

# INTEGRATED REPORT 2023

360°  
business  
innovation.



**MITSUI & CO.**

## Corporate Management Philosophy (MVV)

### Mission

# Build brighter futures, everywhere

Realize a better tomorrow for earth and for people around the world.

### Vision

# 360° business innovators

As challengers and innovators, we create and grow business while addressing material issues for sustainable development.

### Values

#### Our core values as challengers and innovators

#### Seize the initiative

We play a central role in driving transformation.

#### Thrive on diversity

We foster an open-minded culture and multiply our strengths to achieve excellence.

#### Embrace growth

We drive our collective growth by continuously growing as individuals.

#### Act with integrity

We pursue worthy objectives with fairness and humility, taking pride in work that stands the test of time.

## Publication of the Integrated Report



FY March 2023 was a year that tested the abilities of corporations to respond to major changes in the operating environment. These challenges included high levels of inflation and monetary tightening, mainly in developed countries in Europe and North America, repercussions from the geopolitical situation, the continuing impact of COVID-19, and the trend toward a decarbonized society. Under these conditions, Mitsui was nonetheless able to achieve record profits as we saw our efforts to strengthen our earnings base bear fruit. In May 2023, we announced our Medium-term Management Plan 2026, "Creating Sustainable Futures." With sustainability at the core of our management, we will unearth social issues in all industries from the perspective of global sustainability, produce new business innovation and create strong business clusters and new industries.

In last year's integrated report, we applied a variety of perspectives to introduce Mitsui's unique way of creating value. This entailed providing *real solutions* to social issues by creating, growing and extending businesses to form cross-industry business clusters and thereby realize our Mission to "Build brighter futures, everywhere" as stated in our Corporate Management Philosophy (Mission, Vision, Values: MWV)—in other words, Mitsui's approach of "Challenge and Innovation." Integrated Report 2023 is the sixth integrated report we have published, and in it we systematically go through Mitsui's strategies for creating sustainable futures and how these strategies will lead to enhanced corporate value.

I affirm that Integrated Report 2023 was compiled in good faith through close coordination across various units and on the basis of extensive deliberations by the Corporate Management Committee and Board of Directors.

In compiling this report, we referred to the Integrated Reporting Framework advocated by the IFRS Foundation and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry of Japan. We have also referred to input from our shareholders, investors and other stakeholders, with the aim of providing a clear picture of essential information for deepening readers' understanding of Mitsui. We welcome your opinions and comments on the report, and hope it will lead to constructive dialogue with our stakeholders and the collaborative creation of new value.

August 2023

Tatsuo Yasunaga  
Representative Director and  
Chair of the Board of Directors

# Editorial Policy

## Editorial Policy

The integrated reports we have published to date have conveyed the attractiveness of Mitsui & Co., Ltd. (referred to in this document as "Mitsui" / "the Company") from various angles. *Integrated Report 2023* is our sixth such publication, and we endeavored to advance its usefulness as a communication tool by diving deeper into what makes Mitsui Group attractive, while also explaining our value creation process and our growth strategy to greater corporate value based on specific examples. We hope that this report can help enhance understanding of Mitsui Group's medium- to long-term value creation in a rapidly changing business environment.

## Scope of Matters Reported

Reporting period: April 1, 2022 to March 31, 2023

(including some information on activities in April 2023 and thereafter)

Reporting organization: Mitsui & Co. Group

(Mitsui & Co., Ltd. and consolidated subsidiaries)

## Reporting Guidelines Referenced

- *Integrated Reporting Framework*, IFRS Foundation
- *Guidance for Collaborative Value Creation*, Ministry of Economy, Trade and Industry of Japan
- *Sustainability Reporting Standard*, Global Reporting Initiative (GRI)
- *ISO 26000* (Guidance on Social Responsibility)



## Cautionary Note on Forward-looking Statements

This report contains statements and figures regarding Mitsui's corporate strategies, objectives, and views of future developments that are forward-looking in nature, based on judgments and information available as of the publication date (August 2023), and are not simply reiterations of historical facts. Readers should be aware that a number of known or unknown risks, uncertainties, and other factors could lead to outcomes that differ materially from those presented in such forward-looking statements. Therefore, please use the information and materials at your own discretion, by collating information from other sources. Under no circumstances shall Mitsui be held liable for any damages arising from the use of this report.

## Reports and Information Disclosure from Mitsui & Co.

### Business Strategies and Financial Information

**INTEGRATED  
REPORT  
2023**

360°  
business  
innovation



### Integrated Reports

Prepared for all stakeholders, including shareholders and investors, to capture Mitsui's value creation process, medium- to long-term management policies, business strategies, and financial and non-financial information

Integrated Report (this report): <https://www.mitsui.com/jp/en/ir/library/online2023>

### ESG Information

#### Website Investors

Financial and non-financial information is compiled for investors and shareholders

- Medium-term Management Plan
- Financial Results
- Investor Day
- Business Activities

[www.mitsui.com/jp/en/ir/](http://www.mitsui.com/jp/en/ir/)

#### Website Sustainability

Up-to-date sustainability information published by the Company

- Sustainability Management
- ESG Information
- Materiality
- Social Contribution Activities

[www.mitsui.com/jp/en/sustainability](http://www.mitsui.com/jp/en/sustainability)



#### Sustainability Reports

Detailed, comprehensive sustainability information published by the Company

<https://www.mitsui.com/jp/en/sustainability/sustainabilityreport/2022/index.html>

#### Securities Reports

[www.mitsui.com/jp/en/ir/library/securities/](http://www.mitsui.com/jp/en/ir/library/securities/)

#### Notice of General Meeting of Shareholders

<https://www.mitsui.com/jp/en/ir/library/business/index.html>

#### Human Capital Report (To be issued)

Explains our group's approach and initiatives to human resources and value creation through human resources management

#### Corporate Governance Reports

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



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## At a Glance (FY March 2023)

Worldwide Operations

**128** offices in  
**63** countries

Number of Employees

**46,811**

Number of Affiliated Companies<sup>1</sup>

**513**

Equity Share of Iron Ore Production

Approx. **58** million tons/year

LNG

**10** projects  
in **8** countries

Number of Trucks  
under Management

**No. 1** in the US<sup>2</sup>

Approx. 413,000 vehicles (2022)

Healthcare Business:  
Number of Beds<sup>3</sup>

**No. 1** in Asia

Ammonia  
Share of Imports to Japan

Approx. **60%**

Raw Materials for Plastics  
Global Trading Market Share

Paraxylene  
Approx. **15%**

Grain and Oilseed  
Share of Imports to Japan<sup>4</sup>

Corn  
Approx. **20%**

Wheat  
Approx. **30%**

Soybeans  
Approx. **30%**

Canola  
Approx. **40%**

Profit for the Year

¥ **1.1** trillion

Core Operating Cash Flow

¥ **1.2** trillion

ROE

**18.9%**

Total Payout Ratio  
against Profit

**43.1%**

1. Subsidiaries: 297, Equity accounted investees: 216

2. Number of trucks managed by Penske Truck Leasing, an equity accounted investee

3. Number of licensed beds of equity accounted investee IHH Healthcare

4. Share of imports by private sector business operators

# Track Record of "Challenge and Innovation"

We began doing business in the import and export field during Japan's post-war reconstruction, and since then we have leveraged our accumulated expertise to invest in new businesses, continuously transforming our business model.

In recent years, to develop businesses that contribute to solutions to worldwide issues such as climate change, health and healthcare, and the stable supply of resources and materials, we continue to pursue our mission to "Build brighter futures, everywhere" through "Challenge and Innovation."

## 1947-

### Post-war reconstruction

#### Facilitating the import of daily necessities and export from Japan

- 1947 Established Daiichi Bussan Kaisha, Ltd.
- 1959 Daiichi Bussan Kaisha integrated with other trading companies and changed name to Mitsui & Co., Ltd.

## 1960-

### Rapid economic growth

#### Ensuring stable supply of mineral resources and energy for Japan

- 1965 Invested in Robe River iron ore mine in Australia
- 1967 Establishment of an iron ore joint venture with BHP in Australia
- 1971 Signed a basic contract for LNG development on Das Island in Abu Dhabi
- 1971 Invested in iron ore business in Brazil

## 1980-

### Progress in advanced technology development; changes in social structures

#### Further strengthening functions, including logistics technology

- Provided supply management functions to currently Seven & i Holdings

#### Planning and development of large-scale LNG projects

- 1985 Invested in LNG project in Western Australia
- 1989 Invested in LNG project in Qatar

## 2000-

### The rise of emerging economies and the acceleration of globalization

#### Carrying out long-term initiatives to develop resources and energy businesses

- 2003 Invested in Vale, a major resource development company in Brazil
- 2013 Established joint venture for Cameron LNG project in the US

#### Developing infrastructure businesses that contribute to industrial development in countries around the world

- 2004 Jointly acquired 13 power-generating assets with International Power (currently ENGIE)
- 2015 Expanded gas distribution business in Brazil

#### Responding to new needs for enhancing industry

- 2001 Invested in Penske Automotive Group, a diversified international transportation service company in the US
- 2013 Established methanol production joint venture with Celanese, a major chemical company in the US
- 2015 Invested in Penske Truck Leasing, one of the largest truck leasing firms in the US
- 2016 Invested in Gestamp Automoción, a global leader in manufacturing automotive stamped components in Spain

## 2010-

### Transition from responding to environmental issues to sustainability management

#### Expanding initiatives in response to climate change

- 2016 Invested in New Forests, an Australian forestry asset management business
- 2017 Expanded distributed solar power generation business (established ForeFront Power in the US)
- 2018 Made final investment decision on multiple LNG businesses

#### Enriching lifestyles through healthcare businesses

- 2011 Invested in IHH Healthcare,<sup>1</sup> Asia's largest private hospital group
- 2016 Invested in DaVita Care, a dialysis clinic operator in Asia

1. Current name, not the name when the investment was made

## 2020-

### Global turbulence and increasingly complex social issues

#### Providing real solutions for climate change

- 2022 Invested in Mainstream Renewable Power, a renewable energy company
- 2022 Invested in large-scale renewable energy power generation business in India
- 2022 Invested in Climate Friendly, an emissions credit developer in Australia
- 2023 Invested in shale/tight gas asset in Texas, US

#### Improving the quality of health, healthcare and lifestyles

- 2019 Acquired additional shares of IHH Healthcare, thereby becoming its largest shareholder
- 2021 Subscribed convertible bond of CT Corpora, a consumer-focused conglomerate in Indonesia
- 2023 Made major domestic food service company AIM Services a wholly owned subsidiary

#### Stably supplying resources and materials; Building schemes in areas such as mobility and digital infrastructure

- 2023 Acquired additional shares of Relia and business integration with KDDI Evolva<sup>2</sup>

2. Integrated company will be established on September 1, 2023 named as Altius Link

## Market Capitalization

Approx. **¥8.2 trillion**  
(as of the end of June 2023)

1980



Iron ore mine in Australia

2000



Image supplied by the North West Shelf Project

NWS LNG Project

2010

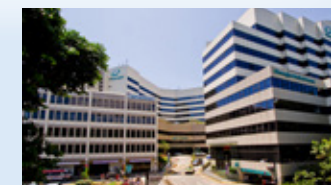


Fairway Methanol

2020~



Penske Truck Leasing



Mount Elizabeth Novena Hospital, operated under IHH Healthcare





We will target new heights as a global company through our continual pursuit of “Challenge and Innovation” under Medium-term Management Plan 2026.

President and Chief Executive Officer

**Kenichi Hori**

# CEO MESSAGE

## CEO Message

## Medium-term Management Plan 2026

### In May, Mitsui announced **Medium-term Management Plan 2026** [See 1 on page 11](#) (MTMP2026) with the theme of “**Creating Sustainable Futures**”. What were your intentions when constructing the theme?

“Creating Sustainable Futures” is directly linked to Mitsui’s mission of “Build brighter futures, everywhere.” We unearth social issues across diverse industries and from all parts of the world, and through the careful analysis of the local and industrial characteristics and the strategic setting of the timeline required to solve each issue, we offer a variety of what we call *real solutions*, that will lead to the creation of such brighter futures. That is why we used the plural form of “futures” in the phrasing of this mission.

The businesses that create these *real solutions* must be sustainable in the sense that they need to be both effective in pursuing solutions to global issues and attain a certain level of profitability. This requires the combination of strengths afforded by our global and cross-industry operations, as well as our “create, grow, and extend” *business model* [▶ Page 17](#). In other words, we need to fully understand the specific circumstances of each country, tackle global issues with cross-industry efforts, and generate innovation that extends across multiple industries. Another extremely important requirement is the development of human resources who can persevere through these processes. All of the above has been reflected in the *Corporate Strategy* [▶ Page 29](#) set out in MTMP2026.

### What are your thoughts on Mitsui’s future shape in the context of MTMP2026?

Through the implementation of various policies detailed in the plan, we aim to further open up our possibilities and push Mitsui to new heights as a global company.

The future business landscape currently remains unpredictable because of the high volatility of the external environment. That is precisely why I place paramount importance on the continuation of the business portfolio reforms, which include sustained efforts to strengthen our earnings base and incorporate highly sustainable businesses as growth investments.

We have identified *three Key Strategic Initiatives* [▶ Page 30](#) for our efforts to create sustainable futures. The first is Industrial Business Solutions, in which we will provide global business solutions spanning multiple industries, with a particular focus on domains where Mitsui is active. The second is Global Energy Transition, in which we will use Mitsui’s unique capabilities to provide cross-industry *real solutions* that will contribute to the energy transition, which is one of the most important priorities facing the world today. The third is Wellness Ecosystem Creation, in which we will respond to the increasing diversification of consumer lifestyles and preferences by providing services that promote health across the globe, while also exploring ways to streamline healthcare costs. These three initiatives will form the base of our efforts to drive growth.

Since Mitsui’s business operations span multiple industries on a global scale, we have a diverse array of tools to draw upon, namely the expertise, know-how and functions needed to solve our customers’ issues. These can be thought of as the “building blocks” which are used to solve the issues that our customers

face. We are creating solutions tailored to our customers’ issues by forming optimal combinations of cross-industry expertise gained from our diverse business activities. Such approaches can also be found in our processes of establishing value chains for the energy transition and an ecosystem linking the food, nutrition, and wellness domains.

When we contribute to solving issues affecting society and our customers in this way and deliver tangible results, our customers and partners are reassured by their choice and will choose us again as a partner for their future projects. Our aim is to increase the kind of case examples that will speak volumes about why Mitsui should be the partner of choice for their future projects.

### Mitsui has executed a series of growth investments since announcing MTMP2026. Given the recent developments, could you tell us about your thoughts on cash flow allocation?

Under MTMP2026, we will drive the portfolio reforms geared toward “Creating Sustainable Futures” within our cash flow allocation framework. We will secure stable cash flows and maintain a robust balance sheet through the balanced allocation of cash to growth investments and shareholder returns. While we have an extensive pipeline of projects for growth investments, given the prevailing business environment, we need to set higher thresholds for returns and be very selective in making investments in new projects. We always try to observe the business frontlines firsthand and in a multifaceted way in order to carefully select where to invest and make good decisions. Meanwhile from a sustainability perspective, provided that there is a third party who can



## CEO Message

responsibly take over a particular business, we will advance our portfolio reconfiguration through asset recycling, even if that business is currently yielding high returns.

We have raised our target for shareholder returns to around 37% of Core Operating Cash Flow, compared with the 33%

target in Medium-term Management Plan 2023 (MTMP2023). In addition, we have introduced a progressive dividend policy with a floor of ¥150 per share to reflect steady improvement in base profit. We will work to fulfill shareholder expectations by both executing growth investments and enhancing shareholder

returns.

## Co-creation of Value Together with Stakeholders

**This Integrated Report illustrates the relationship between our growth strategies and the enhancement of corporate value** [▶ Page 24](#), **and shows our approach toward corporate value enhancement through “co-creation” with Mitsui’s stakeholders** [▶ Page 18](#). **What is your thinking on the co-creation of value with stakeholders? Can you provide actual examples unique to Mitsui?**

Co-creation of value with our diverse stakeholders, including shareholders, investors, customers, partners, and employees, aligns precisely with our future shape of Mitsui. To achieve this, we need to clearly present our medium- to long-term strategic direction, especially regarding how we will allocate our valuable management resources and link these strategies to value creation, and gain the support for and understanding of our strategies from our various stakeholders. In that sense, dialogue with stakeholders is extremely important. I am especially interested in the future of globalism and committed to working with our stakeholders to create value from a broader perspective.

Global Energy Transition, which is part of MTMP2026, is typical of Mitsui’s approach to value co-creation with stakeholders. It will be extremely important to approach co-creation based on deep reflection about what kind of corporate activity will lead to *real solutions*, with a workable transition timeline, toward creating an optimal decarbonized society from




## CEO Message

a long-term perspective. Natural gas and LNG will play a key role in the transition towards decarbonization, and these businesses as well as various new businesses will need to be developed into functional business models. These business models will need to be sustainable and will also need to meet our investment criteria. We will show our stakeholders how we will use innovation that emerges from our cross-industry initiatives to contribute to the decarbonization of society, and that we will do so with our management resources and over the course of a specific period of time. Further, by transparently disclosing the actions we make in this process, we aim to gain the understanding of our stakeholders, and advance the Global Energy Transition as a first-class global consortium.

## Corporate Culture

### What are your thoughts on Mitsui's corporate culture?

The key values of "Challenge and Innovation" and "open-mindedness" have always been important for Mitsui. Individual employees have also taken these values to heart, and our corporate culture is manifested in our attitudes to work.

Mitsui employees come from diverse backgrounds and have unique strengths. We enhance our skills through wide-ranging experiences and bring the spirit of "Challenge and Innovation" to our global endeavors. Employees respect each other, accept each other, and compete in a friendly dynamic that pushes one and other to greater heights. Employees work with this approach in teams that span multiple business units to create value through co-creation with diverse stakeholders. [This Mitsui brand of inclusion](#)  See 2 on page 11 was fostered in our long-

established corporate culture of "open-mindedness".

These processes can be seen all the time across a number of organizations within the company, which is representative of our corporate culture and a solid advantage the company enjoys. In this sense, every individual employee is responsible for creating and passing on our corporate culture. Mitsui is a stage for our valued employees to thrive on. The company provides this "stage" to allow our employees to "perform" energetically toward achieving the goals set by the company. I believe it is the true essence of our corporate culture.

Our corporate culture is also closely linked to our organizational design. A key feature of our organizational structure is the fact that the chief operating officers of our 16 business units and the heads of our overseas offices all report directly to the CEO. We have an executive management team, which consists mainly of executives in charge of specific domains and executives in charge of corporate units, to drive the company alongside the CEO. They also collaborate closely thanks to a flat organizational structure. Because of low barriers between business units and regions, cooperation across multiple business units is the norm in Mitsui.

### How does Mitsui's brand of inclusion lead to the enhancement of corporate value?

The key to pursuing global business, at a time of increasingly complex social issues, is the ability to offer a diverse menu of cross-industry responses to the issues and essential needs of customers. Another vital requirement is the timely formulation of alternative plans and the preparedness of backup measures for when major changes occur in the operating environment.

Mitsui's brand of inclusion allows diverse people to form

effective teams across multiple industries, which naturally results in the expanded range of options we can offer to customers. This is an extremely important factor in terms of being able to solve customers' issues through business and creating new businesses. Inclusion also enables us to build the resilience that we need when unexpected situations arise.

## Stakeholder Engagement

### What do you see as important when engaging in dialogue with shareholders and investors?

Dialogue with shareholders and investors is extremely important. I give the utmost importance to ensuring that, through such engagement, they gain a deep understanding of our business activities to make sense of our future vision and management policies. I aim to achieve that by creating as many opportunities for dialogue as possible, and by providing information that allows them to make fixed-point observations. Another priority for me is to make sure that the advice and views I receive from these dialogues are fed back within the company and used to improve our business operations.

After close dialogue with our shareholders and investors over many years, recently I come across occasions more frequently where I feel they have a comprehensive understanding of Mitsui.

Mitsui has a global business portfolio encompassing a wide range of domains. That said, what is common to our core businesses in each of these domains is that each of the core businesses have been acquired, enhanced, developed, and built-up over time, in the process of addressing customers'

## CEO Message

issues and needs, using our functions as a foundation. At first glance, Mitsui may appear to be a conglomerate, but in every domain we have used the same methods to create, grow, and combine our core businesses. In undertaking the process of business portfolio reconfiguration, we always return to our core businesses eventually, and continue with the enhancement of these businesses. We take pride in this style of business management that allows us to address global-scale issues and to form international, cross-industry business clusters. To me, opportunities to discuss with investors about such management approaches are extremely valuable and exciting.

## Future Challenges

**This is your third year as CEO. What are your thoughts on progress made so far? Also, please tell us about any challenges going forward.**

Since the end of MTMP2023, I have been strongly aware of a heightened sense of solidarity across the entire group. Now that a set of policies and targets have been set forth in MTMP2026, I feel the growing momentum toward driving it forward as one united team by utilizing our management resources to the greatest extent possible.

One reason for this is the heightened expectations of our customers. Customer expectations toward Mitsui have risen all the more because the world faces an increasingly uncertain, complex operating environment. Inspired by such expectations,



there are an increasing number of employees that are motivated to respond flexibly to customer needs by forming cross-segment teams, leveraging the low barriers between our business units, a key advantage for Mitsui. Also, to be able to act in a dynamic and timely way, agile consultations with management have been on the increase of late.

Since becoming CEO, I have reiterated again and again that we need to raise our growth level by two notches. The first notch up is meeting the rising expectations of our customers. I believe that we are largely accomplishing this by making full use of our management resources. The second notch up is to

bring about even more innovation and work more dynamically. I believe we still have so much more we can do to get to the level of that second notch. This belief is fully encapsulated in the theme of MTMP2026 - "Creating Sustainable Futures". We will respond to the expectations of our shareholders by effectively translating our cumulative pursuit of "Challenge & Innovation" into enhanced corporate value.



1 Mitsui & Co. CEO's explanation of Medium-term Management Plan 2026 for employees  
<https://www.youtube.com/watch?v=xAXKemCs-R4>



2 Mitsui & Co. CEO explaining his message on inclusion to employees  
<https://www.youtube.com/watch?v=j7xi5lzEXdU&feature=youtu.be>

# Gate 1 Mitsui's Value Creation

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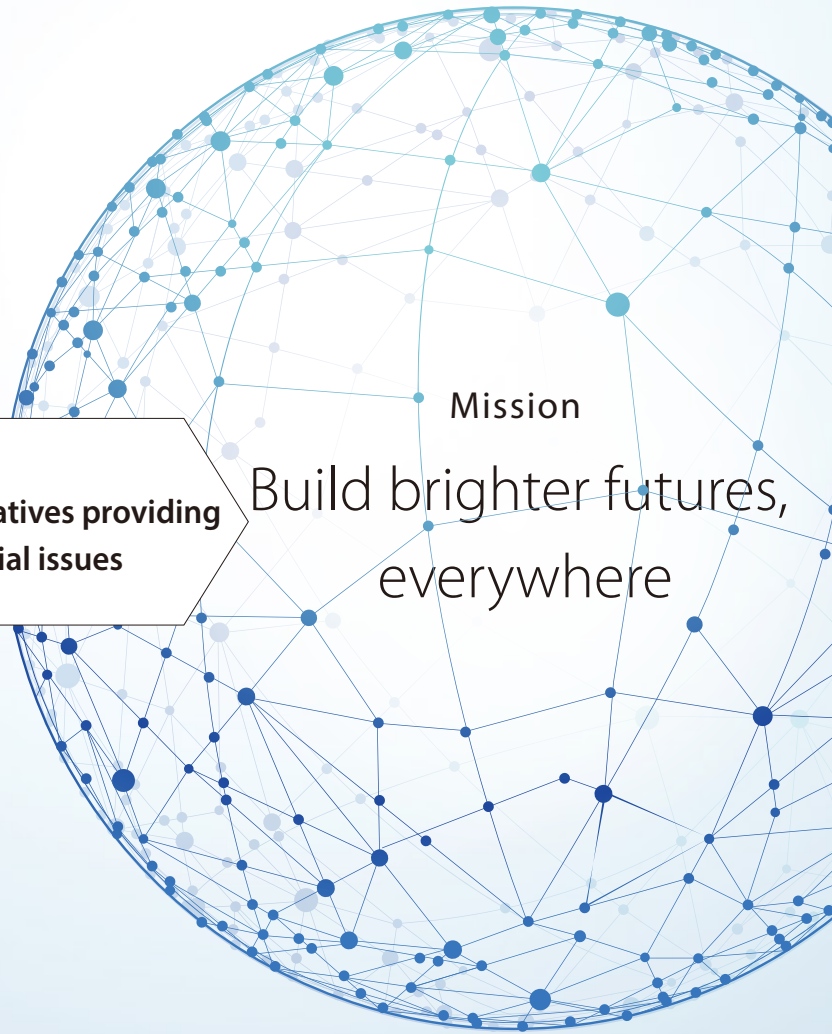


Value Creation Process

# Mitsui's Challenge and Innovation

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

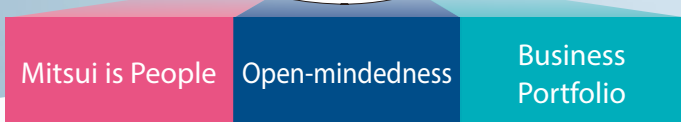
Business Model [▶ Page 17](#)



Mission

Build brighter futures,  
everywhere

Strengths [▶ Page 15](#)



Enhancement of management capital

Management Capital [▶ Page 14](#)

Management Foundation [▶ Page 53](#)




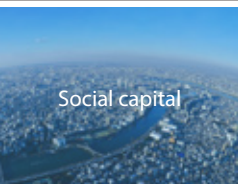
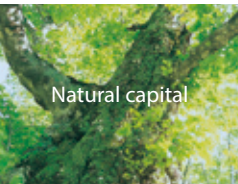


# Management Capital

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

Doing so further enhances our management capital and leads to the sustainable growth of the Company.

Based on this management capital, Mitsui applies its strengths of "Mitsui is People," "open-mindedness," and its "business portfolio" as sources of value creation.

 <p>Human capital</p>	<p>"Independent professionals" who leverage ingenuity to lead transformation through innovation and utilize their own strengths to create value in any industry or role</p>	<p><b>Number of employees (consolidated)</b> <b>46,811</b><sup>1</sup></p>	<p><b>Employee engagement</b> <b>72%</b><sup>2</sup></p>	<p><b>Percentage of female managers</b> <b>18.8%</b> (consolidated) <b>8.5%</b> (non-consolidated)</p>	<p><b>Number of employees participating in overseas dispatch programs</b> <b>3,700+</b> (cumulative total)<sup>1</sup></p>
 <p>Intellectual capital</p>	<p>Business know-how cultivated as a general trading company in areas including trading and business management, and expertise and know-how accumulated by generating innovation and developing new technologies</p>	<p><b>Passing on business know-how</b><sup>3</sup> <a href="#">▶ Integrated Report 2022 Page 96</a></p>		<p><b>Number of business cases</b><sup>4</sup> <b>2,500+ /year</b></p>	
 <p>Financial capital</p>	<p>A solid and sound financial base supported by disciplined portfolio management and financial strategy</p>	<p><b>Consolidated assets</b> <b>¥15.4 trillion</b></p>	<p><b>Core Operating Cash Flow</b> <b>¥1,205.5 billion</b></p>	<p><b>Profit for the year</b> <b>¥1,130.6 billion</b></p>	<p><b>ROE</b> <b>18.9%</b></p>
<p>(Fiscal year ended March 2023)</p>					
 <p>Social capital</p>	<p>A brand and industry reputation built up over years, and long-term networks and relationships of trust established with a wide range of stakeholders such as business partners, customers, local communities and government bodies</p>	<p><b>Number of clients</b> <b>155,000+</b> 81,000+ overseas, 74,000+ in Japan</p>	<p><b>Number of offices</b> <b>128 offices in 63 countries/regions</b><sup>5</sup></p>	<p><b>Number of affiliated companies</b> <b>513 companies</b><sup>6</sup> 381 companies overseas, 132 companies in Japan</p>	
 <p>Natural capital</p>	<p>Natural resources essential to Mitsui's business, crucial materials for the stable supply of mineral and metal resources, energy, food, and other products and commodities, and forestry resources such as Mitsui's forests and overseas forestry businesses</p>	<p><b>Area of Mitsui's forests in Japan</b> <b>approx. 45,000 hectares</b></p>	<p><b>GHG<sup>7</sup> Reduction Contribution</b> <b>2.7 million tons/year</b><sup>8</sup></p>	<p><b>Energy resources</b> Crude oil and gas reserves <b>1.33 billion barrels</b></p>	<p><b>Mineral and metal resources</b> Iron ore: Equity share of production <b>58.3 million tons/year</b></p>

1. As of March 31, 2023 2. Based on Mitsui Engagement Survey 2022

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

4. *Ringi* (documents for internal decision-making: comprehend the external and internal environment, strategies, risk analysis, etc.) 5. As of April 1, 2023 6. Consolidated subsidiaries: 297, equity accounted investees: 216 7. Greenhouse gas 8. Including absorption amount

# Mitsui's Strengths

## Mitsui is People

"Mitsui is People" expresses Mitsui's commitment, as a company, to placing the highest priority on talent development and it being a collective of independent individuals. One of our strengths lies in our collective of highly-capable individuals with unique capabilities who think in an independent manner. These individuals respect each other's uniqueness and strengths, collaborate toward specific objectives and continue to create new value.

