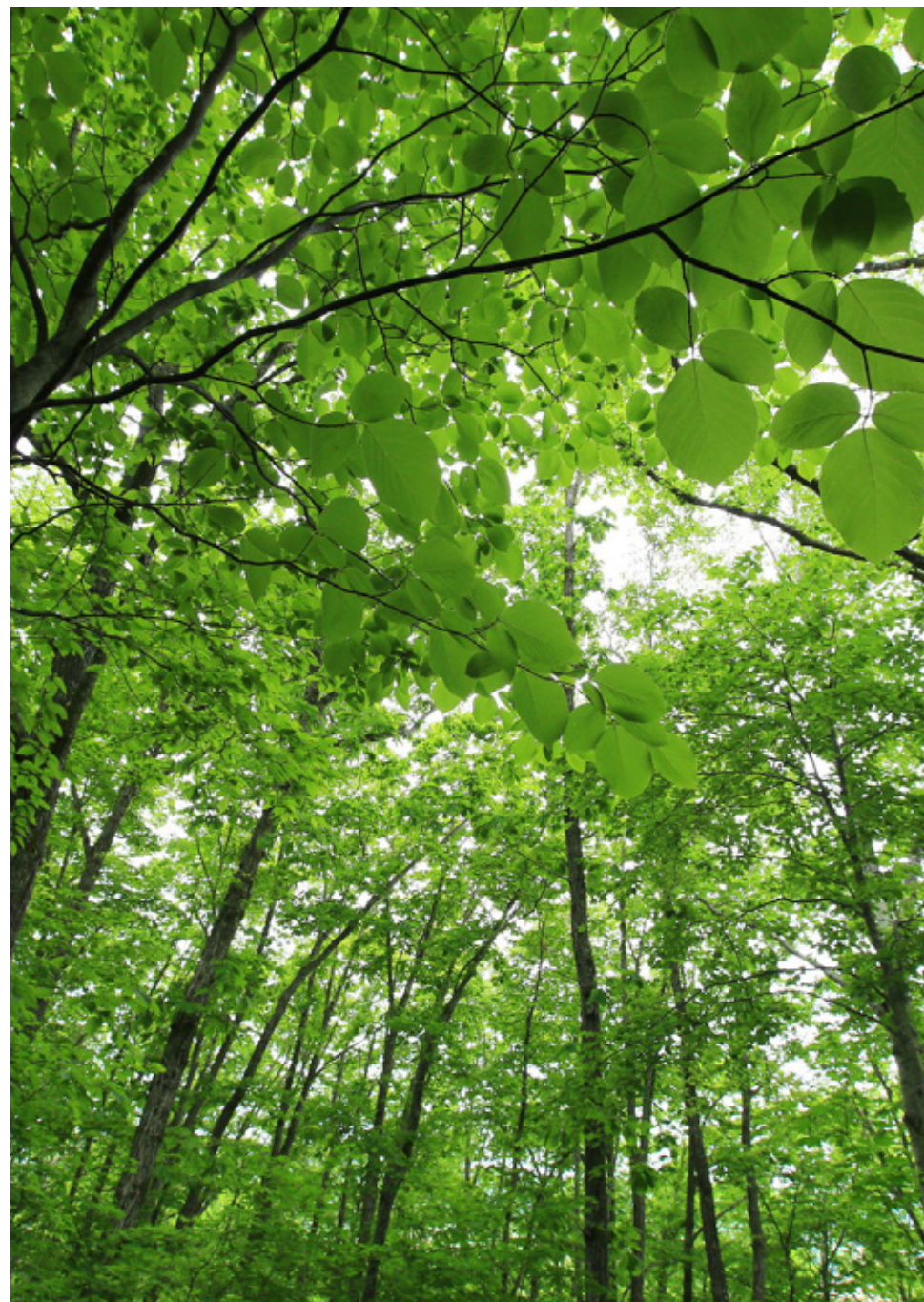


Gate 2 Growth Strategy

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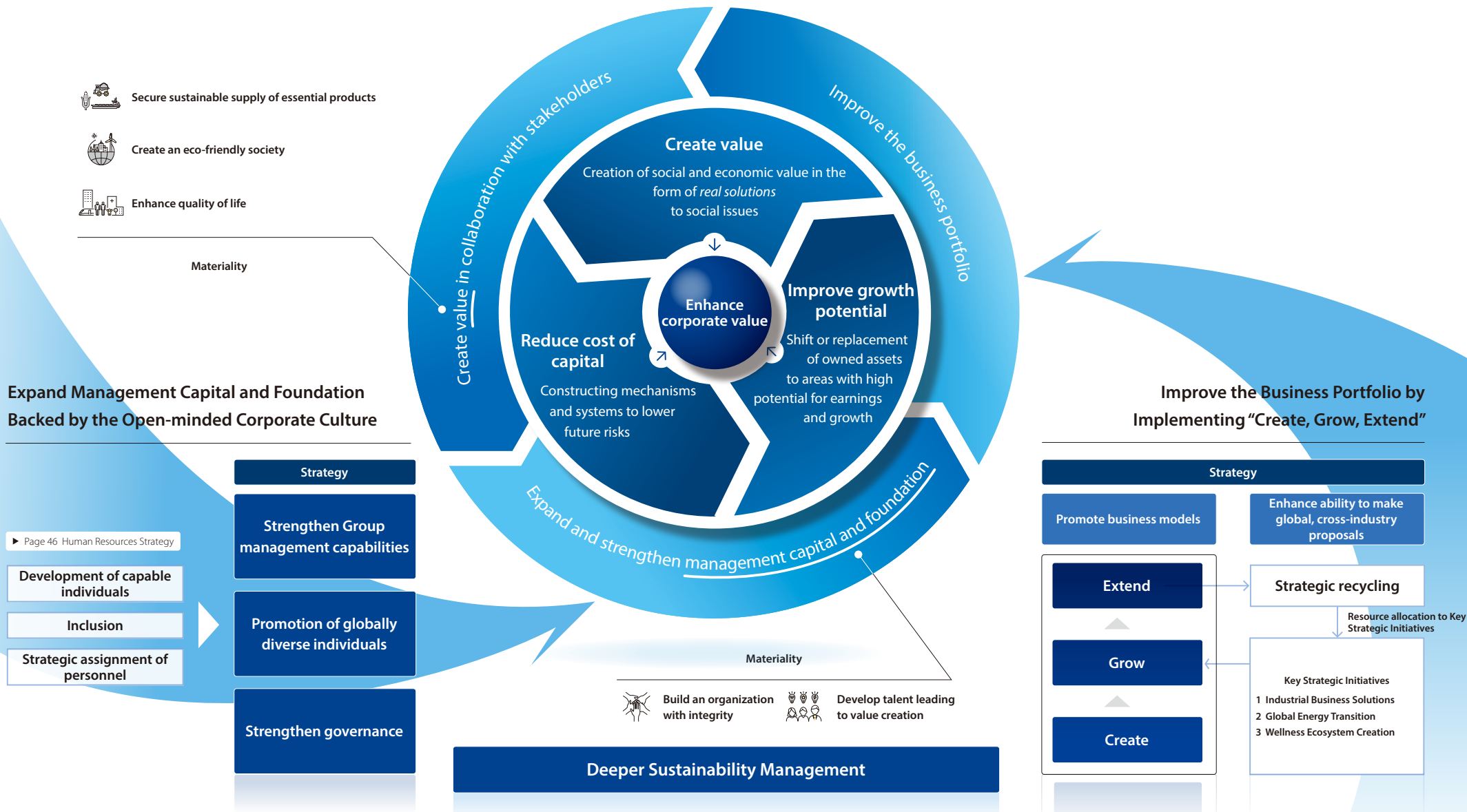


Enhancing Corporate Value through "Challenge and Innovation"

Linking Our Growth Strategies to Greater Corporate Value

Mitsui will enhance its corporate value by creating value, improving growth potential and reducing cost of capital. Through initiatives aimed at creating value in collaboration with our stakeholders, improving our business portfolio, and expanding and strengthening our management capital and foundation, we will create economic and social value in the form of *real solutions* to social issues, improve growth potential by shifting our owned assets to areas with high potential for earnings and growth, and reduce our cost of capital by building mechanisms and systems to lower future risks.

In *Gate 2 Growth Strategy*, we explain our growth Strategy and specific measures to effectively implement the above initiatives, and in *Gate 3 Management Foundation* we explain the corporate governance that supports us in doing so.



CFO Message



We will communicate the growth story of Mitsui by further advancing our portfolio management, and showing the progress we make in portfolio quality improvement and execution of growth investments.

Representative Director,
Senior Executive Managing Officer
Chief Financial Officer

Tetsuya Shigeta

What are your thoughts as you reflect on Medium-term Management Plan 2023?

With the COVID-19 pandemic, supply chain disruption caused by the situation in Russia and Ukraine, rampant inflation, and other factors, the three-year period covered by Medium-term Management Plan 2023 (MTMP2023) tested our ability to respond to changes in the external environment. Demand from customers and partners for solutions to various challenges increased, and there were many opportunities for us to demonstrate our capabilities and expand our businesses. As a result, we were able to develop a robust business portfolio and achieve solid results. Although there was a delay to certain growth investments due to the pandemic, we enhanced our pipeline of quality investment projects, and have been making steady progress toward investment execution in the fiscal year ending March 2024 and beyond.

Inspired with confidence gained from the successes of MTMP2023, Medium-term Management Plan 2026 (MTMP2026) is off to a good start. While building upon and taking strategies and policies from MTMP2023 to the next level, we aim to further enhance our management foundation and earnings base.

What is your approach to cash flow allocation [▶ Page 31](#) under MTMP2026?

We will further enhance our cash flow management. Under MTMP2023, investors appreciated the clarity of our approach to cash flow allocation, so we will continue along this path. As of MTMP2026's announcement in May 2023, we guided to 1.17 trillion yen being allocated to growth investments (for which decisions have already been made or policies confirmed) to be made by the end of the term. Moving forward, while carefully selecting investment projects from our pipeline of potential candidates, we will distribute additional capital through the Management Allocation framework.

In terms of shareholder returns, based on stable Core Operating Cash Flow we increased our target for shareholder returns as a percentage of Core Operating Cash Flow (on a cumulative basis for the three years of the plan) from 34% under MTMP2023 to around 37%. Moreover, to date we have continued to increase dividends and, given that we are forecasting further increases in base profit during the period of MTMP2026 we have introduced a progressive dividend with a minimum full-year dividend of 150 yen per share.

How do you plan to advance portfolio management [▶ Page 34](#) during MTMP2026?

Corporate Management Committee members, who oversee each business unit, are playing a greater role in the rigorous selection of growth investments. Dialogue between Executive Officers and Chief Operating Officers is helping to ensure that, more than ever before, discussions are made on a Company-wide perspective. In addition to business robustness and profitability, we place focus on size, strategy, scarcity, and the likelihood of immediate contribution to results. Discussions also now consider the compatibility of projects with the Key Strategic Initiatives of MTMP2026, the formation of business clusters, and our efforts to further deepening sustainability management. On the investment side of the business for example, we penetrate into a particular industry through our involvement in trading businesses, and then use the expertise and presence that we gain there to make investment decisions which will be based on our deep understanding of that particular business. This enables us to pursue returns that outweigh the risks in each industry.

In working to improve the quality of our business portfolio, we have been highlighting the importance of the "middle game." Under the

“Create, Grow, Extend” business model, middle game refers to the “Grow” phase. We aim to reinforce our businesses by having a strong middle game, by formulating a number of business scenarios that will enable us to respond to changes in the operating environment and implement strategic measures ahead of schedule, or at the optimal time.

Furthermore, under MTMP2023 we began using ROIC as an indicator that links the company wide ROE target with asset efficiency in each segment, and have thereby been enhancing the quality of our portfolio reviews. We conduct dynamic analyses of ROIC targets, taking into account the fact that risks and lifecycle stages of each business differ. Our ROE target in MTMP2026 is an average of over 12% over the three year period, a figure that exceeds the cost of equity. We aim for sustained ROE enhancement through improved earnings, an optimal capital structure, and enhanced shareholder returns.



What are your thoughts on the execution of Mitsui's growth strategies and corporate value enhancement through value creation? [▶ Page 24](#)

At Mitsui, we create value by using the global expertise and functions from our various segments to provide cross-industry *real solutions* to social issues emerging due to major changes in the external environment. As such, our business activities are a source of both social and economic value, and the associated results and expectations are directly connected to enhancement of our corporate value. One representative example is the global energy transition, which we support by balancing the stable supply of existing energy sources with the development of new energy sources for the future. Elsewhere, in responding to heightened consumer health needs by building a wellness

ecosystem that combines food and nutrition [▶ Page 21](#), we are creating social and economic value through the provision of healthy foods for preventive care and therapeutic foods for hospitals.

More complex social issues come with more complex risks. How are you addressing such risks?

At present, the complexity of global risks is increasing in terms of geopolitics, supply chains, ESG, and cybersecurity, for example, and our risk management response must address more aspects and with a greater level of sophistication. For us to enhance our corporate value, in addition to improving profitability and growth potential in each segment, risk management [▶ Page 70](#) is essential to our

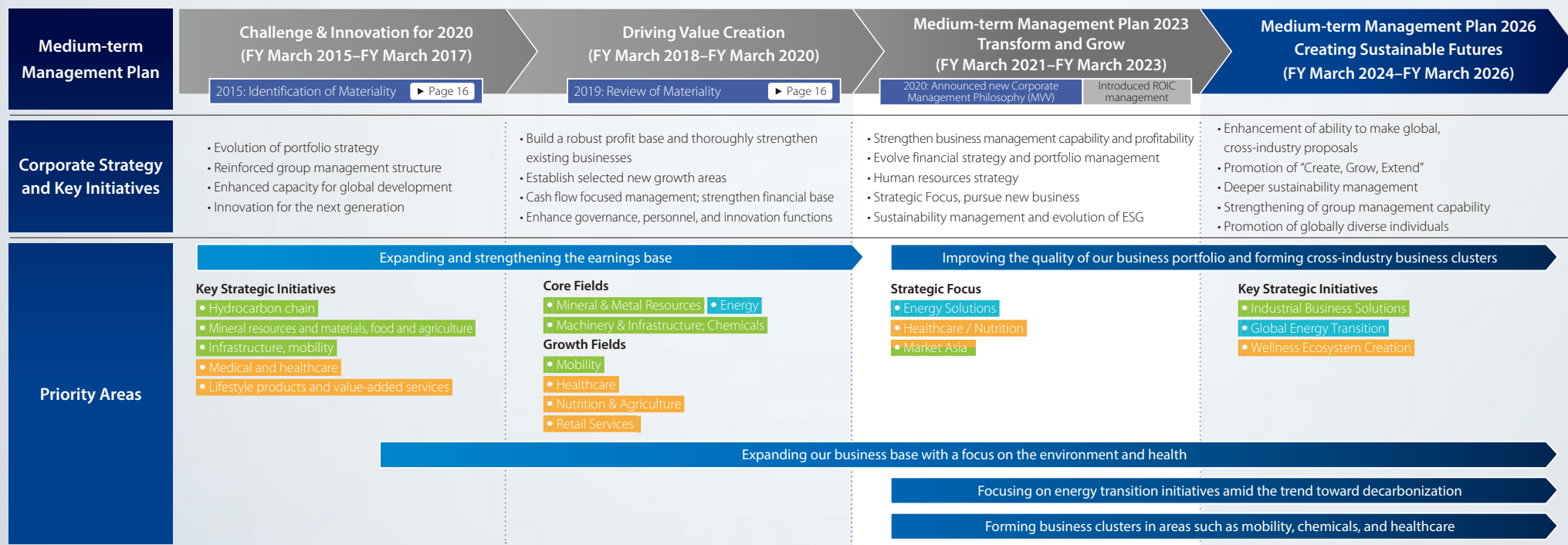
ability to support our businesses and control uncertainties into the future. At Mitsui, we conduct integrated risk management, through which we promote multilayered collaboration between the business units and Corporate Staff Divisions, and also among the various Corporate Staff Divisions. Moreover, the Portfolio Management Committee holds regular discussions and reports its findings to the Corporate Management Committee and the Board of Directors. Moving forward, we will work to further advance these mechanisms and initiatives and incorporate them into our portfolio management.

