establish a solid portfolio with a strong resilience to commodity prices, contributing to stable profit even in decreasing prices. In addition, by capturing new demand arising in emerging countries we will enhance our presence in the trading network, and we will develop business through our energy value chain from upstream to midstream to downstream, further enhancing our earnings base and improving the sustainable value-creating capabilities of our business portfolio.

As a response to climate change, there has been a need for a shift to cleaner energy and action taken toward contributing to a low-carbon society, and thus our focus on natural gas/LNG and new energy businesses that have a relatively low environmental impact. The growth rate of renewable energies, centered primarily on solar power and wind power, is high due to cost reduction by rapid technological innovation. Depending on the growth rate, it could significantly affect the composition of primary energy sources. By assessing the trends in the energy business from a long-term perspective, we intend to promote the establishment of a well-balanced energy portfolio for the future, and to contribute to the sustainable growth of society through comprehensive stable energy supply.

## Lifestyle

As the global population and economy grow, food demand is expected to increase constantly. Meanwhile, against a background of decreasing agricultural population primarily in industrialized countries and changes to suitable agricultural land due to climate change, the uneven distribution of food-producing regions is progressing and the need to secure food resources

and stable food supplies is expected to become more pressing. The global increase of the middle-income class leads to the sophistication of food demand, such as preferences for taste, animal protein, and so on. Additionally, the aging of society led food demand to diversify in areas such as health improvement, disease prevention, safety, security, and so on. The segment believes that it is also necessary to address the demand for high-value-added food.

In Japan's mature consumer market, consumption is expected to decline at a moderate pace due to a declining birthrate and a population that is contracting and aging. The changes are not only quantitative. Against a backdrop of changing lifestyles accompanying the increase in the senior population, and increases in dual-income households and small families due to more women having jobs, there are substantial changes in the quality and contents of services required, such as an emphasis on medical and healthcare services and the pursuit of safety, security, and convenience.

In emerging countries, mainly in Asia, the growth of medical expenditures is accelerating alongside changes in disease patterns, such as an increase in chronic disease patients, accompanying population growth, an aging society, an increasing middle-income class, and economic development. On the other hand, due to a shortage in the supply of medical services, demand-supply gaps regarding medical services are expected to expand further. The segment believes that it is necessary to address the difficult issues of increasing the supply of high-quality medical services and curtailing medical expenditures.

## Innovation & Corporate Development

Tremendous changes are occurring in the ICT business area. We are seeing a widespread uptake of IoT/AI and robotics, and the establishment of infrastructure for 5G communication. Innovative business models that utilize the cloud are emerging, media is being consumed in diversifying ways and the shapes of consumer services are transforming. Going forward, in order to operate in this environment, there is a need to engage in activities that integrate advanced technology with data, and then tie that in with services.

In the Corporate Development business area, the real estate asset management business, which combines the knowledge of the real estate and finance businesses, is expanding in both developed and emerging economies around the world. However, it will be necessary to pay attention to the macro economy and stock market, the trend of asset prices in the future. Furthermore, buyout funds and other private equity funds, which provide management know-how and funding, are playing an increasingly important role in supporting corporate growth.

# Consolidated Statements of Financial Position

Mitsui & Co., Ltd. and its subsidiaries  
March 31, 2015, 2016, 2017, 2018 and 2019

Millions of yen

(Assets)	2015	2016	2017	2018	<b>2019</b>
<b>Current Assets</b>					
Cash and cash equivalents	1,400,770	1,490,775	1,503,820	1,131,380	<b>956,107</b>
Trade and other receivables	1,949,837	1,607,885	1,739,402	1,766,017	<b>1,804,227</b>
Other financial assets	384,156	295,064	267,680	243,915	<b>254,507</b>
Inventories	671,164	533,697	589,539	550,699	<b>607,675</b>
Advance payments to suppliers	188,545	220,711	225,442	307,339	<b>219,849</b>
Assets held for sale	—	—	—	108,920	<b>—</b>
Other current assets	136,051	138,563	148,865	117,886	<b>153,957</b>
<b>Total current assets</b>	<b>4,730,523</b>	<b>4,286,695</b>	<b>4,474,748</b>	<b>4,226,156</b>	<b>3,996,322</b>

<b>Non-current Assets</b>					
Investments accounted for using the equity method	2,791,341	2,515,340	2,741,741	2,502,994	<b>2,975,674</b>
Other investments	1,529,767	1,179,696	1,337,164	1,825,026	<b>1,947,565</b>
Trade and other receivables	425,136	382,176	477,103	400,079	<b>458,809</b>
Other financial assets	130,974	159,384	145,319	153,149	<b>154,886</b>
Property, plant and equipment	2,148,142	1,938,448	1,823,492	1,729,897	<b>1,945,381</b>
Investment property	147,757	147,756	179,789	188,953	<b>203,102</b>
Intangible assets	162,951	157,450	168,677	173,207	<b>174,085</b>
Deferred tax assets	78,746	92,231	92,593	49,474	<b>40,763</b>
Other non-current assets	57,584	51,335	60,387	57,725	<b>49,192</b>
<b>Total non-current assets</b>	<b>7,472,398</b>	<b>6,623,816</b>	<b>7,026,265</b>	<b>7,080,504</b>	<b>7,949,457</b>
<b>Total assets</b>	<b>12,202,921</b>	<b>10,910,511</b>	<b>11,501,013</b>	<b>11,306,660</b>	<b>11,945,779</b>

## Analysis of Changes in Assets

Billions of yen

	2018	2019	Increase or decrease
<b>Total current assets</b>	4,226.2	3,996.3	<b>-229.9</b>
Cash and cash equivalents	1,131.4	956.1	<b>-175.3</b>
Trade and other receivables	1,766.0	1,804.2	<b>+38.2</b>
Inventories	550.7	607.7	<b>+57.0</b>
Advance payments to suppliers	307.3	219.8	<b>-87.5</b>
Assets held for sale	108.9	—	<b>-108.9</b>

### Current Assets

- Cash and cash equivalents declined by ¥175.3 billion.
- Trade and other receivables increased by ¥38.2 billion, mainly due to increases in trading volume in the Energy Segment.
- Inventories increased by ¥57.0 billion, mainly due to increases in trading volume in the Energy Segment.
- Advance payments to suppliers declined by ¥87.5 billion, mainly due to netting against advances from customers.
- Assets held for sale, which were expected to be transferred from Mitsui and Mitsui & Co. Steel Ltd. to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) and presented as a single line item as of March 31, 2018, declined by ¥108.9 billion due to completing the transfer in the current year.