## Open-mindedness

"Open-mindedness" has been one of the most important elements of the corporate culture and philosophy that has been passed down since Mitsui's establishment. Mitsui's corporate culture is such that all employees are free to create ideas and are listened to by others, regardless of position, which lies at the foundation of our track record of "Challenge and Innovation." This enables cross-industry value creation through communication across organizational boundaries. Open-mindedness is also the strength in embracing different ideas and leveraging diversity.

## Business portfolio

Mitsui has spent decades refining its global and wide-ranging business portfolio. We continue to transform our business portfolio, creating and cultivating businesses that contribute to solving current and potential social issues and replacing businesses. This business portfolio and our ability to continually transform it for the future is a source of Mitsui's competitiveness.

### Global Business Portfolio



As of 31 August 2023. Altius Link will be established on 1 September 2023.

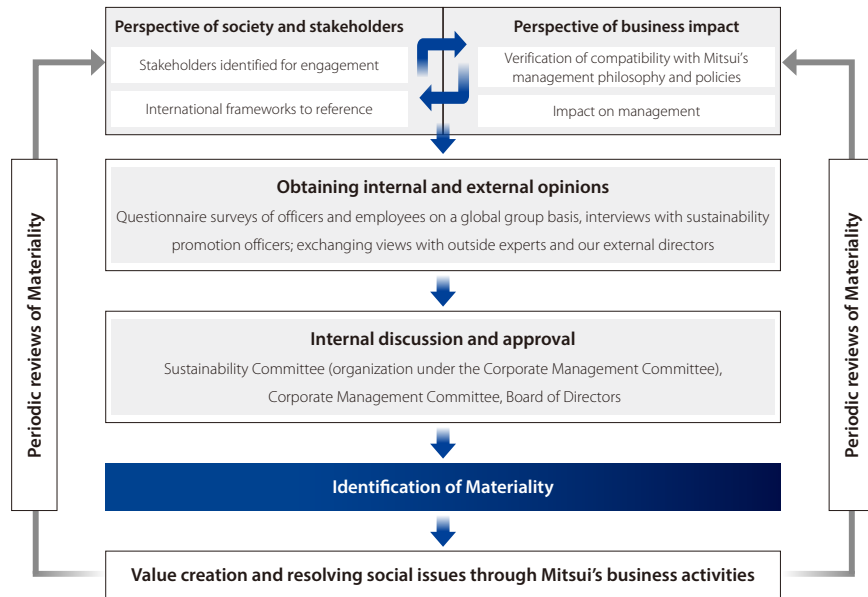
# Materiality











## Positioning of Materiality

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

## Identification of Materiality

In identifying Materiality, we consider impacts on Mitsui and stakeholders from the perspective of sustainable development of society and the Company with reference to the SDGs, the United Nations Global Compact, and other international frameworks. The identification process involves internal and external discussions, following which approval is obtained from the Corporate Management Committee and the Board of Directors. Furthermore, we conduct reviews on a roughly three-to-five-year basis to take account of factors such as environmental changes.



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

## Materiality Action Plans

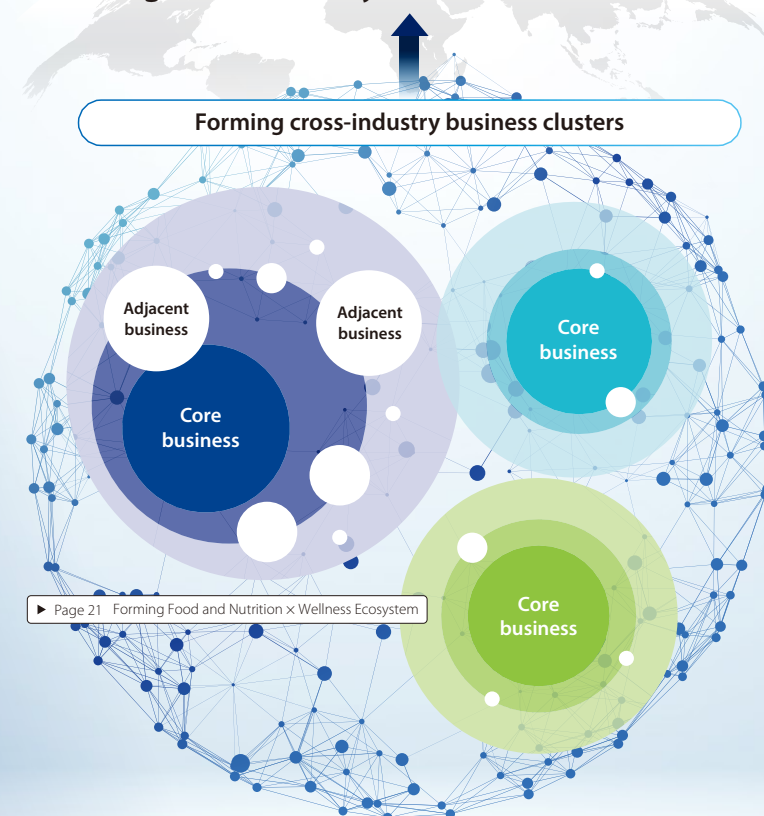
We have established Materiality Action Plans that set out specific policies, targets, and initiatives regarding Materiality at each organization, and manage and disclose current conditions and progress based on these plans. For details, please refer to the following webpage.


 Materiality Action Plans  
[https://www.mitsui.com/jp/en/sustainability/materiality/action\\_plans/materiality.html](https://www.mitsui.com/jp/en/sustainability/materiality/action_plans/materiality.html)

# Mitsui's Business Model

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

## Providing cross-industry *real solutions* to social issues



Issue complexity / Amount of value provided

### Extend

Forming business clusters by combining the core business with adjacent businesses

### Grow

Expansion of core business

### Create

Identifying new business needs

Seed of core business

Core business

Adjacent business

Core business

Adjacent business

Forming cross-industry business clusters

Adjacent business

Core business

Adjacent business

Core business

Core business

Page 19 Create, Grow, Extend in the Field of Mobility

Page 21 Forming Food and Nutrition x Wellness Ecosystem

### Strengths

Mitsui is People

Open-mindedness

Business portfolio

Accelerating business creation and growth through trading functions






Breadth of offering capabilities

Through its trading operations, Mitsui has cultivated expansive networks comprising its customer base and business partners, and leveraged these networks to carry out business investments and accelerate the enhancement of business value by providing trading functions. These businesses subsequently lead to new trading opportunities and further network expansion.

# Collaborative Creation with Stakeholders

Mitsui considers measures to help resolve the issues faced by society through its businesses, and has continued to transform its business portfolio in order to provide *real solutions*. There are many social issues that cannot be resolved by Mitsui alone, so collaboration with business partners, local communities and governments, and other stakeholders is essential. We therefore focus on dialogue with our stakeholders, work to assess the impact

of our business activities on society, and identify relevant stakeholders with whom to proactively engage. Through stakeholder dialogue, each of our employees and executives gains a firm grasp of the expectations and demands of society, enabling them to engage in collaborative creation with stakeholders, through which we continue to create value in a way unique to Mitsui.

Collaborative Creation		Stakeholders	Main Forms of Engagement
 <b>Secure sustainable supply of essential products</b>	<b>Stable supply of resources, food, and other goods</b> ▶ Page 19 Create, Grow, Extend in the Field of Mobility	<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Engagement through business</li> <li>Social contribution activities</li> </ul>
 <b>Enhance quality of life</b>	<b>Contributions to improving health and quality of life</b> ▶ Page 21 Forming Food and Nutrition x Wellness Ecosystem	<b>Business Partners &amp; Consumers</b>	<ul style="list-style-type: none"> <li>Engagement through business</li> <li>Response to inquiries by phone, email, etc.</li> <li>Publications</li> <li>Supplier questionnaires and survey to real-world conditions</li> </ul>
 <b>Create an eco-friendly society</b>	<b>Initiatives responding to climate change</b> ▶ Page 39 "Challenge and Innovation" in Next-generation Fuels	<b>NPOs &amp; NGOs</b>	<ul style="list-style-type: none"> <li>Participation in policy councils</li> <li>Personnel exchange (acceptance of trainees, etc.)</li> <li>Activities through business and industry groups</li> </ul>
 <b>Develop talent leading to value creation</b>	<b>Promotion of globally diverse individuals</b> ▶ Page 46 Human Resources Strategy	<b>Government Bodies</b>	<ul style="list-style-type: none"> <li>Support for research and activities</li> <li>Response to inquiries by email, etc.</li> </ul>
 <b>Build an organization with integrity</b>	<b>Strengthening governance, spreading integrity</b> ▶ Page 61 Mitsui's Corporate Governance	<b>Employees</b>	<ul style="list-style-type: none"> <li>Exchange of opinions with management</li> <li>Exchange of opinions with labor union</li> <li>Engagement surveys</li> <li>Internal consultation contact points</li> </ul>
<b>Enhance corporate value</b>	<b>Profit generation, shareholder returns</b>	<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>General meeting of shareholders, various IR briefings</li> <li>Engagement through one-on-one IR meetings</li> <li>Website, various publications</li> <li>Dialogue through briefings for individual investors</li> </ul>


## HIGHLIGHT

### Stakeholder Dialogues / Social Contribution Activities

We hold regular stakeholder dialogues on sustainability issues. These serve as a forum for experts, young people and other external stakeholders to engage with Mitsui employees. In the fiscal year ended March 2023, we discussed natural capital including biodiversity and business with Yasushi Hibi (Managing Director, Conservation International Japan) and Makoto Haraguchi (Fellow, MS&AD InterRisk Research & Consulting). We also conduct social contribution activities in the key areas of environmental conservation, community contribution and human resources development, with a view to resolving societal issues and fostering relationships of trust, based on dialogue with a broad range of stakeholders. In the fiscal year ended March 2023, we conducted a total of 329 social contribution activities in 38 countries. Alongside our business activities in countries and regions around the world, through these activities we are making a social contribution that will advance the sustainable development of society and our company. For details, please refer to the sustainability section of our website.




Social contribution activities : Mitsui SASUGAKU Academy

 Social Contribution Activities  
<https://www.mitsui.com/jp/en/sustainability/contribution/index.html>

### Dialogue with Shareholders and Investors

In focusing on dialogue with shareholders and investors, we utilize the insights we gain through this dialogue to improve management and enhance corporate value. In the fiscal year ended March 2023, we held a total of approximately 350 meetings with investors and shareholders, about 50 of which were handled by senior management (CEO and/or CFO). We also proactively engage in dialogue through various IR briefings including financial results announcements and Investor Day activities. The main themes are: business status and outlook, growth strategies, shareholder returns, portfolio management, governance effectiveness, and the status of our responses to climate change. Shareholder and investor opinions and concerns discovered through this dialogue are shared widely, from the Board of Directors and Corporate Management Committee through to each business unit, used as reference data in formulating management strategies, including the new Medium-term Management Plan, and are also linked to enhancing information disclosure and improving IR activities. As an example of our dialogue with shareholders, see the following discussion with our CEO and the CEO of Nomura Asset Management Co., Ltd., which can be accessed from their website.



 Dialogue | Mitsui & Co.'s Model for Creating Opportunities alongside Decarbonization by Building Improved Quality Deals | Nomura Asset Management  
[https://global.nomura-am.co.jp/responsibility-investment/investors/feature/trptalk\\_mitsui.html](https://global.nomura-am.co.jp/responsibility-investment/investors/feature/trptalk_mitsui.html)



**"Challenge and Innovation" Case Study 1** Create, Grow, Extend in the Field of Mobility

We "created" businesses leveraging the strong relationships with partners, "grew" them over several decades, and built a large-scale mobility infrastructure. We will further advance these initiatives in Medium-term Management Plan 2026.

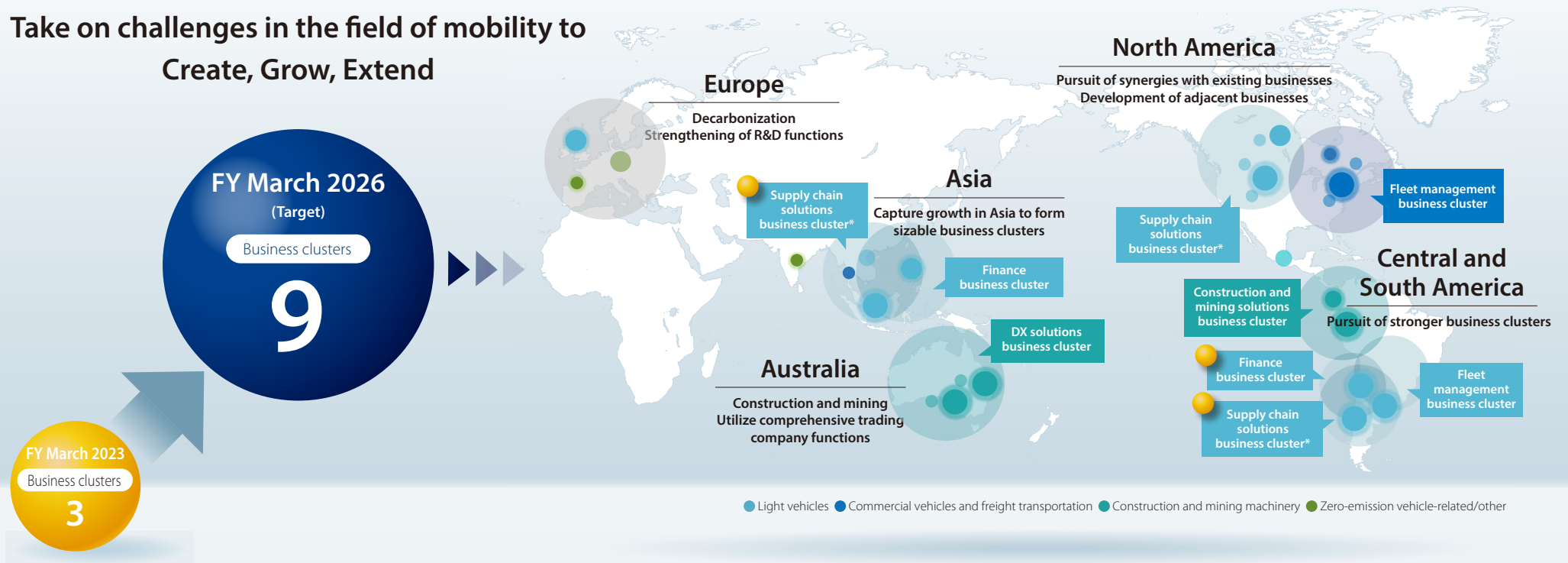
In North America, we will pursue synergies with Penske Group and other existing businesses, and develop businesses in adjacent fields.

In Central and South America, we aim to create stronger business clusters through collaboration between existing businesses and the acquisition of new functions.

In Asia, we will collaborate with local partners to form sizable business clusters, backed by economic growth in each country.

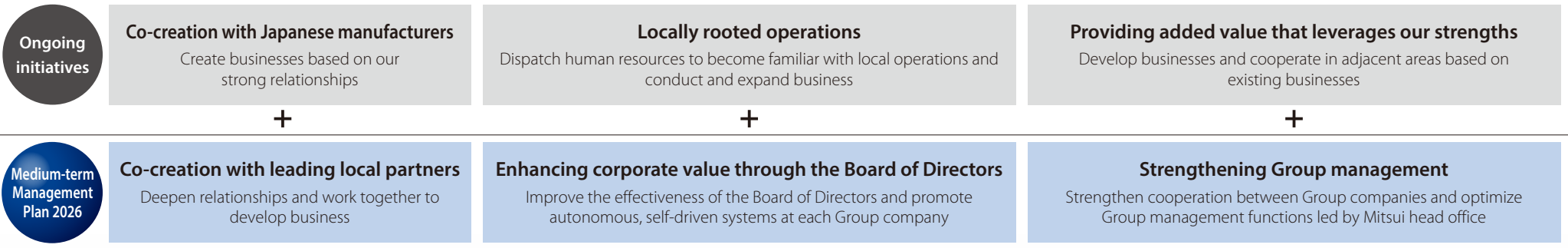
Through these initiatives, as well as activities in other regions, we will expand our business clusters in the mobility field from the current three to nine.

**Take on challenges in the field of mobility to  
Create, Grow, Extend**

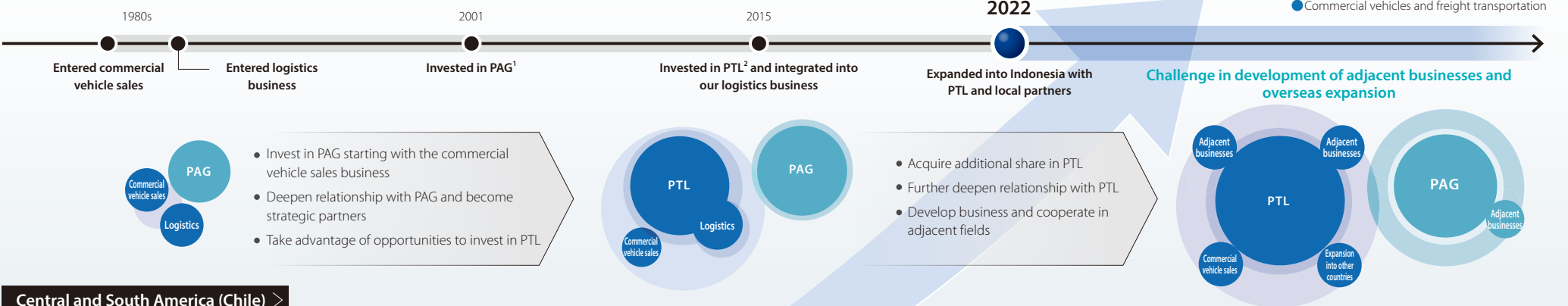


\* Supply chain solutions business cluster: Sales and service network centered on import, wholesale and retail

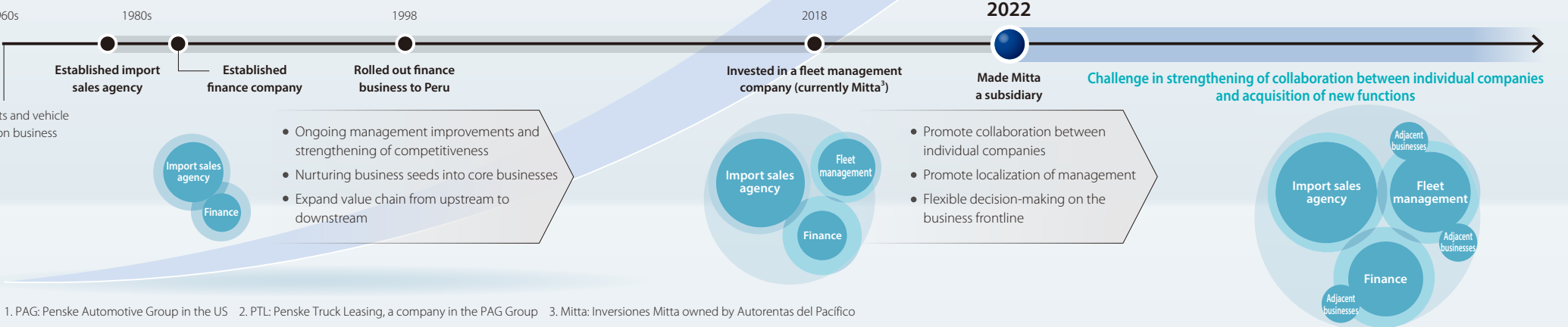
"Challenge and Innovation" Case Study 1 Create, Grow, Extend in the Field of Mobility



North America (United States) >



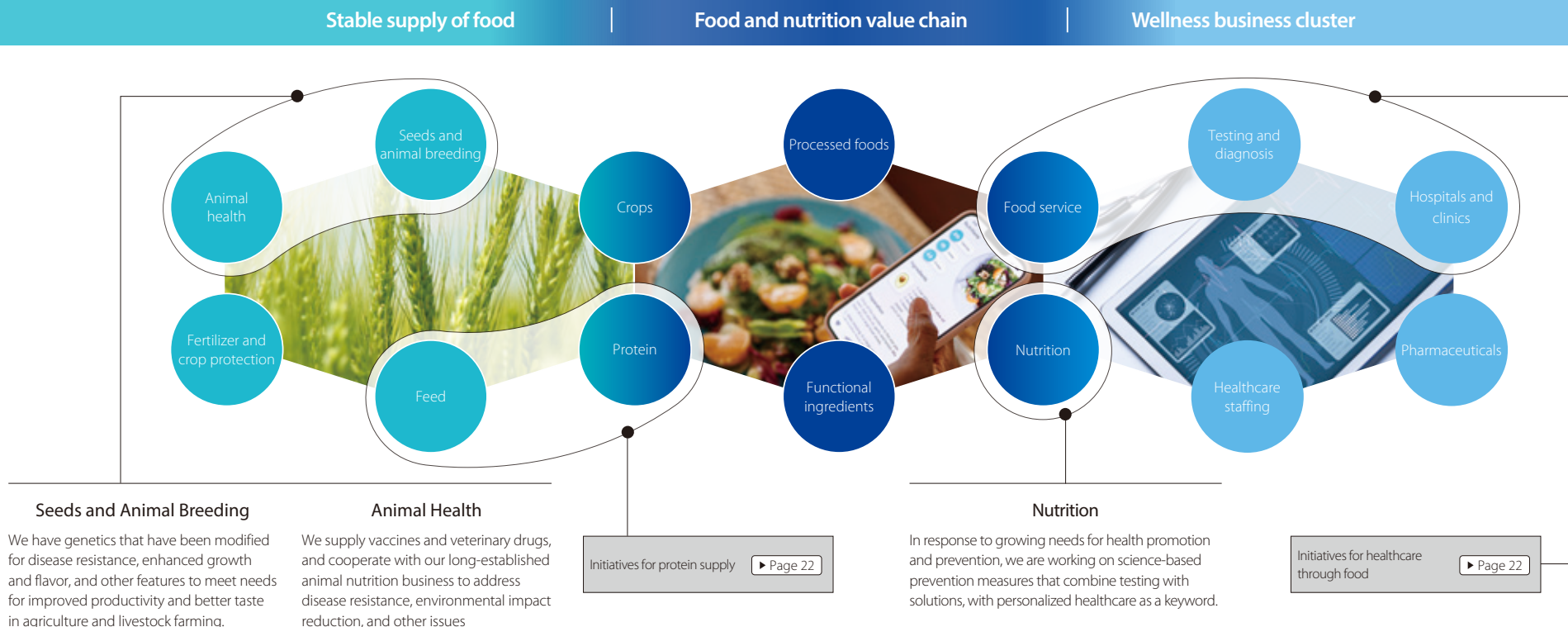
Central and South America (Chile) >



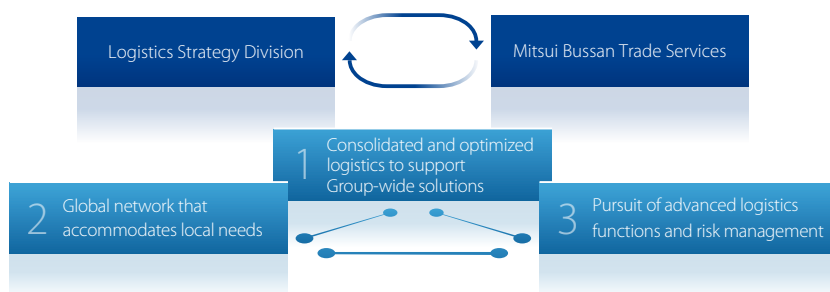
1. PAG: Penske Automotive Group in the US 2. PTL: Penske Truck Leasing, a company in the PAG Group 3. Mitta: Inversiones Mitta owned by Autorentas del Pacifico

## "Challenge and Innovation" Case Study 2 Forming Food and Nutrition × Wellness Ecosystem

In light of diversifying consumer needs and increasing health consciousness, we are working to provide preventive care through healthy food. We are promoting initiatives to create added value in areas such as deliciousness, nutrition, and health, and across the entire value chain, in addition to establishing a system for stable supply. Reducing environmental impact in food production is another important initiative.



### Logistics Functions That Support Stable Supply



Global logistics functions have been consolidated under the Logistics Strategy Division, established as a corporate unit and Mitsui Bussan Trade Services, a subsidiary specializing in trade procedures and logistics arrangements, thereby enhancing Mitsui's overall logistics proposal ability, competitiveness and practical capabilities.

#### 1. Consolidated and Optimized Logistics

Consolidating our logistics and integrating logistics data have enabled us to select the most suitable combinations of logistics partners for our diverse supply chains, thereby reducing costs by approximately ¥4 billion annually (estimate for the fiscal year ended March 2022).

#### 2. Global Network

100 logistics specialists in Japan and overseas meet the needs worldwide.

#### 3. Pursuit of Advanced Logistics Functions and Risk Management

We have deployed our expertise in logistics areas including diagnostics, improvement and digital transformation to support advances in logistics functions that help enhance our affiliates' corporate value; utilized supply chain optimization and inventory reduction to optimize logistics costs (e.g., an inventory reduction project for an overseas affiliate contributed to an improvement in cash flow totaling approximately ¥4 billion over five years); unified our crisis management response related to various domestic and international regulations and to logistics functions; and upgraded the framework for our business continuity plan.

"Challenge and Innovation" Case Study 2

Forming Food and Nutrition x Wellness Ecosystem



### Initiatives for Protein Supply

### Initiatives for Sustainable Protein Supply

Establishing a sustainable protein supply system that reduces environmental impact has become a necessity due to rising demand accompanying population growth, economic development, and improvement in living standards, as well as rising environmental awareness. We are utilizing our accumulated expertise and will take this business model that we have developed in Japan and expand into overseas.

### Postwar onward

### Building a Foundation for Stable Food Supply in Japan

- Began postwar import of grains to Japan

### 1960s onward

### Expanding from Trading into Production and Processing Business

- Established a stable procurement system by securing supply sources in multiple regions and combining the North American grain collection business and other assets with our procurement functions
- Formed business cluster by business diversification to production and processing
- Expanded volume for Japanese market through diversification and formation of a business cluster

### Share of Feed Grains and Oilseeds Imported to Japan (Market share for Japan)

Corn: **Approx. 20%** Wheat: **Approx. 30%**  
Soybeans: **Approx. 30%** Canola: **Approx. 40%**

### 2010s onward

### Building a Sustainable Protein Supply System

- Expanding into the animal breeding business in the upstream value chain
- Securing supply sources in optimal locations globally
- Leveraging the animal breeding business to improve the quality of protein business globally

### Forecast of Invested Capital in Protein Business

	FY March 2023, Actual	FY March 2026, Target
Invested capital	¥240 billion	¥380 billion
ROIC	Approx. 6%	Approx. 8%

### Initiatives for Healthcare through Food

### Initiatives for Healthcare through Food

Leveraging expertise gained in our contract food service business, which started with workplace dining, we provide food that addresses growing health consciousness. In addition, we aim to further expand business through collaboration with healthcare and nutrition initiatives such as preventive care through food.