What insights have you gleaned from dialogue with shareholders and investors?

For me, dialogue with our shareholders and investors is a top priority. Since becoming CFO last year, I have shared with them the details of our management policies and discussions, focusing on clear communication and explanations using specific examples. Their opinions and suggestions provide many insights, which I have proactively relayed in-house to be reflected in management discussions and improvements. We are sometimes told that our business model is difficult to understand, but nevertheless, I feel as though the transparency of our management has been increasing through this dialogue.

Looking ahead, I will thoroughly monitor the progress of the policies and strategies in MTMP2026. By regularly disclosing the progress of new investment projects and showcasing our track record, I hope to be able to build trust in our businesses among shareholders and investors, and in turn lower our cost of capital. We have our sights on many potential impactful projects for growth investment, and as such I will continue to communicate Mitsui's value creation story to hopefully generate high expectations for our future growth.

Medium-term Management Plan The Transition of Medium-term Management Plans

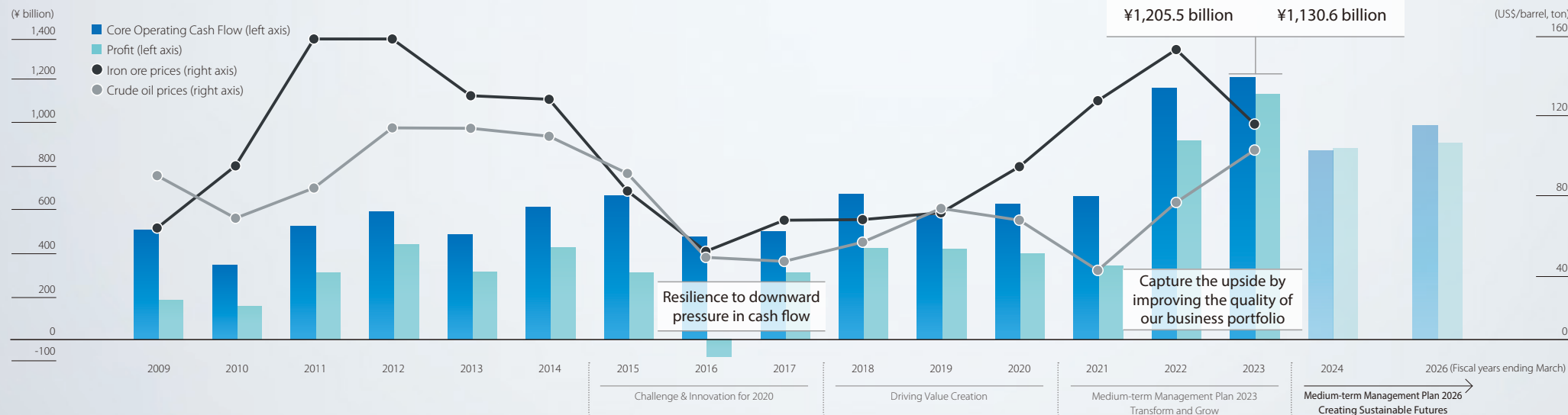


Review of Medium-term Management Plan 2023

Outcomes of Corporate Strategy	Corporate Strategy (MTMP2023)	Outcomes
<p>We executed the Corporate Strategy set forth in Medium-term Management Plan 2023 and worked to strengthen our business management capabilities and profitability, evolve portfolio management, and promote business and accumulate assets in our Strategic Focus areas. In addition, we successfully advanced our human resources strategy and sustainability management.</p>	Strengthen business management capabilities and profitability	<ul style="list-style-type: none"> Improving quality of our business portfolio, enhancement of earnings power and ROE through utilization of ROIC
	Evolve financial strategy and portfolio management	<ul style="list-style-type: none"> Allocated capital through Management Allocation
	Human resources strategy	<ul style="list-style-type: none"> Development of capable individuals, Diversity & Inclusion, appropriate allocation of human resources, productivity improvement
	Strategic Focus, pursue new business	<ul style="list-style-type: none"> Initiatives in LNG, hydrogen, and ammonia, and built businesses related to healthcare and preventive care, strengthening of financial position Built growth investment pipeline
	Sustainability management and evolution of ESG	<ul style="list-style-type: none"> Established and expanded disclosure of climate change action roadmap as well as stock-based remuneration plan for management based on KPIs for ESG

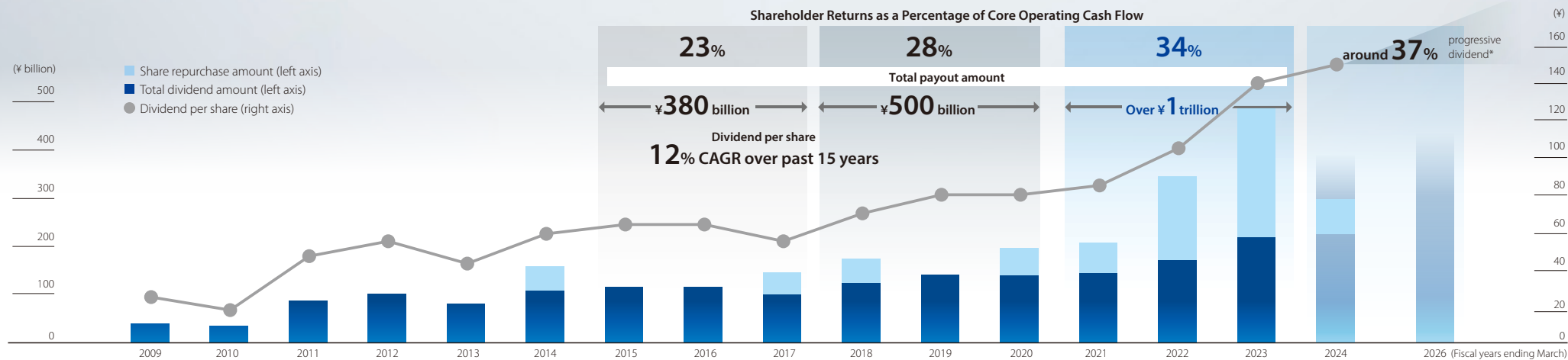
Medium-term Management Plan The Transition of Quantitative Performance

Downside Resilience and Growth of Core Operating Cash Flow



Enhancement of Shareholder Returns

Mitsui has been enhancing shareholder returns based on cash flow generation, which it has made stronger through improvement in the quality of its business portfolio. When we announced Medium-term Management Plan 2023, we set a target of increasing the ratio of shareholder returns to Core Operating Cash Flow over the cumulative three-year period, compared with the results of the previous Medium-term Management Plan. We subsequently set the target at 33%, and ultimately achieved 34%. In the Medium-term Management Plan 2026, we set the target around 37% and newly introduced a progressive dividend.



* Covers the 3-year period of Medium-term Management Plan. Progressive dividend in which the dividend level is maintained or increased with a minimum annual dividend of 150 JPY per share

Overview and Strategies of Medium-term Management Plan 2026

Striving for even greater heights as a global company

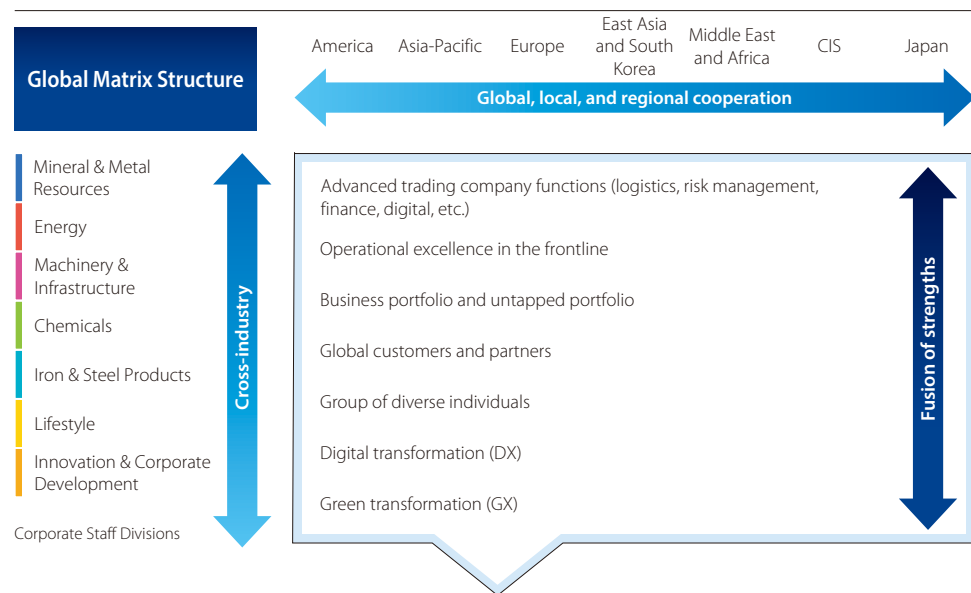
Theme	<p>Creating Sustainable Futures</p> <ul style="list-style-type: none"> • Unearth social issues in all industries from the perspective of global sustainability, produce new business innovation and create strong business clusters and new industries
Operating Environment	<p>The world is facing global challenges; <i>real solutions</i> require the combination of expertise and know-how</p> <ul style="list-style-type: none"> • The world is facing global social challenges such as responding to heightened geopolitical risks and changes in supply chains, balancing a stable energy supply with carbon neutrality, maintaining water resources and food as forms of natural capital, and increasing health awareness and diversification of lifestyles
Vision under the Medium-term Management Plan 2026	<p>Providing <i>real solutions</i> to social issues as a global company</p> <ul style="list-style-type: none"> • Creating solutions by combining cross-industry expertise from various cross-industry businesses • The "Partner of Choice" for the next project • A continuously expanding earnings base and pipeline of quality investments
Company-wide Strategy	<p>Five Corporate Strategies</p> <p>We have established five Corporate Strategies for continuing to reform the actions and mindsets of our people and organizations, as well as company-wide systems, through which we will achieve the goals of Medium-term Management Plan 2026.</p> <ol style="list-style-type: none"> (1) Enhancement of ability to make global, cross-industry proposals ▶ Page 29 Combining Global and Cross-industry Expertise and Strengths (2) Promotion of "Create, Grow, Extend" ▶ Page 17 Mitsui's Business Model (3) Deeper sustainability management ▶ Page 38 Sustainability Management (4) Strengthening of group management capability ▶ Page 33 Case Studies of Initiatives to Strengthen Group Management Capabilities (5) Promotion of globally diverse individuals ▶ Page 46 Human Resources Strategy

Combining Global, Cross-industry Expertise and Strengths

Establish Corporate Strategy (1) Enhancement of Ability to Make Global, Cross-Industry Proposals, as the basis for further accelerating the combination of our strengths by leveraging our global matrix structure

- Features of Matrix Structure**

 - Lowers the barriers between business units and regions to enable flexible and dynamic collaboration
 - Enables us to resolve issues on a global scale through the combination of cross-industry approaches and know-how



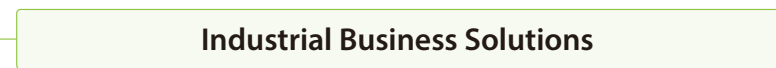
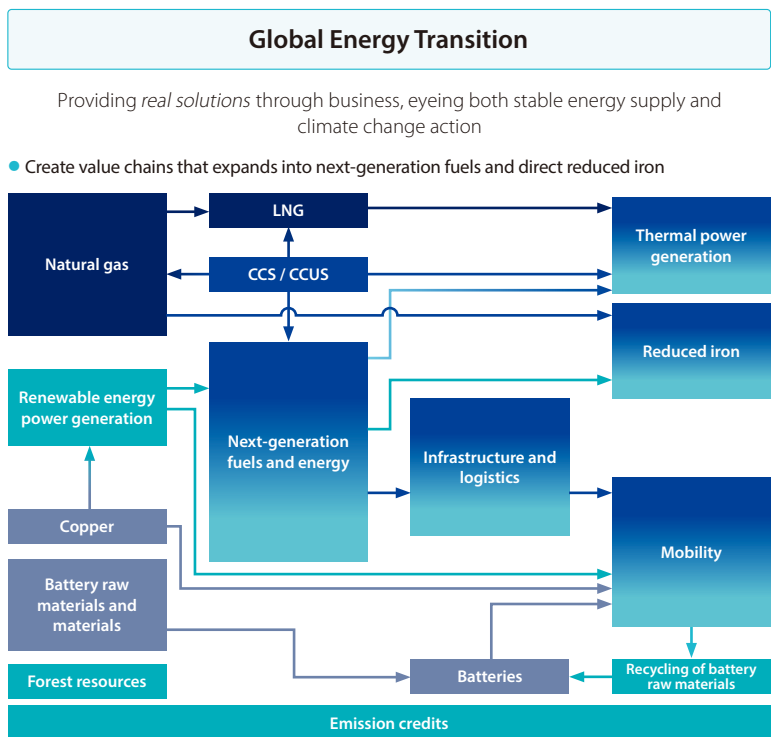
Combining **global** and **cross-industry** strengths

- | | |
|---|--|
| <ul style="list-style-type: none"> • Regional diversification of businesses • Local production for local consumption • Horizontal expansion of business models | <ul style="list-style-type: none"> • Utilization of contact points in a wide range of industries • Initiatives in adjacent areas of core businesses • Complex solutions |
|---|--|

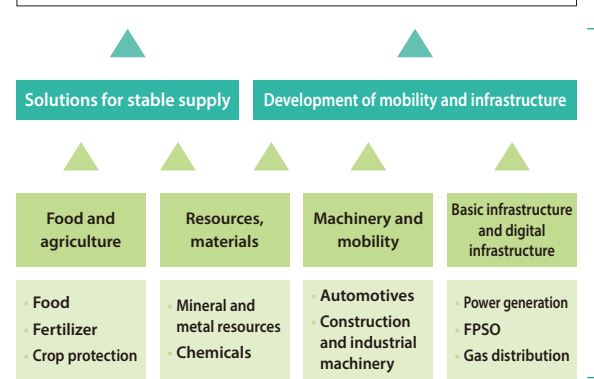
Medium-term Management Plan

Three Key Strategic Initiatives

We have established three Key Strategic Initiatives to build on the Strategic Focus of Medium-term Management Plan 2023. We aim to provide *real solutions* to social issues on a workable timeline.

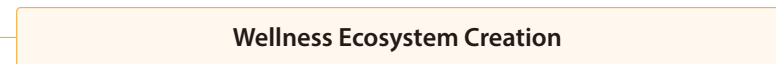


Various industries around the world



Building blocks for stable supply and problem solving

Combining functions and businesses like building blocks to provide solutions to various industry issues



Providing value that enhances quality of life including healthcare and healthy food

- Formation of an ecosystem combining various businesses to improve quality of life through healthcare, healthy food and other benefits.



Significant environmental changes

- Balance of stable energy supply and carbon neutrality
- Emergence of geopolitical risks
- Changes in global supply chains
- Diversification of lifestyles and heightened health awareness



Medium-term Management Plan

Quantitative Targets

Quantitative Targets for FY March 2026

We aim to generate stable cash flow of over 1 trillion yen from the fiscal year ending March 2026 onward by continuing to improve the quality of our business portfolio.