Billions of yen

	2018	2019	Increase or decrease
<b>Total non-current assets</b>	7,080.5	7,949.5	<b>+869.0</b>
Investments accounted for using the equity method	2,503.0	2,975.7	<b>+472.7</b>
Other investments	1,825.0	1,947.6	<b>+122.6</b>
Trade and other receivables	400.1	458.8	<b>+58.7</b>
Property, plant and equipment	1,729.9	1,945.4	<b>+215.5</b>
Investment property	189.0	203.1	<b>+14.1</b>
Deferred tax assets	49.5	40.8	<b>-8.7</b>

### Non-current Assets

- Investments accounted for using the equity method increased by ¥472.7 billion, mainly due to the following factors:
  - ▶ An increase of ¥224.6 billion due to an additional acquisition of shares in IHH Healthcare Berhad, which is one of Asia's largest private hospital groups;
  - ▶ An increase of ¥38.0 billion due to an additional acquisition of shares in NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) and reclassification to investments accounted for using the equity method corresponding to the additional acquisition;
  - ▶ An increase of ¥21.9 billion due to an investment in ETC Group, which engages in businesses involving agricultural products, agricultural supplies, and food manufacturing and sales in East Africa;
  - ▶ An increase due to an investment in MAERSK PRODUCT TANKERS A/S, a product tanker company (vessel owning);
  - ▶ An increase of ¥15.2 billion due to an investment in ACCF3 Trustee Pte. Ltd, which is engaged in an office building renovation project in Shanghai, China;
  - ▶ An increase of ¥12.3 billion due to an investment in Kansai Helios Coatings GmbH, which is engaged in a coating manufacturing business in Europe;
  - ▶ An increase due to an investment in Ouro Fino Quimica S.A., a Brazilian agrochemical company;
  - ▶ An increase due to an investment in Inversiones Mitta, the holding company for Chile's leading automobile operating lease and rental car business;
  - ▶ An increase of ¥11.3 billion due to an investment in Cameron LNG Holdings, LLC, which is engaged in a natural gas liquefaction business in the U.S.;
  - ▶ An increase of ¥10.1 billion due to an additional acquisition of a stake in Axiata (Cambodia) Holdings Limited, the holding company for Smart Axiata Co., Ltd., which is a telecommunication service provider in Cambodia;
  - ▶ An increase of ¥255.4 billion corresponding to the profit of equity method investments for the current year, despite a decline of ¥219.9 billion due to dividends received from equity accounted investees;
  - ▶ An increase of ¥12.0 billion resulting from foreign currency exchange fluctuations; and
  - ▶ A decline of ¥11.5 billion due to a sale of shares in Medica Asia (Holdco) Limited, the holding company of the MIMS Group which provides drug information to healthcare professionals in the Asia-Oceania region.
- Other investments increased by ¥122.6 billion, mainly due to the following factors:
  - ▶ Fair value on financial assets measured at FVTOCI increased by ¥89.7 billion mainly in investments in LNG projects due to the extension of the project period;
  - ▶ An increase of ¥33.0 billion due to subscribing the bonds issued by PT. CT Corpora which is engaged in a consumer-related business in Indonesia;
  - ▶ An increase of ¥19.1 billion resulting from foreign currency exchange fluctuations;
  - ▶ An increase of ¥11.8 billion due to an investment in FKS Food & Agri Pte Ltd., which is an integrated food enterprise that operates in Southeast Asia;
  - ▶ A decline of ¥29.9 billion due to reclassification to investments accounted for using the equity method corresponding to an additional acquisition of shares in NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION); and
  - ▶ A decline of ¥12.0 billion due to a sale of shares in Synlait Milk, which is a dairy production and sales company.
- Property, plant and equipment increased by ¥215.5 billion, mainly due to the following factors:
  - ▶ An increase of ¥98.0 billion (including the consolidation of AWE Limited, an oil and gas company in Australia, of ¥50.7 billion and a foreign exchange translation profit of ¥8.2 billion) at oil and gas operations other than U.S. shale gas and oil producing operations;
  - ▶ An increase of ¥41.0 billion (including a foreign exchange translation profit of ¥0.5 billion) at the real estate business in the U.S.;
  - ▶ An increase of ¥22.6 billion (including a foreign exchange translation profit of ¥0.3 billion) at the sugar manufacturing business in Thailand;
  - ▶ An increase of ¥20.5 billion (including a foreign exchange translation profit of ¥0.8 billion) at an aviation-related leasing business;
  - ▶ An increase of ¥17.0 billion (including a foreign exchange translation profit of ¥3.8 billion) at the tank operation in the U.S.;
  - ▶ An increase of ¥12.3 billion (including a foreign exchange translation profit of ¥0.1 billion) at the IPP Project in the U.S.; and
  - ▶ A decline of ¥11.2 billion (including a foreign exchange translation loss of ¥11.8 billion) at the iron ore mining operations in Australia.
- Investment property increased by ¥14.1 billion, mainly due to an increase of ¥9.0 billion for the redevelopment project and the construction of a multipurpose building, etc., at Mitsui & Co., Real Estate Ltd.

## Consolidated Statements of Financial Position

Millions of yen

(Liabilities and Equity)	2015	2016	2017	2018	2019
<b>Current Liabilities</b>					
Short-term debt	290,641	353,203	304,563	201,556	<b>337,028</b>
Current portion of long-term debt	472,718	519,161	388,347	482,550	<b>479,390</b>
Trade and other payables	1,384,039	1,107,238	1,203,707	1,264,285	<b>1,322,274</b>
Other financial liabilities	414,011	298,329	315,986	300,284	<b>278,472</b>
Income tax payables	41,877	22,309	52,177	62,546	<b>47,197</b>
Advances from customers	177,432	207,419	212,142	287,779	<b>201,444</b>
Provisions	25,523	14,959	13,873	28,036	<b>34,458</b>
Liabilities directly associated with assets held for sale	—	—	—	40,344	—
Other current liabilities	34,900	40,161	33,172	31,392	<b>40,012</b>
Total current liabilities	2,841,141	2,562,779	2,523,967	2,698,772	<b>2,740,275</b>
<b>Non-current Liabilities</b>					
Long-term debt, less current portion	4,030,598	3,838,156	4,108,674	3,542,829	<b>3,809,057</b>
Other financial liabilities	147,289	109,520	111,289	103,162	<b>72,095</b>
Retirement benefit liabilities	46,211	78,176	60,358	50,872	<b>57,203</b>
Provisions	228,540	219,330	196,718	200,649	<b>212,396</b>
Deferred tax liabilities	482,141	409,695	481,358	467,003	<b>499,756</b>
Other non-current liabilities	29,627	26,319	28,487	25,250	<b>24,689</b>
Total non-current liabilities	4,964,406	4,681,196	4,986,884	4,389,765	<b>4,675,196</b>
Total liabilities	7,805,547	7,243,975	7,510,851	7,088,537	<b>7,415,471</b>
<b>Equity</b>					
Common stock	341,482	341,482	341,482	341,482	<b>341,482</b>
Capital surplus	411,881	412,064	409,528	386,165	<b>387,335</b>
Retained earnings	2,537,815	2,314,185	2,550,124	2,903,432	<b>3,078,655</b>
Other components of equity	814,563	317,955	485,447	448,035	<b>463,270</b>
Treasury stock	(5,946)	(5,961)	(54,402)	(104,399)	<b>(7,576)</b>
Total equity attributable to owners of the parent	4,099,795	3,379,725	3,732,179	3,974,715	<b>4,263,166</b>
Non-controlling interests	297,579	286,811	257,983	243,408	<b>267,142</b>
Total equity	4,397,374	3,666,536	3,990,162	4,218,123	<b>4,530,308</b>
Total liabilities and equity	12,202,921	10,910,511	11,501,013	11,306,660	<b>11,945,779</b>

## Analysis of Changes in Liabilities

Billions of yen

	2018	2019	Increase or decrease
<b>Total current liabilities</b>	2,698.8	2,740.3	<b>+41.5</b>
Short-term debt	201.6	337	<b>+135.4</b>
Current portion of long-term debt	482.6	479.4	<b>-3.2</b>
Trade and other payables	1,264.3	1,322.3	<b>+58.0</b>
Advances from customers	287.8	201.4	<b>-86.4</b>
Liabilities directly associated with assets held for sale	40.3	—	<b>-40.3</b>

### Current Liabilities

- Short-term debt increased by ¥135.4 billion. Furthermore, the current portion of long-term debt kept same level as on March 31, 2018, mainly due to an increase caused by reclassification to current maturities and a decline caused by repayment of debt.
- Trade and other payables increased by ¥58.0 billion, corresponding to the increase in trade and other receivables.
- Advances from customers declined by ¥86.4 billion, corresponding to netting against advance payments to suppliers.
- Liabilities directly associated with assets held for sale, which were expected to be transferred from Mitsui and Mitsui & Co. Steel Ltd. to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) and presented as a single line item as of March 31, 2018, declined by ¥40.3 billion due to completing the transfer in the current year.