### Establishment onward

### Launch of Contract Food Service Business

- Founded in 1976; the first project was the employee cafeteria of Mitsui
- Leveraged the Group's comprehensive strengths to establish a new business model by expanding the contract food service business for workplace dining and launching a contract food service business for schools, hospitals and medical facilities

### 1990s onward

### Expanding Business through Diversification

- Rolled out the business to sports facilities
- Established a nutrition management system that is effective in maintaining health

### 2020s onward

### Collaborating on Initiatives in Healthcare and Nutrition

- Deepening the health management system and expanding our menu of offerings to include health promotion and preventive care

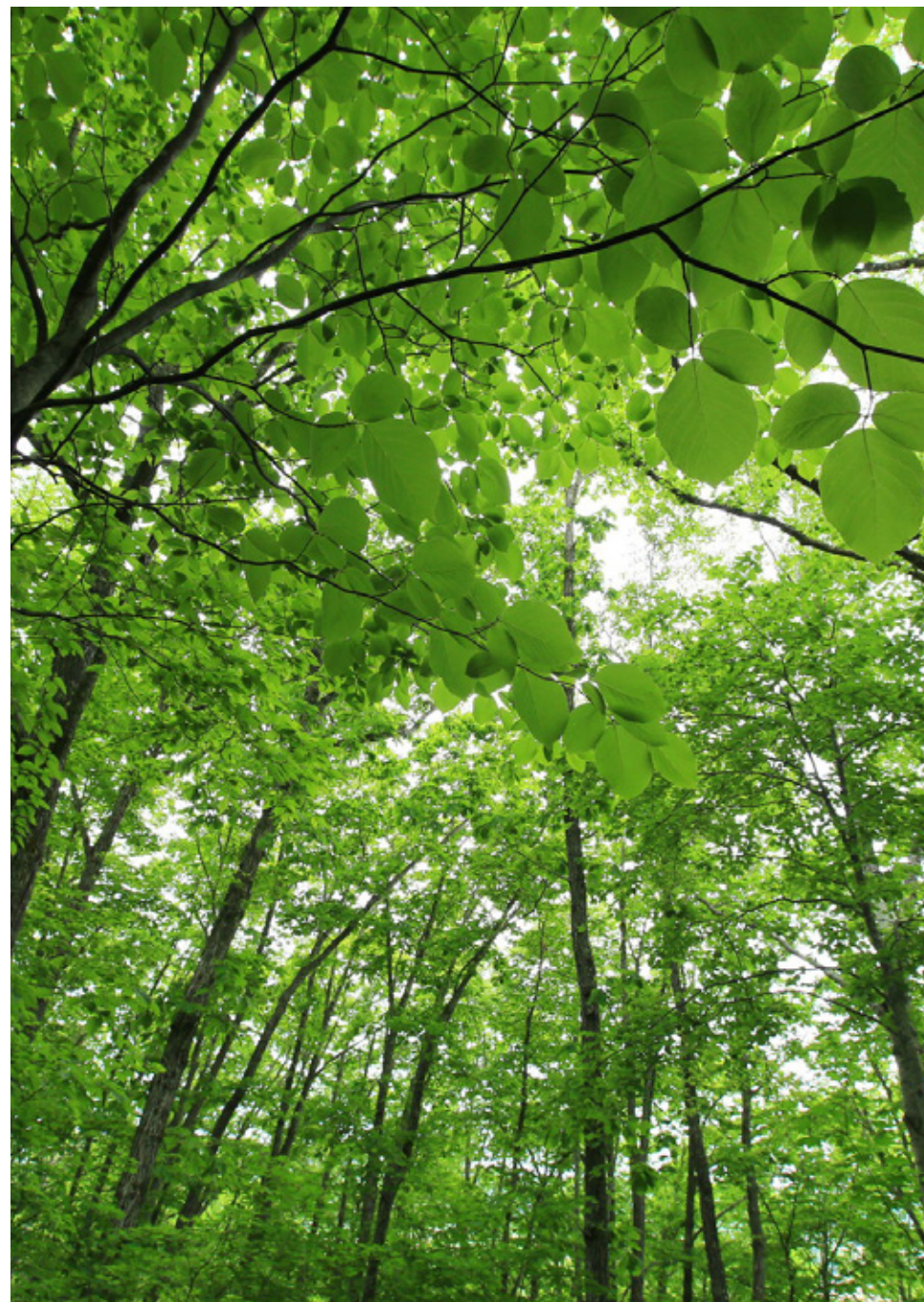
	Objective/Benefits	Food Provided
Health support by life stage	Preventive care	Healthy meals
Hospitals and medical facilities	Health support meals	Therapeutic and nursing care meals
Sports nutrition	Physical fitness and performance improvement, condition management	Meals for athletes

**Business Expansion through Initiatives such as Health Promotion and Preventive Care through Food**



# Gate 2 Growth Strategy

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- 35 Financial Strategy
- 36 CSO Message
- 38 Sustainability Management
- 44 CHRO Message
- 46 Human Resources Strategy
- 49 CDIO Message
- 51 Initiatives in Digital Fields



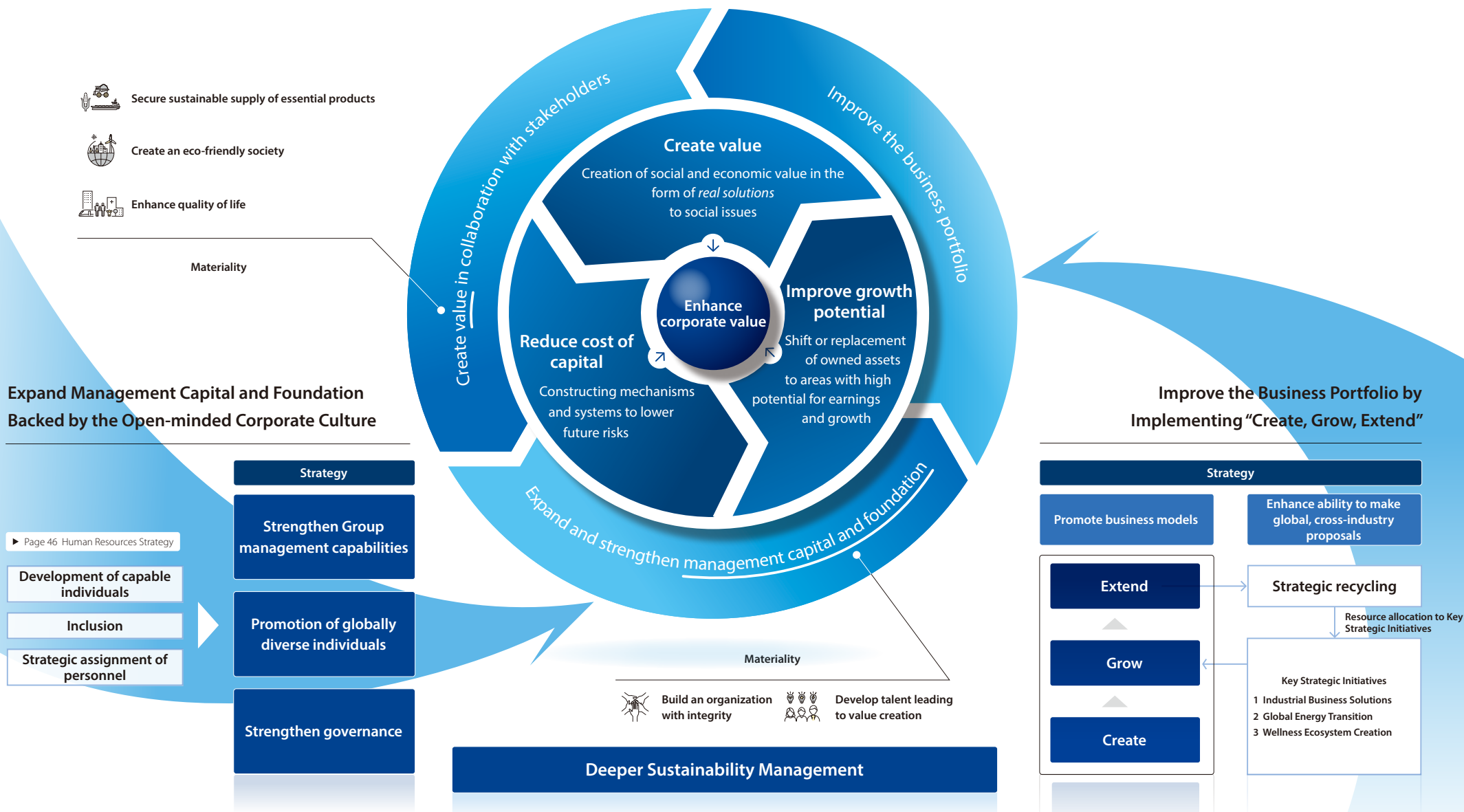


# Enhancing Corporate Value through "Challenge and Innovation"

## 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.

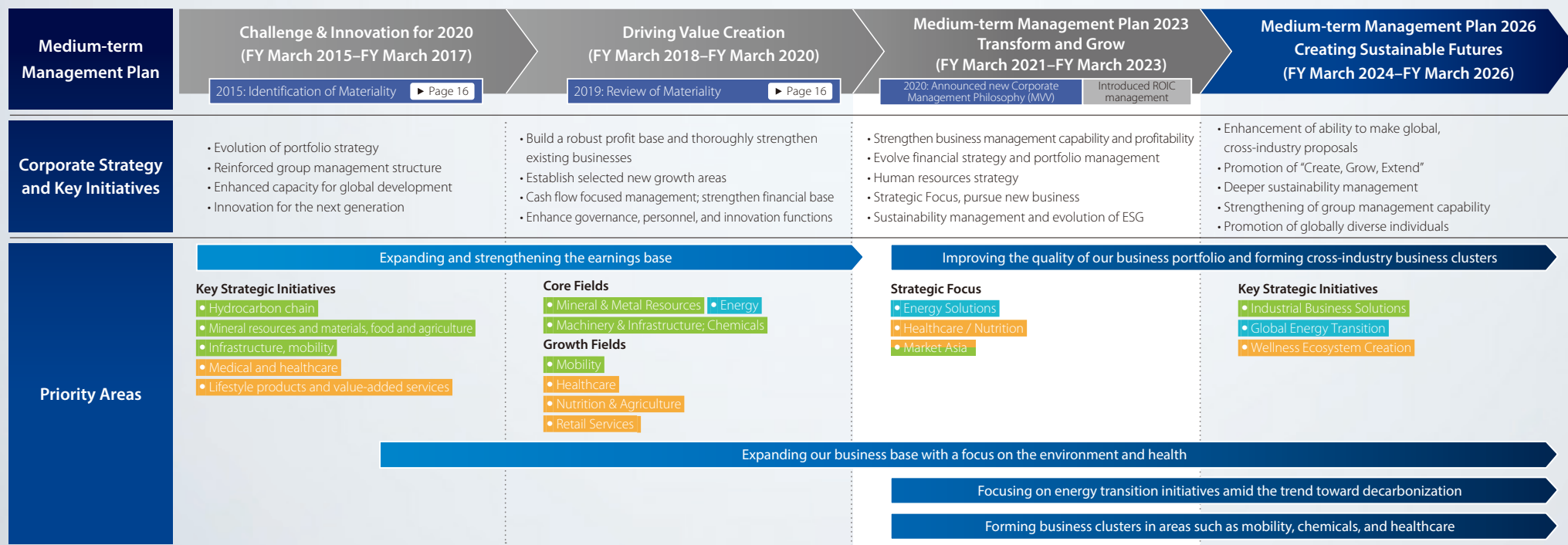
### **What insights have you gleaned from dialogue with shareholders and investors?**

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

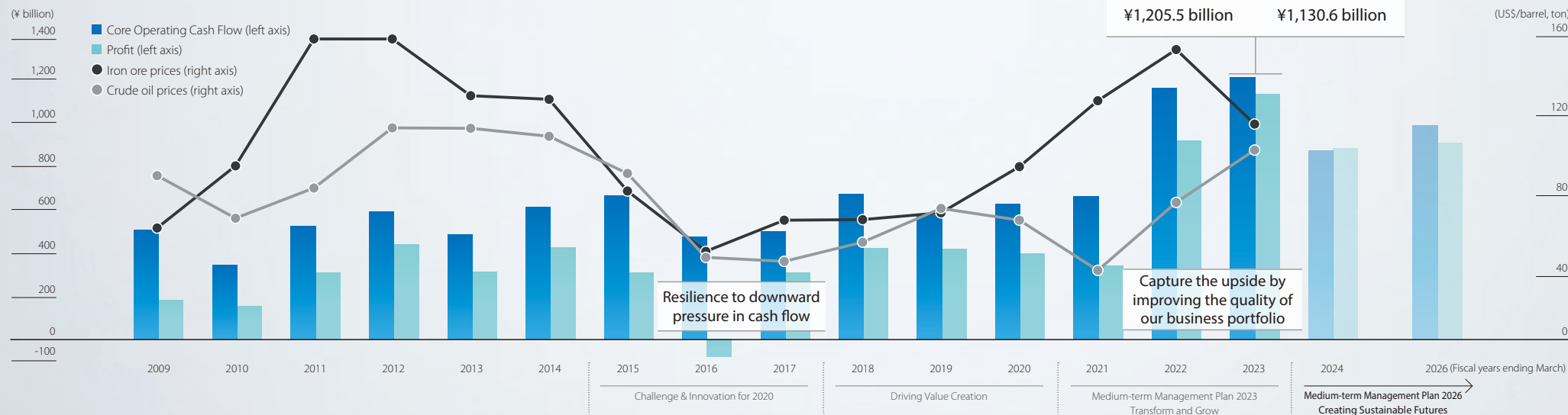


## Review of Medium-term Management Plan 2023

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>	<b>Strengthen business management capabilities and profitability</b>	<ul style="list-style-type: none"> <li>Improving quality of our business portfolio, enhancement of earnings power and ROE through utilization of ROIC</li> </ul>
	<b>Evolve financial strategy and portfolio management</b>	<ul style="list-style-type: none"> <li>Allocated capital through Management Allocation</li> </ul>
	<b>Human resources strategy</b>	<ul style="list-style-type: none"> <li>Development of capable individuals, Diversity &amp; Inclusion, appropriate allocation of human resources, productivity improvement</li> </ul>
	<b>Strategic Focus, pursue new business</b>	<ul style="list-style-type: none"> <li>Initiatives in LNG, hydrogen, and ammonia, and built businesses related to healthcare and preventive care, strengthening of financial position</li> <li>Built growth investment pipeline</li> </ul>
	<b>Sustainability management and evolution of ESG</b>	<ul style="list-style-type: none"> <li>Established and expanded disclosure of climate change action roadmap as well as stock-based remuneration plan for management based on KPIs for ESG</li> </ul>

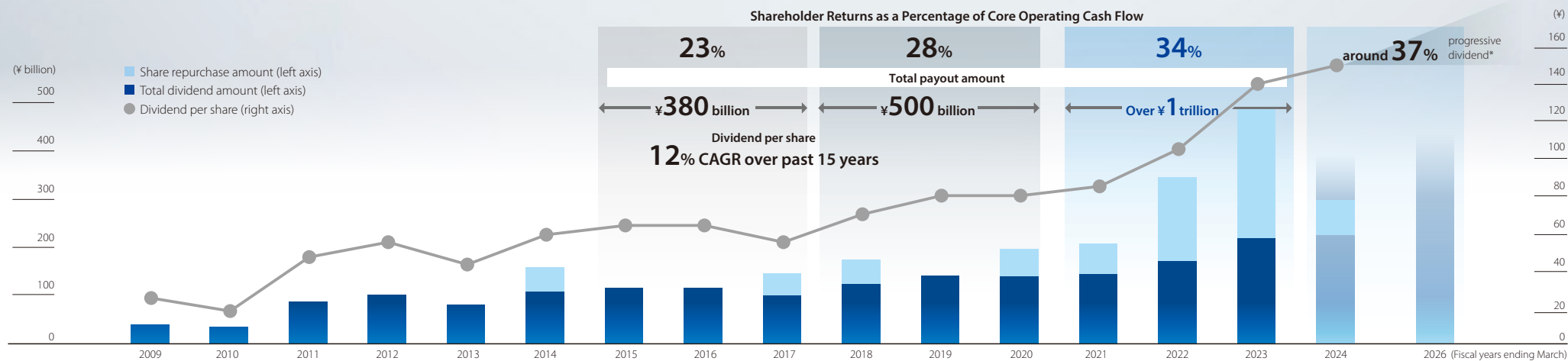
# Medium-term Management Plan The Transition of Quantitative Performance

## 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

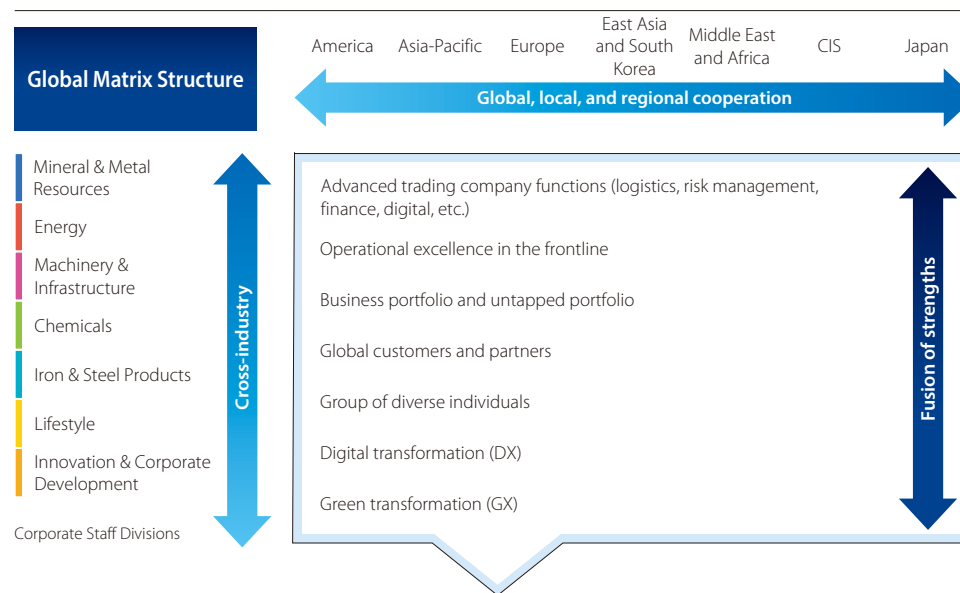
## Striving for even greater heights as a global company

<b>Theme</b>	<p><b>Creating Sustainable Futures</b></p> <ul style="list-style-type: none"> <li>• Unearth social issues in all industries from the perspective of global sustainability, produce new business innovation and create strong business clusters and new industries</li> </ul>
<b>Operating Environment</b>	<p><b>The world is facing global challenges; <i>real solutions</i> require the combination of expertise and know-how</b></p> <ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Vision under the Medium-term Management Plan 2026</b>	<p><b>Providing <i>real solutions</i> to social issues as a global company</b></p> <ul style="list-style-type: none"> <li>• Creating solutions by combining cross-industry expertise from various cross-industry businesses</li> <li>• The "Partner of Choice" for the next project</li> <li>• A continuously expanding earnings base and pipeline of quality investments</li> </ul>
<b>Company-wide Strategy</b>	<p><b>Five Corporate Strategies</b></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"> <li><b>(1) Enhancement of ability to make global, cross-industry proposals</b> ▶ Page 29 Combining Global and Cross-industry Expertise and Strengths</li> <li><b>(2) Promotion of "Create, Grow, Extend"</b> ▶ Page 17 Mitsui's Business Model</li> <li><b>(3) Deeper sustainability management</b> ▶ Page 38 Sustainability Management</li> <li><b>(4) Strengthening of group management capability</b> ▶ Page 33 Case Studies of Initiatives to Strengthen Group Management Capabilities</li> <li><b>(5) Promotion of globally diverse individuals</b> ▶ Page 46 Human Resources Strategy</li> </ol>

## 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

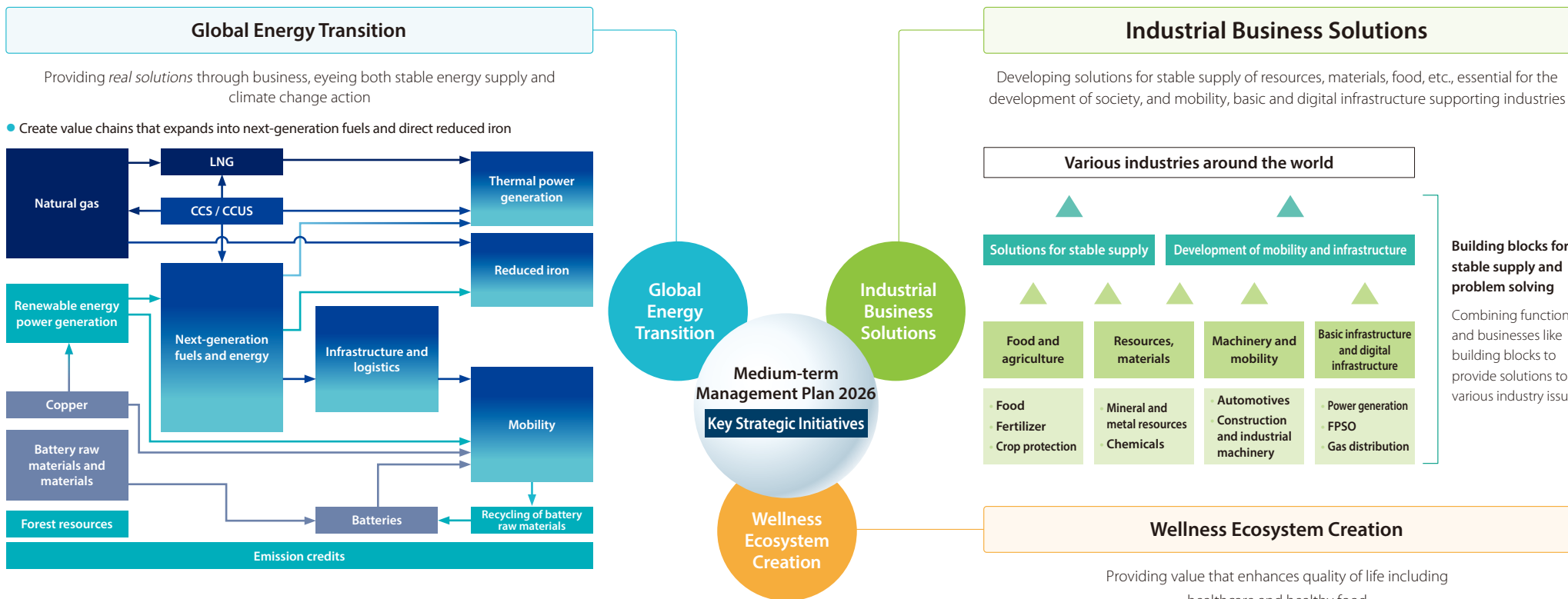
- Regional diversification of businesses
- Local production for local consumption
- Horizontal expansion of business models
- Utilization of contact points in a wide range of industries
- Initiatives in adjacent areas of core businesses
- Complex solutions



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.



### 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

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



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**

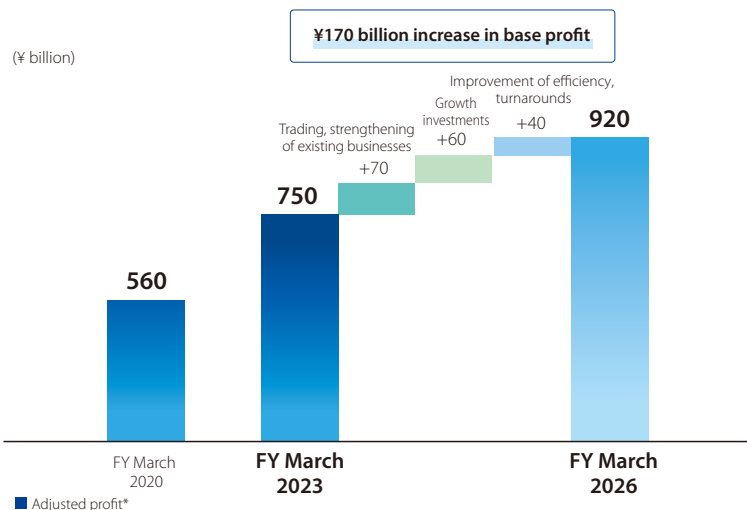
Shareholder returns as % of Core Operating Cash Flow

**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

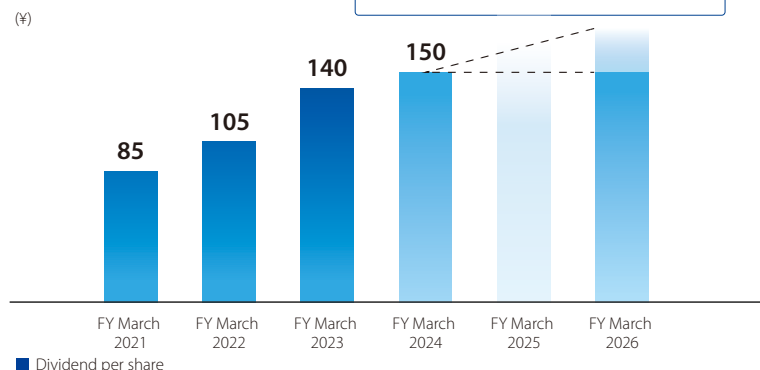
### Initiatives for Continuous Enhancement of Base Profit

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

### 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)

### Dividend per share



### Cash Flow Allocation

		(¥ billion)	
<b>Cash in</b>	Core Operating Cash Flow	2,750.0	
	Asset recycling	870.0	
<b>Cash out</b>	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

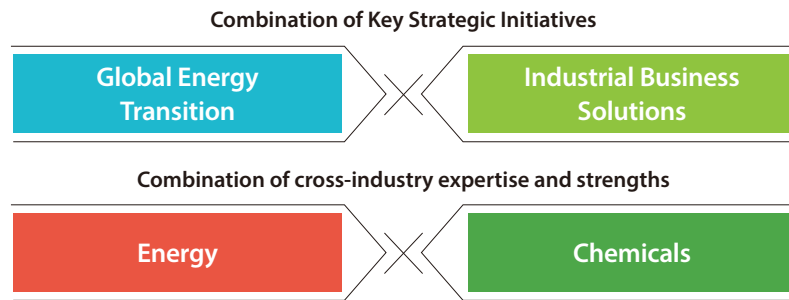
# Case Studies of Cross-industry Expertise and Strengths

## 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)



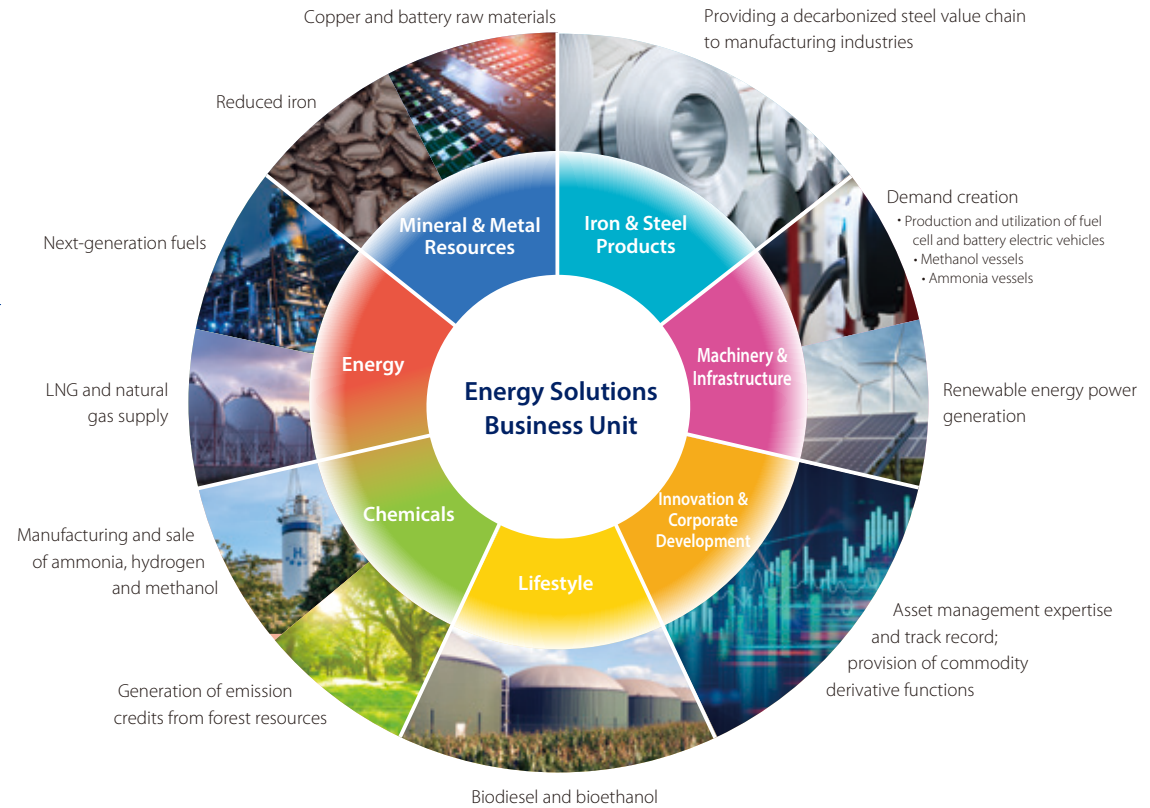
- Track record of participation in E&P and LNG projects
- Partners with whom we have developed relationships of trust through many years of project management
- Track record of stable energy supply to Japan and Asia

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.