Core Operating Cash Flow

¥1 trillion

Profit

¥920 billion

ROE

Average for Period of Medium-term Management Plan 2026

Over 12%

Shareholder Returns

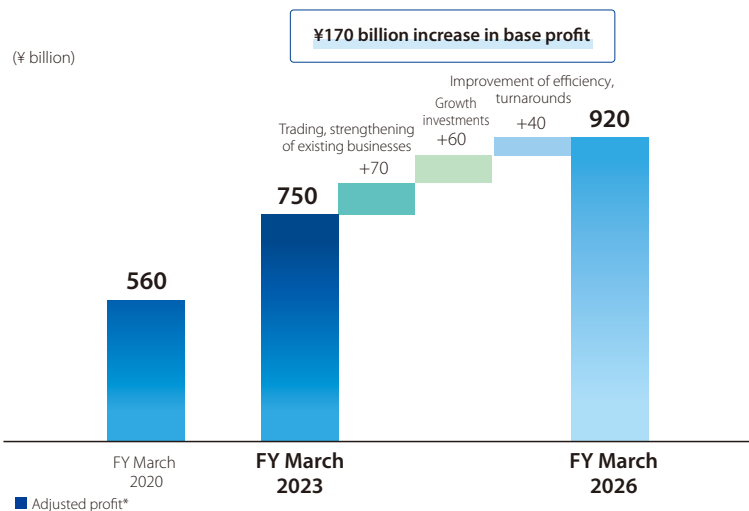
Shareholder returns as % of Core Operating Cash Flow

Around 37%*

* MTMP 2026 cumulative basis

Continuous Enhancement of Base Profit

Accelerate initiatives that generated results under Medium-term Management Plan 2023, aiming for the continuous enhancement of base profit



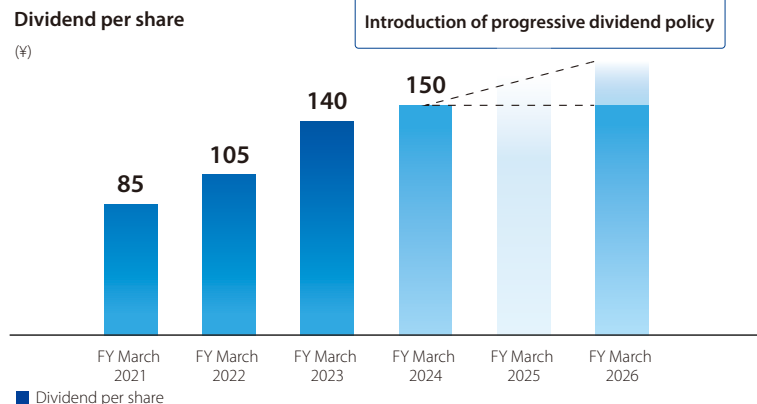
* Adjusted profit: Profit adjusted for commodity prices, exchange rates (consolidated basis), and other assumptions for FY March 2026, and excluding one-time gains/losses

Initiatives for Continuous Enhancement of Base Profit

	MTMP2023	MTMP 2026
Trading	<ul style="list-style-type: none"> Demonstrate stable supply function Increase in volume, etc. Upside due to business environment 	<ul style="list-style-type: none"> Maintaining and advancing a stable supply base Diversification of procurement sources Back-up plans for supply chains
Strengthening Competitiveness	<ul style="list-style-type: none"> Lowering the break-even point Enhancement of marketing 	<ul style="list-style-type: none"> Strengthening competitiveness of each business and formation of business clusters Expanding each business
Growth Strategy	<ul style="list-style-type: none"> Formation of business clusters in adjacent areas Typical examples: Automotive, healthcare, infrastructure, and agricultural chemicals 	<ul style="list-style-type: none"> Execution of growth investments selected from the investment pipeline / Execution of bolt-on investments
Improvement of Efficiency Turnaround	<ul style="list-style-type: none"> Strategic asset replacement Turnaround Promotion of digital transformation 	<ul style="list-style-type: none"> Continuation of strategic asset replacement Turnaround and improvement of business efficiency Improvement of productivity through digital transformation

Shareholder Returns

- Shareholder Returns Policy** • Use stable cash flow to distribute dividends and use upside from the business environment or cash flow from asset recycling to fund share repurchases
- Total Payout ratio** • Approx. 37% of Core Operating Cash Flow over the cumulative three-year period
- Dividend Policy** • Annual dividend per share: ¥150 (minimum)
• Introduced progressive dividend policy (maintain or increase dividends for the three years FY March 2024 through FY March 2026)



Cash Flow Allocation

		(¥ billion)	
Cash in	Core Operating Cash Flow	2,750.0	
	Asset recycling	870.0	
Cash out	Maintaining business (Sustaining CAPEX)	570.0	
	Growth investments	Investment decision or policy confirmed	1,170.0
		New investments	1,130.0
	Shareholder returns	Additional shareholder returns	1,130.0
		Share repurchase	70.0
Dividends		680.0	

Medium-term Management Plan

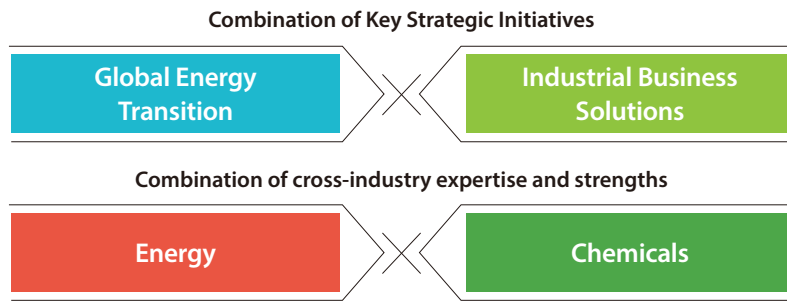
Case Studies of Cross-industry Expertise and Strengths

Cross-industry Global Energy Transition Initiatives

Mitsui established the Energy Solutions Business Unit in April 2020 to accelerate the formation and promotion of businesses involving next-generation fuels, power, green mobility and infrastructure, hydrogen and ammonia, carbon management, and other areas. One of the functions of the Energy Solutions Business Unit is serving as a hub to promote collaboration with other business units, combining expertise, business experience, and partners across industries to simultaneously pursue multiple projects that will bring about a decarbonized society.

HIGHLIGHT

Clean Ammonia Initiatives (Combining Energy and Chemicals)



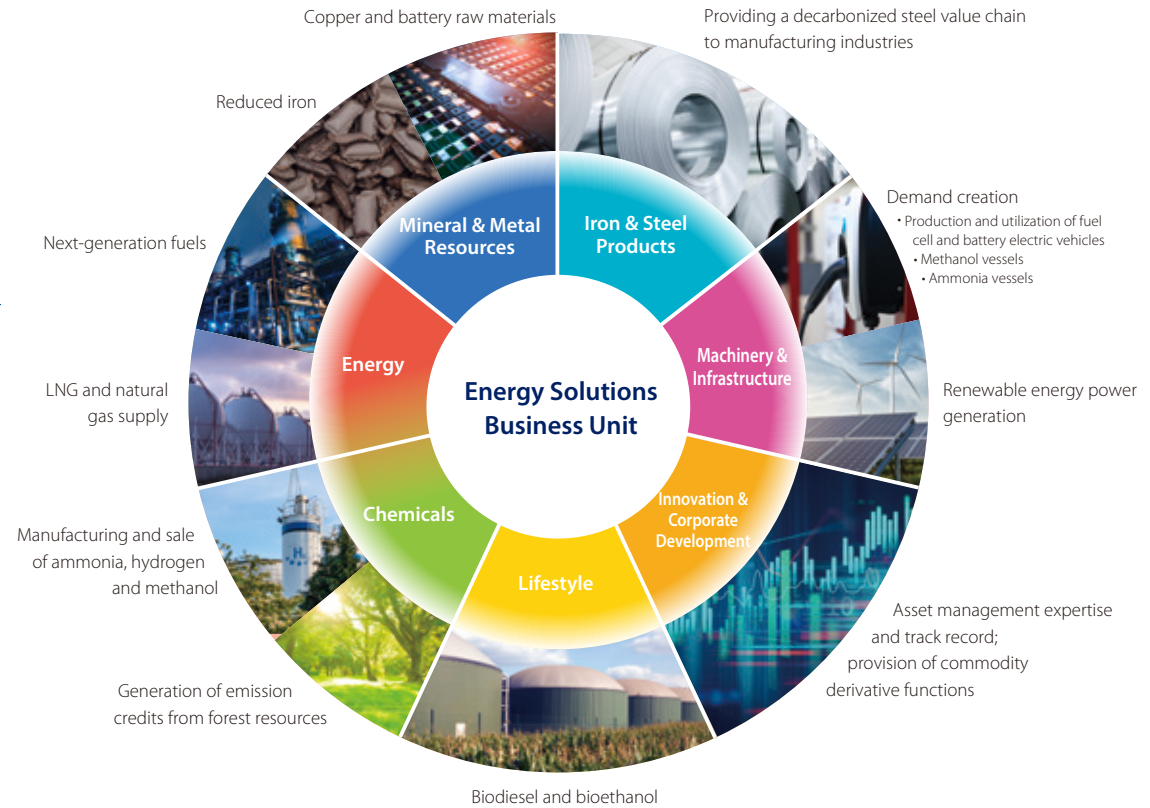
- Track record of participation in E&P and LNG projects
- Partners with whom we have developed relationships of trust through many years of project management
- Track record of stable energy supply to Japan and Asia

Expertise relating to natural gas and LNG



Expertise relating to ammonia

- Track record in trading; top share of imports to Japan
- Track record of participation in ammonia production business
- Ammonia handling including operation of dedicated vessels and storage tanks



Clean Ammonia Project with CF Industries

We have a track record of over 50 years in ammonia trading and maintain the top share of imports (60%) to Japan. We have also invested in the ammonia production business and accumulated experience and expertise in handling ammonia, a hazardous chemical, including logistics activities such as the operation of dedicated vessels and storage tanks. Our long track record in the ammonia business and the chemicals business in the US as well as our marketing capabilities for

customers in Japan and Asia through collaboration with the Energy Segment, have earned us positive recognition of CF Industries, the world's largest ammonia producer. We are conducting joint research with CF Industries toward the goal of starting operation of a clean ammonia plant in 2027 and have begun discussions regarding the handling of clean ammonia that will be produced following upgrades to CF Industries' existing plant facilities prior to that timing.



Clean Ammonia Project with Abu Dhabi National Oil Company (ADNOC)

Since the 1970s, we have played a leading role as the largest foreign participant in the Abu Dhabi LNG project. Leveraging the relationship of trust that we have built with ADNOC, we have been participating in a joint clean ammonia production project since 2022. Our participation in this project utilizes the expertise we have

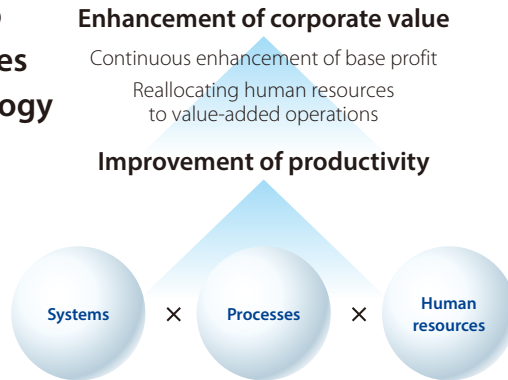
gained through more than 50 years of experience in handling ammonia. We are studying the possibility of commencing production in 2025.

Medium-term Management Plan

Case Studies of Initiatives to Strengthen Group Management Capabilities

We are promoting Corporate Strategy (4) Strengthening of group management capabilities, as the basis for accelerating the improvement of productivity per employee by promoting the effective utilization of Mitsui Group assets such as digital and intellectual capital.

Strengthening of Group Management Capabilities through Digital Technology



Productivity improvements that contribute to the continuous enhancement of base profit

In each business, there are routine tasks that can be automated and simplified through digital transformation and non-routine tasks that should be standardized. We will achieve greater efficiency through the optimization of systems, processes, and allocation of human resources from a company-wide perspective.

Initiatives combining the areas of systems, processes, and human resources are essential to resolving productivity challenges

Systems: Inefficiencies due to system-to-system variation, etc. ⇒ Grand design of systems, planned system implementation and renewal
Processes: Non-routine processes intended to meet the wide-ranging individual needs of partners and customers ⇒ Thorough optimization and standardization of processes, while retaining those that lead to competitive advantages
Human resources: Vital need to improve digital transformation and IT literacy in workplaces ⇒ Policies to further strengthen measures to develop strategic capabilities related to comprehensive digital transformation

Pursuit of new value creation

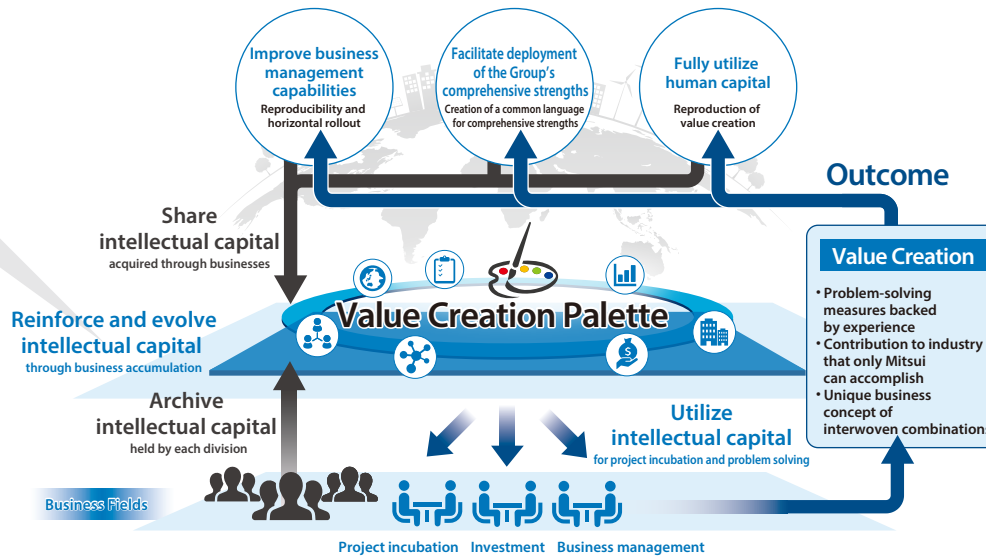
Given the expanding scale of total assets and ongoing human resources constraints, we need to further enhance productivity. We will promote initiatives to improve productivity and shift the focus of work to more creative, value-added operations.

Building a Platform for Maximum Utilization of Management Capital Value Creation Palette (VCP)

To maximize our business results, we have been systematically deploying the business expertise we have cultivated through our operations in various countries and industries as intellectual capital. In order to accelerate operational practices that are unique to Mitsui, we have organized our intellectual capital into a general-purpose framework that encompasses case studies, experts/evangelists and other features. We have built this dynamic platform for management capital, which we call our "Value Creation Palette" (VCP), so that all employees can freely utilize it across industries and business categories.