Billions of yen

	2018	2019	Increase or decrease
<b>Total non-current liabilities</b>	4,389.8	4,675.2	<b>+285.4</b>
Long-term debt, less current portion	3,542.8	3,809.1	<b>+266.3</b>
Other financial liabilities	103.2	72.1	<b>-31.1</b>
Provisions	200.6	212.4	<b>+11.8</b>
Deferred tax liabilities	467.0	499.8	<b>+32.8</b>

### Non-current Liabilities

- Long-term debt, less the current portion, increased by ¥266.3 billion.
- Other financial liabilities (non-current) declined by ¥31.1 billion, mainly due to execution of payments for accounts payable related to an acquisition of a stake in Penske Truck Leasing Co., L.P., which is engaged in the truck leasing and rental business in North America.
- Provisions (non-current) increased by ¥11.8 billion, mainly due to the following factors:
  - ▶ An increase of ¥13.7 billion due to the transfer from other account items as a result of changing the consolidation accounting treatment accompanying the restructuring in the IPP business;
  - ▶ An increase due to the consolidation of AWE Limited, an oil and gas company in Australia; and
  - ▶ A decline due to the recognition of a reversal of a provision related to the Multigrain business.
- Deferred tax liabilities increased by ¥32.8 billion, mainly due to the increase in financial assets measured at FVTOCI.

## Analysis of Changes in Equity

Billions of yen

	2018	2019	Increase or decrease
<b>Total equity</b>	4,218.1	4,530.3	<b>+312.2</b>
Capital surplus	386.2	387.3	<b>+1.1</b>
Retained earnings	2,903.4	3,078.7	<b>+175.3</b>
Other components of equity	448.0	463.3	<b>+15.3</b>
Treasury stock	(104.4)	(7.6)	<b>+96.8</b>
Non-controlling interests	243.4	267.1	<b>+23.7</b>

- Retained earnings increased by ¥175.3 billion.
- Other components of equity increased by ¥15.3 billion, mainly due to the following factors:
  - ▶ Financial assets measured at FVTOCI increased by ¥49.6 billion, mainly in investments in LNG projects due to the extension of the project period; and
  - ▶ Foreign currency translation adjustments declined by ¥37.0 billion, mainly reflecting the depreciation of the Australian dollar and the Brazilian real, despite the appreciation of the U.S. dollar against the Japanese yen.
- Treasury stock which is a subtraction item in shareholders' equity declined by ¥96.8 billion, due to the cancellation of treasury stock.

# Consolidated Statements of Income and Comprehensive Income

Mitsui & Co., Ltd. and its subsidiaries

Years ended March 31, 2015, 2016, 2017, 2018 and 2019

Millions of yen

	2015	2016	2017	2018	2019
<b>Revenue:</b>					
Sale of products	4,815,162	4,202,593	3,833,564	4,330,823	—
Rendering of services	432,112	399,937	405,893	436,606	—
Other revenue	157,656	157,164	124,512	124,720	—
Revenue	—	—	—	—	<b>6,957,524</b>
Total revenue	5,404,930	4,759,694	4,363,969	4,892,149	<b>6,957,524</b>
<b>Cost:</b>					
Cost of products sold	(4,310,657)	(3,807,456)	(3,418,437)	(3,856,008)	—
Cost of services rendered	(181,528)	(161,910)	(171,741)	(186,093)	—
Cost of other revenue	(66,905)	(63,706)	(54,496)	(59,343)	—
Cost	—	—	—	—	<b>(6,119,057)</b>
Total cost	(4,559,090)	(4,033,072)	(3,644,674)	(4,101,444)	<b>(6,119,057)</b>
Gross profit	845,840	726,622	719,295	790,705	<b>838,467</b>
<b>Other Income (Expenses):</b>					
Selling, general and administrative expenses	(584,608)	(566,014)	(538,975)	(571,703)	<b>(566,291)</b>
Gain (loss) on securities and other investments—net	42,458	93,168	64,962	55,146	<b>4,409</b>
Impairment reversal (loss) of fixed assets—net	(79,948)	(88,964)	(5,732)	(25,454)	<b>(27,033)</b>
Gain (loss) on disposal or sales of fixed assets—net	1,446	(11,684)	11,013	15,108	<b>17,940</b>
Reversal (loss) of provision related to Multigrain business	—	—	—	(25,006)	<b>11,083</b>
Other income (expense)—net	(34,918)	(32,092)	9,877	15,826	<b>(18,786)</b>
Total other income (expenses)	(655,570)	(605,586)	(458,855)	(536,083)	<b>(578,678)</b>
<b>Finance Income (Costs):</b>					
Interest income	33,120	31,612	34,905	36,516	<b>43,376</b>
Dividend income	114,070	54,675	51,874	84,793	<b>105,922</b>
Interest expense	(50,229)	(50,961)	(56,997)	(66,488)	<b>(80,116)</b>
Total finance income	96,961	35,326	29,782	54,821	<b>69,182</b>
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	144,596	(132,033)	170,569	234,941	<b>255,367</b>
Profit before Income Taxes	431,827	24,329	460,791	544,384	<b>584,338</b>
Income Taxes	(104,903)	(91,243)	(134,641)	(103,082)	<b>(152,575)</b>
Profit (Loss) for the Year	326,924	(66,914)	326,150	441,302	<b>431,763</b>
Profit (Loss) for the Year Attributable to:					
Owners of the parent	306,490	(83,410)	306,136	418,479	<b>414,215</b>
Non-controlling interests	20,434	16,496	20,014	22,823	<b>17,548</b>
<b>Comprehensive Income:</b>					
Profit (loss) for the year	326,924	(66,914)	326,150	441,302	<b>431,763</b>
<b>Other Comprehensive Income:</b>					
<b>Items That Will Not Be Reclassified to Profit or Loss:</b>					
Financial assets measured at FVTOCI	(57,039)	(315,232)	198,971	174,983	<b>95,161</b>
Remeasurements of defined benefit pension plans	20,045	(33,191)	16,379	14,242	<b>(11,075)</b>
Share of other comprehensive income of investments accounted for using the equity method	(3,612)	(1,739)	(3,132)	4,372	<b>(5,859)</b>
Income tax relating to items not reclassified	42,045	81,316	(54,549)	(48,857)	<b>(30,397)</b>
<b>Items That May Be Reclassified Subsequently to Profit or Loss:</b>					
Foreign currency translation adjustments	32,509	(118,214)	25,787	(82,590)	<b>(43,489)</b>
Cash flow hedges	(15,889)	1,347	14,985	6,184	<b>(6,192)</b>
Share of other comprehensive income of investments accounted for using the equity method	74,115	(153,984)	(6,528)	(42,390)	<b>10,540</b>
Income tax relating to items that may be reclassified	20,174	(5,490)	7,094	(32,649)	<b>4,222</b>
Total other comprehensive income	112,348	(545,187)	199,007	(6,705)	<b>12,911</b>
Comprehensive Income for the Year	439,272	(612,101)	525,157	434,597	<b>444,674</b>
<b>Comprehensive Income for the Year Attributable to:</b>					
Owners of the parent	406,583	(607,490)	503,025	416,113	<b>429,917</b>
Non-controlling interests	32,689	(4,611)	22,132	18,484	<b>14,757</b>



## Analysis of Changes in Profit for the Year Attributable to Owners of the Parent

Billions of yen

	2018	2019	Increase or decrease
Profit for the year attributable to owners of the parent	418.5	414.2	-4.3
Gross profit	790.7	838.5	+47.8
Share of profit (loss) of investments accounted for using the equity method	234.9	255.4	+20.5
Dividend income	84.8	105.9	+21.1
Selling, general and administrative expenses	(571.7)	(566.3)	+5.4
Others	(120.2)	(219.3)	-99.1

### Gross profit

Mainly the Energy Segment, the Innovation & Corporate Development Segment and the Lifestyle Segment reported an increase in gross profit, while the Mineral & Metal Resources Segment and the Iron & Steel Products Segment recorded a decline.