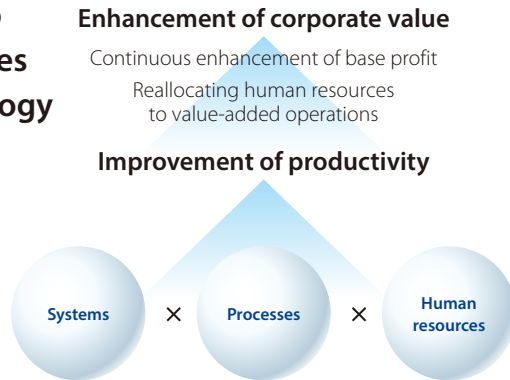


Medium-term Management Plan

# 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

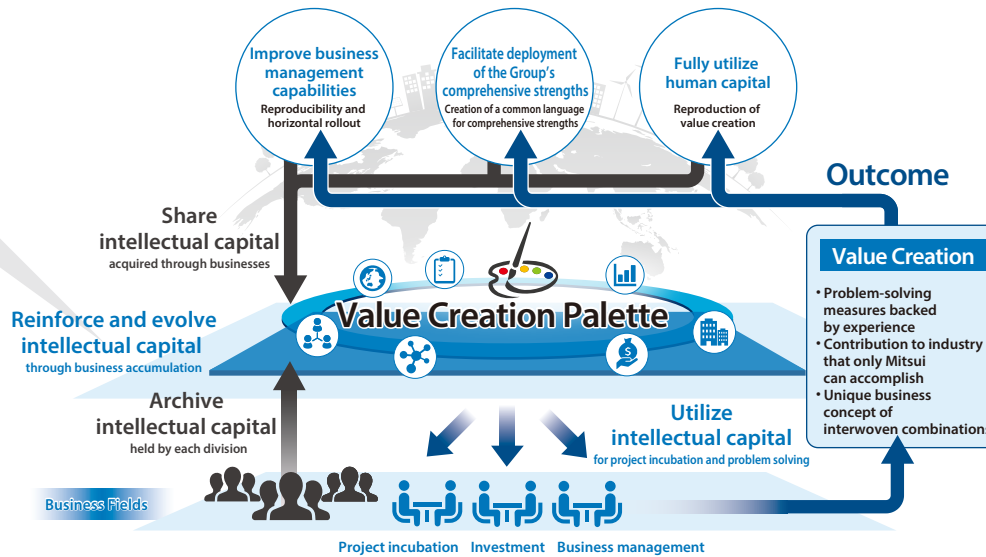
Given the expanding scale of total assets and ongoing human resources constraints, we need to further enhance productivity. We will promote initiatives to improve productivity and shift the focus of work to more creative, value-added operations.

## 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



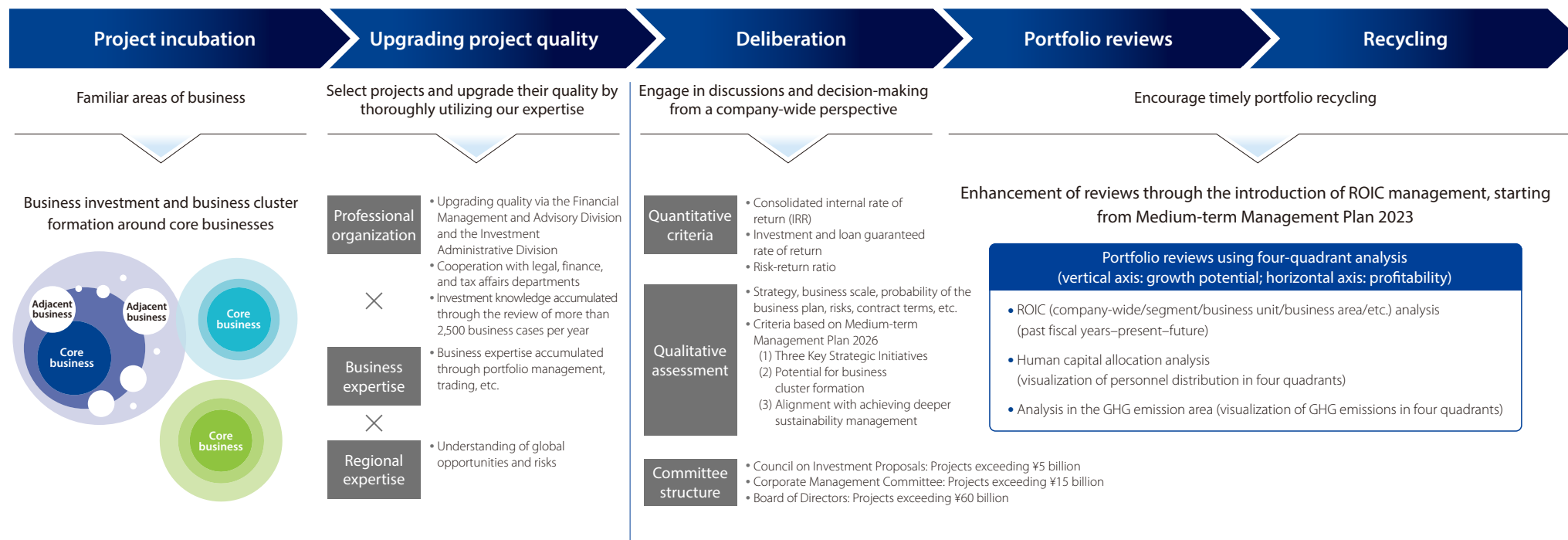
Promote value creation activities that utilize intellectual capital to reproducibly drive the "create, grow, extend" process

### Case Studies of Intellectual Capital Utilization

Demonstrating comprehensive strengths: CO <sub>2</sub> reduction initiative with Rio Tinto	
Overview	Signed a comprehensive memorandum with Rio Tinto for CO <sub>2</sub> 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.

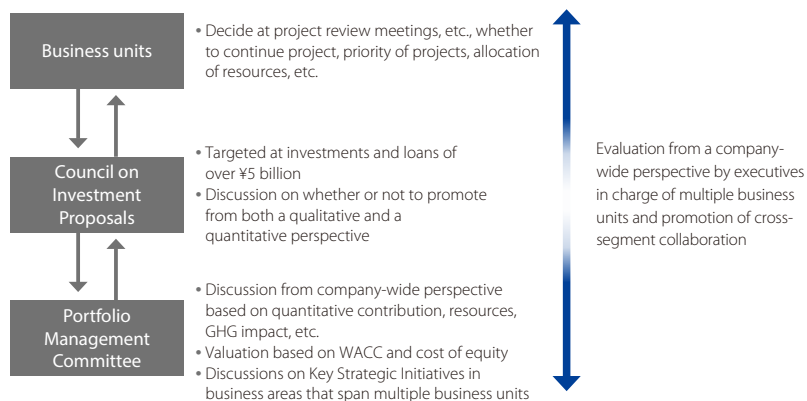
# Portfolio Management

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.

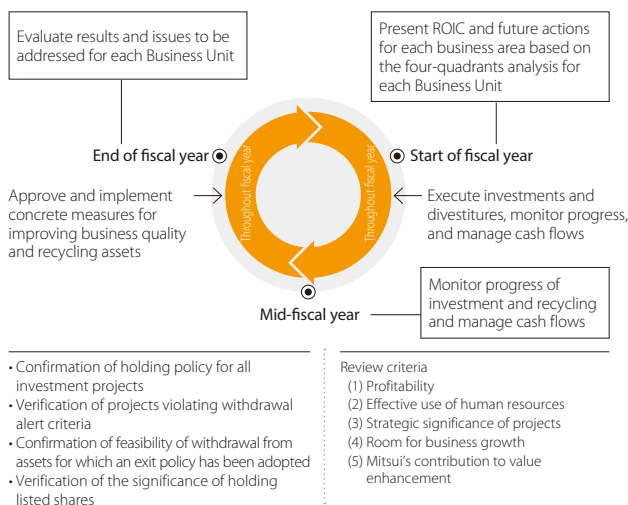


## Selection of Investment Projects

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 <sup>1</sup>	About 100	About 120	About 130
Number of listed stocks <sup>2</sup> held	130	117	105
Cash inflow from asset recycling (¥ billion)	143.0	257.0	392.0

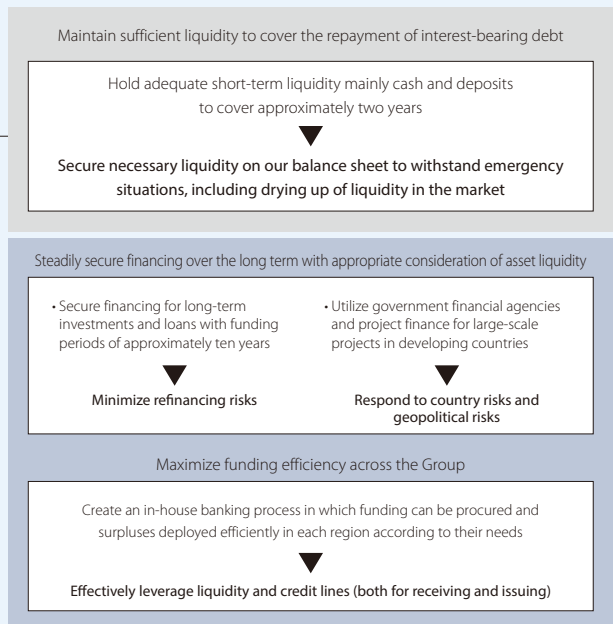
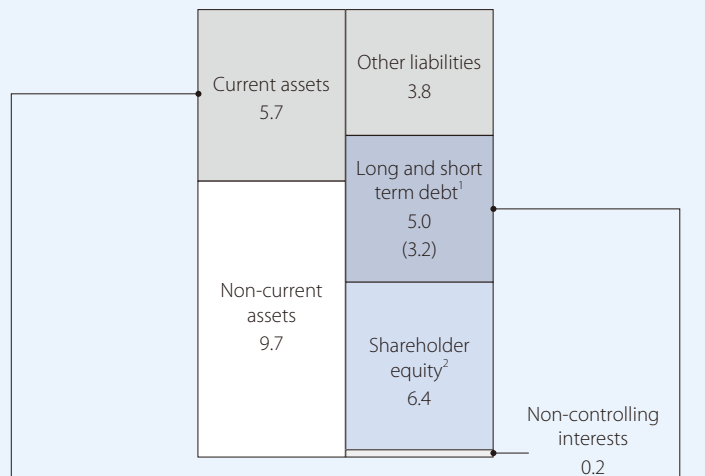
1. Including partial sale of shares, etc.  
2. Investment stocks held for purposes other than pure investment

# 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)

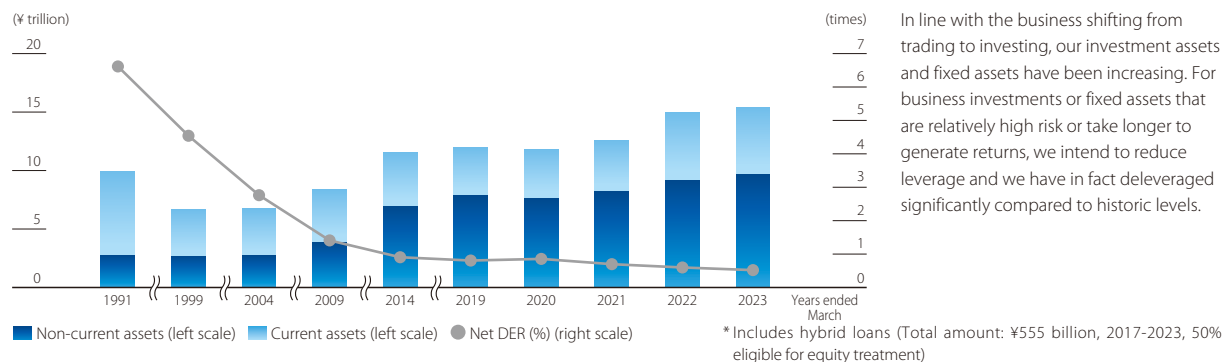


1. Figures in parentheses are net interest-bearing debt  
 2. In this report, shareholder equity refers to total equity attributable to owners of the parent

## Financial Strategy Focus Indicators

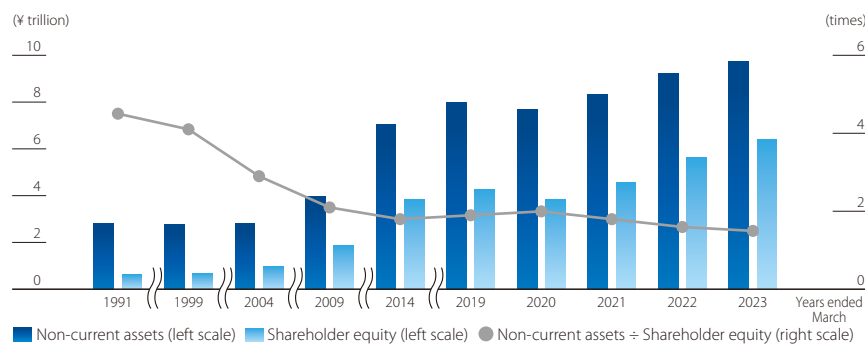
Mitsui allocates capital based on its cash flow allocation framework. The purpose of this framework is to drive the implementation of our growth strategy while maintaining and strengthening our financial foundation through the balanced allocation of cash, provided by operating cash flow and asset recycling 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\*



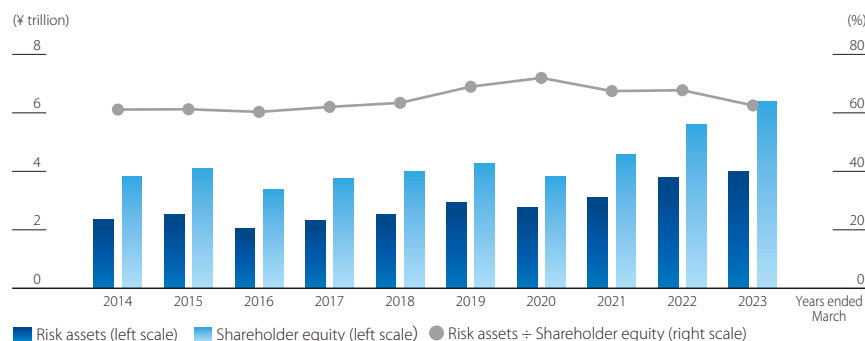
In line with the business shifting from trading to investing, our investment assets and fixed assets have been increasing. For business investments or fixed assets that are relatively high risk or take longer to generate returns, we intend to reduce leverage and we have in fact deleveraged significantly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

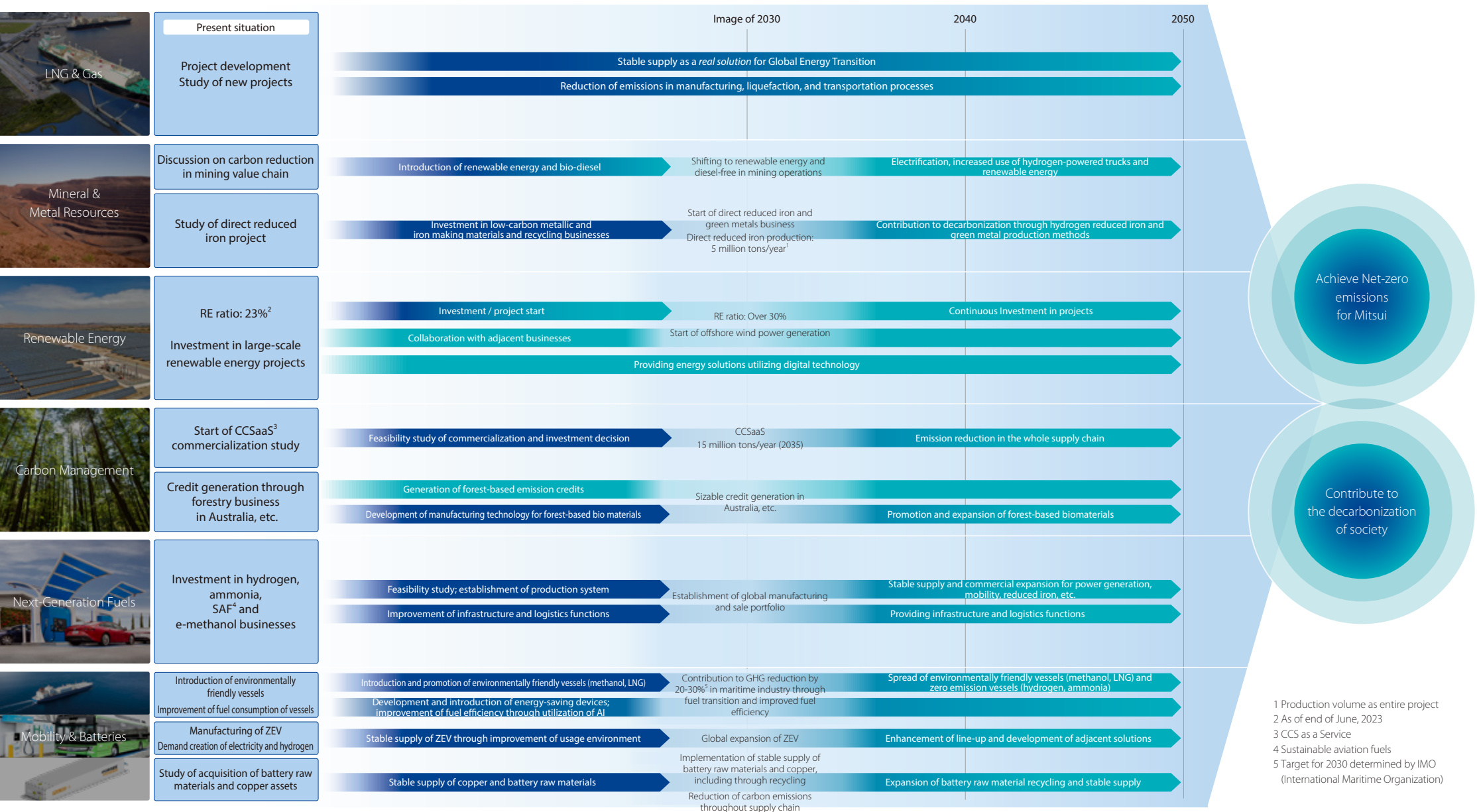


Sustainability Management

# 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 CO<sub>2</sub> 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 operation<sup>1</sup> 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](https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html)



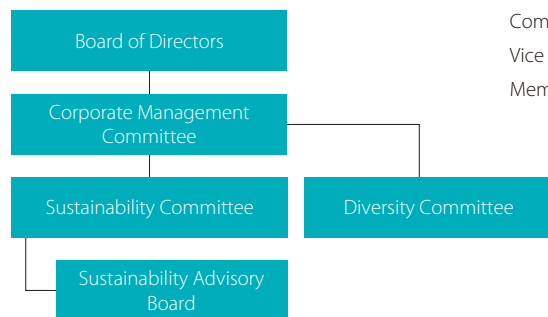
## Sustainability Management Advancing Sustainability Management

### 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
 <b>Governance</b>	<ul style="list-style-type: none"> <li>• Deliberation by the Sustainability Committee, an organization under the Corporate Management Committee, followed by resolution/reporting to the Corporate Management Committee / Board of Directors</li> <li>• Establishment of the Sustainability Advisory Board, a group comprising external experts</li> </ul>
 <b>Strategy</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Analysis of physical risk based on past occurrences of natural disasters</li> </ul>
 <b>Risk Management</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul> <p>▶ Page 70 Risk Management</p>
 <b>Metrics and Targets</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Ratio of renewable energy in our power generation portfolio: Raising the ratio of renewable energy to over 30% by 2030</li> </ul>

 Disclosure Based on TCFD Recommendations (Sustainability website)  
[https://www.mitsui.com/jp/en/sustainability/environment/climate\\_change/pdf/en\\_202212tcfd.pdf](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](https://www.mitsui.com/jp/en/sustainability/environment/climate_change/index.html#strategy)

## 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

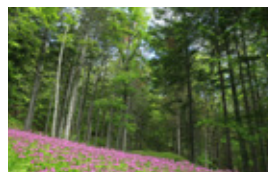
For natural rubber, palm oil, lumber, and paper products, which can have high environmental impacts such as deforestation as well as human rights risks, we have formulated individual procurement policies, made them known to our business partners, and announced our targets and the results of our efforts. 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 m<sup>3</sup> 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 CO<sub>2</sub> 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 CO<sub>2</sub>. 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.



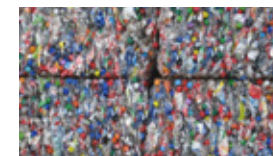
Mitsui's Forests

### 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%<sup>1</sup>, and there was a 27%<sup>2</sup> 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 level<sup>3</sup>. 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 Staff<sup>1</sup> 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

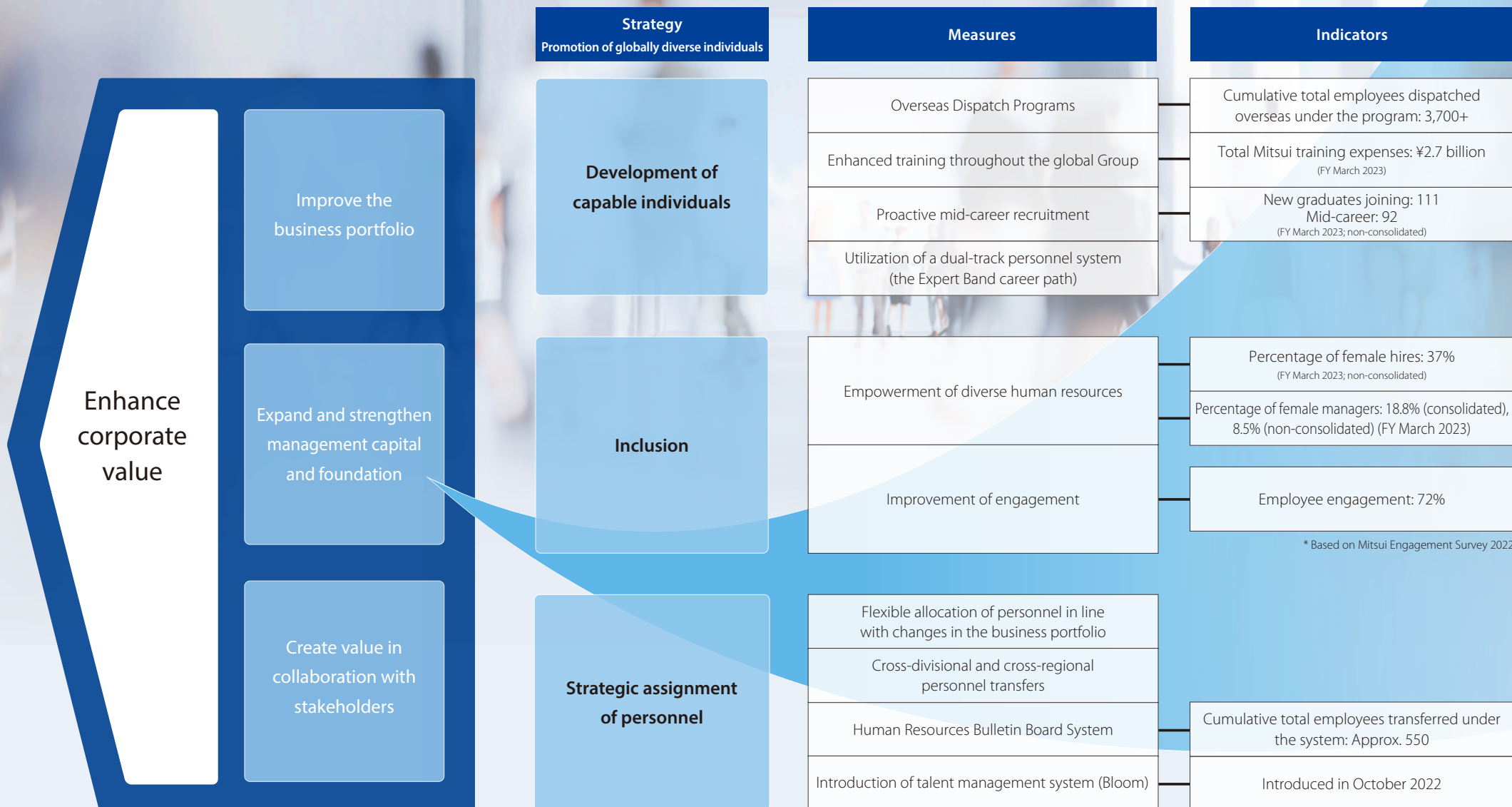
4. We are considering the removal of the distinction between Business Staff, whose location of employment is not limited to a certain region, and Administrative Staff, whose location of employment is basically limited to a certain region in Japan.

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.

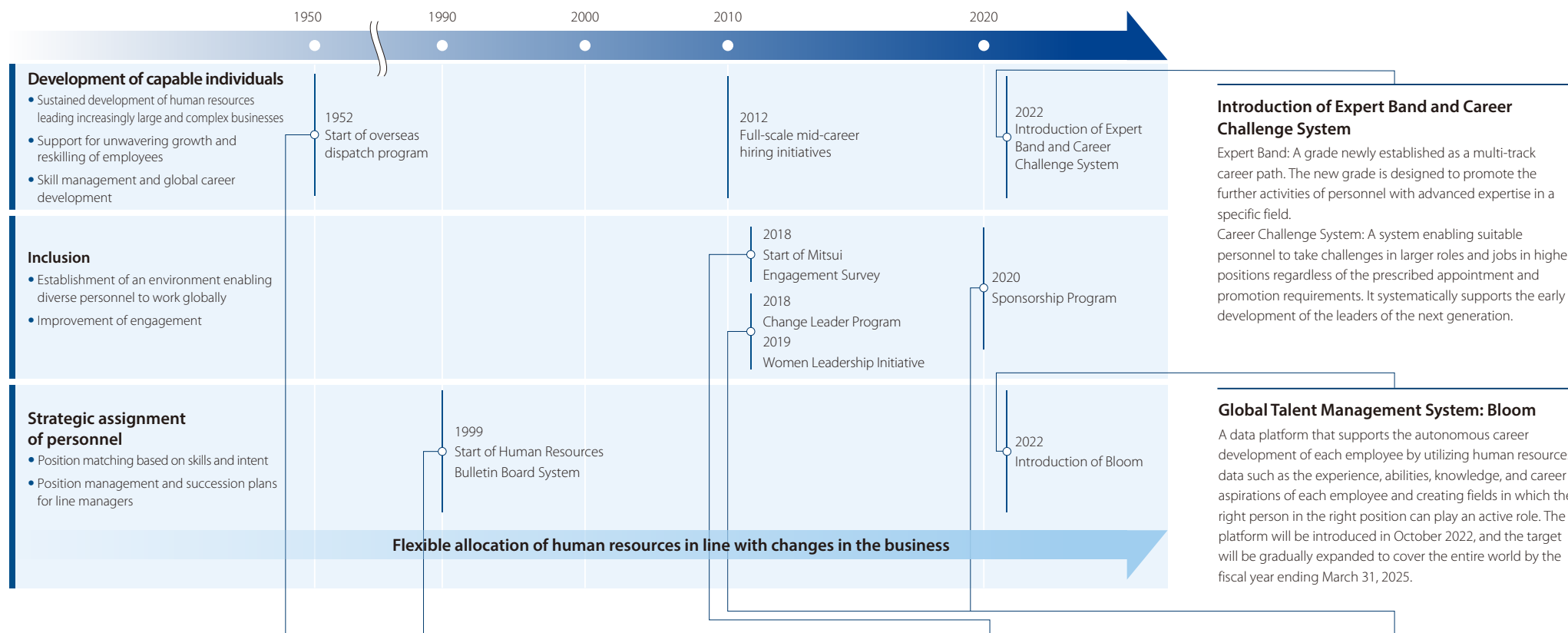
The promotion of human resources strategy based on "Development of capable individuals," "Inclusion" and "Strategic assignment of personnel" has empowered the global activities of diverse individuals, which, combined with our corporate culture of open-mindedness, has strengthened and grown our management 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 &amp; 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](#)).