Concept and Outline of Value Creation Palette

- For business expertise that has been passed down [Integrated Report 2022 Page 96](#) first identify it, then convert and compile it for sharing.
 - Organize elements required for improving value into more than 100 items in 10 areas
 - Maintain, match and codify intellectual capital through a dedicated organization, human resources and digital transformation
- Method of approach
 - Case studies
 - Experts/Evangelists
 - Tools



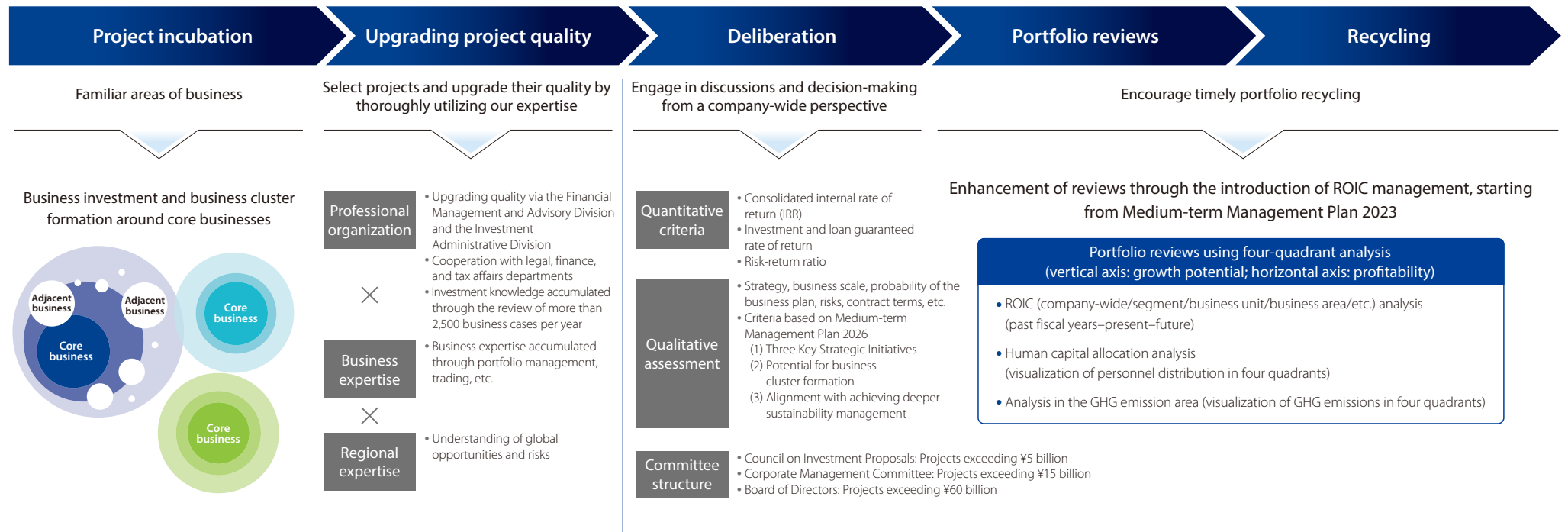
Promote value creation activities that utilize intellectual capital to reproducibly drive the "create, grow, extend" process

Case Studies of Intellectual Capital Utilization

Demonstrating comprehensive strengths: CO ₂ reduction initiative with Rio Tinto	
Overview	Signed a comprehensive memorandum with Rio Tinto for CO ₂ reduction, with 59 people in 8 business divisions participating in the project.
Intellectual capital utilization	Comprehensively studied the areas of Mitsui's business portfolio that contributed in order to propose solutions.
Improving management at a single company: Operational efficiency improvement at Aim Services	
Overview	After taking an inventory of corporate operations and analyzing the business volume for each, we identified the potential for a nearly 20% improvement in efficiency and considered various measures.
Intellectual capital utilization	Identified issues and considered measures that are in line with business characteristics, based on cases of operational efficiency improvement in other industries within the Group.

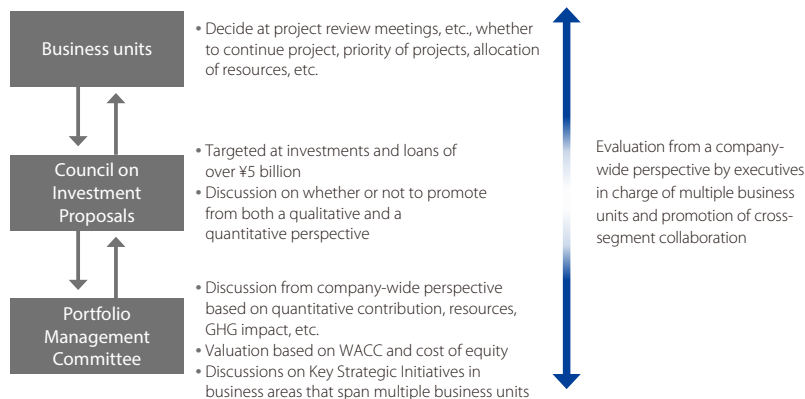
Portfolio Management

Portfolio management is a cornerstone of our management approach. We will continue to improve the quality of our business portfolio by enhancing upstream processes for incubating projects and upgrading their quality so as to select optimal opportunities, strengthening businesses in familiar areas and forming business clusters, as well as improving business portfolio reviews.

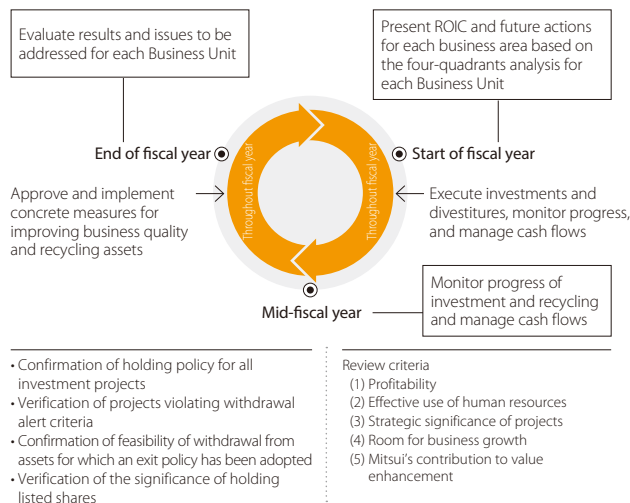


Selection of Investment Projects

We strive for selection of investment projects from a company-wide portfolio perspective through close collaboration between management, business units, and corporate functions



Improving the Quality of Our Business Portfolio



Continuing to improve the quality of our business portfolio through reviews of holding policies of all investment projects under way and reviews of progress in each business

Portfolio Review and Status of Asset Recycling (Example)

	FY March 2021	FY March 2022	FY March 2023
Number of projects reviewed	1,776	1,752	1,790
Total value of projects reviewed (¥ trillion)	6.4	7.4	8.9
Number of recycling measures implemented ¹	About 100	About 120	About 130
Number of listed stocks ² held	130	117	105
Cash inflow from asset recycling (¥ billion)	143.0	257.0	392.0

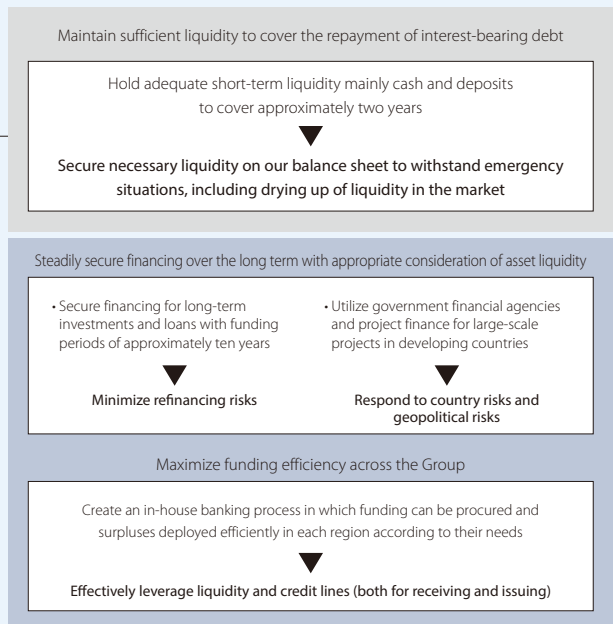
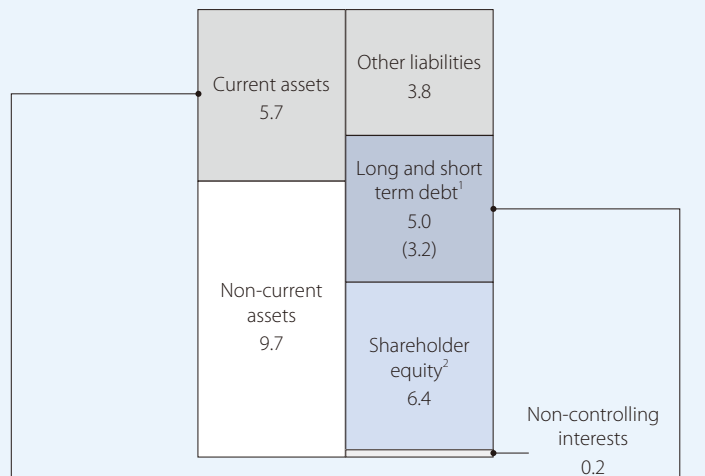
1. Including partial sale of shares, etc.
2. Investment stocks held for purposes other than pure investment

Financial Strategy

Basic Approach to Financial Strategy

We aim to ensure liquidity and maintain a healthy financial position.

Balance sheet (as of March 31, 2023) (¥ trillion)

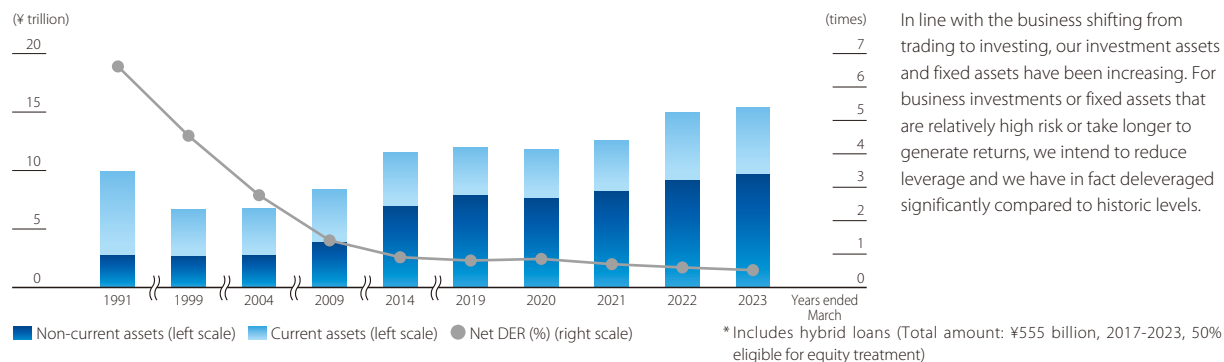


1. Figures in parentheses are net interest-bearing debt
2. In this report, shareholder equity refers to total equity attributable to owners of the parent

Financial Strategy Focus Indicators

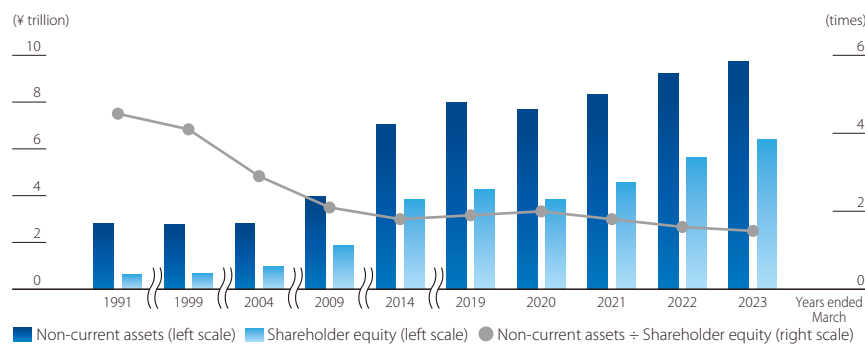
Mitsui allocates capital based on its cash flow allocation framework. The purpose of this framework is to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation through the balanced allocation of cash, provided by operating cash flow and asset recycling to sustaining CAPEX, growth investment and shareholder returns. For all of the indicators we focus on when considering our financial strategy, our policy is to maintain appropriate levels based on our cash flow allocation framework.

Net DER*



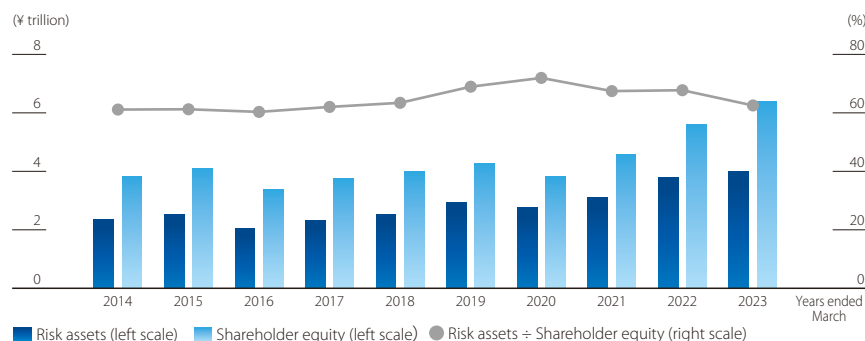
In line with the business shifting from trading to investing, our investment assets and fixed assets have been increasing. For business investments or fixed assets that are relatively high risk or take longer to generate returns, we intend to reduce leverage and we have in fact deleveraged significantly compared to historic levels.

Non-Current Assets and Shareholder Equity



When we look at the balance between our non-current assets, which are relatively high risk, and equity that ultimately must absorb the effects of this risk, we see continued gradual improvement. The difference between non-current assets and equity is mainly funded through interest-bearing debt, and if this expands, it reduces overall financial stability.

Risk Assets and Shareholder Equity



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 held to a range of about 60%–70% of shareholder equity, and we periodically stress test our risk assets for various scenarios, verifying the impact on the risk assets to shareholder equity ratio.

CSO Message



Mitsui's business portfolio configurations are highly flexible and versatile. By leveraging this, we will strive to engage in business initiatives that deliver a substantial positive impact on social issues.

Representative Director,
Senior Executive Managing Officer
Chief Strategy Officer

Makoto Sato

This Integrated Report highlights the links between growth strategies and corporate value enhancement [▶ Page 24](#) and positions the improvement of the business portfolio as the key to corporate value enhancement. What are your views on the business portfolio?

At Mitsui, we have set Key Strategic Initiatives in accordance with the operating environment, and over the course of many years have built core businesses in numerous industries. As a result, we have developed the ability to create many portfolio configurations spanning multiple business domains.

Although "selection and concentration" has been a widely used phrase in Japan since the late 1990s, as a *sogo shosha* (general trading company), Mitsui has pursued strategies that are the opposite of this concept. In today's highly volatile business environment, having a diverse portfolio has a decentralizing effect and enhances our risk resilience and competitive advantage. We can offer *real solutions* to complex social issues, such as climate change, not simply because we own multiple

businesses and have formed business clusters, but rather because we make strategically optimal selections from an expansive range of potential configurations.

Our ability to build a portfolio flexibly from this diverse array of business domains is linked to our corporate culture and organizational design. Mitsui's highly individual and creative employees, who constantly work to enhance their skills, collaborate and cooperate closely and open-mindedly across organizations – a process facilitated by low barriers between business units. Our business unit system and global matrix structure may seem complicated at first glance, but this organizational design is ideal for discovering customer needs and providing *real solutions* by combining elements across multiple industries. This organizational structure can also tap into Mitsui's open-minded corporate culture that allows bottom-up and middle-out business proposals.

What are your thoughts on achieving both social and economic value and sustainability?

I believe that Mitsui creates social value in part by providing solutions for social issues. Because social issues change over time and the social value that we are expected to provide also changes, we always look ahead and try to anticipate the future to propose effective solutions to complex issues affecting our customers. For example, the reduction of Scope 3 GHG emissions needs to be addressed across entire value chains, and there is a limit to what can be achieved by a single company. Mitsui therefore works with stakeholders from the upstream to downstream stages of value chains and combines these efforts to create innovation.

Sustainability initiatives are vital to the solution of long-term social issues. Takashi Masuda, the first president of the former Mitsui & Co.*, said "Let not short-term gains tempt your mind, seek only enduring prosperity by embracing grand aspirations." I am confident that the Mitsui of today, which has inherited that ideal, can be the best partner for our customers in addressing issues related to sustainability.

CSO Message

In pursuing sustainability initiatives, we need to be impactful at the very core of our businesses, in the areas of business, countries, and regions where we have a significant presence. In that way, we can provide genuine and *real solutions* to social issues while also creating economic value from a long-term perspective.

Can you provide some examples of Mitsui's unique ability to create both social and economic value?

Our global next-generation fuel projects [▶ Page 39](#) and our activities in Australia are typical examples unique to Mitsui. What's common to these examples is that, by anticipating future trends, proactively reconfiguring our business portfolio, and combining strengths across multiple industries, we are providing *real solutions* to climate change while also creating economic value.