• Energy	+37.2	(MOECO+24.3, WPL+5.3, MEPUSA+5.1, MEPME+4.2, METS+3.4)
• Innovation & Corporate Development	+21.6	(Absence of FVTPL loss on mobile phone business +6.0, MBC +3.2)
• Lifestyle	+19.4	(Newly consolidated fashion business +5.8, Multigrain +5.0)
• Mineral & Metal Resources	-31.2	(Iron ore in Australia -20.2, Coal in Australia -12.4)
• Iron & Steel Products	-14.7	(MBS (transfer of business) -7.0, etc.)

### Share of profit (loss) of investments accounted for using the equity method

Mainly the Energy Segment and the Innovation & Corporate Development Segment recorded an increase, while the Machinery & Infrastructure Segment recorded a decline.

• Energy	+15.8	(JALMIMI, etc.)
• Innovation & Corporate Development	+6.7	(Loss on the anticipated deterioration for the previous year, etc.)
• Machinery & Infrastructure	-9.0	(IPP -21.3 (DTA recognition, Mar-18: sales of interests in FH +20.3, IPP refinancing +3.9), loss in overseas rail project, Mar-18: deterioration of overseas project, reserve for Latin America loan -5.1)

### Dividend income

Mainly the Energy Segment and the Mineral & Metal Resources Segment reported an increase.

• Energy	+13.3	(Six LNG projects +13.3)
• Mineral & Metal Resources	+4.5	(Vale/Iron ore in Australia)

### Selling, general and administrative expenses

Primarily increases in provision for doubtful receivables

### Others

- The following table shows the details of Gain (loss) on securities and other investments-net, Impairment reversal (loss) of fixed assets-net, Gain (loss) on disposal or sales of fixed assets-net, Other income (expense)-net, and Provision related to Multigrain business.

Billions of yen

	2018	2019	Increase or decrease	2018 breakdown	2019 breakdown
Gain (loss) on securities and other investments-net	551	44	-507	Mineral & Metal Resources: Incorporation of Valepar +56.3 Machinery & Infrastructure: Gain on sale of an equity accounted investment, UK IPP holding company -3.5 Lifestyle: Impairment [DaVita] -5.9 Innovation & Corporate Development: Impairment [Naaptol] -3.1	Lifestyle: Change in the profit share in IHH +7.5
Impairment reversal (loss) of fixed assets-net	(255)	(270)	-15	Lifestyle: Impairment at Xingu -11.3 Machinery & Infrastructure: Container terminal -5.4 Energy: Exploration expenses -4.9	Energy: Eagle Ford -11.6, Exploration expenses -4.3 Chemicals: Novus -7.9
Gain (loss) on disposal or sales of fixed assets-net	151	179	+28	Lifestyle: Sales of buildings in Japan Innovation & Corporate Development: Sales of warehouses in Japan	Mineral & Metal Resources: Sale of Bengalla Iron & Steel Products: Sale of land +5.9 Lifestyle: Sale of buildings in Japan Chemicals: Novus -5.1
Other income (expense)-net	158	(188)	-346	Iron & Steel Products: Gestamp price adjustment clause +4.8 Energy/Mineral and Metal Resources: Exploration expenses -3.5	Chemicals: ITC fire accident -20.6 Energy/Mineral and Metal Resources: Exploration expenses -3.7
Reversal (loss) of provision related to Multigrain business	(250)	111	+361	Lifestyle: Loss related to Multigrain	Lifestyle/Others: Loss related to Multigrain

- The reasons for changes in income tax amounts are as follows.

- ▶ For the previous year, deferred tax liabilities on the investment into Valepar S.A. were reversed. Furthermore, deferred tax liabilities on equity accounted investments were reversed upon receiving dividends from those investees, and deferred tax liabilities were reversed due to the U.S. tax reform. On the other hand, deferred tax assets on equity accounted investments as well as Multigrain Trading AG were reversed.
- ▶ The effective tax rate for the current year was 26.1%, an increase of 7.2 points from 18.9% for the previous year. The aforementioned reversal of deferred tax liabilities for the previous year resulted in the increase, while the reversal of deferred tax assets caused the decline.