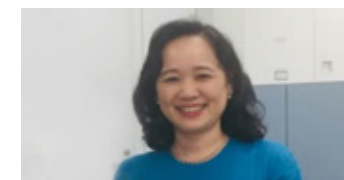
Our world has entered a phase of accelerated shifts caused by the unprecedented convergence of industrial, energy and digital domains. At the core of Mitsui's approach in this new operating environment will be our management of talent, which will continue to create a global pool of diverse talent well 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 CO<sub>2</sub> absorption of Company-owned forests. In the past, only physical measurements of CO<sub>2</sub> 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

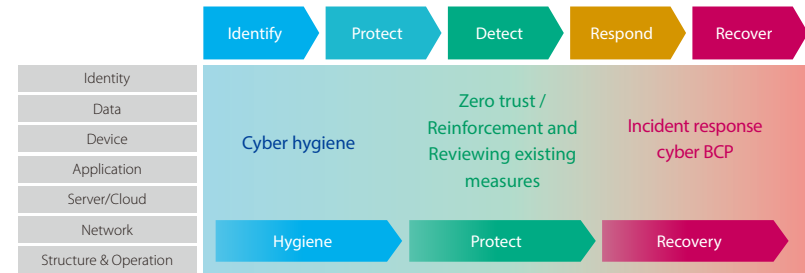
In this groupwork-based program, Mitsui employees and employees from Preferred Networks hold discussions and competitions to develop new DX-related businesses, under the theme "Digital x Business Development."



Please refer to our website for more information on Mitsui's DX.  
[https://www.mitsui.com/jp/en/company/outline/dx\\_comprehensive/index.html](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](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.

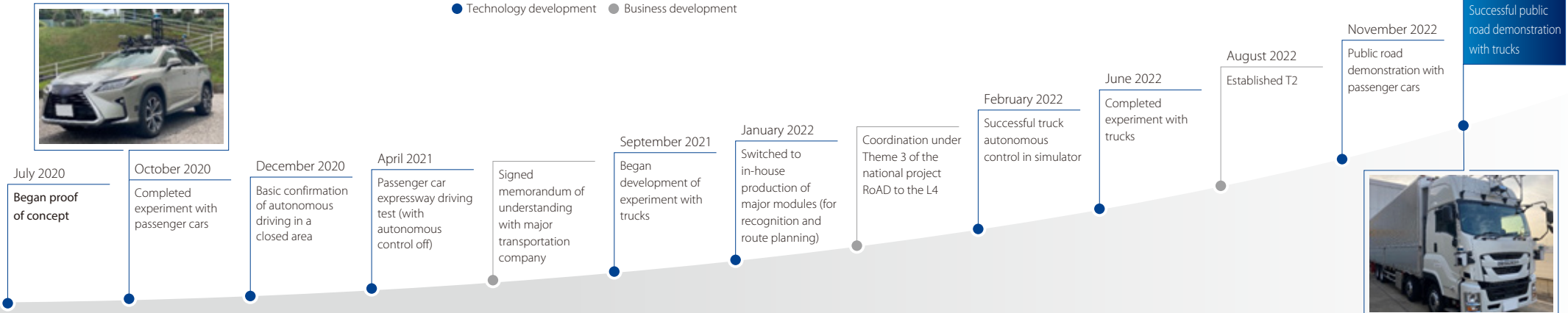
## 2. Providing Core Technologies for Level 4 Autonomous Truck Services through T2

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 <sub>2</sub> 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)



# Gate 3 Management Foundation

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## Roundtable Discussion: Creating Value at Mitsui – A Roadmap for Creating Sustainable Futures



**Chisato Onda** (Facilitator)  
Managing Officer,  
General Manager of the Corporate  
Sustainability Division

**Takeshi Uchiyamada**  
External Director,  
Chair of the Nomination Committee

**Masako Egawa**  
External Director,  
Member of the Governance Committee,  
Member of the Remuneration Committee

**Samuel Walsh**  
External Director,  
Member of the Governance Committee

**Kenichi Hori**  
Representative Director, President and  
Chief Executive Officer,  
Member of the Governance Committee,  
Member of the Nomination Committee

**“Creating Sustainable Futures” is the theme of Medium-term Management Plan 2026, which forms the core of Mitsui’s growth strategy. In this session, Mitsui’s President and CEO, Kenichi Hori, and three external directors discussed the strategies and initiatives behind it.**

### Achieving our Medium-term Management Plan 2026 Targets: Initiatives and Expectations

#### Business portfolio optimization and enhancement of base profit

**Onda:** Under Medium-term Management Plan 2023 (MTMP2023) which covered the three years ended March 2023, Mitsui achieved significant growth both in profit and Core Operating Cash Flow. What are your thoughts about our future business portfolio strategies and the sustained enhancement of base profit toward the realization of Medium-term Management Plan 2026 (MTMP2026)?

**Hori:** We need to launch new businesses in the areas of the three Key Strategic Initiatives, areas that we have knowledge in and are familiar with, and have these businesses contribute to earnings. We will also seek to flexibly capture any upside brought about by changes in the operating environment, and will enhance our functions and reinforce our downside resilience in order to secure competitiveness. Through these approaches, we will realize added value unique to Mitsui and further enhance our base profit.

## Roundtable Discussion

**Onda:** As external directors responsible for overseeing management, how would you assess the progress of portfolio reconfiguration and the enhancement of base profit? What are your expectations for MTMP2026?

**Egawa:** Mitsui has traditionally been seen as a strong player in the resources and energy sectors, but recently it has accelerated the diversification of its portfolio, as evidenced by major investments in areas such as food services and functional materials.

Under MTMP2023, Mitsui actively reconfigured its portfolio through an extensive review process based on ROIC and strengthened its downside resilience through cost reductions and other measures. The company has also fully tapped into its trading function to ensure stable supply. We can see that these and other strategies have



effectively raised the level of its profitability, which is very reassuring.

Under MTMP2026, I hope that Mitsui will prioritize businesses along with the three Key Strategic Initiatives where the company is competitive and can expect growth. I also expect progress in the human resources strategy.

**Uchiyamada:** Continual review of the portfolio is vital for keeping the businesses sustainable. Mitsui's Portfolio Management Committee deliberates extensively on portfolio strategies and their future, while also involving the business frontlines. These discussions lead to the decisions on portfolio reconfiguration, the strengthening of existing businesses, as well as other measures. First of all, base profit forms the foundation for these initiatives, and it is precisely because of Mitsui's ability to generate strong base profit that it can respond quickly to

changes in the social environment and decisively reconfigure its portfolio, based on exhaustive internal discussions and measurement of the risk it can take.

Under MTMP2026, I expect to see continual reconfiguration of its business portfolio and further strengthening of its base profit to support this process. On the other hand, I encourage management to periodically review the key indicators used to reconfigure the business portfolio, in response to environmental changes.

### Promotion of globally diverse individuals

**Onda:** One of the Corporate Strategies under MTMP2026 is the promotion of globally diverse individuals. What are your

expectations in terms of recruitment, development, and enhancement of human resources, and what issues do you see?

**Walsh:** Mitsui's people are our greatest asset and greatest strength. I am confident that Mitsui will be able to further reinforce its strength by drawing on diversity.

From a diversity perspective, I believe that the company needs to focus more on global recruitment. I was very pleased when two new non-Japanese members were appointed to the Board in June 2023. That will bring a global and international focus to our Board and how the company operates. We also needed to increase the number of women on the Board. We now have four female Non-Executive Directors of the Board. Clearly, there are a lot of very capable women within the company, and we have to develop them more actively and provide opportunities for their advancement to more senior roles within the company.

Diversity brings different views. It provides new ways of thinking and new business opportunities. As we work to cope with the issues of the 21st century, it is vital to secure the diversity of organizations.

**Egawa:** Being true to the "Mitsui is people" ethos, Mitsui has actively been working on recruiting, developing, and enhancing its human resources. My impression is that each of Mitsui's employees is unique, and they are all very motivated. However, I agree with Mr. Walsh in that there still is room for improvement in terms of diversity. It should be noted that Mitsui stepped up its mid-career hiring levels in 2012, relatively early in comparison with other major Japanese companies. I hope that the company will continue this approach.

I also hope that Mitsui will provide more opportunities for the employees hired overseas to thrive professionally, including promotion to executive positions. The Bloom [▶ Page 47](#) global human resources data platform was put into operation in 2022, and I believe this is an



## Roundtable Discussion

important step toward integrated human resources data management.

On the subject of career advancement for women, I was truly pleased to hear of your promotion, Ms. Onda, to the position of Managing Officer. I strongly expect that Mitsui will achieve its target of women making up 10% of managers in the Head Office by 2025. I have been closely following the female manager development program

"Women Leadership Initiative" [▶ Page 47](#) , in which external directors including myself also participate. I have been extremely impressed by the ability and motivation of Mitsui's female employees and reaffirmed the strong commitment of the management team to career advancement for women.

## Creating Sustainable Futures

### Providing *real solutions* to Social Issues through Business

**Onda:** The theme for MTMP2026 is "Creating Sustainable Futures". What are Mitsui's goals in relation to this concept?



**Hori:** We are determined to pursue both profitability and contribution to the creation of a sustainable society through the functions we provide and our role in society. In our efforts toward the realization of a decarbonized society for example, we are introducing new technologies and providing cross-industry *real solutions* playing a vital role in the global energy transition. In the wellness sector, we are leveraging the power of big data and creating services based on scientific evidence, providing added value in the preventive medicine and nutrition domains. In developing our business, we will take a holistic view of the entire value chain that includes the food and agriculture sectors, with a particular focus on harmonization with the Earth's finite natural capital. Further, drawing on our global and cross-industry networks, we work to create businesses with a meaningful role across supply chains and industries. We also want to contribute to the stable supply of scarce materials, which is a pressing issue for our planet. These are all sizeable issues for our society, but I am confident that Mitsui is committed to finding resolutions to these issues.



**Onda:** How do you view Mitsui's current role in "Creating Sustainable Futures", and what are your expectations toward its future role?

**Uchiyamada:** There are some social issues that are extremely difficult to solve and will require quite some time. There are also issues that have solutions to them, but those solutions aren't profitable in the near term. However, Mitsui has undertaken many projects that have led to the easing or solving of such social issues, and it has developed and transformed them into actual business models. I believe that, with these capabilities to make proposals and problem-solving expertise, Mitsui can continuously make a contribution to the solution for a variety of social issues through business.



## Roundtable Discussion

**Egawa:** In the past three years since I joined the board, the company's sustainability initiatives have accelerated. I really felt the strong commitment to solving social issues since "Creating Sustainable Futures" was chosen as the theme for MTMP2026. During my visit to a company-owned forest in Hokkaido, I was impressed by Mitsui's efforts to promote business initiatives to utilize forest resources while conserving the natural environment through biodiversity protection activities and preserving the traditional culture. I have been very encouraged to see that Mitsui does not simply own forests for their environmental value but is also working to link them to the development of actual businesses. Examples include the generation of J-Credits with

its company-owned forests, and the establishment of a forest carbon credit fund business through the Australian company New Forests. I hope that Mitsui will help to raise the level of sustainability activities in Japan by further advancing our unique approach of providing *real solutions* to various social issues through our business.

### Pursuing both Sustainability and Profitability

**Onda:** One of the goals for MTMP2026 is the "fusion of business and sustainability". What issues do you see, and what are your expectations in relation to this goal. Specifically, how do you think Mitsui can pursue both sustainability and profitability at the same time?

**Walsh:** While sustainability poses major challenges, they are also opportunities for Mitsui to contribute to the world through our business. For example, the company will contribute to the world's decarbonization by investing in hydrogen, ammonia, and rare minerals, and by engaging in business that contributes to reducing greenhouse gas emissions.

As a director, I am very encouraged by the progress that Mitsui is making with its sustainability initiatives. I believe that by working earnestly toward the achievement of its sustainability goals, we will deliver added value to our shareholders and communities, and Mitsui will naturally be able to attract talented people as well as investors.

**Uchiyamada:** I think that the achievement of both sustainability and profitability requires a three-way approach that also encompasses business portfolio. That's because the best way to combine business with sustainability is through the pursuit of balance, in which business itself, sustainability, and the portfolio, affect one another in a positive cycle. At Mitsui, solving social issues lies at the heart of its values, which has naturally led to achieving both sustainability and profitability in the past. I hope that Mitsui will continue to promote business guided by these values and reinforce the sustainability of its existence as a company that contributes to people and society over the long term.

**Hori:** With the support of our external directors, our company will pursue both sustainability initiatives and profitability. To that end, I believe it is important to focus on our existing businesses, but at the same time for us to work on developing and adding new functions for us to offer. While providing value through the configuration of our business portfolio, if we identify certain functions we are lacking, we will act swiftly to secure them. Through these approaches, the whole Mitsui is determined to work as one toward realizing its "Creating Sustainable Futures" theme.

### Further Enhancing Corporate Value

**Onda:** What are your expectations toward further enhancement of Mitsui's corporate value?

**Walsh:** Innovation is vital, both for capturing growth opportunities and also for continually improving our business. It is difficult to predict what the business landscape is going to look like in the future, but we will need to be agile and flexible in adapting to operating environment



## Roundtable Discussion

changes and turning them into opportunities. Advanced technology will help us in various ways, such as the reduction of greenhouse gas emissions, while digital transformation and artificial intelligence will transform our conventional ways of managing business. In the healthcare field, for example, I anticipate major changes and advancement in treatment and preventive medicine, while in agriculture there's potential for dramatic improvements in output and quality.

I expect Mitsui to reinvent its business through the use of advanced technology, and through innovation and research. I don't know what the business environment will be like in 10 years' time, but I'm confident that Mitsui will be using innovation to play a pivotal role in finding solutions to social issues and adding business value.



**Egawa:** Mitsui's competitiveness is built on the network, trust, brand, and human resources it has accumulated through its diverse business activities, and on its flexibility in reconfiguring its portfolio in response to changes in the business environment. Another advantage for Mitsui in the increasingly fierce competition across industry barriers is its ability to gather information from wide-ranging sources in various industries on a global basis. I hope that it will leverage these advantages to drive its continuing evolution in response to changes in the environment.

In addition, Mitsui has been proactive in returning profits to shareholders while expanding cash flow and enhancing corporate value. I hope that we will continue to focus on both corporate value enhancement and shareholder returns.

**Uchiyama:** To achieve further enhancement of its corporate value, Mitsui needs to become a company that is essential to society. Mitsui is engaged in a wide variety of activities that are directly linked to society, including energy, resources, food, healthcare, and forestry. I believe that it can further enhance its corporate value by continuing to work toward the solution of social issues through these business activities. In doing so, the company will need to accelerate its various initiatives, invest in the technological innovations required to achieve that, and also invest in human resources to support those endeavors.

**Hori:** Thank you very much for your time today. I am grateful for all your valuable inputs and encouraging comments. I sincerely believe the foundation for securing Mitsui's long-term sustainability and for becoming a company that is valued by society is our people. If each employee feeds off one another's ability to be independent thinkers with high aspirations, and teams can be formed that can step beyond their own division's area of responsibility and operate across industries, I believe Mitsui will be able to accomplish something big and make a real difference in the world. The "diversity" generated from people with different areas of expertise and a variety of backgrounds, and "inclusion" that can facilitate such diverse individuals to come together as a united team, are going to be very important.

The biggest role as CEO, I believe, is to fully make use of the management resources, take on social issues head-on, and make sure that we continue to have teams in place that are capable of achieving both sustainability and profitability at a high level. That is how we provide solutions to social issues and value to society. Through this, we will be able to work on even more significant projects with our partners, continue to provide return on capital to our shareholders, which will lead to stakeholders highly valuing Mitsui as a company. I believe this will lead to our long-term value creation.

## Directors / Audit & Supervisory Board Members (As of June 21, 2023)

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



**Tatsuo Yasunaga** | 8 years / 322,561 shares  
Representative Director,  
Chair of the Board of  
Directors

1983 Joined Mitsui & Co., Ltd.

2021 Representative Director,  
Chair of the Board of Directors (current position)



**Kenichi Hori** | 5 years / 117,325 shares  
Representative Director,  
President and Chief  
Executive Officer

1984 Joined Mitsui & Co., Ltd.

2021 Representative Director,  
President and Chief Executive Officer (current position)



**Motoaki Uno** | 2 years / 66,650 shares<sup>1</sup>  
Representative Director,  
Executive Vice President

1984 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Executive Vice President (current position)



**Yoshiaki Takemasu** | 2 years / 39,747 shares  
Representative Director,  
Executive Vice President  
Chief Human Resources Officer,  
Chief Compliance Officer

1985 Joined Mitsui & Co., Ltd.

2023 Representative Director, Executive Vice President,  
Chief Human Resources Officer,  
Chief Compliance Officer (current position)



**Kazumasa Nakai** | 1 year / 40,504 shares  
Representative Director,  
Senior Executive  
Managing Officer

1987 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Senior Executive Managing Officer (current position)



**Tetsuya Shigeta** | 1 year / 45,013 shares  
Representative Director,  
Senior Executive  
Managing Officer  
Chief Financial Officer

1987 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Senior Executive Managing Officer,  
Chief Financial Officer (current position)



**Makoto Sato** | 1 year / 34,216 shares  
Representative Director,  
Senior Executive  
Managing Officer  
Chief Strategy Officer

1990 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Senior Executive Managing Officer,  
Chief Strategy Officer (current position)



**Toru Matsui** | 1 year / 35,070 shares  
Representative Director,  
Senior Executive  
Managing Officer  
Chief Digital Information Officer

1990 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Senior Executive Managing Officer,  
Chief Digital Information Officer (current position)



**Tetsuya Daikoku** | New / 36,470 shares<sup>2</sup>  
Representative Director,  
Senior Executive  
Managing Officer

1986 Joined Mitsui & Co., Ltd.

2023 Representative Director,  
Senior Executive Managing Officer (current position)

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



**Samuel Walsh** | 6 years / 12,400 shares  
External Director

1972 Joined General Motors-Holden's Limited

1987 Joined Nissan Motor Australia

1991 Joined Rio Tinto Limited

2008 Non-Executive Director, Seven West Media Limited

2013 Chief Executive Officer, Rio Tinto Limited

2017 External Director, Mitsui & Co., Ltd. (current position)

1. In addition, 15,665 shares were delivered on April 28, 2023 based on the tenure-linked restricted stock units. 2. In addition, 15,200 shares were delivered on April 28, 2023 based on the tenure-linked restricted stock units.

3. Number of shares held by Directors / Audit & Supervisory Board Members are as of March 31, 2023



Directors / Audit & Supervisory Board Members (As of June 21, 2023)



**Takeshi Uchiyamada**

4 years / 15,685 shares  
External Director

1969 Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)  
1998 Member of the Board of Directors, Toyota Motor Corporation  
2001 Managing Director, Toyota Motor Corporation  
2003 Senior Managing Director, Toyota Motor Corporation  
2005 Executive Vice President, Toyota Motor Corporation  
2012 Vice Chairman of the Board of Directors, Toyota Motor Corporation  
2013 Chairman of the Board of Directors, Toyota Motor Corporation  
2019 External Director, Mitsui & Co., Ltd. (current position)  
2023 Executive Fellow, Toyota Motor Corporation (current position)



**Masako Egawa**

3 years / 5,271 shares  
External Director

1980 Joined Tokyo Branch, Citibank, N.A.  
1986 Joined New York Headquarters, Salomon Brothers Inc.  
1993 Joined Tokyo Branch, S.G. Warburg (currently UBS Securities Japan Co., Ltd.)  
2001 Executive Director, Japan Research Center, Harvard Business School  
2009 Executive Vice President, The University of Tokyo  
2015 External Director, Tokio Marine Holdings, Inc.  
2019 Vice-Chairman, Chair of Self-regulation Board, The Japan Securities Dealers Association (current position)  
2020 Specially Appointed Professor, Graduate School of Business Administration, Hitotsubashi University  
2020 External Director, Mitsui & Co., Ltd. (current position)  
2022 Chancellor, School Juridical Person Seikei Gakuen (current position)



**Fujiyo Ishiguro**

New / 0 shares  
External Director

1981 Joined BROTHER INDUSTRIES, LTD.  
1988 Joined Swarovski Japan Ltd.  
1994 President of Alphametrics, Inc.  
1999 Director of Netyear Group, Inc.  
1999 Director of Netyear Group Corporation  
2000 President & CEO of Netyear Group Corporation  
2014 External Director of Monex Group, Inc. (current position)  
2021 External Director of WingArc1st Inc.  
2021 Director, Chief Evangelist of Netyear Group Corporation (current position)  
2021 Director of the Board (External) of SEGA SAMMY HOLDINGS INC. (current position)  
2023 External Director, Mitsui & Co., Ltd. (current position)



**Sarah L. Casanova**

New / 0 shares  
External Director

1991 Joined McDonald's Canada  
1997 Senior Director, Marketing of McDonald's Russia/Ukraine  
2012 Managing Director of McDonald's Malaysia and Regional Manager of McDonald's Singapore and Malaysia  
2013 Representative Director, President and CEO of McDonald's Company (Japan), Ltd.  
2014 Representative Director, President and CEO of McDonald's Holdings Company (Japan), Ltd.  
2019 Representative Director, Chairperson of McDonald's Company (Japan), Ltd. (current position)  
2021 Representative Director, Chairperson of McDonald's Holdings Company (Japan), Ltd. (current position)  
2023 External Director, Mitsui & Co., Ltd. (current position)



**Jessica Tan Soon Neo**

New / 0 shares  
External Director

1989 Joined IBM Singapore  
2002 Director, Networking Services Asia Pacific, IBM Global Services  
2003 General Manager, Enterprise and Partner Group, Microsoft Operations Asia Pacific and Greater China Regions  
2006 Member of Parliament in Singapore for the East Coast Group Representation Constituency (current position)  
2011 General Manager, Enterprise & Partner Group, Microsoft Asia Pacific  
2013 Managing Director, Microsoft Singapore  
2017 Non-Executive Independent Board Director, SATS Ltd. (current position)  
2017 Non-Executive Independent Board Director, Capital and Commercial Trust Management Limited  
2017 Director, Group Commercial, Raffles Medical Group  
2020 Deputy Speaker of the Parliament of Singapore (current position)  
2020 Non-Executive Independent Board Director, CapitaLand India Trust Management Pte. Ltd. (current position)  
2023 External Director, Mitsui & Co., Ltd. (current position)

**Full-time Audit & Supervisory Board Members** Years as an Audit & Supervisory Board Member / Number of Company Shares Held



**Kimiro Shiotani**

4 years / 31,718 shares  
Full-time Audit & Supervisory Board Member

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



**Hirotsu Fujiwara**

New / 77,887 shares  
Full-time Audit & Supervisory Board Member

1984 Joined Mitsui & Co., Ltd.  
2023 Full-time Audit & Supervisory Board Member (current position)

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



**Kimitaka Mori**

6 years / 7,492 shares  
External Audit & Supervisory Board Members

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



**Yuko Tamai**

1 year / 0 shares  
External Audit & Supervisory Board Members

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



**Makoto Hayashi**

1 year / 0 shares  
External Audit & Supervisory Board Members

1983 Appointed to Public Prosecutor  
1991 First Secretary to Japanese Embassy in France  
2012 Director of General Affairs Division, Supreme Public Prosecutors Office  
2013 Chief Prosecutor, Sendai District Public Prosecutors Office  
2014 Director-General of Criminal Affairs Bureau, Ministry of Justice  
2018 Prosecutor-General, the Nagoya High Public Prosecutors Office  
2020 Prosecutor-General, the Tokyo High Public Prosecutors Office  
2020 Attorney General  
2022 Registered as Attorney at Law. Joined Mori Hamada & Matsumoto (current position)  
2023 External Audit & Supervisory Board Member, Mitsui & Co., Ltd. (current position)



Please refer to pages 117-123 "List of Directors and Audit & Supervisory Board Members" of the Annual Securities Report for the fiscal year ended March 2023 for detailed information regarding the career of Directors and Audit & Supervisory Board Members.

[https://www.mitsui.com/jp/en/ir/library/securities/\\_icsFiles/afidfile/2023/06/21/en\\_104yuh0.pdf](https://www.mitsui.com/jp/en/ir/library/securities/_icsFiles/afidfile/2023/06/21/en_104yuh0.pdf)



Please refer to our Corporate Governance Report for the reasons of appointment of External Directors and External Audit & Supervisory Board Members.

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



# Mitsui's Corporate Governance

## Corporate Governance Framework

### Improving Transparency and Accountability

The Company ensures sound supervision and monitoring of management by taking into account the viewpoints of External Directors and External Audit & Supervisory Board Members. The Company has also established an internal control system for disclosure to ensure that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure.

### Clarifying the Separation of Management Oversight and Execution Roles

The Company substantially delegates execution of business to Managing Officers while the Board of Directors retains a supervisory role over Managing Officers' business activities. The Chief Operating Officers of our 16 Headquarter Business Units, which carry out global business activities for each of our businesses, and our two Overseas Regional Business Units, which are the backbone of our regional strategies, serve concurrently as Managing Officers and engage in business operations for the consolidated group in a responsive and flexible manner.

The Company works to enhance the effectiveness of the audit function of Audit & Supervisory Board Members. Furthermore, it has determined that management aligned with actual conditions, centering on Internal Directors who are deeply familiar with Company operations, is essential given its business model as a general trading company. In addition to implementing appropriate corporate governance as a company with an audit and supervisory board, the Company has established various advisory committees, in which the majority of members are External Directors and External Audit & Supervisory Board Members. This structure improves transparency and accountability, and clarifies separation between management oversight and execution roles, thereby achieving highly effective corporate governance.