Iron ore, metallurgical coal, LNG, and natural gas are perhaps the first things that come to mind when people think about Mitsui's business activities in Australia. While these core businesses contribute to Mitsui's economic value, it is also true that they have high Scope 3 GHG emissions. Amid heightening attention to climate change as a social issue in recent years, Mitsui is determined to take the lead in efforts toward a decarbonized society spanning entire supply chains. We have also strengthened our climate change initiatives in Australia, where we have a significant presence.

For example, drawing on the experience and knowledge we gained through the years of our involvement in the wood chip business, we have expanded into the forest asset management and forestry-derived emissions fund business. Further, in the energy domain, we are looking at the introduction of CCS and the production of clean ammonia. As to the mining business, we are also considering green hydrogen production near mining sites. In addition, given that Australia is ahead of the world in emissions trading, we are currently working on the emissions credit generation businesses.

Through initiatives such as these, Mitsui is ensuring the sustainability of the core businesses that support economic value today, while also pursuing long-term social and economic value by providing *real solutions* to social issues.

What are your views on the Roadmap to Net-zero emissions by 2050?

Mitsui has adopted a vision of achieving Net-zero emissions by 2050. As a milestone toward that vision, we aim to halve our GHG impact by 2030 compared with the fiscal year ended March 2020. Using Mitsui & Co. Investor Day and other opportunities, we have informed our stakeholders

about our roadmap to 2030, including its progress status. We have already executed multiple business initiatives that will have a direct impact on social issues, and to inform stakeholders about the long-term policies that have emerged as a result of these initiatives, we have recently created [our Roadmap to Net-zero emissions by 2050](#) [▶ Page 38](#). Sustainability initiatives require actions as well as targets, so we will give specific examples to convey our progress.

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

Initiatives toward a Decarbonized Society in Australia

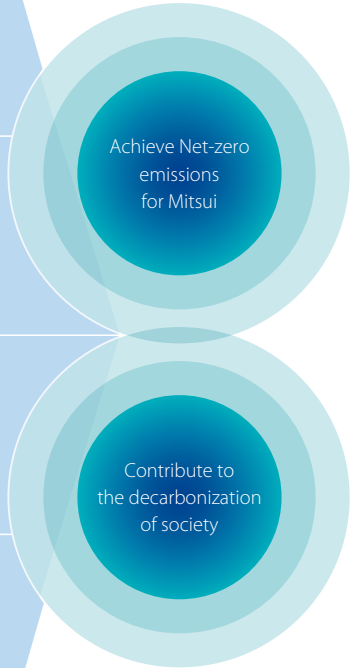
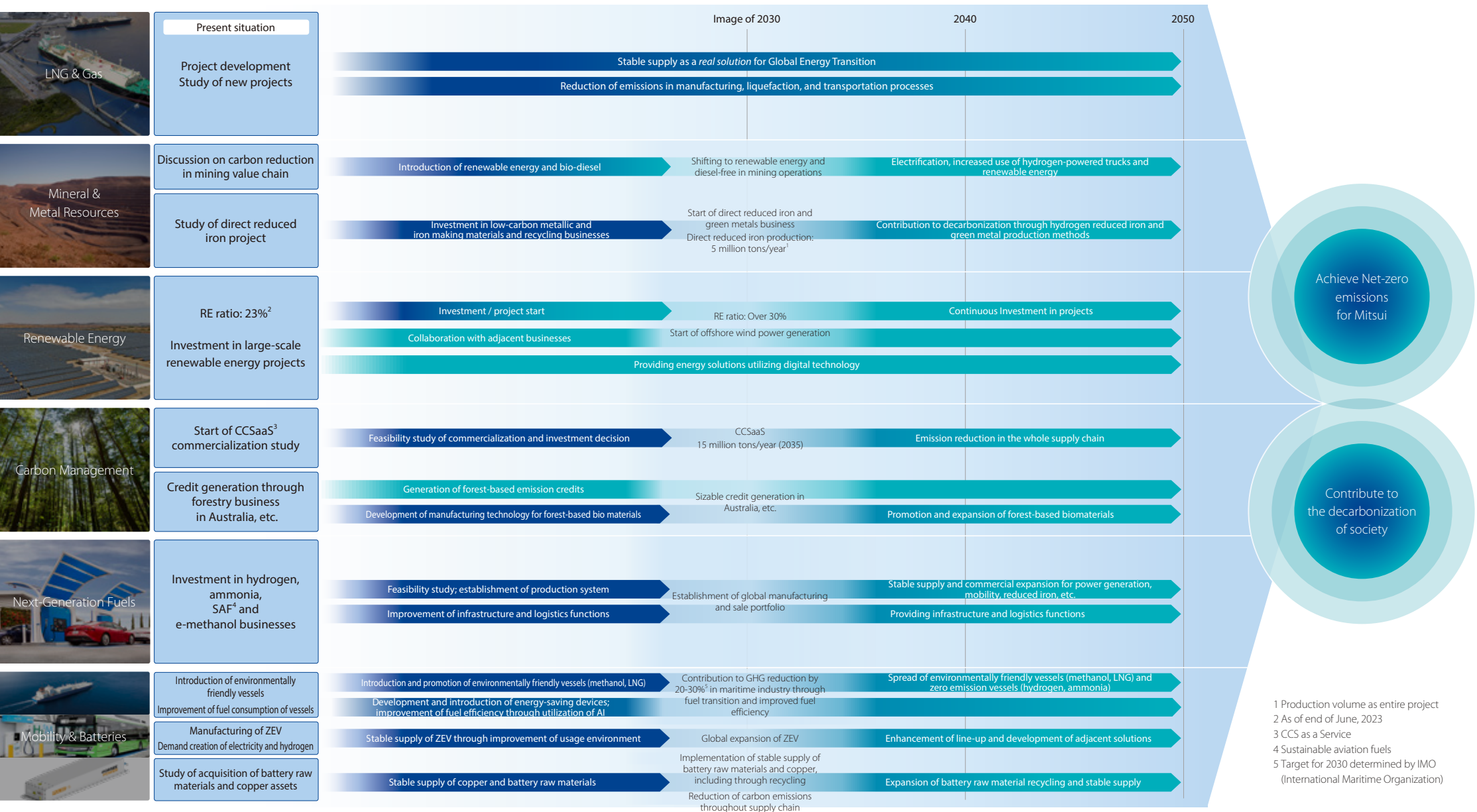


Sustainability Management

Roadmap to Net-zero Emissions by 2050

We have set a goal of Net-zero emissions by 2050, and we aim to halve our GHG impact by 2030 compared with the fiscal year ended March 2020 as a milestone for achieving this goal.

Under the theme of "Creating Sustainable Futures" in Medium-term Management Plan 2026 (announced in May 2023), we place sustainability at the core of our management efforts and will unearth social issues around the world and provide a variety of *real solutions* through our business to create a better future. Through the provision of *real solutions*, we will realize both Net-zero emissions and our economic value.



1 Production volume as entire project
 2 As of end of June, 2023
 3 CCS as a Service
 4 Sustainable aviation fuels
 5 Target for 2030 determined by IMO (International Maritime Organization)

Sustainability Management

"Challenge and Innovation" in Next-generation Fuels Initiatives for Both Supply and Demand

Segment: ■ Mineral & Metal Resources ■ Energy ■ Chemicals ■ Machinery & Infrastructure ■ Lifestyle
■ Innovation & Corporate Development

In line with the movement toward achieving a decarbonized society, carbon reduction of fuel is an important agenda. In terms of next-generation fuels, we are developing our business by exerting business engineering capabilities through the collaboration of several segments such as Energy and Chemicals that are managing production and sales, and Machinery & Infrastructure, Mineral & Metal Resources and Lifestyle which create demands for clients. Leveraging our network with partners, and the insight and expertise we have cultivated through activities targeting social issues, we will build a supply chain for next-generation fuels to promote the Global Energy Transition—which is one of the Key Strategic Initiatives of Medium-term Management Plan 2026—and in turn contribute to the decarbonization of society.



“Challenge and Innovation” in Next-generation Fuels—Initiatives for Both Supply and Demand

Contribution Towards a Decarbonized Society Through Next-gen Fuels Production

In 2014, we made a strategic investment in LanzaTech, a US biotechnology company, and have been using LanzaTech's technologies for the global rollout of an ethanol manufacturing business with high added value for the environment. At the same time, we have started working on next-generation fuels manufacturing businesses including sustainable aviation fuel, hydrotreated vegetable oil, renewable natural gas, hydrogen and ammonia.

Next-generation energies still come with issues such as higher costs. Moreover, each country has its own environment-related policy trends and restrictions on raw material procurement, so we must consider the types of energy that are most suitable for each region and industry. In building a global portfolio of fuels with high added value for the environment, we need to be involved in the entire value chain, from raw material processing and manufacturing processes to customer networks, as we meet customer needs for decarbonization.

For example, we have decided to participate in the YURI project in the Pilbara region of Western Australia to produce green hydrogen using solar power. Solar panels (18MW) and hydrogen production equipment (10MW) will be installed and the green hydrogen produced will be supplied to an ammonia production facility.

Also, we currently import ethanol from Brazil for use in beverages and for industrial use. Together with a primary distributor of oil products, we are considering leveraging this network and logistics channel in a manufacturing business in Japan for sustainable aviation fuel, which uses ethanol as a raw material. By utilizing our strengths in existing businesses to launch new cross-industry businesses, we aim to help reduce industrial CO₂ emissions globally.



LanzaJet demo-plant in the US (under construction)

Contributing to Decarbonization in Shipping through Demand Creation and Support for the Environmental Demand both in Customers and Partners

In our ship business, while flexibly responding to environmental changes, we have provided revolutionary functions and services that meet the needs of our customers worldwide. Meanwhile, in the shipping sector, to achieve the target “Net-zero GHG emissions close to 2050” that was agreed on by the International Maritime Organization in July 2023, attention has turned to the adoption of alternative fuels such as methanol, ammonia, LNG, biofuels, hydrogen, and other energy sources, and advances such as electrification of propulsion systems. In terms of practical applications, however, there are issues with technical development, supply capacity and economic efficiency, for example. We aim to contribute to lower GHG emissions across the industry's value chain through the creation of fuel conversion-related business opportunities (ownership, sales or brokerage of environmentally friendly ships; supply of new marine fuels); the pursuit of new electrification-related equipment businesses in collaboration with shipyards and marine equipment manufacturers; and, as a measure to improve fuel consumption efficiency, the use of AI to improve operational efficiency and provide energy-saving equipment solutions.

For environmentally friendly ships, we have teamed up with strategic partners—the industry's leading shippers, shipping companies, and shipyards—to jointly develop environmentally friendly ships that use methanol and ammonia as fuel. In doing so, we aim to reinforce and enhance our existing core functions including ownership, sales, and brokerage. To accelerate the application of methanol as maritime fuel, Mitsui has participated in preparation for the first ship-to-ship bunkering operation¹ of Green Methanol in the port of Singapore, to the dual fuel feeder container ship owned by Danish integrated logistics company A.P. Moller - Maersk in July 2023, together with the like-minded project partners.

Using Mitsui Group's experience, industry knowledge, and networks in the methanol value chain, which encompasses production, tank storage, trading, transport, and ship owning, we seek to build up a track record in the Port of Singapore and further develop our global business.

1. Fuel supply from ship to ship by laying alongside a bunker ship



Bunkering operation trial

HIGHLIGHT

Assessing Reduction Contribution

We are involved in many businesses that contribute to decarbonization, not only in the next-generation fuel business, but also renewable energy, emissions credit generation business, etc., and place a high priority on addressing climate change. Therefore, we consider our GHG Impact, which is calculated by subtracting the amount of Reduction Contribution and absorption and offset volume realized through our business from our own emissions, to be an important indicator of our response to climate change. Reduction Contribution refer to the opportunity &

transition of GHG emission reductions by providing products and services that contribute to the reduction of society's GHG emissions through our business, and thereby contribute to the reduction of third-party GHG emissions (Scope 1 and Scope 2). This is quantified from the perspective of Life Cycle Assessment. Please refer to the Sustainability website for details on how to assess the specific opportunity & transition Reduction Contribution for each project.



Climate change
https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html

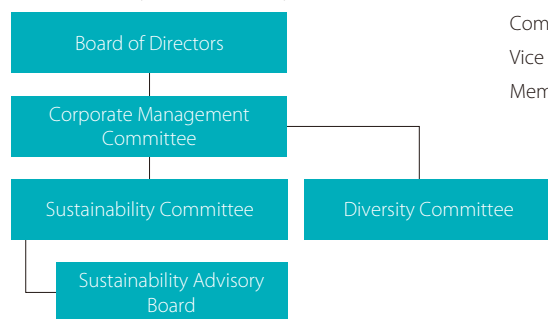
Sustainability Management Advancing Sustainability Management

Sustainability Promotion System

Our sustainability promotion system is shown in the chart below. As a subcommittee of the Corporate Management Committee, the Sustainability Committee plans, drafts, and proposes basic management policies, business activities, and corporate policies and strategies relating to sustainability and ESG. With the Sustainability Committee playing a central role, Mitsui promotes sustainability-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to companies' social values and initiatives. The Sustainability Committee is structured so that its activities are appropriately supervised by the Board of Directors, and matters discussed by the Sustainability Committee are regularly discussed and reported to the Corporate Management Committee and the Board of Directors. In the fiscal year ended March 2023, in addition to conducting regular biannual reports on activities to promote sustainability at Board of Directors, the Directors and Audit & Supervisory Board members, including external directors and members, held free discussions on the theme of responding to climate change, which led to a lively debate.

The Diversity Committee separately plans, formulates, and makes proposals regarding human resources strategy and diversity.

Sustainability Promotion System



Sustainability Committee Composition

Committee Chair: CSO
 Vice Chairs: CHRO, CFO
 Members: GM of Human Resources & General Affairs Division
 GM of Legal Division
 GM of Investment Administrative Division
 GM of Finance Division
 GM of Corporate Planning Division
 GM of Global Controller Division (participation from April 2023)
 GM of Corporate Sustainability Division
 GM of Investor Relations Division
 Other appointed Chief Operating Officers of business units (participation from April 2022)

Sustainability Advisory Board

In order to address a broad range of sustainability-related issues, the Sustainability Committee has established the Sustainability Advisory Board, made up of external experts on environmental and social themes. In the fiscal year ended March 2023, the board held consultations and exchanges of opinions nine times on important themes in sustainability management, including climate change, and business and human rights.

Cycle for Conducting Sustainability Management

We conduct sustainability management through a cycle of policy formulation, initiative promotion, disclosure, dialogue, and review. Every March, the Sustainability Committee discusses policies for its activities in the next fiscal year, reports to the Board of Directors and Corporate Management Committee, and then tackles each issue in line with the policies. We endeavor to communicate these activities widely among our stakeholders through various disclosure materials. By disclosing information, we are able to receive feedback through our engagement with stakeholders, mainly institutional investors, which in turn leads to further improvements in our initiatives. Over the course of the fiscal year ended March 2023, the Sustainability Committee conducted activities while adding items as necessary to the agenda set at the beginning of the fiscal year. These items included progress reports on Scope 3 greenhouse gas emissions and scenario analysis of climate change risks, discussions of the framework for initiatives on the business frontline for business and human rights, and stakeholder dialogue on business and natural capital. We will continue to utilize a cycle for conducting sustainability management that enables us to respond appropriately to changes in the environment while operating in basic accordance with our annual policies.



HIGHLIGHT

Cooperation between the Sustainability Committee and the Portfolio Management Committee





The Sustainability Committee is a subcommittee of the Corporate Management Committee, and in the fiscal year ended March 2023 it made progress in cooperation with the Portfolio Management Committee, an advisory body to the Corporate Management Committee. Mitsui conducts its business with the understanding that sustainability initiatives and business promotion are inseparable. Under such circumstances, the importance of sustainability in examinations of the business portfolio has increased, especially in recent years. Based on this trend, as of the fiscal year ended March 2023 both committees share some common members, and the administrative offices of each committee attend both committees to facilitate discussions on the optimal composition of our business portfolio based on greenhouse gas emissions in the supply chain. This allows us to implement portfolio management from a sustainable perspective.