# Consolidated Statements of Cash Flows

Mitsui & Co., Ltd. and its subsidiaries

Years ended March 31, 2015, 2016, 2017, 2018 and 2019

Millions of yen

	2015	2016	2017	2018	2019
<b>Operating Activities:</b>					
Profit (loss) for the year	326,924	(66,914)	326,150	441,302	<b>431,763</b>
<b>Adjustments to reconcile profit for the year to cash flows from operating activities:</b>					
Depreciation and amortization	268,367	253,168	193,329	192,587	<b>186,322</b>
Change in retirement benefit liabilities	(3,787)	336	(637)	4,326	<b>(2,405)</b>
Provision for doubtful receivables	17,041	9,916	9,172	20,331	<b>13,287</b>
(Reversal) loss of provision related to Multigrain business	—	—	—	25,006	<b>(11,083)</b>
(Gain) loss on securities and other investments—net	(42,458)	(93,168)	(64,962)	(55,146)	<b>(4,409)</b>
Impairment (reversal) loss of fixed assets—net	79,948	88,964	5,732	25,454	<b>27,033</b>
(Gain) loss on disposal or sales of fixed assets—net	(1,446)	11,684	(11,013)	(15,108)	<b>(17,940)</b>
Finance (income) costs	(86,694)	(26,571)	(22,967)	(50,911)	<b>(64,298)</b>
Income taxes	104,903	91,243	134,641	103,082	<b>152,575</b>
Share of (profit) loss of investments accounted for using the equity method	(144,596)	132,033	(170,569)	(234,941)	<b>(255,367)</b>
Valuation (gain) loss related to contingent considerations and others	—	—	—	(5,230)	<b>(1,429)</b>
<b>Changes in operating assets and liabilities:</b>					
Change in trade and other receivables	151,918	338,168	(121,022)	(198,407)	<b>(60,026)</b>
Change in inventories	(161)	107,124	(60,272)	9,813	<b>(54,466)</b>
Change in trade and other payables	(52,092)	(228,258)	111,917	99,814	<b>79,343</b>
Other—net	(121,317)	(101,746)	(21,298)	(24,062)	<b>(124,702)</b>
Interest received	38,291	34,395	30,085	33,935	<b>34,489</b>
Interest paid	(49,906)	(51,232)	(65,352)	(69,935)	<b>(82,839)</b>
Dividends received	291,593	220,160	194,698	376,422	<b>318,703</b>
Income taxes paid	(136,561)	(132,311)	(63,461)	(124,687)	<b>(153,881)</b>
Cash flows from operating activities	639,967	586,991	404,171	553,645	<b>410,670</b>
<b>Investing Activities:</b>					
Change in time deposits	(4,736)	369	(8,936)	8,368	<b>(3,216)</b>
Net change in investments in and advances to equity accounted investees*	—	—	(155,423)	(114,955)	<b>(377,123)</b>
Net change in investments to equity accounted investees*	(155,355)	(126,378)	—	—	<b>—</b>
Net change in other investments	60,075	(23,424)	72,167	(23,523)	<b>(35,924)</b>
Net change in loan receivables*	—	—	(109,069)	25,731	<b>(40,319)</b>
Net change in long-term loan receivables*	60,046	14,097	—	—	<b>—</b>
Net change in property, plant, and equipment*	—	—	(149,568)	(135,714)	<b>(255,563)</b>
Net change in investment property*	—	—	(2,470)	(8,078)	<b>(6,891)</b>
Net change in property, plant, and equipment and investment property*	(346,427)	(272,723)	—	—	<b>—</b>
Cash flows from investing activities	(386,397)	(408,059)	(353,299)	(248,211)	<b>(719,036)</b>
<b>Financing Activities:</b>					
Net change in short-term debt	(181,841)	79,839	(48,983)	(99,045)	<b>103,252</b>
Net change in long-term debt	197,233	(15,211)	196,801	(351,218)	<b>161,455</b>
Purchase and sales of treasury stock—net	(23)	(14)	(48,647)	(49,992)	<b>(17)</b>
Dividends paid	(118,323)	(114,737)	(102,187)	(105,844)	<b>(139,038)</b>
Transactions with non-controlling interest shareholders	(23,239)	(425)	(47,249)	(46,193)	<b>1,724</b>
Cash flows from financing activities	(126,193)	(50,548)	(50,265)	(652,292)	<b>127,376</b>
Effect of exchange rate changes on cash and cash equivalents	47,076	(38,379)	12,438	(24,529)	<b>5,717</b>
Effect of cash and cash equivalents included in assets held for sale	—	—	—	(1,053)	<b>—</b>
Change in cash and cash equivalents	174,453	90,005	13,045	(372,440)	<b>(175,273)</b>
Cash and cash equivalents at beginning of year	1,226,317	1,400,770	1,490,775	1,503,820	<b>1,131,380</b>
Cash and cash equivalents at end of year	1,400,770	1,490,775	1,503,820	1,131,380	<b>956,107</b>

Certain reclassifications and format changes have been made to amounts of the Consolidated Statements of Cash Flows for the fiscal year ended March 31, 2017 to conform to the current period's presentation. Certain reclassifications and format changes have not been made to amounts for the fiscal years ended March 31, 2015, and 2016.

## Analysis of Changes in Cash Flows from Operating Activities

Billions of yen

		2018	2019	Increase or decrease
Cash flows from operating activities	a	553.6	410.7	<b>-142.9</b>
Cash flows from change in working capital	b	(112.9)	(159.8)	<b>-46.9</b>
<b>Core operating cash flow</b>	a-b	666.5	570.5	<b>-96.0</b>

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥159.8 billion of net cash outflow. Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current year amounted to ¥570.5 billion.
- ▶ Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥318.7 billion, a decline of ¥57.7 billion from ¥376.4 billion for the previous year.
- ▶ Depreciation and amortization for the current year was ¥186.3 billion, a decline of ¥6.3 billion from ¥192.6 billion for the previous year.

The following table shows core operating cash flow by operating segment.

Billions of yen

	2018	2019	Increase or decrease
Iron & Steel Products	14.2	5.9	<b>-8.3</b>
Mineral & Metal Resources	240.8	181.5	<b>-59.3</b>
Machinery & Infrastructure	158.8	74.0	<b>-84.8</b>
Chemicals	50.2	29.9	<b>-20.3</b>
Energy	175.3	219.1	<b>+43.8</b>
Lifestyle	7.1	24.8	<b>+17.7</b>
Innovation & Corporate Development	3.1	20.8	<b>+17.7</b>
All other and adjustments and eliminations	17.0	14.5	<b>-2.5</b>
<b>Consolidated total</b>	666.5	570.5	<b>-96.0</b>

## Cash Flows from Investing Activities for the Fiscal Year Ended March 31, 2019

- Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥377.1 billion, mainly due to the following factors:
  - ▶ An additional acquisition of a stake in IHH Healthcare Berhad, which is one of Asia's largest private hospital groups, for ¥223.2 billion;
  - ▶ An investment in ETC Group, which is engaged in businesses involving agricultural products, agricultural supplies, and food manufacturing and sales in East Africa, for ¥21.9 billion;
  - ▶ An execution of payments for accounts payable related to an acquisition of a stake in Penske Truck Leasing Co., L.P., which is engaged in the truck leasing and rental business in North America;
  - ▶ An investment in MAERSK PRODUCT TANKERS A/S, a product tanker company (vessel owning);
  - ▶ An investment in ACCF3 Trustee Pte. Ltd, which is engaged in an office building renovation project in Shanghai, China, for ¥15.2 billion;
  - ▶ An investment in Kansai Helios Coatings GmbH, which is engaged in a coating manufacturing business in Europe, for ¥12.3 billion;
  - ▶ An investment in Ouro Fino Quimica S.A., a Brazilian agrochemical company;
  - ▶ An investment in Inversiones Mita, the holding company for Chile's leading automobile operating lease and rental car business;
  - ▶ An investment in Cameron LNG Holdings, LLC, which is engaged in the natural gas liquefaction business in the U.S., for ¥11.3 billion;
  - ▶ An additional acquisition of a stake in Axiata (Cambodia) Holdings Limited, the holding company of Smart Axiata Co., Ltd., which is a telecommunication service provider in Cambodia, for ¥10.1 billion; and
  - ▶ A sale of shares in Medica Asia (Holdco) Limited, the holding company of the MIMS Group which provides drug information to healthcare professionals in the Asia-Oceania region, for ¥11.5 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥35.9 billion, mainly due to the following factors:
  - ▶ An acquisition of an oil and gas business in Australia for ¥48.2 billion;
  - ▶ Subscribing the bonds issued by PT. CT Corpora which is engaged in a consumer-related business in Indonesia, for ¥33.0 billion;
  - ▶ An acquisition of the real estate business in the U.S. for a total of ¥26.3 billion;
  - ▶ An investment in FKS Food & Agri Pte Ltd., which is an integrated food enterprise that operates in Southeast Asia, for ¥11.8 billion;
  - ▶ A transfer of the iron & steel products business to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (currently NIPPON STEEL TRADING CORPORATION) for ¥64.4 billion;
  - ▶ A sale of Bengalla coal business in Australia for ¥15.3 billion;
  - ▶ A sale of the power generation business in Japan for ¥14.6 billion; and
  - ▶ A sale of shares in Synlait Milk which is a dairy production and sales company for ¥12.0 billion.
- Net cash outflows that corresponded to an increase in loan receivables (net of collections of loan receivables) were ¥40.3 billion, mainly due to the following factors:
  - ▶ The execution of loans to the IPP project in Morocco for ¥16.7 billion;
  - ▶ The execution of loans to the IPP project in the Middle East for ¥15.8 billion; and
  - ▶ The collection of loan to the nickel business in the Philippines corresponding to providing the guarantee.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥255.6 billion, mainly due to the following factors:
  - ▶ An expenditure for the oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥103.9 billion;
  - ▶ An expenditure for iron ore mining operations in Australia for ¥21.8 billion;
  - ▶ An expenditure for the aviation-related leasing business for a total of ¥18.8 billion;
  - ▶ An expenditure for the tank operation in the U.S. for ¥17.0 billion;
  - ▶ An expenditure for the sugar manufacturing business in Thailand for ¥15.6 billion;
  - ▶ An expenditure for the coal mining operations in Australia for ¥14.8 billion; and
  - ▶ An expenditure for the IPP Project in the U.S. for ¥11.2 billion.
- Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥6.9 billion, mainly due to the following factors:
  - ▶ An expenditure for redevelopment projects at Mitsui & Co., Real Estate Ltd. for ¥10.8 billion; and
  - ▶ A sale of buildings in Japan by Mitsui & Co., Real Estate Ltd. for ¥11.0 billion.