### History of the Corporate Governance System

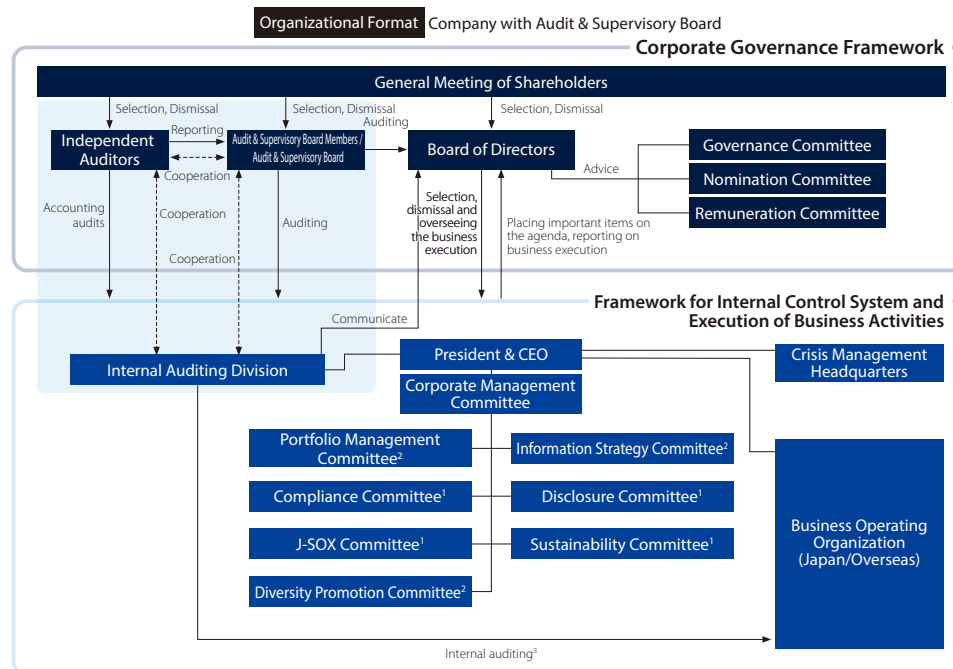
	Major Events	Number of Directors*	Number of Audit & Supervisory Board Members*
2002	Introduced the Managing Officer System to separate management and execution, and reduced Directors to a number that facilitates discussion	11 (0)	4 (2)
2003	Appointed the Company's first External Director	11 (1)	5 (3)
2004	Established the Governance Committee, Nomination Committee and Remuneration Committee as advisory committees to the Board of Directors	11 (2)	5 (3)
2006	<ul style="list-style-type: none"> <li>Established Corporate Governance and Internal Control Principles</li> <li>Appointed the Company's first female External Director</li> </ul>	11 (3)	6 (4)
2015	<ul style="list-style-type: none"> <li>Started External Members Meetings</li> <li>Started evaluation of the effectiveness of the Board of Directors</li> <li>Ratio of External Directors exceeded 1/3</li> <li>Appointment of the Company's first non-Japanese External Director</li> </ul>	14 (5)	5 (3)
2018	Started free discussion by all Directors and Audit & Supervisory Board Members	↓	↓
2019	Started evaluation of the effectiveness of the Audit & Supervisory Board	↓	↓
2023	Present	15 (6)	5 (3)

\* The number of External Members is shown in parentheses.

## Framework for Internal Controls and Execution of Business Activities

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

Based on the basic design of internal controls provided by the Board of Directors, management assumes the role and responsibility of maintaining, operating, and assessing internal controls at Mitsui and its affiliated companies. The Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, assumes the role and responsibility of independently verifying the conformance of the design and the implementation of the internal control, based on the plan approved by the management. Internal audit activities are directly communicated on a regular basis to the Board of Directors and to the Audit & Supervisory Board Members.



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

## Mitsui's Corporate Governance

## Skill Matrix for Board Members (Directors and Audit &amp; Supervisory Board Members)

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

Name	Position, etc.	Experience in the Company	Committee Member	Corporate Management	Innovation & DX	Finance and accounting Internal Control	Legal/Risk Management
Tatsuo Yasunaga	Representative Director, Chair of the Board of Directors	Machinery & Infrastructure Corporate Staff	Governance Nomination	●		●	
Kenichi Hori	Representative Director, President and CEO	Chemicals Corporate Staff Innovation & Corporate Development	Governance Nomination	●	●	●	
Motoaki Uno	Representative Director, Executive Vice President	Mineral & Metal Resources Iron & Steel Products		●			
Yoshiaki Takemasu	Representative Director, Executive Vice President, CHRO, CCO	Chemicals Corporate Staff	Remuneration	●		●	●
Kazumasa Nakai	Representative Director, Senior Executive Managing Officer	Machinery & Infrastructure Lifestyle		●	●		
Tetsuya Shigeta	Representative Director, Senior Executive Managing Officer, CFO	Corporate Staff	Remuneration	●		●	●
Makoto Sato	Representative Director, Senior Executive Managing Officer, CSO	Mineral & Metal Resources Corporate Staff	Governance	●	●		
Toru Matsui	Representative Director, Senior Executive Managing Officer, CDIO	Energy Corporate Staff		●	●		
Tetsuya Daikoku	Representative Director, Senior Executive Managing Officer	Machinery & Infrastructure		●	●		
Samuel Walsh	Director	Independent External	Governance	●	●	●	
Takeshi Uchiyamada	Director	Independent External	Nomination	●	●	●	
Masako Egawa	Director	Independent External	Governance Remuneration	●		●	
Fujiyo Ishiguro	Director	Independent External	Nomination	●	●	●	
Sarah L. Casanova	Director	Independent External	Governance	●	●	●	
Jessica Tan Soon Neo	Director	Independent External	Remuneration	●	●	●	
Kimiro Shiotani	Full-time Audit & Supervisory Board Member	Corporate Staff		●		●	●
Hirotsu Fujiwara	Full-time Audit & Supervisory Board Member	Energy		●		●	●
Kimitaka Mori	Audit & Supervisory Board Member	Independent External	Remuneration			●	●
Yuko Tamai	Audit & Supervisory Board Member	Independent External	Governance			●	●
Makoto Hayashi	Audit & Supervisory Board Member	Independent External	Nomination			●	●

The above chart does not present all of the expertise and knowledge possessed by the members of the Board of Directors. Furthermore, the areas of ESG and Global are not included in the matrix in that the Company expects corresponding expertise and knowledge of all board members. When white text is used for the committee name in the Committee Member column, it indicates that the relevant individual serves as the chair of that committee.

## Experience, Knowledge, Capabilities and Other Qualities Expected of Directors

The Company's Directors and Audit & Supervisory Board members need to have the experience, expertise, and knowledge (skills) that are appropriate to their roles in decision-making and supervision in the management of the Company's global and wide-ranging industrial operations.

The main skills expected from this perspective and the reasons for their selection are as follows.

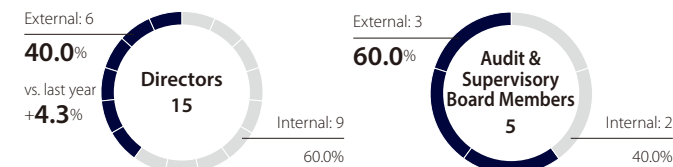
Expertise, knowledge, experience etc., that the Company expects of all directors and Audit & Supervisory Board members.	
Global	We leverage our global network of offices, the ability to gather information, and in-depth knowledge of each region to expand our business across a wide range of industries. The Company requires global perspective in order to formulate timely management strategies and oversee the Company's management in an increasingly volatile international business environment.
ESG	Under our Mission of "Build brighter futures, everywhere", we place priority on human resources development and contribute to the realization of a sustainable society through our business activities. In the current business environment, knowledge and experience in areas such as climate change, supply chain, human rights, occupational safety, human resources strategy, and governance are necessary to realize a decarbonized society.

Expertise, knowledge, experience etc., that the Company expects of each individual director in making management decisions and supervising the management.	
Corporate Management	We form a cross-industry business cluster that provides and realize <i>real solution</i> to complex social issues. To achieve this value creation and enhance corporate value, knowledge, experience, and track record in corporate management, including company-wide management perspectives, promotion of company-wide management strategies, and innovation are required.
Innovation & DX	Solving issues and creating new businesses in an increasingly complex world requires knowledge and experience in advanced technology and innovation. Expertise in DX is also important. We will leverage the expertise of the entire company to proactively address issues from a management perspective and to achieve efficiency from both offensive and defensive perspectives.
Finance and accounting internal control	Knowledge and experience in financial accounting and internal control are necessary as a foundation for appropriate decision making and accurate financial reporting, in terms of growth investment for sustainable increase in corporate value, building a strong financial base, formulating a policy for shareholder returns, and ensuring stable corporate operations.
Legal Risk Management	Solid knowledge and experience in legal and risk management are required in order to identify important risk by overlooking the various risks in the Company's businesses, to manage such risks, and the safeguarding of company assets.

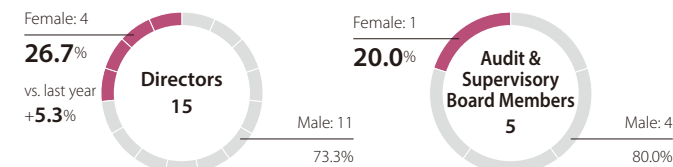
Mitsui's Corporate Governance

Name	Special Notes on Experience and Track Record [Overseas Posting and Other Experience]	Industrial field/ expertise
Tatsuo Yasunaga	Mr. Yasunaga has spent eight years first as President and subsequently as Chair of the Board of Directors of the Company. During this time, he showed his excellent managerial skills and made a contribution to the Company's growth. In addition to his track record and expertise in overseas plant and infrastructure businesses, he has experience in roles including secondment to the World Bank and in developing company-wide policies as General Manager of Corporate Planning & Strategy Division. [United States and Taiwan]	Machinery & Infrastructure
Kenichi Hori	Mr. Hori has exercised his excellent managerial skills and demonstrated solid leadership since he was appointed President in 2021. In addition to his track record and expertise in the Chemicals area and Corporate Development Business Unit (Corporate Development Division, General Manager of Commodity Trading & Risk Management Division, etc.), he has extensive experience in roles including General Manager of Corporate Planning & Strategy Division, and General Manager of Investor Relations Division. [United States]	Chemicals, Innovation & Corporate Development
Motoaki Uno	Mr. Uno exercised his excellent managerial skills as CEO of Mitsui & Co. (Asia Pacific) Pte. Ltd., COO of the Asia Pacific Business Unit and President & CEO of P.T. Mitsui Indonesia and made a contribution to business growth in the Asia Pacific region. He possesses a track record and expertise in the Iron & Steel Products area. [Singapore, Indonesia, United States, United Kingdom and Ireland]	Mineral & Metal Resources Iron & Steel Products
Yoshiaki Takemasu	Mr. Takemasu has a track record and expertise in the Chemicals area. In addition, he spent ten years in Europe fulfilling roles including secondment to an operating company. He possesses experience in developing and implementing global human resources management, diversity promotion and other company-wide policies as General Manager of Human Resources & General Affairs Division. [Singapore, Germany, Belgium and France]	Chemicals
Kazumasa Nakai	Mr. Nakai exercised his excellent managerial skills aiming to facilitate decarbonization as COO of Infrastructure Projects Business Unit. He has extensive experience and a track record in the Company's businesses, including the transformation of the power business portfolio as well as the promotion of consumer business projects as Operating Officer of Nutrition & Agriculture Business Unit. [United States and Mexico]	Machinery & Infrastructure, Lifestyle
Tetsuya Shigeta	Mr. Shigeta has expertise across the areas of finance, accounting and internal control accumulated through his many years of experience in the Global Controller Division. In addition, he possesses extensive business experience in Brazil and the United States. He exercised his managerial skills as General Manager of Global Controller Division and CFO of an operating company in Brazil. [Brazil and United States]	Finance and accounting
Makoto Sato	Mr. Sato has an excellent track record and superior expertise in the Mineral & Metal Resources area. He has exercised his skills in promoting company-wide business portfolio management as General Manager of Planning & Administrative Division (Metals) and General Manager of Investment Administrative Division. [Singapore, United States, Malaysia and Australia]	Mineral & Metal Resources
Toru Matsui	Mr. Matsui has extensive experience and a track record in the LNG and E&P businesses, with twelve years of experience in managing operating companies in the Energy area. He has led a company-wide energy transition strategy as COO of Energy Solutions Business Unit. Furthermore, he possesses experience in developing and executing strategies, including company-wide management strategy, innovation strategy, and DX strategy, as General Manager of Corporate Planning & Strategy Division. [United States and Australia]	Energy
Tetsuya Daikoku	Mr. Daikoku has an excellent track record and superior expertise in the Machinery and Mobility areas. He has developed managerial skills through his experience in roles including secondment to an operating company in Indonesia, General Manager of Planning & Administrative Division (Machinery & Infrastructure) and COO of Mobility Business Unit I. [Indonesia and Thailand]	Machinery & Infrastructure
Samuel Walsh	Mr. Walsh has extensive management experience and superior insight as former CEO of Rio Tinto (United Kingdom), an international natural resources company. He also has experience as a director of one of Australia's leading integrated media companies. [United Kingdom and Australia]	Natural resources, Automobile, Media
Takeshi Uchiyamada	Mr. Uchiyamada has an outstanding track record and expertise especially in research and development on environmental and safety technologies at Toyota Motor Corporation. He possesses a wealth of management experience and knowledge cultivated through serving as Chairman of the Board of Directors of Toyota Motor Corporation, a company pursuing global business development.	Automobile
Masako Egawa	Ms. Egawa has in-depth expertise gained through her research on management and corporate governance at Japanese companies. Moreover, she possesses extensive knowledge based on her many years of experience working at global financial institutions, and her experience of management as a director of the University of Tokyo, and the chancellor of School Juridical Person Seikei Gakuen. [United States]	Academia (Governance, etc.)
Fujiyo Ishiguro	Ms. Ishiguro has an outstanding track record and expertise in the IT/DX area, as well as deep insights into business management, gained through her many years of experience as an IT entrepreneur and as a top executive of her company. [United States]	IT/DX, Startups
Sarah L. Casanova	Ms. Casanova demonstrated outstanding management skills as CEO of McDonald's Company (Japan) and possesses global consumer business acumen gained through diverse experience in North America, the CIS, and Southeast Asia. [Canada, CIS, Malaysia and Singapore]	Consumer business, IT/DX
Jessica Tan Soon Neo	Ms. Tan has many years of business experience in Asia at IBM and Microsoft, with outstanding management skills and extensive knowledge in the IT/DX field. She serves as a Member of Parliament of Singapore as well as a director of companies and has keen insights into the Asian region. [Singapore]	IT/DX
Kimiro Shiotani	Mr. Shiotani has expertise in the finance, accounting and internal control area accumulated through his many years of experience in the accounting and tax fields. In addition, he possesses a track record of participating in the deliberations of the Company's important matters as a member of the Portfolio Management Committee and Council on Investment Proposals. [United States and United Kingdom]	Finance and accounting
Hirotsatsu Fujiwara	Mr. Fujiwara has many years of experience and a track record in the Energy area. Moreover, he possesses profound knowledge and a track record of advancing the effective instillation of integrity and compliance awareness and implementing diversity driven measures, including work style innovation, gained through his roles as CHRO and CCO. [Qatar, Singapore, United Kingdom and United Arab Emirates]	Energy
Kimitaka Mori	Mr. Mori has advanced expertise and profound insights into corporate accounting and accounting audit activities through his many years of experience as Chairman and President of The Japanese Institute of Certified Public Accountants, and also as a certified public accountant.	Finance and accounting
Yuko Tamai	Ms. Tamai has advanced expertise and profound insights into corporate transactions and corporate governance cultivated through her many years of experience in legal affairs as a lawyer. [United States and Germany]	Legal
Makoto Hayashi	Mr. Hayashi has advanced expertise and profound insights into legal affairs and governance cultivated through his many years of experience as a public prosecutor and Attorney General, as well as through his experience in legal administration at the Ministry of Justice. [France]	Legal

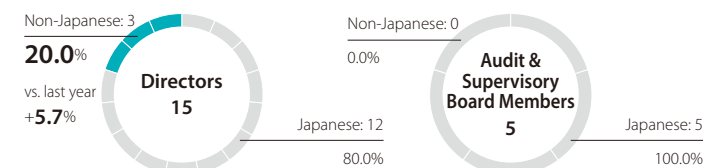
Ratio of External Directors/Audit & Supervisory Board Members



Ratio of Female Directors/Audit & Supervisory Board Members



Ratio of non-Japanese Directors/Audit & Supervisory Board Members



Mitsui's Corporate Governance

### Board of Directors

The Board of Directors is the highest authority for the execution of business and supervision. In order to secure this function, the Company has maintained a number of Directors that is suitable for having substantial discussions. The tenure of Directors is one year, and Directors can be reappointed without obstruction.

The Board of Directors, in accordance with the internal regulations on matters to be resolved or reported at the Board of Directors, resolves matters considering fundamental policies related to management, matters of important business operation, matters mandated by the General Meeting of Shareholders, and matters stipulated in laws and regulations and the Articles of Incorporation. The Board of Directors also receives reports regarding matters stipulated in laws and regulations and the status of important business operations. Regular meetings of the Board of Directors are held once every month in principle and extraordinary meetings are held at any time, if deemed necessary. In the fiscal year ended March 2023, 15 meetings were held.

#### Sustainability, Internal Control, or Risk Management-related Reports to the Board (FY March 2023)

Agenda of the Board	Time of Meeting	Matters Reported	(Reference) Relevant Risk Management Structures/Systems
Internal Control System Review	Apr. 2022	• Internal control overall	<ul style="list-style-type: none"> <li>• Authority delegation system, internal approval system, oversight and support by corporate staff divisions</li> <li>• Prior setting of position limits, monitoring by specialist units</li> <li>• Internal Control and Portfolio Management Committee</li> </ul>
Sustainability-related	Apr. 2022 Sep. 2022 (in writing) Oct. 2022 Mar. 2023	<ul style="list-style-type: none"> <li>• Overall activities related to sustainability</li> <li>• Approval of the Statement under the UK Modern Slavery Act</li> </ul>	• Sustainability Committee
Compliance System	Oct. 2022 Mar. 2023	• Compliance risks	<ul style="list-style-type: none"> <li>• Compliance Committee</li> <li>• Establishment of and compliance with Business Conduct Guidelines for Employees and Officers of Mitsui</li> <li>• Development of internal whistleblowing system</li> <li>• Implementation of training, etc.</li> </ul>
Internal control evaluation report submitted under the Financial Instruments and Exchange Act	Jun. 2022	• Internal controls relating to financial reporting	<ul style="list-style-type: none"> <li>• J-SOX Committee</li> <li>• Self-assessment of effectiveness of internal control systems by units under assessment, testing by independent units</li> </ul>
Internal Auditing Division Activity Report	Sep. 2022	• Results of internal auditing and the business plan for the next fiscal year	• Internal audit framework centered on Internal Auditing Division
Mitsui's risk exposure and controls	Jan. 2023	<ul style="list-style-type: none"> <li>• Credit risk (commercial claims, external loans/guarantees, term deposits)</li> <li>• Market risk (long and short commodity/forex positions, inventories)</li> <li>• Business risk (business assets, loans/guarantees to related parties, external investments)</li> <li>• Country risk</li> </ul>	<ul style="list-style-type: none"> <li>• Examination of credit lines and internal approval applications and monitoring</li> <li>• Internal approval examination of long and short commodity/forex positions, onsite inspection of inventories, etc.</li> <li>• Examination through internal approval processes, realization of returns from investment projects and their optimization</li> <li>• Collection and analysis of country risk information, position monitoring by country, designation of countries for suspension of transactions, designation of special countries, formulation of country-specific policies</li> </ul>
Cybersecurity	Jan. 2023	• Cybersecurity	• Technical support, human support (including security awareness activities), support to affiliated companies

### Number of Proposals and Reports to the Board

Type of Proposals and Reports	FY March 2021	FY March 2022	FY March 2023
Corporate strategy, sustainability, and governance related matters	28	28	26
Financial results and other related matters	16	18	19
Matters related to Audit & Supervisory Board Members and Independent Auditors	5	5	4
Matters related to risk management, internal controls, and compliance	8	11	9
Matters related to human resources	6	5	5
Individual projects/matters	26	29	16
<b>Total</b>	<b>89</b>	<b>96</b>	<b>79</b>

In March 2022, the threshold for the amount to be discussed by the Board of Directors was changed from over ¥40 billion to over ¥60 billion, which resulted in deliberations on important agenda items have been enhanced through the review of the criteria for Board of Directors, the selection of agenda items based on the criteria, the management of the agenda, and the provision of information to External Members.

### Audit & Supervisory Board

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

A meeting of the Audit & Supervisory Board is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the fiscal year ended March 2023, 21 meetings were held. The main items considered and discussed by the Audit & Supervisory Board are as follows: audit policies, audit plans, and work assignments; assessment of the Independent Auditors; audit activities conducted by Full-time Audit & Supervisory Board Members; major issues and due process relating to matters to be resolved at the Board of Directors meetings; execution status of issues relating to the internal control system on a global group basis; communication with Independent Auditors regarding "Key Audit Matters" and consent to the proposal of the election of Audit & Supervisory Board Members.

#### Meetings of the Board of Directors, Audit & Supervisory Board, Advisory Committee Meetings, External Members Meetings, etc. (FY March 2023)

(Numbers indicate how many times each committee convened that month)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board of Directors	1	2	2	1	1	1	1	1	1	1	2	1
Audit & Supervisory Board	3	4	2	1	1	2	1	1	1	1	2	2
Free Discussion		1	1	1	1	2	1	1	1	2	1	1
Governance Committee		1	2	2		1			1	1	2	1
Nomination Committee							2					2
Remuneration Committee												1
External Members Meetings												
Seminars												

■ Board of Directors
 ■ Audit & Supervisory Board
 ■ Free Discussion
 ■ Governance Committee
 ■ Nomination Committee
 ■ Remuneration Committee
 ■ External Members Meetings
 ■ Seminars



## Mitsui's Corporate Governance

**Advisory Committee Activities**

We have established the Governance Committee, Nomination Committee and Remuneration Committee as advisory committees to the Board of Directors, and the majority of the members (including the chairperson) of each committee are External Directors and External Audit & Supervisory Board Members.

Advisory committees	1. Governance Committee	2. Nomination Committee	3. Remuneration Committee
Committee chair	Chair of the Board of Directors	External Member	External Member
Composition (including committee chair)	Chair of the Board of Directors President and Chief Executive Officer 1 Internal Director (CSO) 3 External Directors 1 External Audit & Supervisory Board Member	Chair of the Board of Directors President and Chief Executive Officer 2 External Directors 1 External Audit & Supervisory Board Member	2 Internal Directors (CFO and CHRO) 2 External Directors 1 External Audit & Supervisory Board Member
Expected role	To enhance management transparency and fairness and achieve sustained improvement in the Company's corporate governance by continually monitoring corporate governance and considering governance enhancement measures.	To enhance the transparency and objectivity of processes relating to the nomination of Directors and Managing Officers (including the CEO) through the involvement of External Members, and to ensure the fairness of Directors' and Managing Officers' nominations.	To enhance the transparency and objectivity of decision-making processes relating to remuneration for Directors and Managing Officers through the involvement of External Members, and to ensure the fairness of remuneration for Directors and Managing Officers through ongoing monitoring.
Function	To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors, and to consider the role of the Board of Directors' advisory committees, including recommendations on deliberations and discussions in meetings of the Nomination and Remuneration Committees.	To study the selection and dismissal standards and processes for nominating Directors and Managing Officers, establish succession plans for the President and Chief Executive Officer (CEO) and other top executives, evaluate Director nomination proposals, and deliberate on the dismissal of Directors and Managing Officers.	To study the system and decision-making process relating to remuneration and bonuses for Directors and Managing Officers, and to evaluate proposals regarding remuneration and bonuses for Directors and proposals regarding evaluation and bonuses for Managing Officers.
Meetings held in the fiscal year ended March 2023	3	6	7
Results in the fiscal year ended March 2023	The Governance Committee shared the experiences and opinions of External Members in the field of corporate governance, discussed the organizational format in light of the Company's framework for business execution, and deliberated on the evaluation of the effectiveness of the Board of Directors and other matters.	The Nomination Committee considered and deliberated on selection of Director candidates based on the Skill Matrix, and deliberated on the Directors' plan.	The Remuneration Committee carried out discussions in relation to matters such as re-evaluation of the remuneration system and remuneration levels with a view to contributing to medium- to long-term corporate value amid the global competitive environment.

**Free Discussion among Members of the Board of Directors and the Audit & Supervisory Board**

Free discussions were first held in the fiscal year ended March 2019. Based on the positive evaluation of their effectiveness in the fiscal year ended March 2022, free discussions continued to be held in the fiscal year ended March 2023.

Time of Meeting	Agenda
September 2022	(1) Response to Climate Change (2) Opinion Exchange on Enhancing Value in the Next Medium-Term Management Plan
March 2023	Economic security

**Agenda of External Members Meetings (FY March 2023)**

1	Business Unit Introduction: Mobility Business Units I and II
2	General Meeting of Shareholders: Response to Shareholders' question to External Members
3	Business Unit Introduction: IT & Communication Business Unit
4	Feedback on points of interest by investors and analysts regarding financial results and others
5	Operational Status of the Revised Internal Regulations and Guidelines on Matters to be Resolved or Reported at the Meeting of the Board of Directors
6	Overview of "Bloom" as Mitsui's First-ever Global People Data Platform
7	Business Environment Outlook for 2023
8	Report on the Results of Mitsui Engagement Survey 2022
9	Discussion on Evaluation of Effectiveness of the Board of Directors
10	Business Unit Introduction: Food Business Unit and Retail Business Unit
11	Exchange of Opinions and Information with the Independent Auditors
12	Mitsui's Human Capital Management

**HIGHLIGHT****Nomination Committee Process for Nominating Directors and Managing Officers**

The Nomination Committee of the Company has a policy for appointing Directors and Managing Officers, including the President. In addition to using candidate data, which includes a multifaceted evaluation, in the nomination process, initiatives include setting up opportunities for the External Directors and External Audit & Supervisory Board Members who are members of the Nomination Committee to directly identify the unique attributes of candidates, including their personalities, abilities and other characteristics. The Nomination Committee is also involved in selection of candidates for External Director from the early stage.

After the Nomination Committee confirms, both directly and indirectly, that a candidate satisfies the requirements based on the appointment policy through the above process, the proposal for the appointment of Directors and Managing Officers is submitted to the Board of Directors.

Please refer to "Status of Corporate Governance" on the Company's website for the criteria of independence for External Members, support system, coordination between supervision by the External Directors or auditing by External Audit & Supervisory Board Members, the auditing by the Internal Auditing Division, Audit & Supervisory Board Members and the Independent Auditors, and relationship with divisions involved in internal control.



Status of Corporate Governance

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

Mitsui's Corporate Governance

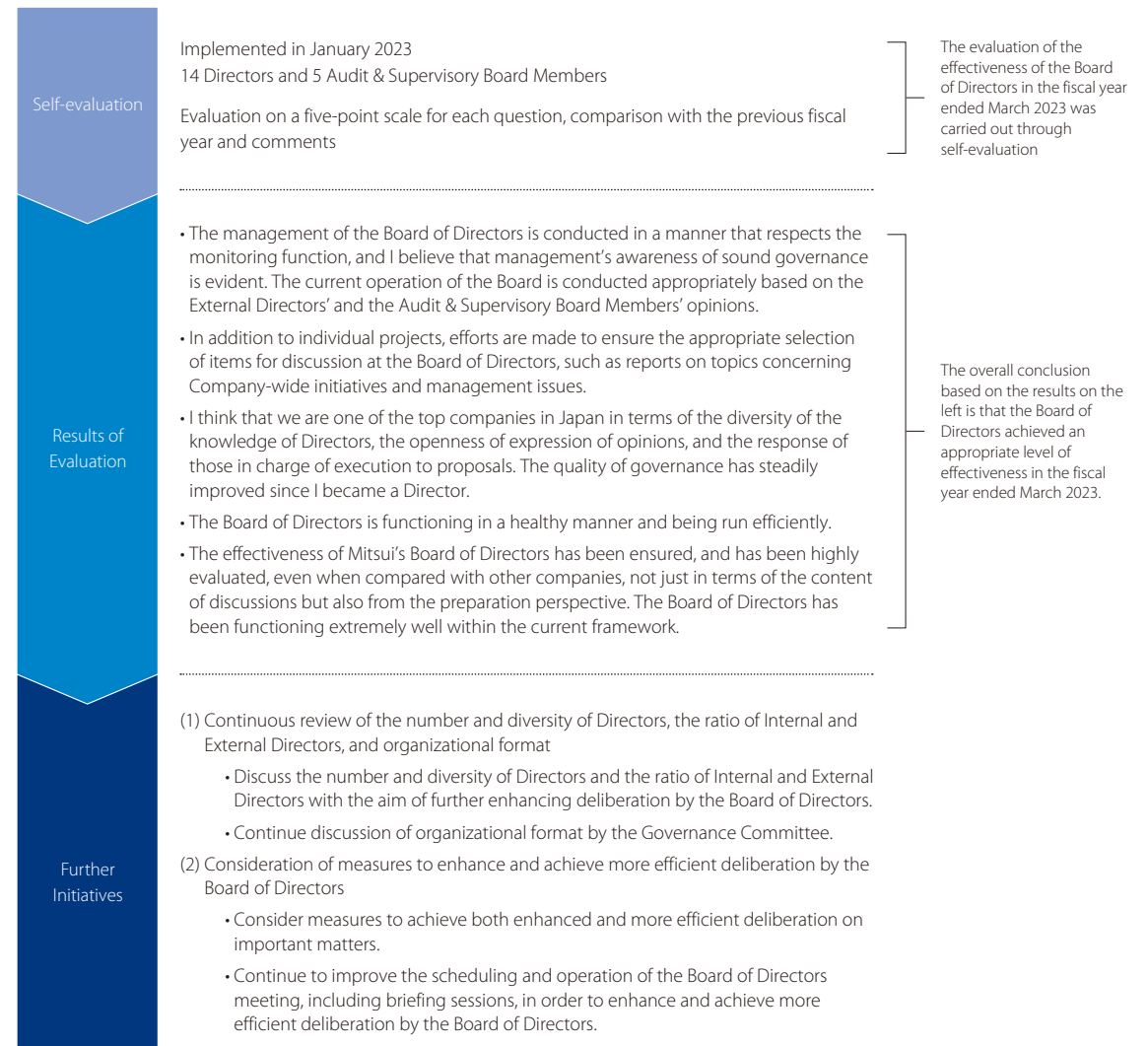
## Effectiveness of the Board of Directors: Evaluation Summary

The effectiveness of the Board of Directors is evaluated every fiscal year to confirm efforts to address the challenges identified in the previous fiscal year's assessment, identify issues to be addressed for the next fiscal year, and emphasize the PDCA cycle for improving the effectiveness of the Board of Directors. Based on the results of the effectiveness evaluation for the fiscal year ended March 2022, the Board and the Board Secretariat addressed the following points during the fiscal year ended March 2023.