We have already put into practice criteria such as the use of our internal carbon pricing system in approval reviews. Going forward, we will incorporate the perspective of sustainability in portfolio reorganizations and in our overall strategy, as we work to achieve a balance between sustainability and business that will lead to reduced cost of capital.

Sustainability Management Climate Change-related Disclosure

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

Disclosure Based on TCFD Recommendations

Item	Key Elements of Major Mitsui Policies and Initiatives
 Governance	<ul style="list-style-type: none"> • Deliberation by the Sustainability Committee, an organization under the Corporate Management Committee, followed by resolution/reporting to the Corporate Management Committee / Board of Directors • Establishment of the Sustainability Advisory Board, a group comprising external experts
 Strategy	<ul style="list-style-type: none"> • Reference to scenarios such as the World Energy Outlook issued by the International Energy Agency (IEA), performance of scenario analysis related to transition risks and opportunities, and reflection of these results in the business portfolio strategy • Analysis of physical risk based on past occurrences of natural disasters
 Risk Management	<ul style="list-style-type: none"> • Identification of climate change risks under the integrated risk management system as a third important category of risks alongside business investment risks and country risks, and implementation of countermeasures <p>▶ Page 70 Risk Management</p>
 Metrics and Targets	<ul style="list-style-type: none"> • Setting goal to achieve Net-zero emissions as our vision for 2050, and aiming to reduce GHG impact by 2030 to half of what it was in the fiscal year ended March 2020, as the path to achieve this goal • Ratio of renewable energy in our power generation portfolio: Raising the ratio of renewable energy to over 30% by 2030

 Disclosure Based on TCFD Recommendations (Sustainability website)
https://www.mitsui.com/jp/en/sustainability/environment/climate_change/pdf/en_202212tcfd.pdf

Scenario Analysis (Transition Risk) Business Impact Evaluation































We use multiple climate change scenarios* to analyze transition risks (in three levels) on selected business areas and present the potential impact of those risks on businesses between now and 2050. The results are used to establish countermeasures and verify their impact on financial planning, business strategies and the business environment.

* Overview of selected scenarios

Current policy scenarios: Scenarios in which current climate-related initiatives of each country are maintained, and consequently demand (mainly in emerging countries) for fossil fuels and other resources that emit GHGs remains to a certain extent, and some business practices that could impact climate change continue (STEPS: Stated Policies Scenario, etc.).

Transition scenarios: Scenarios in which there is a decline in demand for fossil fuels and other resources that emit GHGs, and a rapid increase in demand for renewable energy and other resources, as a result of the international development of advanced initiatives and systems to address climate change as well as a shift toward energy conservation and electrification driven by widespread decarbonization and technological innovation (APS: Announced Pledges Scenario, NZE: Net Zero Emissions by 2050 Scenario, etc.).

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

Business Area	Impact on Business		
	Current Policy	2°C	1.5°C
Upstream Oil & Gas Business and LNG Business			
Metallurgical Coal Business			
Thermal Power Generation Business			
Iron Ore Business			
Offshore Oil and Gas Production Facilities Business			
Gas Distribution Business			
LNG Shipping Business			
Renewable Energy Business			
Next-Generation Energy Business			
Forest Resources Business			


In addition, for the upstream oil & gas business and LNG business, the metallurgical coal business, and the thermal power generation business, which we have classified as having high importance in light of their business scale and impact on climate change, we have analyzed the amount of impact on net income in our existing businesses for the fiscal years ending March 2030, March 2040, and March 2050 based on each scenario, and have categorized the impact as one of the three levels listed below.

Business Area	Impact in 2°C Scenario			Impact in 1.5°C Scenario		
	FY March 2030	FY March 2040	FY March 2050	FY March 2030	FY March 2040	FY March 2050
Upstream Oil & Gas Business and LNG Business	Small	Small	Small	Large	Large	Medium
Metallurgical Coal Business	Large	Small	Small	Large	Small	Small
Thermal Power Generation Business	Small	Small	Small	Small	Small	Small

Impact Large: -US\$300 million or more, Medium: -US\$100 million or more but less than -US\$300 million, Small: Less than -US\$100 million

Enhancement of Physical Risk Analysis

Taking into account the increasing intensity of natural disasters, we conducted an additional physical risk analysis covering the principal assets of the top 100 companies in terms of investment assets minus intangible fixed assets, and the principal assets of the companies with an annual revenue of ¥5 billion or more. Based on information on the location of the assets covered, we analyzed the impact of weather disasters such as floods, droughts, hurricanes and wildfires on business operation in 2030 and 2050 under the 2°C and 4°C scenarios, and utilized the analysis to review current countermeasures. For more information on our physical risk analysis, please visit the Climate Change page of our Sustainability website.

 Sustainability Website | Climate Change | Strategy
https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html#strategy

Sustainability Management

Human Rights and Supply Chain / Natural Capital

We aim to identify and resolve environmental and social issues, including human rights issues, in our supply chain in accordance with our Human Rights Policy, Environmental Policy, Sustainable Supply Chain Policy and other commitments. Under Medium-term Management Plan 2026, we will step up our business and human rights initiatives by increasing the effectiveness of human rights due diligence, cooperating with suppliers and bolstering internal processes.

Supplier Surveys and On-Site Inspections

In the fiscal year ended March 2023, we sent our Sustainable Supply Chain Policy to 4,430 new suppliers so that they can understand our approach, held human rights training for approximately 450 people, including external suppliers, and conducted a questionnaire survey of the sugar cane and coffee bean suppliers of our subsidiaries. Accompanied by an external expert, we also conducted interviews with three sugar cane farmers who supply Kaset Phol Sugar, a sugar manufacturing company in Thailand, and visited major palm oil suppliers to engage in dialogue aimed at ensuring sustainable procurement. To promote measures on respect for human rights throughout the supply chain, we will continue to conduct supplier surveys and on-site inspections and strive for dialogue with our stakeholders.



Supplier survey and on-site inspection

Improving the Effectiveness of Human Rights Due Diligence

During the period from the fiscal year ended March 2021 to the fiscal year ended March 2023, we conducted questionnaire surveys of all major suppliers in high-risk fields who supply Mitsui head office as well as overseas trading subsidiaries and consolidated subsidiaries. To further improve the effectiveness of our human rights due diligence, we will continue to step up initiatives throughout Mitsui Group, including expanding the target fields, engaging more closely with suppliers, incorporating a human rights clause in contracts, and bolstering audits and other internal processes.

Environmental Assessments in the Supply Chain

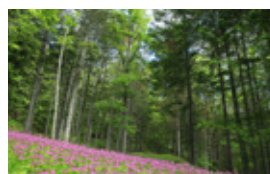
For natural rubber, palm oil, lumber, and paper products, which can have high environmental impacts such as deforestation as well as human rights risks, we have formulated individual procurement policies, made them known to our business partners, and announced our targets and the results of our efforts. Since the scope of environmental impact is wide-ranging, encompassing climate change, water resources, and biodiversity, we intend to increase the number of products subject to individual procurement policies and will work with suppliers to promote environmental assessments in the supply chain.

HIGHLIGHT

Natural Capital

Company-owned Forests: Mitsui's Forests

Mitsui owns approximately 45,000 hectares of forestland in 75 locations throughout Japan. Based on our social responsibility to take care of precious natural capital, we classify each forest by its characteristics and value, and implement appropriate forest management for each category. For example, in the case of water and soil conservation forests, we manage them with attention to protecting water source conservation. Our harvest-oriented sustainable forests produce timber within the range of their annual growth (approximately 40,000 m³ per year), and after the trees have been felled, we carry out new planting (approximately 150,000 trees per year), reforestation, thinning, and other activities to achieve a proper forest lifecycle. We also consider biodiversity, conducting ecosystem monitoring and accumulation surveys and taking measures such as excluding the area from forestry operations in the event a rare species is discovered. In terms of climate change countermeasures, we estimate that our forests absorb and fix approximately 160,000 tons of CO₂ per year, and have accumulated approximately 10 million tons to date. Since 2009, Mitsui has obtained forest management certification from the Forest Stewardship Council® (FSC®) at 74 of its forests to confirm that they play an important role in the sustainable maintenance and cultivation of forestland. (FSC®-C057355) We use the natural capital inputs from these Company-owned forests to generate outputs that include producing timber, providing public benefits, and absorbing and fixing CO₂. In addition, through proactive reforestation and ongoing operations that consider biodiversity, we manage our Company-owned forests in a way that has a positive impact on the natural capital we have stewardship over.



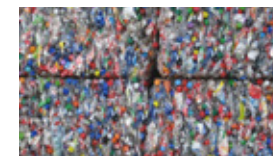
Mitsui's Forests

Circular Economy

Circular Pet (CPET), established by Mitsui & Co., Veolia Japan, and Seven & i Holdings, is building a PET bottle recycling plant in Tsuyama City, Okayama Prefecture in Japan. The plant is scheduled to start commercial operations in spring 2024 with recycled PET pellet production capacity of approximately 25,000 tons per year.

CPET produces and sells 100% recycled PET pellet from used PET bottles disposed of in Japan. Thanks to Veolia's technology and operational know-how, even relatively low-grade used PET bottles with caps and labels can be processed 100% without mixing with clean used PET bottles without caps and labels, making CPET the only company capable of producing recycled PET that can be used for beverage applications, which is a key feature of CPET. This unique capability is helping customers in Japan achieve their environmental goals and, in turn, to resolve social issues.

We will build a collection network for used PET bottles together with co-investor Seven & i Holdings, our branches and offices, and plastic emitting companies like the Japan Railways Group and supermarket operators. Starting with this project and initiative, we will contribute to the establishment of a circular economy by investigating and promoting similar projects to help solve waste plastic problems in Japan and overseas.



PET bottle waste

Human Resources Strategy **CHRO Message**

Representative Director,
Executive Vice President,
CHRO, CCO

Yoshiaki Takemasu

What is your assessment of progress made under Medium-term Management Plan 2023 from a human resources strategy perspective?

Under the previous Medium-term Management Plan (MTMP2023), as the important pillars of our human resources strategy, we worked on fostering highly-capable individuals and allowing them to fully exert their capabilities, promoting diversity and inclusion (D&I), and matching the right people to the right positions through the enhancement of talent management.

We have made steady progress with our efforts to promote D&I, especially in relation to career advancement for female staff and people recruited overseas. As of March 31, 2023, the percentage of female managers was 18.8% on a consolidated basis, and 8.5% at the non-consolidated level. Thanks to the expansion and development of our talent pool, we expect this indicator on a non-consolidated basis to reach our immediate target of 10% by 2025, and to continue rising steadily thereafter. During the three years covered by MTMP2023, the number of female managers rose by 12%¹, and there was a 27%² increase

We will continue to drive cross-industry initiatives and innovation, with emphasis on our core values of “Open-mindedness”, “Challenge and Innovation” as well as our corporate culture “Mitsui is People”.

in the number of female divisional general managers and line managers. Our female leadership pool continues to grow year by year, in part because of workstyle innovation and the reinforcement of in-house training programs for selected individuals, such as the [Sponsorship Program](#) and the [Women Leadership Initiative](#) [▶ Page 47](#).

There was also a steady increase in promotions of staff hired overseas under MTMP2023, with a growing number advancing to the line manager level³. For example, since 2020, an Indian local colleague of ours has been the president of Mitsui & Co. India [▶ Page 48](#), one of our most important overseas units. Because of such initiatives as the [Change Leadership Program](#) [▶ Page 47](#), we expect further growth in the number of staff hired overseas promoted to executive positions.

Furthermore, we have flexibly implemented measures to match the right people with the right positions in order to accelerate cross-industry initiatives and the formation of new business clusters. In April 2020, staff members from multiple business units were brought together to form the [Energy Solutions Business Unit](#) [▶ Page 32](#) as the hub organization for our efforts to provide industrial solutions to climate change and take the lead in the development of next-generation energy industries. This

Human Resources Strategy | CHRO Message

business unit has since created a range of new businesses in such areas as renewable energy, hydrogen, and ammonia. In addition, we have newly developed the global talent management system "Bloom," [▶ Page 47](#) as a platform for matching the right people to the right positions. The first location we introduced Bloom to was the Asia Pacific Business Unit in October 2022.

The three-year period covered by MTMP2023 saw drastic changes in the external environment due to factors that included the pandemic and heightened geopolitical risks. Future trends have become unpredictable, and we are facing a variety of changes and unexpected situations that require our staff to make difficult decisions and take actions. I have been very impressed by the flexibility and adaptability with which our highly-capable individuals have responded to these unprecedented changes. Their efforts have enabled our company to achieve record profit despite this challenging environment. I attribute this success to our long tradition of human resources development.

What is Mitsui's human resources strategy under Medium-term Management Plan 2026 and what are the specific priorities?

One of the five Corporate Strategies in Medium-term Management Plan 2026 (MTMP2026) is to develop and promote globally diverse talent. Based on the key measures under MTMP2023, we identified, as the pillars of our human resources strategy, the development of highly-capable individuals to support our expanding and increasingly complex business activities, "inclusion" to establish an environment that enables diverse talent to fully demonstrate their capabilities in an open-minded manner, and "matching of the right people to the right positions" from our global talent pool. In addition, we would like each one of our people to continue to take up new challenges and pursue innovation by using DX to transform business processes and achieve further productivity improvements.

Under MTMP2026, there is a growing need to develop cross-industry initiatives and pursue innovation, in order to address today's increasingly complex social issues. We will flexibly form teams of people from diverse backgrounds and combine knowledge and experience from different industrial and business fields with various functions, offering solutions to

social issues, which reflect Mitsui & Co.'s unique capabilities.

To achieve this, we will fully introduce the Bloom system as a platform for accelerated cross-border, cross-segment promotion of human resources. By applying digital transformation to our global talent data base, we will enhance our ability to match the right people to the right positions globally based on the knowledge, experience, skills, and career aspirations of each individual. One of our core values is "Thrive on diversity", and we will continue to steadily develop the infrastructure toward that goal under MTMP2026.

We are currently considering the abolition of the distinction between Business Staff and Administrative Staff¹ and the introduction of new personnel system as a way of driving greater career development for female staff. This would expand the range of career options for Administrative Staff performing core middle- and back-office processes. We will also enhance inclusion and further improve both individual and organizational performance by reviewing remuneration structures to reflect job responsibilities.

What are your views on the link between the company's human resources strategy and corporate value enhancement? [▶ Page 24](#)

Our "create, grow, extend" business model is executed by our people. Our long tradition of investment in human resources and our commitment to human resources development and career development have led to the creation, cultivation, and expansion of many business activities, serving as a source of improvement in Mitsui & Co.'s corporate value. Our approach to human resources development is based on the systematic and well-balanced provision of opportunities for on-the-job training through practical frontline business activities, and off-the-job training through a wide range of internal and external programs. One example of a unique training program that combines these opportunities is our overseas language and business trainee system. During their first year under this program, participants withdraw completely from work in order to study at a university or other institution in the location to which they are assigned. The second year is devoted to on-the-job training. Over 1,500 people have been dispatched to locations throughout the

world under this program since its start in 1952. In addition to language studies, the purpose of the overseas language and business trainee program is to acquire a deeper understanding of local culture, society, and markets. Many graduates of the program subsequently support our robust overseas networks and develop new business as experts on the countries and regions to which they were deployed.

What are your future goals as CHRO?

During its long history, Mitsui & Co. has fostered values expressed in such keywords as "Open-mindedness" and "Challenge and Innovation". To ensure "Open-mindedness", individual staff members must be independent and true professionals, and it is also necessary to create a more inclusive environment in which these diverse individuals are accepted and supported so that they can realize their full potential. "Open-mindedness" is the foundation that allows us to work in the spirit of "Challenge and Innovation" to provide solutions for ever more complex social issues.

My mission as CHRO is to ensure that Mitsui & Co.'s values, as enshrined in these words, together with the corporate culture expressed in the phrase "Mitsui is People," are manifested even more strongly in the global group, leading to the further growth of our company.