## Cash Flows from Financing Activities for the Fiscal Year Ended March 31, 2019

- Net cash inflows from net change in short-term debt were ¥103.3 billion and net cash inflows from net change in long-term debt were ¥161.5 billion.
- The cash outflow from payments of cash dividends was ¥139.0 billion.

# Segment Information

Mitsui & Co., Ltd. and its subsidiaries

Years ended March 31, 2015, 2016, 2017, 2018 and 2019

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	151,442	791,211	443,946	888,222	991,247	975,991	120,167
Gross profit	37,970	146,125	130,131	70,134	202,739	116,242	37,420
Share of profit (loss) of investments accounted for using the equity method	7,641	913	32,988	7,225	56,610	21,642	5,748
Profit (loss) for the year	8,460	60,857	45,680	3,702	119,674	(2,695)	6,006
EBITDA	12,909	155,530	54,977	18,074	439,849	16,156	(4,991)
Total Assets at March 31, 2015	493,961	1,955,957	2,112,645	838,894	2,610,367	1,658,188	550,339

	Americas	EMEA	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	828,521	110,161	102,179	5,403,087	1,843	—	<b>5,404,930</b>
Gross profit	92,589	19,317	12,223	864,890	701	(19,751)	<b>845,840</b>
Share of profit (loss) of investments accounted for using the equity method	7,450	574	4,518	145,309	—	(713)	<b>144,596</b>
Profit (loss) for the year	25,757	3,408	30,535	301,384	8,947	(3,841)	<b>306,490</b>
EBITDA	41,297	(541)	(2,528)	730,732	3,221	54,312	<b>788,265</b>
Total Assets at March 31, 2015	584,086	104,646	382,495	11,291,578	5,135,246	(4,223,903)	<b>12,202,921</b>

Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	111,082	685,557	415,198	787,370	672,638	990,438	139,473
Gross profit	31,951	98,672	127,085	76,453	108,952	116,506	52,884
Share of profit (loss) of investments accounted for using the equity method	4,842	(204,064)	8,045	7,956	(22,257)	18,547	7,825
Profit (loss) for the year	6,328	(162,480)	18,308	17,711	(3,885)	(13,996)	16,128
EBITDA	10,945	(93,802)	29,239	30,089	210,119	9,938	12,491
Total Assets at March 31, 2016	392,174	1,591,364	2,009,812	732,483	1,973,464	1,523,795	510,529

	Americas	EMEA	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	785,574	105,267	111,402	4,803,999	2,606	(46,911)	<b>4,759,694</b>
Gross profit	114,831	20,530	23,259	771,123	1,664	(46,165)	<b>726,622</b>
Share of profit (loss) of investments accounted for using the equity method	8,215	3,700	35,493	(131,698)	57	(392)	<b>(132,033)</b>
Profit (loss) for the year	28,301	3,474	11,552	(78,559)	7,429	(12,280)	<b>(83,410)</b>
EBITDA	69,371	5,262	40,850	324,502	(490)	12,406	<b>336,418</b>
Total Assets at March 31, 2016	648,787	151,328	402,889	9,936,625	5,590,315	(4,616,429)	<b>10,910,511</b>

Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	202,406	746,406	408,504	1,037,284	463,601	1,378,263	125,226
Gross profit	36,724	176,786	114,452	145,611	63,885	136,179	44,988
Share of profit (loss) of investments accounted for using the equity method	11,129	48,468	64,341	3,880	17,090	24,085	2,077
Profit (loss) for the year	10,853	144,314	66,806	32,653	31,679	25,382	10,975
Core operating cash flow	8,617	202,136	74,432	53,771	134,109	8,378	6,109
Total Assets at March 31, 2017	612,632	1,962,236	2,238,142	1,175,205	1,905,252	1,723,399	611,395

	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	4,361,690	1,908	371	<b>4,363,969</b>
Gross profit	718,625	299	371	<b>719,295</b>
Share of profit (loss) of investments accounted for using the equity method	171,070	(106)	(395)	<b>170,569</b>
Profit (loss) for the year	322,662	(2,888)	(13,638)	<b>306,136</b>
Core operating cash flow	487,552	16,394	(9,100)	<b>494,846</b>
Total Assets at March 31, 2017	10,228,261	5,798,648	(4,525,896)	<b>11,501,013</b>

## Year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	238,240	946,369	447,088	1,186,673	534,293	1,409,378	127,326
Gross profit	41,874	206,767	121,943	136,573	96,808	139,533	45,084
Share of profit (loss) of investments accounted for using the equity method	13,349	61,806	96,525	11,318	24,544	22,842	5,040
Profit (loss) for the year	24,728	257,617	89,617	34,235	48,601	(26,340)	(4,637)
Core operating cash flow	14,179	240,829	158,846	50,174	175,282	7,118	3,061
Total Assets at March 31, 2018	680,257	2,260,050	2,364,616	1,228,773	2,083,766	1,987,306	662,192

	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	4,889,367	2,782	<b>4,892,149</b>
Gross profit	788,582	2,123	<b>790,705</b>
Share of profit (loss) of investments accounted for using the equity method	235,424	(483)	<b>234,941</b>
Profit (loss) for the year	423,821	(5,342)	<b>418,479</b>
Core operating cash flow	649,489	16,998	<b>666,487</b>
Total Assets at March 31, 2018	11,266,960	39,700	<b>11,306,660</b>

## Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

Millions of yen

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	247,383	1,055,801	904,641	1,747,400	707,978	2,125,847	163,418
Gross profit	27,237	175,602	130,743	142,791	134,030	158,867	66,716
Share of profit (loss) of investments accounted for using the equity method	16,200	59,331	87,476	12,845	40,329	29,315	11,675
Profit (loss) for the year	9,851	167,209	78,428	4,460	95,723	42,435	16,562
Core operating cash flow	5,879	181,451	73,970	29,886	219,064	24,827	20,816
Total Assets at March 31, 2019	606,557	2,222,894	2,450,551	1,266,657	2,425,363	2,378,015	667,314

	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	6,952,468	5,056	<b>6,957,524</b>
Gross profit	835,986	2,481	<b>838,467</b>
Share of profit (loss) of investments accounted for using the equity method	257,171	(1,804)	<b>255,367</b>
Profit (loss) for the year	414,668	(453)	<b>414,215</b>
Core operating cash flow	555,893	14,628	<b>570,521</b>
Total Assets at March 31, 2019	12,017,351	(71,572)	<b>11,945,779</b>