Recognition of issues based on the results of evaluation for the fiscal year ended March 2022	Continuing consideration of high-level analysis of substantive effectiveness relating to the number of Directors and the role and ratio, etc. of Internal Directors, based on the existing business execution structure and governance systems	Continuation of initiatives to improve the operation of the Board of Directors
Initiatives	After interviewing External Members based on their experience with regard to organizational formats and other aspects of governance, the Governance Committee discussed the Company's executive structure and organizational format at meetings held in May and October 2022.	Continued initiatives to improve the operation of the Board of Directors through appropriate application and monitoring of standards for resolution and reporting at Board of Directors meetings, further utilization of written resolutions and written reports, and promotion of careful consideration of the necessity of resolution and reporting on matters that have a significant impact on the Company's management, even if they do not meet a set base monetary amount.
Evaluation through questionnaire regarding the fiscal year ended March 2023	The majority of Board Members, including External Directors and Audit & Supervisory Board Members, positively evaluated the current state of governance. There were comments that options for governance reform in the future are being discussed in a multifaceted manner, and that the effectiveness of the Board has been ensured.	Comments also noted that the revised standards on matters to be resolved or reported at Board of Directors meetings have freed up time for discussion; that the quality and quantity of information provided to the External Members has increased; that sufficient time for advance explanations has enhanced discussions at Board meetings; and that the efficiency and effectiveness of distribution of materials, advance briefings, and the meetings themselves have increased.

### Effectiveness Evaluation for the Fiscal Year Ended March 2023

At a meeting of the Board of Directors held in April 2023, a resolution was passed affirming the effectiveness of the evaluation, based on the questionnaire survey results and following discussions at an External Members Meeting and a Governance Committee meeting held in February 2023, and at a Corporate Management Committee meeting held in March 2023.



## Mitsui's Corporate Governance

## Remuneration of Directors and Audit & Supervisory Board Members

The Company has established a policy for determining the remuneration of individual Directors by resolution of the Board of Directors, following deliberation by and reporting from the Remuneration Committee, which is chaired by an External (Independent) Member. The Remuneration Committee discusses the remuneration structure for Directors and Audit & Supervisory Board Members, and examines the appropriateness of the levels and proportions of fixed remuneration, results-linked bonuses, and medium- to long-term incentive remuneration based on trends at other companies, and then reports this as well as the appropriateness of clawback provisions to the Board of Directors, among other measures, in order to ensure transparency in the determination of Directors' and Audit & Supervisory Board Members' remuneration. Regarding remuneration of individual Directors for the fiscal year ended March 2023, after receiving the report of the Remuneration Committee, the Board of Directors has judged that the contents of the determined remuneration are in line with such policy.

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

Eligible Persons	Type	Consideration	Cap	Overview											
Directors (excluding External Directors)	<b>Long-term incentive</b> Variable stock-based remuneration Performance-linked restricted stock-based remuneration	Stock-based	¥300 million	<ul style="list-style-type: none"> <li>Performance linkage conditions: The initial evaluation period consists of the three fiscal years from the fiscal year ended March 2023, which is the initial applicable fiscal year, to the fiscal year ending March 2025. During the initial evaluation period, the amount of the remuneration will be linked to achievement of each of the management indicators (i.e., ROE and ESG elements, including response to climate change) within a variation range of 80% to 120%.</li> <li>Restriction on disposal: 30 years</li> <li>Lifting of restriction on disposal: End of the restriction on disposal period or retirement of a director and managing officer</li> <li>Clawback clause: Applies</li> </ul>											
	<b>Long-term incentive</b> Fixed stock-based remuneration Tenure-linked restricted stock-based remuneration	Stock-based	¥500 million	<ul style="list-style-type: none"> <li>Number of shares of the Company's common stock determined according to position shall be paid individually.</li> <li>Restriction on disposal: 30 years</li> <li>Lifting of restriction on disposal: End of the restriction on disposal period or retirement of a director and managing officer</li> <li>Clawback clause: Applies</li> </ul>											
	<b>Short-term incentive</b> Variable monetary remuneration Results-linked bonuses	Monetary	¥1.5 billion	<ul style="list-style-type: none"> <li>Total payment amount = (Consolidated profit for the year (attributable to owners of the parent) × 50% × 0.12%) + (Core Operating Cash Flow × 50% × 0.12%)</li> <li>Amount individually paid = Total payment amount × (Position points / Sum of position points)</li> </ul> <table border="1"> <thead> <tr> <th>Position</th> <th>Chair</th> <th>President</th> <th>Executive Vice President</th> <th>Senior Executive Managing Officer</th> <th>Executive Managing Officer</th> </tr> </thead> <tbody> <tr> <td>Points</td> <td>10</td> <td>20</td> <td>7</td> <td>6</td> <td>5</td> </tr> </tbody> </table>	Position	Chair	President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer	Points	10	20	7	6
Position	Chair	President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer										
Points	10	20	7	6	5										
Directors	<b>Fixed monetary remuneration</b> Basic remuneration	Monetary	¥1 billion	<ul style="list-style-type: none"> <li>Amount determined according to position shall be paid</li> <li>Purchase of the Company's shares from his/her fixed basic remuneration through Mitsui Executives' Shareholding Association</li> </ul>											
Audit & Supervisory Board Members	Basic remuneration	Monetary	¥240 million	<ul style="list-style-type: none"> <li>Amount determined by discussion among the Audit &amp; Supervisory Board Members shall be paid</li> </ul>											

Note: The Company will not pay retirement compensation to Directors and Audit & Supervisory Board Members.

Remuneration for Directors is comprised of basic remuneration, which is fixed remuneration; results-linked bonuses based on the achievement of important management indicators; and performance-linked restricted stock-based remuneration and tenure-linked restricted stock-based remuneration as medium- to long-term incentives. From the perspective of respecting the independence of External Directors and Audit & Supervisory Board Members, who are independent from business execution, they are not eligible for results-linked bonuses or stock-based remuneration.

For more details, please see pages 142-150 "Remuneration of Directors and Audit & Supervisory Board Members" in the *Annual Securities Report for the fiscal year ended March 2023*.



Annual Securities Report for the fiscal year ended March 2023

[https://www.mitsui.com/jp/en/ir/library/securities/\\_icsFiles/afiedfile/2023/06/21/en\\_104yuh.pdf](https://www.mitsui.com/jp/en/ir/library/securities/_icsFiles/afiedfile/2023/06/21/en_104yuh.pdf)

### Remuneration of Directors and Audit & Supervisory Board Members (FY March 2023)

(¥ million)

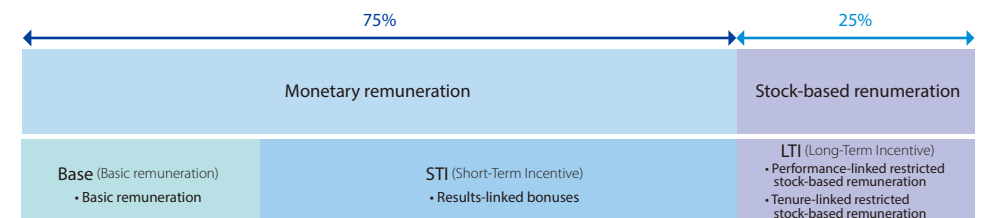
Category of position	Number of recipients	Basic remuneration	Bonus	Stock-based remuneration (Performance-linked)	Stock-based remuneration (Tenure-linked)	Total remuneration
Directors (excluding External Directors)	13	685	1,402	256	353	2,696
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	2	150	—	—	—	150
External Directors	5	109	—	—	—	109
External Audit & Supervisory Board Members	4	62	—	—	—	62
<b>Total</b>	<b>24</b>	<b>1,007</b>	<b>1,402</b>	<b>256</b>	<b>353</b>	<b>3,017</b>

#### Notes

- In the above items, the figure for stock-based remuneration (performance-linked) is the amount recorded as an expense in the fiscal year ended March 2023 because the initial evaluation period for performance-linked restricted stock-based remuneration is the three fiscal years from the fiscal year ended March 2023 to the fiscal year ending March 2025, and therefore the amount has not been determined yet.
- In addition to the above amounts, a total of ¥399 million was paid to 89 retired Directors (excluding External Directors), and ¥37 million to 11 retired Audit & Supervisory Board Members (excluding External Members) as pensions (representing payments determined prior to the abolition of those systems) in the fiscal year ended March 2023.
- Amounts less than ¥1 million are rounded off.

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

The composition of remuneration for Directors (excluding External Directors) for the fiscal year ended March 2023 is approximately 3:1 for monetary remuneration and stock-based remuneration, and approximately 1:2:1 for basic remuneration, short-term incentive, and long-term incentive.



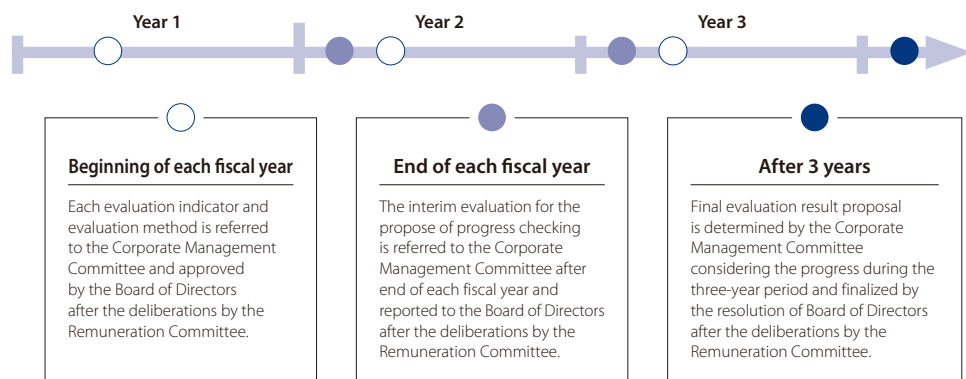
Mitsui's Corporate Governance

## Performance-linked Restricted Stock-based Remuneration

### (1) Performance-linked conditions in FY ended March 2023

	Elements	Indicators for Evaluation (FY Ended March 2023)
ESG (20%)	E	<ul style="list-style-type: none"> <li>Progress made in the business initiatives for halving the GHG impact by 2030 (compared to 2020) and achieving Net-zero emissions by 2050.</li> <li>Evaluation in the range of 80-120 points according to the level of achievement for each indicator.</li> <li>Consideration of improvement in evaluation by third-party organizations, contribution to external initiatives and improvement in disclosure when conducting comprehensive evaluation.</li> </ul>
	S	<ul style="list-style-type: none"> <li>Change in the positive response rate regarding "employee engagement" in Mitsui Engagement Survey compared with the previous fiscal year.</li> <li>Evaluation in the range of 80-120 points according to the change in the positive response.</li> <li>Consideration of progress on Diversity &amp; Inclusion when conducting comprehensive evaluation.</li> </ul>
	G	<ul style="list-style-type: none"> <li>Average score of the responses (five-point scale) by all External Members regarding important questions in the evaluation of effectiveness of the Board of Directors.</li> <li>In principle, evaluation in the range of 80-120 points according to the average score. However, the score will be determined by comprehensive consideration after factor analysis if the average score is less than two points out of five.</li> <li>Consideration of improvement in evaluations by third-party organizations and improvement in disclosure when conducting comprehensive evaluation.</li> </ul>
ROE (80%)		<ul style="list-style-type: none"> <li>Evaluation in the range of 80-120 points according to the level of achievement, referring to the ROE target set as a KPI in the Medium-term Management Plan.</li> </ul>
Final Evaluation		<ul style="list-style-type: none"> <li>Final score = ROE × ROE evaluation ratio + (E + S + G) ÷ 3 × ESG evaluation ratio (For the fiscal year ended March 31, 2023, the evaluation ratio was 80% for ROE and 20% for ESG)</li> <li>The final score will be determined by the Board of Directors based on deliberations by the Remuneration Committee, considering the progress during the three-year period.</li> </ul>

### (2) Decision-making Process for Performance-linked conditions and evaluation



## Share Ownership Guidelines

Eligible persons		Target for the ownership of the Company's shares
Directors (excluding External Directors)	Representative Director, President and Chief Executive Officer	Ownership of the Company's shares equivalent to three times the basic remuneration (annual amount)
	Other Directors	Ownership of the Company's shares equivalent to the basic remuneration (annual amount)

## Status of the Internal Control System

The following systems have been implemented in conjunction with the establishment of our internal control processes with the aim of achieving internal control objectives such as: improvement of effectiveness and efficiency of operations, compliance with accounting standards and ensuring reliable financial reporting, compliance with laws and regulations and observance of management philosophy and company rules including all related codes of conduct, and conservation of company assets.

### ► Risk Management

Please refer to Risk Management [▶ Page 70](#)

### ► Internal Controls over Financial Reporting

The Company implements the internal control framework as stipulated in the Financial Instruments and Exchange Act of Japan. In addition to enforcing Company-wide discipline, the Company has been conducting self-assessment by units subject to evaluation and testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls, and business process level controls. Mitsui management confirmed that internal control over financial reporting is effective for the year ended March 31, 2023.

### ► Internal controls regarding construction and management of information systems and information security

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

For more details, please see pages 36-38 "(5) Information Security" in the Annual Securities Report for the fiscal year ended March 2023.





## Mitsui's Corporate Governance

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

The Company has set forth the Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles and requires its subsidiaries to develop and operate internal controls based on these principles as far as reasonably practicable in light of other laws and regulations. For its equity accounted investees, the Company coordinates with other equity participants and encourages the equity accounted investees to develop and operate similar internal controls. In addition from its officers and employees, the Company appoints supervising officers to each affiliated company and has them conduct management based on the Rules on Delegation of Authority for Supervising Officers of Affiliated Companies. Also, when Mitsui deploys full-time audit & supervisory board members in major affiliated companies, Mitsui selects personnel from the Internal Auditing Division and so on rather than from related Business Units to enhance the independence of auditing.

### ► Compliance and Integrity

#### Policies and Basic Approach

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

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

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

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



Mitsui & Co. Group Conduct Guidelines—With Integrity

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

### Compliance Framework

Under the direction and supervision of the Chief Compliance Officer (CCO), the Compliance Department of the Legal Division (the department responsible for overseeing our compliance program) plays a central role in promoting awareness of integrity, in developing and strengthening the whistleblowing system, and in handling compliance-related issues on a global group basis. At Mitsui, Compliance Administrators are appointed at each business unit to assist business unit COOs as Compliance Supervising Officers in the execution of their duties. At a working level, Compliance Administrators are in charge of activities to raise awareness of integrity and compliance within each business unit, as well as activities to develop and reinforce compliance frameworks at each affiliated company.

In addition, we have established the Compliance Committee as a subordinate organization to the Corporate Management Committee. The committee reports twice a year to the Board of Directors, which has responsibility for supervising the operation of the Company's compliance system and other matters.



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

# Risk Management

We identify Company-wide material risks across organization and implement measures to control risks. The Chief Operating Officer of each business unit and regional business unit is responsible for managing risks in their business domain within the authorization delegated to them as part of the performance of their duties. Meanwhile, the Corporate Staff Divisions provide support to Business Units and Regional Business Units regarding the aspects of risk management that they are in charge of while also monitoring the Company-wide position and reporting to management. In addition, the major committees develop and maintain risk management structures on a Company-wide basis and handle material risks as advisory bodies and subordinate organizations to the Corporate Management

Committee. Mitsui has established an integrated risk management system that centrally manages Company-wide risks, through the Portfolio Management Committee under the Corporate Management Committee. The Corporate Staff Divisions, which act as the secretariat, manage risks from a Company-wide perspective. They coordinate with related divisions, identify material risks in light of the frequency of occurrence, expected damage scale and Company-wide risk tolerance, and take appropriate measures. In the fiscal year ended March 2023, these efforts were reported to the Corporate Management Committee and the Board of Directors after discussions by the Portfolio Management Committee.

## HIGHLIGHT

### Our Approach to Integrated Risk Management

In the fiscal year ended March 2023, there were risk events including the complex manifestation of credit, market, and geopolitical risks associated with the situation in Russia and Ukraine, the aftereffects of the prolonged COVID-19 pandemic, and the impact of supply chain fragmentation, as well as the strengthening of regulations in various countries and the rise of cyber risks. The various sections of the relevant Corporate Staff Divisions worked in concert to monitor the diversification of Mitsui's business portfolio, and thoroughly manage risks in the trading business, working in conjunction with each business unit to minimize losses.

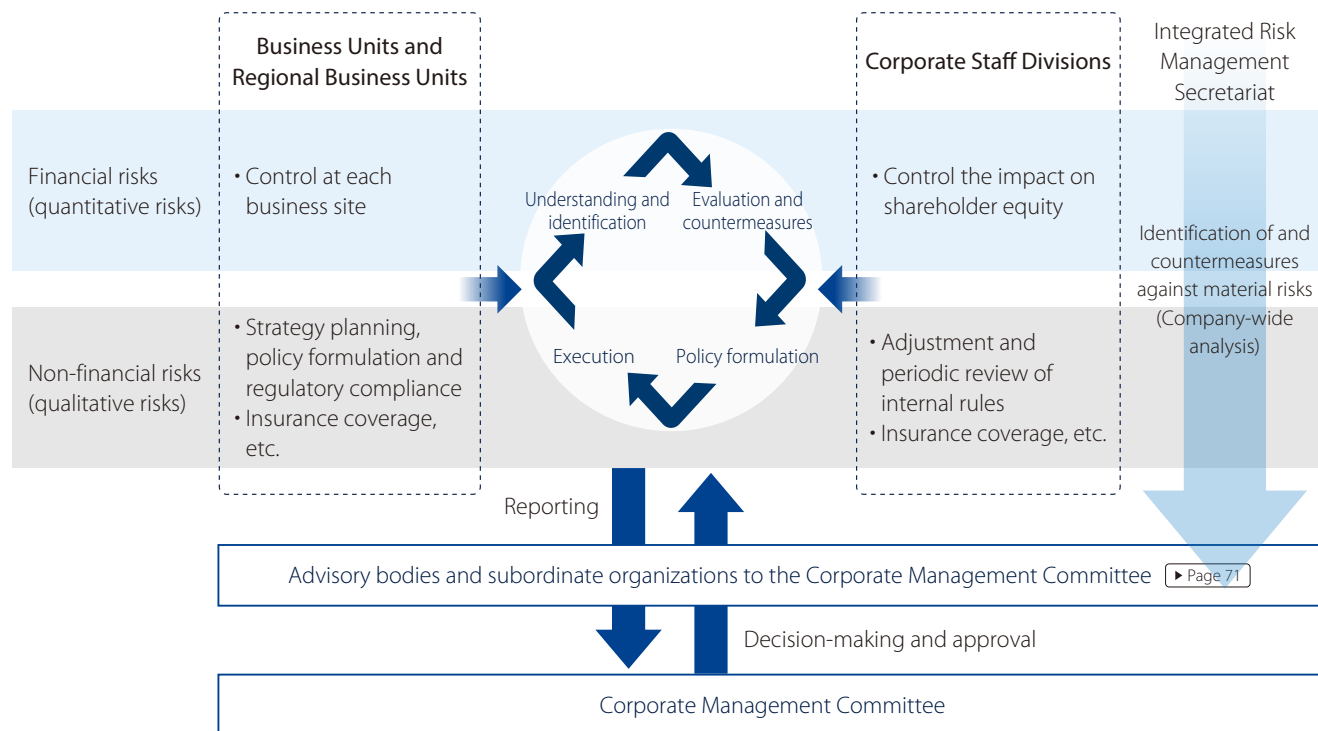
In addition, we introduced the Control Self-Assessment (CSA) for 522 of our affiliated companies.\* Each company autonomously operates a PDCA cycle consisting of identifying management risks, formulating and implementing response policies, checking progress, and implementing new countermeasures, while continuously evaluating and improving the effectiveness of risks and controls, thereby promoting efforts to achieve organizational strategies based on an appropriate risk appetite. Going forward, we will continue to deepen our integrated risk management by pairing top-down risk management, which gives a bird's eye view of the entire Mitsui Group, with CSA, which is carried out from a bottom-up perspective.

In the fiscal year ended March 2023, the growing importance of economic security and cybersecurity, as well as the need to increase sensitivity in risk perception relating to human rights were discussed in the Board of Directors, the Corporate Management Committee, and the Portfolio Management Committee. As a result of these discussions, we separated geopolitical risks from country risks and added them to our list of material risks, taking into consideration the impact of economic security on our supply chain and regulatory trends in various countries on our business operations, including our investments. [▶ Page 71](#)

Since the outlook for the global economy is expected to remain highly uncertain during the period of the new Medium-term Management Plan, integrated risk management, which covers both financial (quantitative) and non-financial (qualitative) risks, will continue to play an important role. We will strengthen our crisis management response and preparedness for multiple scenarios, and flexibly review our timeframes and priorities to steadily fulfill our supply and delivery responsibilities and capture any upside in response to changing market conditions.


\* These include companies which are sub-consolidated or accounted for under the equity method by subsidiaries and affiliated companies which are excluded from consolidated financial statement due to lower materiality.

### Mitsui Risk Management Structure (Illustration)



Risk Management

**Material Risks as of the End of March 2023**

Importance	Material Risks	Risk Countermeasures	Advisory Bodies and Subordinate Organizations to the Corporate Management Committee
	Business investment risks	Portfolio management, risk asset monitoring <a href="#">▶ Page 34</a>	Portfolio Management Committee
	Geopolitical risks	Regular monitoring of specific national and regional trends, accumulation of contingency response expertise, etc.	
	Country risks	Financing from export credit agencies globally, insurance, monitoring, etc.	
	Physical risks related to climate change	Insurance coverage, formulation of crisis management policies, reinforcement of facilities, etc. <a href="#">▶ Page 42</a>	Sustainability Committee
	Transition risks related to climate change	Implementation of initiatives to achieve 2050 and 2030 targets <a href="#">▶ Page 42</a>	
	Commodity market risks	Position management, hedging, etc.	Portfolio Management Committee
	Foreign currency risks	Position management, hedging, etc.	
	Listed stock risks	Periodic review of stock portfolio	
	Credit risks	Credit line management, monitoring, requiring provision of collateral	
	Financing risks	Financial strategy <a href="#">▶ Page 35</a>	
	Operational risks	Examine risk mitigation measures, damage prevention measures, insurance coverage, etc.	Portfolio Management Committee
	Compliance risks	Compliance framework on a global group basis <a href="#">▶ Page 69</a>	Compliance Committee
	Information systems and security risks	Internal controls on information systems and information security <a href="#">▶ Page 51</a>	Information Strategy Committee
Risks related to infectious disease, natural disasters, terrorism, etc.	Formulation of business continuity plans for crises, disaster contingency manuals, etc.	Emergency Management Headquarters <sup>2</sup>	

1. Reported to the Corporate Management Committee as deemed necessary 2. Organization headed by CHRO, established based on the Rules on Business Continuity Management

**HIGHLIGHT**

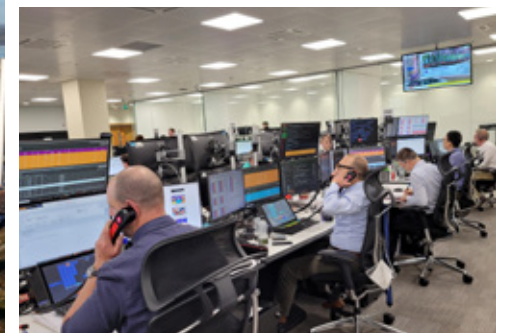
**Geopolitical Risks**

We have newly added “geopolitical risks” to our list of material by separating them from country risks from the beginning in the fiscal year ended March 2023, as we anticipate that heightened political and social tensions between countries and regions could have a wide range of effects on the business environment of Mitsui and its subsidiaries. We regularly monitor political and economic situations in countries and regions that are considered to have high geopolitical risks and we make prudent business decisions based on the risks that exist in each country and region and on changes in the business environment.

The international community is cooperating to impose sanctions in light of the situation in Russia and Ukraine. We are complying with these sanctions through a multifaceted and flexible system in which business units, regional business units, and the Corporate Staff Divisions are effectively coordinating their efforts. As of March 31, 2023, the balance of investments, loans and guarantees in Russia amounts to 362.5 billion yen, which is approximately 4% of the total balance of investments, loans and guarantees of Mitsui and its subsidiaries.