In addition to this Integrated Report, we are preparing to publish a report that will help our diverse stakeholders to gain a deeper understanding of the philosophy behind our focus on human resources, and the practices guided by that philosophy. I hope that all stakeholders will read this publication, which will introduce specific examples of Mitsui & Co.'s long-standing commitment to human resources development from various perspectives, in the context of the positive chain reaction with the continuous improvement of corporate value.

1. From 252 to 283

2. From 51 to 65

3. From 99 to 116

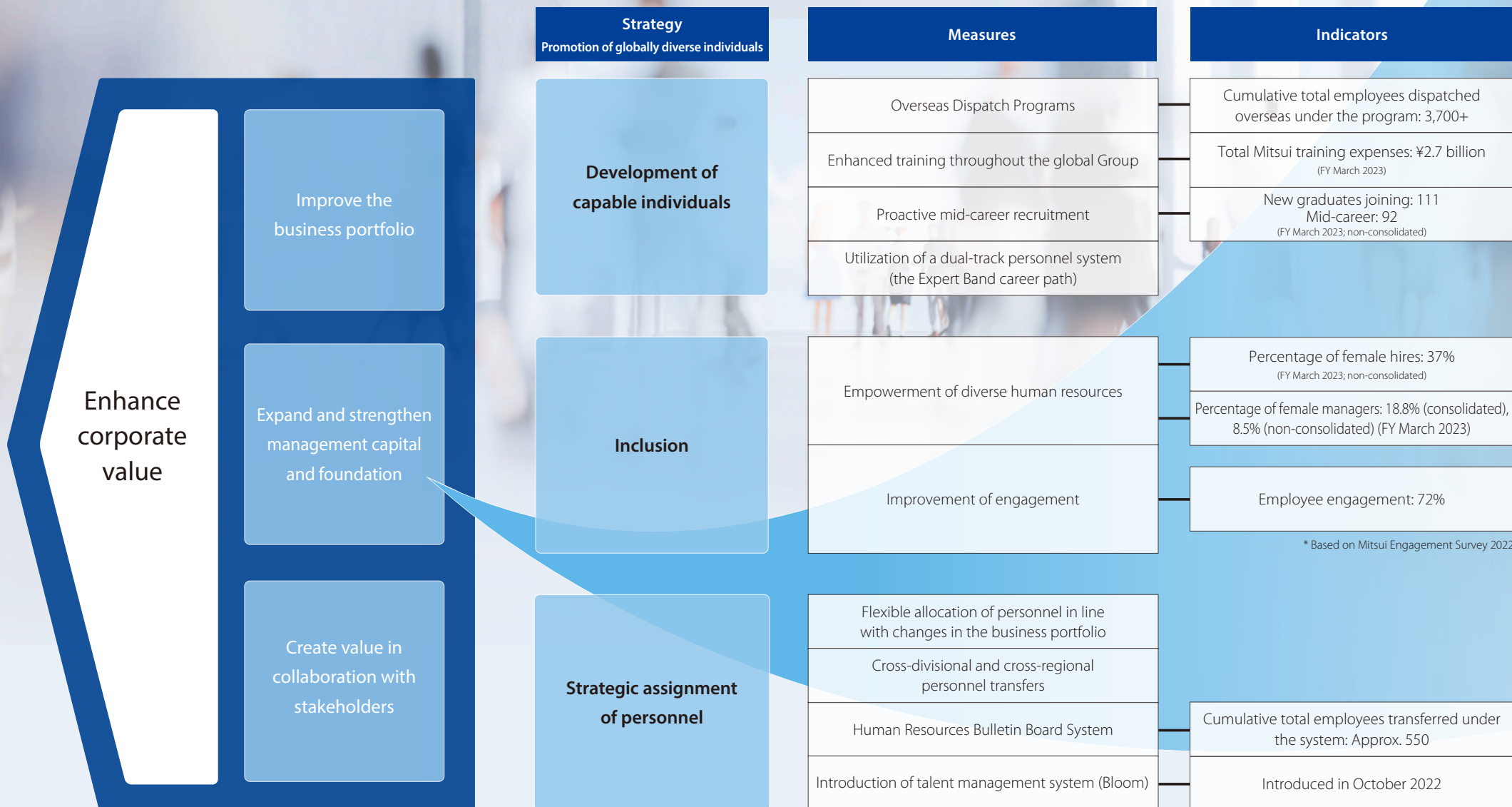
4. We are considering the removal of the distinction between Business Staff, whose location of employment is not limited to a certain region, and Administrative Staff, whose location of employment is basically limited to a certain region in Japan.

Human Resources Strategy

Overview

People are Mitsui's greatest asset. By making the best use of Mitsui's management capital through collaboration among a team of competent individuals with expertise in a wide range of business domains, products, fields, and regions, we create, grow, and extend businesses to generate new value on a global basis.

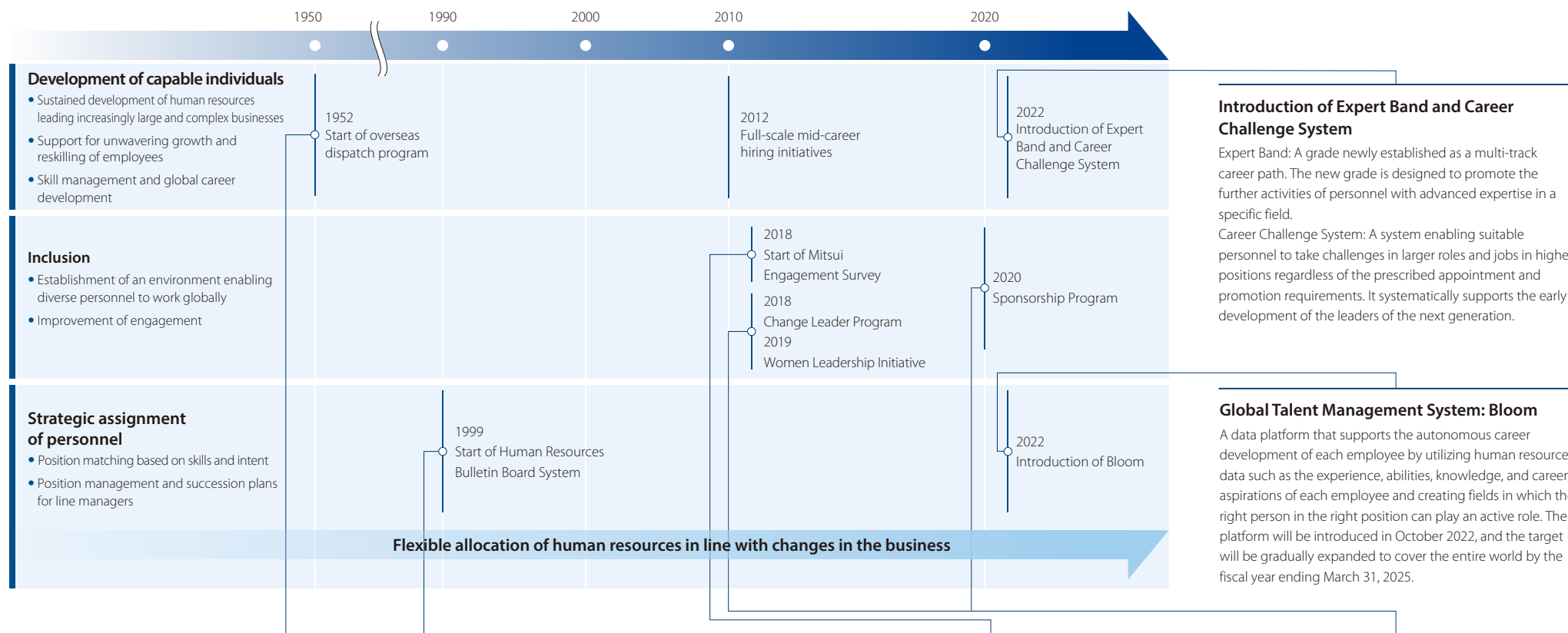
The promotion of human resources strategy based on "Development of capable individuals," "Inclusion" and "Strategic assignment of personnel" has empowered the global activities of diverse individuals, which, combined with our corporate culture of open-mindedness, has strengthened and grown our management capital and management foundation, and helped to enhance the quality of our business portfolio. In turn, this has led to the realization of enhanced corporate value through value co-creation with stakeholders over the course of a variety of business activities.



Human Resources Strategy

Initiatives to Promotion of Globally Diverse Individuals

Over the years, we have implemented the development of capable individuals and the strategic assignment of personnel as the pillars of our human resources strategy, while adding and improving measures in response to changes in the business environment and other factors of the times. Inclusion is also a value that has been passed down and nurtured since our founding, based on our corporate culture of open-mindedness. In recent years, we have introduced new initiatives to empower the global activities of diverse individuals and achieve sustainable value creation, even in times of rapid change in the business environment.



Introduction of Expert Band and Career Challenge System

Expert Band: A grade newly established as a multi-track career path. The new grade is designed to promote the further activities of personnel with advanced expertise in a specific field.

Career Challenge System: A system enabling suitable personnel to take challenges in larger roles and jobs in higher positions regardless of the prescribed appointment and promotion requirements. It systematically supports the early development of the leaders of the next generation.

Global Talent Management System: Bloom

A data platform that supports the autonomous career development of each employee by utilizing human resources data such as the experience, abilities, knowledge, and career aspirations of each employee and creating fields in which the right person in the right position can play an active role. The platform will be introduced in October 2022, and the target will be gradually expanded to cover the entire world by the fiscal year ending March 31, 2025.

Overseas Dispatch Programs

We develop professionals in various regions and industries through our overseas dispatch programs, centered on junior employees. Mid-career to management-level employees are dispatched to business schools in Japan and overseas with the aim of developing business leaders capable of taking responsibility for group management on a global level. Mitsui began a collaboration with Harvard Business School (HBS) in 2011, under which HBS operates dedicated programs for the Company. Participants are also recruited from overseas trading subsidiaries, group companies, and business partners, leading to relationship building with clients and business partners in addition to the cultivation of the leaders of the next generation.

Human Resources Bulletin Board System

This system matches the Company needs and employees' will thereby supporting the agile and effective deployment of the right people to the right positions on a Company-wide basis while also enabling employees to autonomously build their own careers and take on new challenges. A new job posting system has also been introduced as a part of the bulletin board system with the aim of speedily deploying the right people to the right positions in terms of both corporate strategy and the requirements of individual projects. This also supports the operation of a system that meets our frontline human resources needs.

Mitsui Engagement Survey

The survey was launched in 2018 to visualize employees' trust in and willingness to contribute to the Company. In 2022, the survey was conducted by more than 10,000 employees and it is utilized for employees' motivation improvement and organization strengthening. The results of survey is reported to both the Corporate Management Committee and the Board of Directors, then the change from previous year is one of the indicators for evaluation of performance-linked remuneration plan.

Change Leader Program

A global training program in which staff hired ex. Japan selected from around the world engage in direct dialogue with senior group management as well as intensive discussions on leadership and other related topics.

Women Leadership Initiative

A training program to promote empowerment through approaches to organizational development, stronger self-awareness, and dialogue with external directors, with the aim of developing the female leaders of the next generation.

Sponsorship Program

A program in which a member of the Corporate Management Committee sponsors individual female managers and provides them with career advice and guidance.

Human Resources Strategy **Promotion of Globally Diverse Individuals****Syed Faisal Ashraf**

Managing Director, Mitsui & Co., India Pvt. Ltd.

Since joining Mitsui & Co. India in 1998, I have been on a journey of learning and innovation in multiple regions (including Tokyo head office) and industries, and have experienced the rich diversity of cultures within Mitsui. Now, as the Managing Director of India, I work closely with Mitsui's global management to co-create regional strategy and implement business plans. My experience is a testament to the company's relentless drive to develop and integrate a talent pool that represents global diversity in the best traditions of Mitsui's Mission Vision & Values. This is based on the foundation of a fair and open talent management system, which focuses on developing Mitsui's globally diverse individuals. This system provided me not only with leadership assignments, but also with carefully curated training opportunities (including hybrid executive programs at Harvard Business School [▶ Page 47](#)).

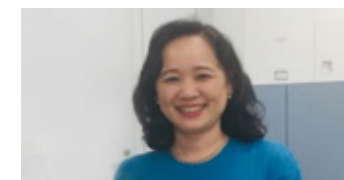
Our world has entered a phase of accelerated shifts caused by the unprecedented convergence of industrial, energy and digital domains. At the core of Mitsui's approach in this new operating environment will be our management of talent, which will continue to create a global pool of diverse talent well equipped to compete in this new world.

**Atsuko Chitose**General Manager, Private Equity Division
Corporate Development Business Unit

In April 2022, I was appointed General Manager of the Private Equity Division of the Corporate Development Business Unit. We are working to enhance the corporate value of portfolio companies and create businesses with partner companies in the three areas of buyouts, venture capital and drug discovery, and leasing. In advancing our business initiatives, it is vital to have leadership that integrates members with diverse backgrounds, such as mid-career hires, secondees from other companies, and employees hired overseas, as well as the inclusion of external stakeholders. Through my experiences in assignments in the US, being dispatched to overseas affiliated companies, and serving as the president of an affiliated company, I have discovered a leadership style that respects diversity. As a first-year participant in the Sponsorship Program [▶ Page 47](#), I have broadened my perspective by receiving direct advice from Mr. Kometani (Representative Director, Executive Vice President, at that time). I will continue to pursue growth through the various experiences of our organization's members and create value through our business.

**Mikitoshi Hatakeyama**General Manger, GX Department, Corporate Development Division,
Corporate Development Business Unit, and Deputy General Manager,
Corporate Planning & Strategy Department, Corporate Planning &
Strategy Division

As a new graduate, I joined a strategic consulting firm. After that, I worked for an electronics manufacturer in capital policy and then as CFO of a US subsidiary of that company. I joined Mitsui in 2016 as a mid-career hire [▶ Page 47](#) and have led the management support team for group companies and business divisions. This team is a mix of mid-career hires and employees who joined as new graduates. They leverage their respective areas of knowledge and expertise in the course of hands-on involvement in more than 30 group companies per year, as well as in the development of our platform for managing intellectual capital [▶ Page 33](#). This also creates a positive cycle in which personnel who have gained experience as part of this team are subsequently active in key positions at Mitsui and various group companies. We have an open and flat culture that has completely overturned the stereotype that companies with long histories tend to be rigid. I believe that our way of working, where professionals from different fields collaborate respectfully and focus on creating value, is the key to achieving a world-class standard.

**Akiko Kitazawa**Senior Manager, Climate Markets Department,
Carbon Solutions Business Division
Energy Solutions Business Unit

I am involved in implementing greenhouse gas reduction and absorption projects mainly in developing countries, providing emissions credit to other nations. In this field, knowledge of the emission trading system and networking with industry stakeholders are essential. I have dealt with various emissions credit projects utilizing the system for over 20 years since the inception of the Clean Development Mechanism of the Kyoto Protocol, which serves as the foundation for the current emissions trading system. Having experienced the transitions of the system and market, I have accumulated expertise and insights into the unique operational challenges and risks associated with each system and project. I have also established relationships with key players, such as government officials and customers. With the diversification and increased complexity of the system, the importance of insights and networks based on practical experience has increased. I transitioned to the Expert band [▶ Page 47](#), aiming to leverage my expertise in emissions credit business more directly. I will continue to contribute to the realization of a decarbonized society through the emissions credit business.

CDIO Message

Leading Digital Transformation through Inclusion that Maximizes the Power of Each Individual

Representative Director,
Senior Executive Managing Officer,
Chief Digital Information Officer

Toru Matsui

What is the mission of the CDIO?

The CDIO's mission is to lead the digital-enabled transformation of Mitsui Group. Since change cannot be brought about by any one individual, it is important to communicate the management's commitment and empower our people to initiate and accelerate change. We intend to make serious efforts in two areas of digital transformation. The first is shifting to high-value-added work through streamlining and standardization of tasks. The second is creating new businesses.