- Notes: 1. "All Other" principally consisted of the Corporate Staff Unit, which provides financing services and operations services to external customers and/or to the Company and affiliated companies. Total assets of "All Other" at March 31, 2015, 2016 and 2017 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.
2. Transfers between reportable segments are made at cost plus a markup.
3. The amounts in "Adjustments and Eliminations" for Profit (Loss) for the Year Attributable to Owners of the Parent include income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. In the fiscal year ended March 31, 2015, we introduced EBITDA as a measure of underlying earnings power in addition to profit (loss) attributable to owners of the parent as a base indicator to measure performance. However, due to the fact that EBITDA includes impairment losses recorded by major equity accounted investees, we determined that core operating cash flow was a more appropriate indicator for measuring our ability to generate cash flow. Accordingly, as of the fiscal year ended March 31, 2018, we no longer use EBITDA to measure performance and instead use core operating cash flow.
5. Segment information for the fiscal years ended March 31, 2015, and 2016 has not been revised and restated in relation to paragraph 29 of IFRS 8. Also, the profit and loss results for the fiscal years below have been revised and restated in compliance with legal disclosure requirements.
- Revisions and restatements were made for results between the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016 to reflect the following changes.
    - Previously, profit of the jointly invested subsidiaries by several Company segments was allocated from the main segment to sub-segments using profit attributable to non-controlling interests. However, in order to disclose each operating segment's EBITDA more appropriately, since the fiscal year ended March 31, 2016, profits and losses associated with EBITDA have been allocated by using share of profit of investments accounted for using the equity method.
    - In order to disclose each operating segment's total assets more appropriately, since the fiscal year ended March 31, 2016, total assets of the jointly invested subsidiaries have been allocated based on internal profit share as of the fiscal year ended March 31, 2016.
  - Revisions and restatements were made for results between the fiscal year ended March 31, 2016 and the fiscal year ended March 31, 2017 to reflect the following changes.
    - In the fiscal year ended March 31, 2017, the Food Science Business was transferred from the Lifestyle Segment to the Chemicals Segment in conjunction with the establishment of the Nutrition & Agriculture Business Unit.
    - In the fiscal year ended March 31, 2017, the United Grain Corporation of Oregon, which was formerly included in the Americas Segment, was transferred to the Lifestyle Segment with the aim of optimizing the Group's global grain trading strategy.
6. In accordance with the changes below, the segment information for the fiscal year ended March 31, 2017 has been restated to conform to the current period's presentation.
- Since the fiscal year ended March 31, 2018, the previous 10 reportable segments that include 7 product segments of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle" and "Innovation & Corporate Development" along with 3 regional segments of "Americas," "Europe, the Middle East and Africa" and "Asia Pacific," have been changed to 7 reportable segments of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle" and "Innovation & Corporate Development," where the regional segments were consolidated by product segment. In addition, part of each of the regional segments have been consolidated into "All Other."
  - Previously, there was a difference between the Company's actual income taxes and the reportable segments' income taxes that were calculated using the internal tax rate, and the difference was included in "Adjustments and Eliminations." Since the fiscal year ended March 31, 2018, the internal tax rate has been made the same as the external tax rate. In addition, since the fiscal year ended March 31, 2018, the scope of allocation of expenses incurred at the Corporate Staff Unit to reportable segments was reviewed, and part of the expenses which were previously allocated to the reportable segments have been excluded from the scope of allocation.
  - Previously, the profit and loss of consolidated subsidiaries that are jointly held by numerous operating segments were allocated from the supervising to the non-supervising operating segments based on the profit share of each of the segments using the Share of Profit (Loss) of Investments Accounted for Using the Equity Method and Income for the Period Attributable to Non-controlling Interests. Since the fiscal year ended March 31, 2018, these allocations have been made based on the profit share of each of the segments in each of the accounts disclosed in the segment information to reflect the performance of the operating segments more properly.
7. In accordance with the changes below, the segment information for the fiscal year ended March 31, 2018 has been restated to conform to the current period's presentation.
- Beginning with the year ended March 31, 2019, "All Other" and "Adjustments and Eliminations," which were reported individually in prior periods, have been aggregated into "Others / Adjustments and Eliminations" as they are not material, except for Total Assets.
  - During the year ended March 31, 2019, due to implementation of the new consolidated accounting system, the elimination method of intercompany receivables and payables, which was simplified, is refined and total assets of each segment at March 31, 2019 are more appropriately calculated as a measurement of the asset size and the asset efficiency.

# Consolidated Statements of Changes in Equity

Mitsui & Co., Ltd. and its subsidiaries

Years ended March 31, 2015, 2016, 2017, 2018 and 2019

Millions of yen

	2015	2016	2017	2018	2019
<b>Attributable to owners of the parent</b>					
<b>Common stock</b>					
Balance at beginning of year	341,482	341,482	341,482	341,482	<b>341,482</b>
Balance at end of year	341,482	341,482	341,482	341,482	<b>341,482</b>
<b>Capital surplus</b>					
Balance at beginning of year	418,004	411,881	412,064	409,528	<b>386,165</b>
Equity transactions with non-controlling interest shareholders	(6,338)	2	(2,700)	(23,581)	<b>1,090</b>
Compensation costs related to stock options	215	181	164	247	<b>231</b>
Sale of treasury stock	—	—	—	(29)	<b>(151)</b>
Balance at end of year	411,881	412,064	409,528	386,165	<b>387,335</b>
<b>Retained earnings</b>					
Cumulative effect of changes in accounting policies	—	—	—	—	<b>(3,535)</b>
Balance at beginning of year	2,345,790	2,537,815	2,314,185	2,550,124	<b>2,899,897</b>
Profit (loss) for the year attributable to owners of the parent	306,490	(83,410)	306,136	418,479	<b>414,215</b>
Transfer from other components of equity	54,031	(25,498)	31,990	40,703	<b>255</b>
Dividends paid to the owners of the parent	(118,305)	(114,722)	(102,187)	(105,844)	<b>(139,038)</b>
Sale of treasury stock	0	(0)	(0)	(30)	<b>(207)</b>
Cancellation of treasury stock	(50,191)	—	—	—	<b>(96,467)</b>
Balance at end of year	2,537,815	2,314,185	2,550,124	2,903,432	<b>3,078,655</b>
<b>Other components of equity</b>					
Balance at beginning of year	766,631	814,563	317,955	485,447	<b>448,035</b>
Other comprehensive income for the year	100,093	(524,080)	196,889	(2,366)	<b>15,702</b>
Transfer to retained earnings	(54,031)	25,498	(31,990)	(40,703)	<b>(255)</b>
Equity transactions with non-controlling interest shareholders	1,870	1,974	2,593	5,657	<b>(212)</b>
Balance at end of year	814,563	317,955	485,447	448,035	<b>463,270</b>
<b>Treasury stock</b>					
Balance at beginning of year	(56,140)	(5,946)	(5,961)	(54,402)	<b>(104,399)</b>
Acquisition of treasury stock	(25)	(16)	(48,648)	(50,057)	<b>(17)</b>
Sale of treasury stock	28	1	207	60	<b>373</b>
Cancellation of treasury stock	50,191	—	—	—	<b>96,467</b>
Balance at end of year	(5,946)	(5,961)	(54,402)	(104,399)	<b>(7,576)</b>
Total balance at end of year	4,099,795	3,379,725	3,732,179	3,974,715	<b>4,263,166</b>
<b>Non-controlling interests</b>					
Balance at beginning of year	284,537	297,579	286,811	257,983	<b>243,408</b>
Profit (loss) for the year attributable to non-controlling interests	20,434	16,496	20,014	22,823	<b>17,548</b>
Other comprehensive income for the year	12,255	(21,107)	2,118	(4,339)	<b>(2,791)</b>
Dividends paid to non-controlling interest shareholders	(13,900)	(18,387)	(52,706)	(24,098)	<b>(18,504)</b>
Equity transactions with non-controlling interest shareholders	(5,747)	12,230	1,746	(8,961)	<b>27,481</b>
Balance at end of year	297,579	286,811	257,983	243,408	<b>267,142</b>
<b>Total equity</b>	<b>4,397,374</b>	<b>3,666,536</b>	<b>3,990,162</b>	<b>4,218,123</b>	<b>4,530,308</b>