What core experiences led you to your current leadership style?

I have been seconded to four companies over a total of about 12 years, and experienced a variety of organizations. From this experience, I have come to realize that the most powerful form of organization is a group of people capable of taking initiatives. My leadership style is delegation-based, in that each individual is given a role rather than a task, and I believe it is important for all of our people to think for themselves and perform within their roles.

I also have extensive experience in launching new organizations and new businesses, including the establishment of a shale gas

project company and the Energy Solutions Business Unit. This experience has led me to reject conventionalism. The strength of our people is that they do not follow established precedents, but instead use their own ideas to think about what is best in the current environment and what is in the best interests of the company. I believe that the role of leaders is to draw out this ability.

How much progress was made in terms of digital initiatives under Medium-term Management Plan 2023?

We have been promoting digital transformation (DX) since 2017. In April 2020, at the start of Medium-term Management Plan 2023, the Digital Transformation Team which was part of the Corporate Planning & Strategy Division and the Information Technology Promotion Division (at that time), were merged into the Integrated Digital Strategy Division, which assumed the responsibility for both seeking out new opportunities and enhancing existing businesses through DX.

In the fiscal year ended March 2021, we formulated the DX Comprehensive Strategy as the Group's vision for digital transformation, in addition to a roadmap for its implementation. As of the end of the fiscal year ended March 2023, a cumulative total of approximately 350 DX projects have undergone consideration,



CDIO Message

of which about 95 were trialed or began system development, and about 45 were implemented or are in actual operation. These numbers indicate steady progress.

In addition, we have introduced the Strategic DX Support Program to support projects that are technically challenging or are difficult for a business unit to tackle on its own, but which we should undertake as a company from a medium- to long-term strategic perspective. Leveraging this program, we have fostered businesses that use digital technologies to provide *real solutions* to social issues, such as Forest DX, as well as [T2's trunk line transportation service that uses Level 4 autonomous driving technology](#) [▶ Page 52](#), and farmers 360° link, which tracks the supply chain of sustainable cotton. In June 2023, we were selected under the DX Stocks 2023 program operated by the Japanese Ministry of Economy, Trade and Industry and other organizations, in recognition of our management policy and implementation system that is integrated with our sustainability strategy.

What are your goals under Medium-term Management Plan 2026?

Our first goal is to utilize DX to carry out larger tasks with our current headcount, as put forward in [Corporate Strategy \(4\) Strengthening of Group management capability](#) [▶ Page 33](#), under Medium-term Management Plan 2026. To achieve this, it is essential to shift to high-value-added work through the use of digital technology to improve operational efficiency. We would also like to fully share expertise and other information from each business unit and apply it to the creation of new businesses. For this reason, it is important that all of our people continue to reskill.

According to a survey by the International Institute for Management Development, Japan's competitiveness is declining. Thorough streamlining of routine tasks through DX is urgently required to increase business efficiency. To this end, we are working to improve the DX literacy of our people, who are already

well-versed in the business world, and to increase our organizational DX capabilities through the application of related skills.

I believe that reskilling is a natural part of Mitsui's culture. Because of how we make changes to our business models in response to the social issues of the times, as well as the level of collaboration and personnel movement between business units, we are able to constantly update essential knowledge with regard to industries, logistics and trading, and business investment. It is safe to say that reskilling has become a habit because without it we would be unable to perform our roles. We have a variety of digital tools and infrastructure at our disposal, so we are encouraging our people to reskill to improve efficiency by getting the most out of these tools, as well as to nurture DX Business Professional and DX Technology Professional certification. These measures are supported by the Mitsui DX Academy program and the DX Talent Recognition System. As CDIO, I am committed to encourage the promotion of the above initiatives.

Our second goal is data-driven management. We will endeavor to promote data-driven decision-making. Our ["Bloom" talent management system](#) [▶ Page 47](#) is an important example. Our people are the source of our value creation. We will seek to understand our human resources on a global basis through Bloom, and to use this data to promote the strategic allocation of the best people to their best fit positions, thereby further accelerating our value creation.

Our third goal is to create businesses that leverage digital transformation. We are creating businesses by combining digital technology with Mitsui's unique expertise. For example, with Forest DX we obtained approval for an emissions credit generation project that utilizes aerial survey data to visualize the CO₂ absorption of Company-owned forests. In the past, only physical measurements of CO₂ absorption were accepted when calculating emissions credits. However, our digital technology for taking these measurements was the basis for the Japanese government to

make regulatory changes. This is just one example of the results made possible through the use of digital technologies. In this way, we will continue taking on the challenge of creating new businesses by combining our expertise and management capabilities with digital technology.

What is important in order to achieve a digital-enabled transformation?

Inclusion—this is what makes it possible for a diverse workforce to thrive. From my experiences with being seconded to various companies, I recognize the importance of having people with diverse backgrounds performing with the feeling that they are each an essential part of the organization. For example, when I was the only Japanese person in a conversation with Australian colleagues and the topic of an Australian Football player came up, someone would explain a bit of background to me so that I would not feel left out. These kinds of small considerations are important to help people understand what they might not otherwise. To me, that is the very essence of inclusion.

I was responsible for the launch of the Energy Solutions Business Unit, which was formed by bringing together people from a few other business units. For that reason, I made sure that the phrase "make others successful" was ingrained in all members of the business unit. As the hub for promoting energy transition in collaboration with other business units, this phrase tied the unit together as an organization with a common understanding of the need to lead the other business units to success.

Inclusion is important for digital-enabled transformation. That is, inclusion of all of our people, regardless of their level of digital knowledge, as well as for maximizing the power of highly diverse DX talent from various business units and mid-career recruits. I intend to lead our company-wide digital transformation with a team spirit to bring about change in both our pursuit for new businesses and enhancement of existing businesses.



Initiatives in Digital Fields

Progress of DX HR Strategy

Three categories of personnel are required to promote digital transformation (DX): Business Professionals, DX Business Professionals, and DX Technology Professionals. Among our diverse workforce, we already have many Business Professionals with expertise in their respective fields. Under our DX HR Strategy, one aspect of the DX Comprehensive Strategy that we formulated in the fiscal year ended March 2021, we aim to ensure that all employees and officers have acquired digital skills as part of their standard training and that constant innovation through digital transformation becomes firmly entrenched in our corporate culture.

Progress in FY March 2023

- Our ongoing development of human resources with DX expertise centers on the Mitsui DX Academy program, which was launched in May 2021 and consists of the following three components.

1. DX Skills Training

DX skills training ranges from basic training for all employees and officers to applied training for advanced DX professionals and other employees who need to learn specialized skills. Basic training has already been completed throughout Mitsui (non-consolidated basis) and is being rolled out to overseas offices and affiliated companies.

2. Boot Camp

Boot camp consists of on-the-job training through the practical implementation of digital transformation projects, and fosters DX Business Professionals capable of combining business and DX skills. The first group of participants completed the camp in December 2022, and almost all received certification as DX Business Professionals.

3. Executive Education

Executive education equips participants with cutting-edge DX skills and knowledge, and includes courses at overseas universities so that participants can network with other experts in advanced digital transformation.

- Under our DX Business Professional Certification System, we newly certified 11 employees in October 2022 and 14 employees in April 2023 at Mitsui (non-consolidated basis). In October 2022, we expanded the scope to include employees at overseas offices where we certified 3 employees in October 2022 and 3 employees in April 2023.
- In addition to our training programs, we are actively hiring DX talent. As in previous fiscal year, we held a DX business model competition for internships as part of new graduate recruitment in Japan, and we are strengthening our mid-career recruitment efforts. We are also continuing to strengthen our global recruitment efforts in Asia, South America and other regions, and expanding opportunities for employees to engage in global activities, such as through participation in projects in key business areas throughout Mitsui Group, or postings in Europe and the Middle East.

HIGHLIGHT

DX Internships

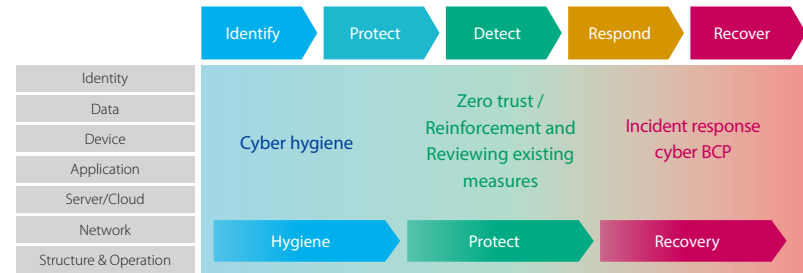
In this groupwork-based program, Mitsui employees and employees from Preferred Networks hold discussions and competitions to develop new DX-related businesses, under the theme "Digital x Business Development."



Please refer to our website for more information on Mitsui's DX.
https://www.mitsui.com/jp/en/company/outline/dx_comprehensive/index.html

Cybersecurity

In recent times, cyberattacks occur almost on a daily basis and are becoming more sophisticated, advanced, and serious, so the importance of cybersecurity measures across our global group is on the rise. We formulate and implement countermeasures in accordance with the cybersecurity framework of the National Institute of Standards and Technology of the US. We also leverage the knowledge of our subsidiary specializing in cybersecurity, Mitsui Bussan Secure Directions, and implement measures addressing the three steps of prevention, training, and response. In addition, Mitsui purchases insurance, to the extent possible and reasonable, against damage resulting from external attacks.



Achievements in Cybersecurity Services Business and Start of Overseas Rollout



Mitsui Bussan Secure Directions (MBSD), a wholly-owned subsidiary of Mitsui is a security specialist that provides one-stop solutions to security issues faced by companies, from security-related research, analysis and strategic planning, to the operation of security-related business processes. MBSD is responsible for ensuring cybersecurity within Mitsui Group and provides advanced security services to many companies.

MBSD's strengths include its track record of discovering more than 300 new vulnerabilities (making it the number-one contributor of reports to Japan Vulnerability Notes, a Japanese security vulnerability database) and its top-level domestic technical capabilities backed by more than 20 years of providing security services and approximately 300 highly skilled professionals. While the importance of ensuring security is growing, so too is demand for security services due to the

shortage of highly skilled personnel capable of implementing effective countermeasures. In the fiscal year ended March 2023, MBSD's profit for the year was approximately 1.6 billion yen, an approximate nine-fold increase over the last 10 years, reflecting its robust response to one of society's most pressing issues: cybersecurity.

In April 2023, we increased our shareholdings in the Malaysian industry leader LGMS, making it an equity accounted investee. By leveraging LGMS's highly skilled human resources, MBSD's track record and expertise, and Mitsui's business network, we aim to expand our business into neighboring Asian countries and meet the needs of companies throughout Asia, where the demand for security measures is growing in step with advancing digitalization and economic growth.



2 (5) Information Security, *Annual Securities Report for the fiscal year ended March 31, 2023* (pages 36–38)
https://www.mitsui.com/jp/en/ir/library/securities/_icsFiles/afidfile/2023/06/21/en_104yuhp.pdf

Examples of Digital Initiatives

Trunk Line Transportation Services Using Level 4 Autonomous Driving Technology

In Japan, amid a shrinking workforce and widespread reforms to working styles, as well as the recent increase in demand for logistics services, the shortage of drivers and transportation capacity is likely to become a serious problem. Mitsui is taking on the challenge of developing transportation services using autonomous driving technology to support the future of the domestic logistics industry.

1. The Year 2024 Problem in Japan's Logistics Industry

In addition to the recent increase in demand for logistics services, an emerging issue in the logistics industry is the shortage of transportation capacity, due to stricter regulations coming into effect in 2024 regarding overtime and other working conditions for truck drivers. Failure to resolve this social issue will interfere with the timely delivery of needed goods, which could have a significant impact on people's daily lives.

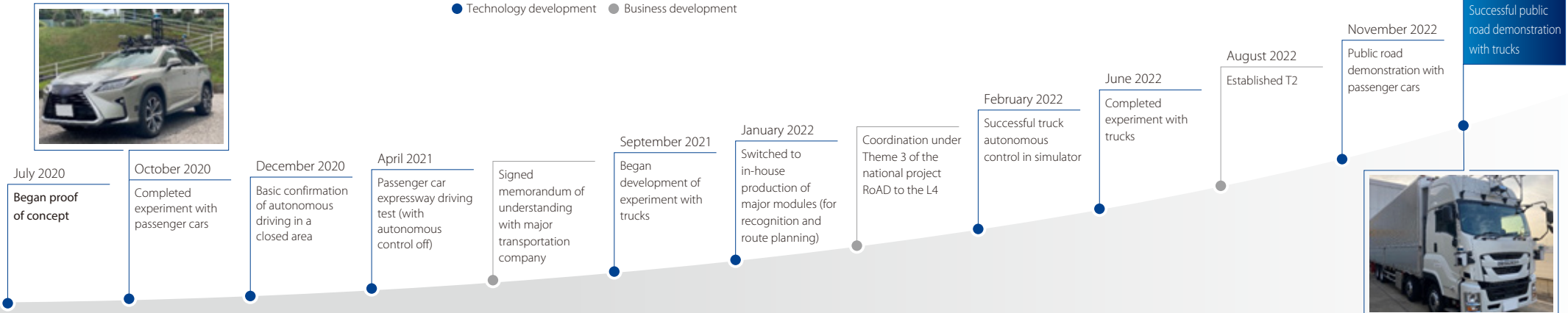
2. Providing Core Technologies for Level 4 Autonomous Truck Services through T2

T2 is committed to developing technologies that support the future of logistics while placing the highest priority on safety. AI technologies and vehicle development technologies for achieving Level 4 (see below) autonomous truck driving are core technologies among those needed to enable safe autonomous driving. T2 is developing advanced autonomous driving technologies for all kinds of social applications.



Track Record in Transportation Service Development Using Autonomous Driving Technology

● Technology development ● Business development



3. Provision of Value through Level 4 Autonomous Driving

01 STABILITY	Enables transportation at stable prices, unaffected by the looming driver shortage
02 PRODUCTIVITY	Eliminates the need for downtime other than for preventive maintenance, enabling high-turnover, high-frequency transportation
03 SAFETY	Eliminates accidents caused by human factors, making improved safety possible
04 ENVIRONMENT	Stable driving is expected to improve fuel efficiency and reduce CO ₂ emissions

4. Background

Starting with a proof of concept conducted from July 2020, Mitsui has been collaborating with Preferred Networks to make steady progress in technology and business development toward the development of transportation services that utilize autonomous driving technology. To further develop this collaboration and demonstrate results, with the aim of commercialization, T2 was established as a joint venture on August 2022.

In line with the Japanese government's strategic roadmap, we aim to start operations by the end of the fiscal year ended March 2025. To that end, on April 2023, we succeeded in autonomous operation on an expressway of a self-driving truck (with a driver on board).



T2 Inc.

T2 will continue to develop proprietary technologies for Level 4 autonomous driving, based on Preferred Networks' deep learning and other AI technologies, and to enhance its technological capabilities and expertise so that it can tackle the challenge of building a trunk line transportation service business that utilizes autonomous driving technology, and thereby support the future of logistics in Japan. On June 30, 2023, T2 and Mitsubishi Estate agreed to form a capital and business alliance in order to build Japan's first logistics network that can support self-driving trucks. This network will integrate trunk line transportation using Level 4 self-driving truck technology developed by T2 with next-generation core logistics facilities developed by Mitsubishi Estate. The facilities will serve as arrival and departure points for the trucks, bringing about a seamless transportation network.



Case Study - Initiatives in digital: Autonomous truck demonstration on public roads (70-80 km/h) (Japanese Only)
<https://youtu.be/GXWOUfCKnh0>



Please refer to the following website for more information on the RoAD to the L4 "Project on Research, Development, Demonstration, and Deployment (RDD&D) of Automated Driving toward Level 4 and its Enhanced Mobility Services."
<https://www.road-to-the-l4.go.jp/activity/theme03/> (Japanese only)