## Major Risk Exposure by Country and Fund Operation

### Investments, Loans, and Guarantees (As of March 31, 2019)

(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

Billions of yen

	Investments	Loans	Guarantees	Total	Hedged (ex. Insurance)	Net Position
Brazil	841.1	52.1	158.3	1,051.5	28.7	<b>1,022.8</b>
Malaysia	356.3	0	7.2	363.5	0	<b>363.5</b>
Chile	25.2	38.4	243.1	306.7	0	<b>306.7</b>
Mozambique	128.5	0	161.6	290.1	0	<b>290.1</b>
Italy	69.0	0	140.3	209.3	0	<b>209.3</b>
Indonesia	132.2	1.9	62.8	196.9	11.0	<b>185.9</b>
China	122.9	0.2	6.2	129.3	0.2	<b>129.1</b>
Mexico	76.3	0.6	46.3	123.2	0	<b>123.2</b>
Thailand	80.3	1.9	31.0	113.2	0	<b>113.2</b>
Qatar	101.6	0	3.6	105.2	0	<b>105.2</b>
Russia	94.9	0	2.3	97.2	0	<b>97.2</b>
India	27.3	1.2	22.8	51.3	12.6	<b>38.7</b>

Notes: 1. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.

2. "Hedged" represents the amounts by which credit risk is hedged by such as investment insurance and third-party guarantees.

3. "Investments" represents book value for accounting purposes on the basis of Japanese GAAP, not reflecting the effects of applying net investment hedging relationships.

4. From the fiscal year ended March 31, 2018, the balance of "China" in the above table includes Hong Kong.

### Trade Receivables (As of March 31, 2019)

(Sum of Mitsui & Co., Ltd., Trading Subsidiaries, and some investment vehicles and subsidiaries)

Billions of yen

	Gross	Hedged (ex. Insurance)	Net Position
Brazil	20.3	0.8	<b>19.6</b>
Malaysia	10.9	0.9	<b>10.0</b>
Chile	17.8	0.3	<b>17.6</b>
Mozambique	0.3	0	<b>0.3</b>
Italy	9.3	1.3	<b>8.0</b>
Indonesia	29.6	1.3	<b>28.3</b>
China	202.6	8.4	<b>194.1</b>
Mexico	12.5	1.0	<b>11.5</b>
Thailand	45.5	2.1	<b>43.4</b>
Qatar	0.5	0	<b>0.5</b>
Russia	1.7	0.1	<b>1.6</b>
India	33.6	1.0	<b>32.5</b>

5. Among the countries subject to country risk reporting, we disclose countries with significance as to the balance.

6. "Hedged" represents the amounts by which credit risk is hedged by such as trade insurance and Confirmed L/C.

7. From the fiscal year ended March 31, 2018, the balance of "China" in the above table includes Hong Kong.

# Investor Information

As of April 1, 2019

**Securities Identification Code**  
8031

**Stock Exchange Listings**  
Tokyo, Nagoya, Sapporo, Fukuoka

**Fiscal Year**  
From April 1 to March 31

**General Shareholders' Meeting**  
June

**Administrator of the Register of Shareholders**  
Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
100-0005

**Contact Information for Above**  
Sumitomo Mitsui Trust Bank, Limited  
Stock Transfer Agency Business Planning  
Department  
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

**American Depository Receipts**  
Ratio: 1ADR = 20 common shares  
Exchange: OTC (Over-the-Counter)  
Symbol: MITSY  
CUSIP Number: 606827202

**Depository and Registrar**  
Citibank, N.A. Shareholder Services  
P.O. Box 43077, Providence,  
Rhode Island 02940-3077, U.S.A.  
Tel: 1-877-248-4237 (Toll free in the U.S.)  
1-781-575-4555 (Overseas Dial-In)  
E-mail: citibank@shareholders-online.com  
URL: www.citi.com/adr

As of March 31, 2019

**Unit Share**  
100 shares

**Number of Shareholders**  
316,928 shareholders

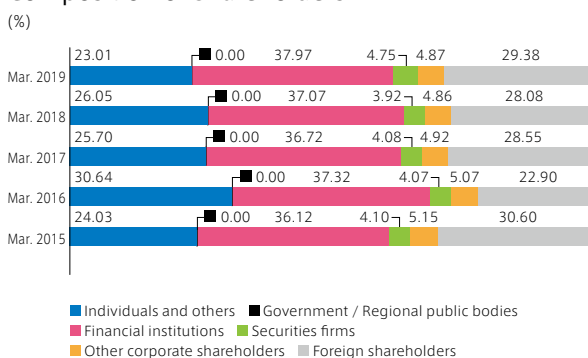
**Number of Shares Issued**  
1,742,345,627 shares  
(including 4,241,441 treasury shares)

**Number of Shares Authorized**  
2,500,000,000 shares

## Major Shareholders

The Master Trust Bank of Japan, Ltd. (trust account)
Japan Trustee Services Bank, Ltd. (trust account)
Japan Trustee Services Bank, Ltd. (trust account 9)
Nippon Life Insurance Company
Japan Trustee Services Bank, Ltd. (trust account 5)
JP MORGAN CHASE BANK 385151
STATE STREET BANK WEST CLIENT – TREATY 505234
Sumitomo Mitsui Banking Corporation
Japan Trustee Services Bank, Ltd. (trust account 7)
Japan Trustee Services Bank, Ltd. (trust account 1)

## Composition of Shareholders



Note: The figures in the above graph reflect all shareholders and shares held but exclude shareholders who own less than one trading unit.










## Mitsui & Co., Ltd.

As of March 31, 2019

Trade Name	MITSUI & CO., LTD.
Date of Establishment	July 25, 1947
Common Stock	¥341,481,648,946
Number of Employees	The Company and subsidiaries: 43,993 Non-consolidated: 5,772
Number of Affiliated Companies for Consolidation	Subsidiaries: 277 Equity accounted investees: 214
Address	1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan (registered head office location) Nippon Life Marunouchi Garden Tower  JA Building, 3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan  Tel: 81 (3) 3285-1111 Facsimile: 81 (3) 3285-9819 URL: <a href="https://www.mitsui.com/jp/en/">https://www.mitsui.com/jp/en/</a>

### About Reports Issued by the Company

Reports	Contents	Media		
		Booklet	PDF	HTML
Integrated Report (This booklet)	For details, please see "CONTENTS" on page 006.			
Sustainability Report	The Company publishes a sustainability report for Mitsui's multi-stakeholders. Published annually, the Sustainability Report contains detailed non-financial information. <i>Sustainability Report 2019</i> was issued in August 2019.			
Annual Securities Report	The Annual Securities Report is prepared pursuant to Article 24, Section 1 of the Financial Instruments and Exchange Act and is required to be submitted to the Kanto Finance Bureau. Please refer to this report for more detailed financial information. It is issued in late June of each year.			
Corporate Governance Report	In accordance with Japan's Corporate Governance Code, the Company publishes a Corporate Governance Report that provides details on Mitsui's basic corporate governance approach and structure. The Company is also required to submit this report to the Tokyo Stock Exchange. Please refer to the PDF link for more detailed information related to Mitsui's organizational design, operational status, and evaluation of Board of Director effectiveness.		