# Gate 4 Data

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# ESG Data

## Environment

### Greenhouse Gas (GHG) Emissions (consolidated) (Thousand t-CO<sub>2</sub>e)

	2021.3	2022.3	2023.3
Scope1	3,868	3,771	<b>3,006</b>
Scope2	468	412	<b>400</b>
Scope1+2	4,336	4,183	<b>3,406</b>
Scope3 (Investments)	35,000	36,000	<b>33,576</b>

### GHG Impact (Thousand t-CO<sub>2</sub>e)

	2021.3	2022.3	2023.3
Reduction Contribution and Absorption <sup>1</sup>	2,000	2,000	<b>2,702</b>
GHG Impact <sup>2</sup>	37,336	38,183	<b>34,280</b>

1. Single-year figure

2. GHG emissions - Reduction Contribution:Absorption (consolidated)

### Energy Consumption (consolidated) (GJ)

	2021.3	2022.3	2023.3
Total	42,077,795	38,727,671	<b>34,329,837</b>
(Breakdown)			
Fuel	32,358,474	29,384,281	<b>25,186,671</b>
Electricity	9,644,958	9,257,125	<b>8,983,625</b>
Steam, heat	74,363	86,265	<b>159,541</b>

## Social

### Human Resources Data

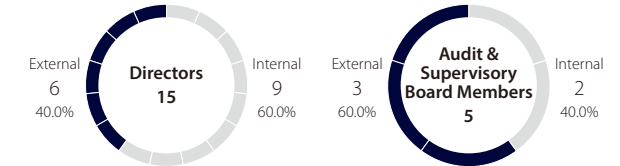
	2021.3	2022.3	2023.3
Consolidated total employees	44,509	44,336	<b>46,811</b>
Male (persons)	29,764	29,257	<b>30,884</b>
Female (persons)	14,745	15,079	<b>15,927</b>
Non-consolidated employees	5,587	5,494	<b>5,449</b>
Male (persons)	3,995	3,894	<b>3,842</b>
Female (persons)	1,592	1,600	<b>1,607</b>
Number of personnel hired (Non-consolidated)	177	191	<b>203</b>
New graduates joining	135	128	<b>111</b>
Career hires	42	63	<b>92</b>
Proportion of female personnel hired (Non-consolidated)	30%	40%	<b>37%</b>
Proportion of female managers (Non-consolidated) <sup>1</sup>	8.1%	8.0%	<b>8.5%</b>
Proportion of female managers (Consolidated)	-	-	<b>18.8%</b>
Average number of years of service	18.2	18.1	<b>18.1</b>
Employee engagement (%)	70%	71%	<b>72%</b>
Total training expenses (JPY billions)	-	-	<b>2.75</b>
Monthly average overtime working hours (hours / month)	25	26.7	<b>26.1</b>
Paid leave days taken and usage ratio (%)	60.0	64.9	<b>71.4%</b>
Employees taking childcare leave	145	177	<b>180</b>
Male (persons)	82	102	<b>114</b>
Female (persons)	63	75	<b>66</b>

1. 2023.3 and 2022.3: Data as of March 31, 2021.3: Data as of July 1

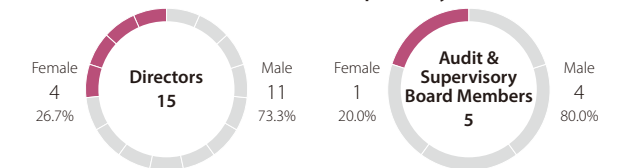
2. Including use of Mitsui's unique leave systems (leave for attending birth)

## Governance

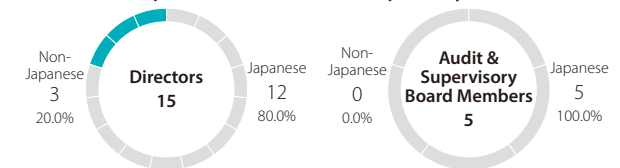
### Ratio of External Directors / Audit & Supervisory Board Members\*



### Ratio of Female Directors / Audit & Supervisory Board Members\*



### Ratio of Non-Japanese Directors / Audit & Supervisory Board Members\*



\* As of August 2023

### Attendance at Board of Directors' Meetings (%)

	2021.3	2022.3	2023.3
Internal Directors	99.31	100.00	<b>100.00</b>
External Directors	98.75	100.00	<b>100.00</b>
Average for all Directors	99.11	100.00	<b>100.00</b>
Internal Audit & Supervisory Board Members	100.00	100.00	<b>100.00</b>
External Audit & Supervisory Board Members	100.00	100.00	<b>100.00</b>
Average for all Audit & Supervisory Board Members	100.00	100.00	<b>100.00</b>
Internal Directors and Audit & Supervisory Board Members	99.43	100.00	<b>100.00</b>
External Directors and Audit & Supervisory Board Members	99.22	100.00	<b>100.00</b>
Average for all Directors and Audit & Supervisory Board Members	99.34	100.00	<b>100.00</b>

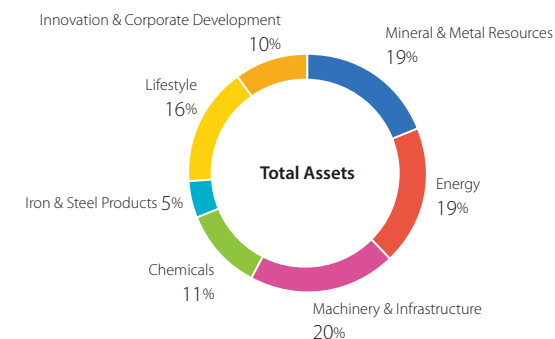
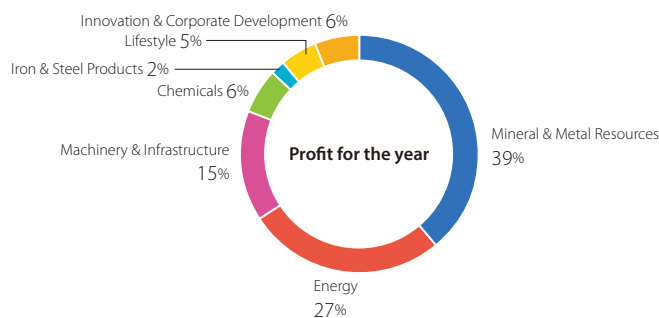
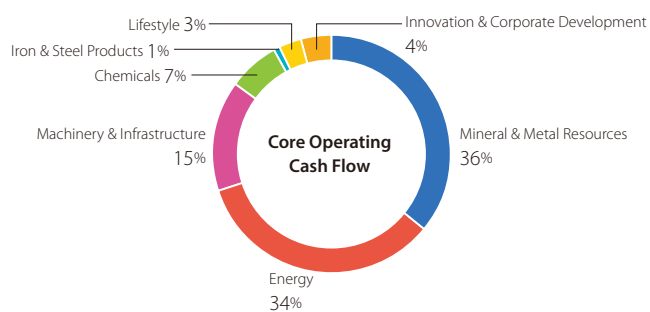
# Results by Operating Segment

Fiscal year ended March 2023

Note: The horizontal and vertical totals may not match as a result of differences that occurred due to the rounding of figures.  
 1. Net Investment Cash Flow = Investment Cash Flow (IN) + Investment Cash Flow (OUT) + Change in time deposits.  
 2. \*Other non-current assets\* includes non-current receivables, investment property, intangible assets, and deferred tax assets.

	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Others / Adjustments and Eliminations	Company Total
Gross Profit	355.8	316.4	199.9	209.3	40.7	153.7	112.6	7.8	<b>1,396.2</b>
Selling, General, and Administrative Expenses	(33.4)	(57.9)	(163.6)	(137.4)	(27.6)	(142.0)	(82.7)	(58.2)	<b>(702.8)</b>
Dividend Income	74.3	58.7	4.2	3.8	3.0	6.2	3.8	0.9	<b>154.9</b>
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	127.6	108.5	197.3	27.4	24.7	50.7	18.9	0.4	<b>555.5</b>
Other	(85.5)	(116.3)	(65.9)	(32.2)	(18.3)	(13.8)	14.1	44.7	<b>(273.2)</b>
Profit for the Year (Attributable to Owners of the Parent)	438.8	309.4	171.9	70.9	22.5	54.8	66.7	(4.4)	<b>1,130.6</b>
Depreciation	58.7	88.2	34.8	31.6	1.5	23.2	18.8	15.9	<b>272.7</b>
Core Operating Cash Flow	436.7	419.6	182.9	89.5	18.0	31.1	46.6	(18.9)	<b>1,205.5</b>
Net Investment Cash Flow* <sup>1</sup>	(17.6)	(110.4)	(90.3)	(71.0)	(1.2)	37.9	40.0	(2.8)	<b>(215.4)</b>
Investment Cash Flow (IN)	66.6	31.2	104.3	17.9	4.9	77.9	81.8	7.3	<b>391.9</b>
Investment Cash Flow (OUT)	(84.2)	(141.6)	(194.6)	(88.9)	(6.1)	(40.0)	(41.8)	(10.1)	<b>(607.3)</b>
Total Assets	3,062.8	3,009.5	3,216.8	1,773.7	776.5	2,504.1	1,642.5	(605.0)	<b>15,380.9</b>
Non-current Assets	1,877.8	1,732.0	2,298.9	835.8	411.4	1,463.2	887.5	199.5	<b>9,706.1</b>
Property, Plant, and Equipment	513.9	717.5	273.2	255.8	9.9	212.6	133.2	184.5	<b>2,300.6</b>
Investment Assets Accounted for Using the Equity Method	467.4	521.4	1,405.9	246.7	312.6	721.5	255.9	(1.8)	<b>3,929.6</b>
Other Investments	821.2	256.8	150.0	137.5	77.9	377.2	254.4	59.1	<b>2,134.1</b>
Other* <sup>2</sup>	75.3	236.3	469.8	195.8	11.0	151.9	244.0	(42.3)	<b>1,341.8</b>

## Composition by Operating Segment



## Segment Strategies

## Mineral &amp; Metal Resources Segment

• Mineral & Metal Resources Business Unit

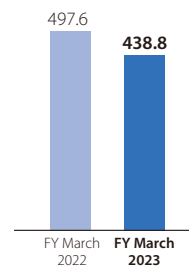


**Tetsuya Fukuda**

Executive Managing Officer  
Chief Operating Officer of Mineral &  
Metal Resources Business Unit

## Segment Profit

(¥ billion)



## Main Factors in the Year-on-Year Change in Results

Profit decreased, mainly due to lower sales prices in the iron ore and copper mining operations and a decrease in dividend income from Vale, despite higher sales prices in the metallurgical coal business and a gain from the sale of Stanmore SMC, a metallurgical coal operating company.

## Business Overview and Strengths

## ■ Business Overview

- Mining business (iron ore, metallurgical coal, copper, etc.)
- Trading
- Metal recycling business
- Businesses that address climate change, such as low carbon metallics and iron making
- Battery value chain-related businesses

## ■ Strengths

- Portfolio with the three pillars of cost competitiveness, production volume, and ore reserves volume creates a resilient earnings base that combines downside resilience and the ability to seize upside potential
- Value chain based on strong underground resources business achieves wide-ranging functions and global market presence

## Operating Environment, Risks and Opportunities

## ■ Operating Environment

- The increase in production costs at mines due to inflation, high interest rates, high fuel prices, and rising labor costs coupled with labor shortages
- Increased scarcity of assets that continue to meet industry expectations for responsible supply

## ■ Risks

- The impact of technological innovation and changes in values toward a decarbonized society on the supply, demand, and market prices of commodities
- Changes in the supply chain due to the emergence of geopolitical risks, COVID-19, etc

## ■ Opportunities

- Further expansion of infrastructure demand etc., as a result of global economic growth, particularly in Asia
- Acceleration of electrification, reduction in weight, demand for green materials (including ferrous materials) and need for high-grade resources and recycled materials

## Medium-term Management Plan Strategy

## ■ Growth Strategy

- Strengthen the earnings base of Australian iron ore operations through means such as developing new deposits and contribute to enhancing the corporate value of Vale S.A.
- Improve the value of the Australian metallurgical coal mining business and contribute to the optimization of the asset portfolio
- Maximize the value of copper operations in Chile and strengthen functions throughout the value chains
- Develop businesses for recycling of metals and other materials, establish value chain for batteries and strengthen initiatives to move toward low-carbon materials



## HIGHLIGHT

## Challenge and Innovation Case Study—Iron Ore Business: Initiatives for Low-carbon Operations in the Value Chain

In the iron ore business, Mitsui has built strong relationships of trust spanning half a century with some of the world's largest mineral resource and steel companies through its joint projects with BHP and Rio Tinto, initiatives with Vale and other majors. The mines in which we have invested have very low production costs, making them stable sources of cash flow even when prices fall. To make this strong iron ore business more sustainable, we are focusing not only on development that takes into consideration the local communities and the environment in the area around the mines we invest in, but also on low-carbon operations throughout the iron ore business value chain. For instance, we have signed a comprehensive memorandum of understanding with Rio Tinto for low-carbon operations and are leveraging our strengths in providing cross-industry solutions for joint

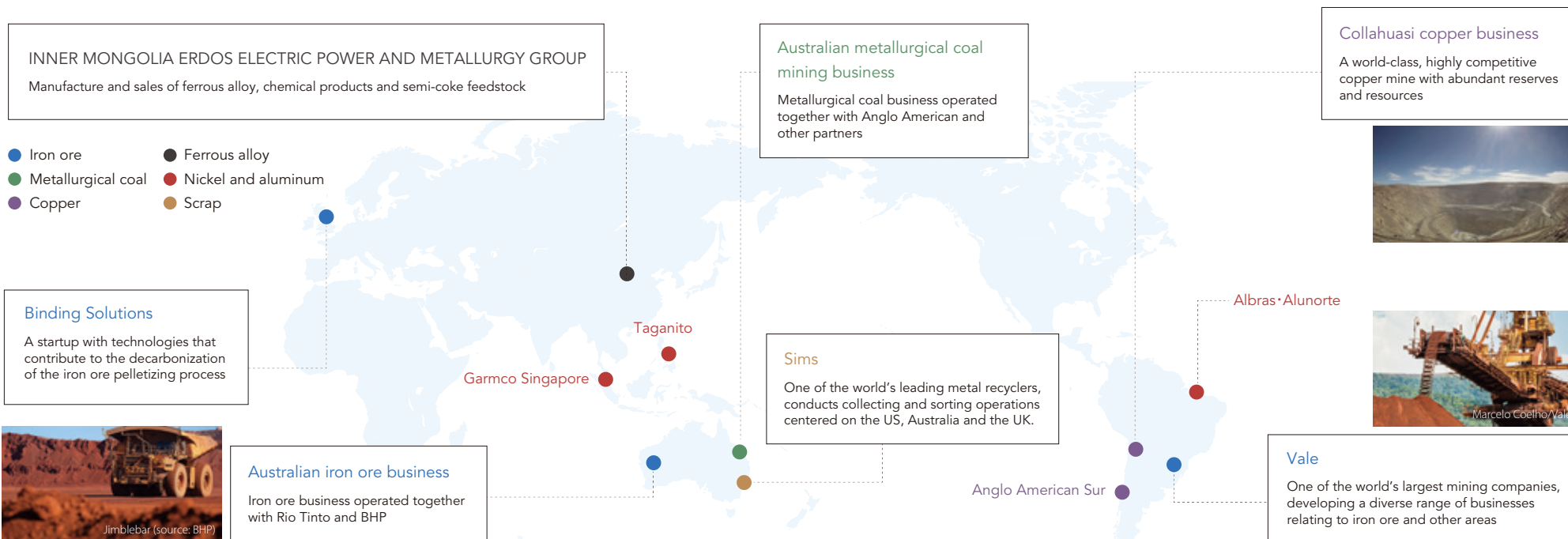
consideration of various initiatives including converting operations and construction machinery to electric power or hydrogen fuel, introducing solar power generation, and reducing emissions during transportation. We are also utilizing our many years of experience in the natural gas and LNG business in Oman for a full-scale study of a low carbon metallics and iron making business there with Kobe Steel. We intend to reduce CO<sub>2</sub> emissions in the steelmaking process with a direct reduction ironmaking technology that uses natural gas, and will aim for further decarbonization over the long term through measures including replacement of natural gas with hydrogen as a reducing agent and carbon capture, utilization and storage (CCUS) applications.

### Segment Strategies

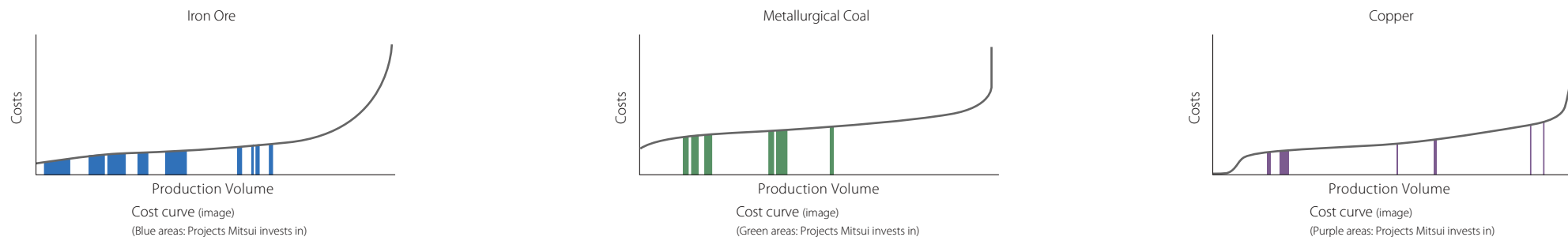
## Mineral & Metal Resources Segment

### Mineral & Metal Resources Business Portfolio

Mitsui aims to provide industrial solutions to social issues and achieve sustainable growth through the strength of its well-balanced, highly cost competitive asset portfolio in underground resources businesses (iron ore, copper, metallurgical coal, etc.) and the expansion of surface resources (recycling) businesses.



Cost Competitiveness of the above Commodities





Segment Strategies

# Energy Segment



**Toru Iijima**

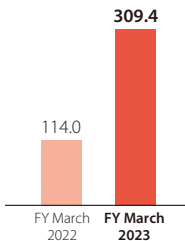
Managing Officer,  
Chief Operating Officer of Energy  
Business Unit I,  
Chief Operating Officer of Energy  
Solutions Business Unit

**Motoyasu Nozaki**

Senior Executive Managing Officer,  
Chief Operating Officer of Energy  
Business Unit II

**Segment Profit**

(¥ billion)



**Main Factors in the Year-on-Year Change in Results**

Profit increased mainly in LNG trading as well as E&P and LNG business which have been affected by higher oil and gas price, while recording a provision loss at E&P business.

- Energy Business Unit I
- Energy Business Unit II
- Energy Solutions Business Unit

## Business Overview and Strengths

**Business Overview**

- Investment in and trading natural gas, LNG and petroleum
- Trading coal and nuclear fuel
- Power business and mobility electrification initiative
- Carbon credit generation business and decarbonization initiative
- Supply and transportation businesses for next-generation fuels including hydrogen, ammonia and sustainable aviation fuels
- Low-carbon solutions businesses including CCS/CCUS

**Strengths**

We maximize our value and work for decarbonization by leveraging our cash generating portfolio of natural gas, LNG and oil assets, our trading competencies (risk management and logistics expertise), and our strong global networks. We will improve our portfolio structure by strengthening competitiveness in existing businesses, taking on selected new initiatives, and addressing environmental issues and other measures.

## Operating Environment, Risks and Opportunities

**Operating Environment**

- Energy demand is expected to increase in line with growth of population and global economies
- Social requirement both for a stable energy supply and decarbonization becoming ever greater

**Risks**

- Volatility in oil and gas prices and changes in people's lifestyles and behaviors
- Potential decline in hydrocarbon demand due to growing social needs for clean energy

**Opportunities**

- Energy demand expansion, especially at natural gas and LNG as a *real solution* in energy transition.
- Increasing demand for clean energy and next-generation energy
- Expansion of opportunities for energy solutions business due to accelerating pace of decarbonization

## Medium-term Management Plan Strategy

**Growth Strategy**

- Maximize the value of upstream business and utilize existing platforms for new businesses such as CCS/CCUS
- Launching new LNG development projects and improving global LNG business portfolio
- Promote businesses for integrated energy services and next-generation fuel businesses utilizing the strengths of core businesses



**HIGHLIGHT**

### Challenge and Innovation Case Study—Energy Business in Australia: Balancing Stable Supply and Response to Climate Change for a Decarbonized Society

Mitsui has been involved in crude oil, natural gas and LNG projects in Australia for more than 30 years, including its participation in the North West Shelf LNG Project in 1985 and the Wandoo Exploration and Production (E&P) Project in 1995, and has continued to expand its solid, regionally rooted business foundation. In 2018, we acquired an interest in the Waitsia gas field, the largest onshore field in Western Australia, through a corporate acquisition and we are managing the project as the operator. From this position, we are taking the lead in connecting the natural gas produced at the Waitsia gas field to the North West Shelf LNG Project, in which we have an investment, and using our existing infrastructure to sell it to the LNG market, as well as to ensure long-term, stable supply to the domestic market in Australia. The value created is made possible by combining both E&P and LNG business with the expertise we have cultivated over many years.

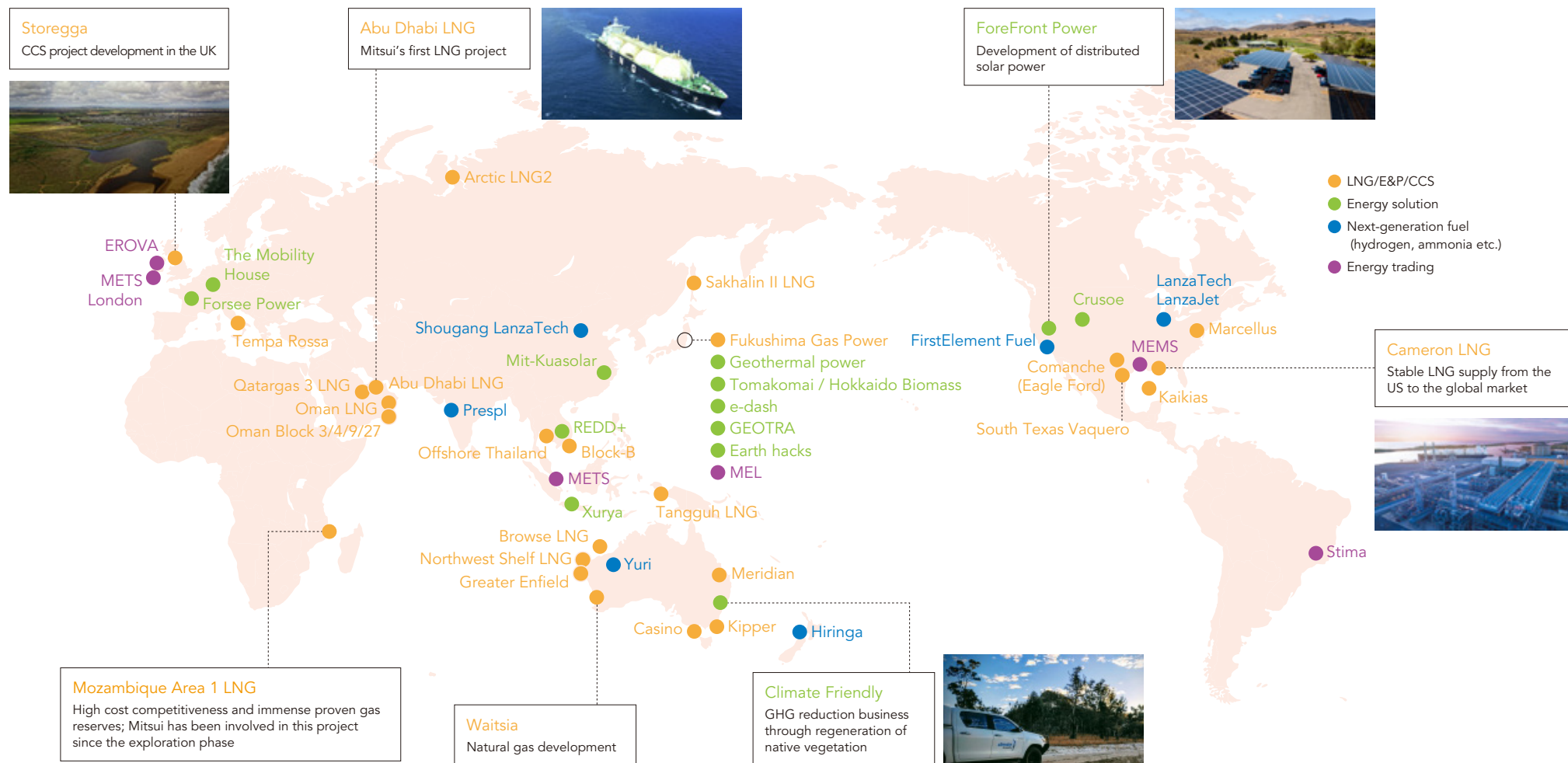
We are making steady advances in businesses that contribute to the global energy transition with natural gas and LNG at the core of our operations. For the next phase of the Waitsia gas field development, we are studying the commercial and technical viability of building a low carbon ammonia production plant, which will include Carbon Capture and Storage (CCS) solutions to be provided by Mitsui. Other initiatives include participation in a carbon credits business (through investment in Climate Friendly) and in the green hydrogen business. Everything altogether, Mitsui will challenge to achieve a balance between stable energy supply and decarbonization.

### Segment Strategies

### Energy Segment

### Global Energy Transition

We are responsible for the stable supply of energy essential to industry and society through our investment and trading especially in natural gas and LNG. As a *real solution* in the Global Energy Transition, and to realize a decarbonized society, we will promote decarbonization of existing energy sources, as well as creation of next-generation businesses.



Segment Strategies

# Machinery & Infrastructure Segment

• Infrastructure Projects Business Unit • Mobility Business Unit I • Mobility Business Unit II



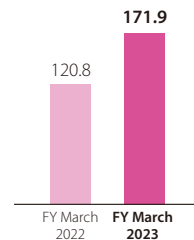
**Koichi Wakana**  
Managing Officer,  
Chief Operating Officer  
of Infrastructure Projects  
Business Unit

**Maroshi Tokoyoda**  
Managing Officer,  
Chief Operating Officer  
of Mobility Business Unit

**Takuya Shirai**  
Managing Officer,  
Chief Operating Officer of  
Mobility Business Unit II

**Segment Profit**

(¥ billion)



**Main Factors in the Year-on Year Change in Results**

Profits increased, mainly due to the strong performance of automobile-related businesses, especially in North America, such as Penske Truck Leasing and Penske Automotive Group, despite recording impairment losses in the railway business in Brazil and the power generation business in China.

## Business Overview and Strengths

**Business Overview**

- Power: Thermal power/renewable energy power generation businesses
- Infrastructure: Natural resources, logistics, digital and other infrastructure
- Automotives, construction machinery, etc.: Wholesale, retail, finance and leasing businesses
- Ships: Trade, ownership and operation, and DX/environment-related businesses
- Aerospace: Sale, purchase, and leasing businesses
- Rail: Passenger and freight transportation, locomotive and freight car leasing
- Space: Satellite rideshare and other space-related businesses

**Strengths**

- Wide range of customers base, global networks, and collaborations with top partners
- Infrastructure assets backed by solid demand
- Project development capabilities with regional expertise, which contributes to the development of countries
- Develop wide-ranging businesses spanning fields such as digital infrastructure, renewable energy, next-generation mobility, batteries, next-generation fuels, and logistics

## Operating Environment, Risks and Opportunities

**Operating Environment**

- Global demand for electricity is increasing, especially for renewable energy and natural gas
- Curtailed automobile supply due to semiconductors shortage is expected to normalize in the near future
- Shift to transportation with lower environmental impact.
- The bulk carrier market is expected to continue to decline for the time being, while the tanker market is expected to remain at a high level

**Risks**

- Global inflationary trends and financial market changes
- Changes in industrial structure, including a decrease in new resource development in response to changing social needs

**Opportunities**

- DX progress, acceleration of digital infrastructure
- Expansion and diversification of service demand for transportation and transportation infrastructure that contributes to climate change responses. (renewable energy, energy conservation, new fuels and electrification, etc.)

## Medium-term Management Plan Strategy

**Growth Strategy**

- Power: Improve the business portfolio through strategic recycling with an awareness of ESG and expansion of renewable energy initiatives
- Resources infrastructure: Selective initiatives in regions and domains that take into account the shift to decarbonization, business cluster formation centered on existing businesses
- Automotives, construction machinery, etc.: Expand existing businesses and develop solutions businesses in adjacent areas to steadily form and grow business clusters
- Ships and aerospace: Upgrade trading, improve the business portfolio through expansion into adjacent areas, and build new business models in areas such as the environment and digital transformation



**HIGHLIGHT**

### Challenge and Innovation Case Study—Supplying Electric Power to Meet Needs of the Times

Around the world, Mitsui offers a stable supply of electric power that is indispensable for better lives through a combination of thermal power, hydropower and renewable energy. In Thailand, our joint project with Gulf Energy Development completed construction of a gas-fired power plant (2,500 MW) on schedule in October 2022, augmenting our existing 12 cogeneration plants there (total 1,470 MW). We are also scheduled to complete construction of a follow-on project (2,500 MW) in October 2024. With the addition of solar power generation to increase supply to industrial customers in Thailand, we are making progress toward a power business with a total capacity of approximately 6,500 MW. Through these businesses, we expect to meet nearly 20% of Thailand's electricity demand, thus aiming to contribute to the country's economic growth.

In India, we will build three wind farms and one solar plus battery storage farm (total 1,300 MW) together with ReNew, the country's largest renewable energy company. This is India's first "round-the-clock" scheme to provide a stable 24-hour power supply by combining multiple wind and solar plus battery storage farms. Coal-fired power plants currently account for the majority of India's total power generation capacity, but renewables are expected to play an important role in replacing coal-fired power plants in the future to secure the electricity necessary for the country's economic growth.

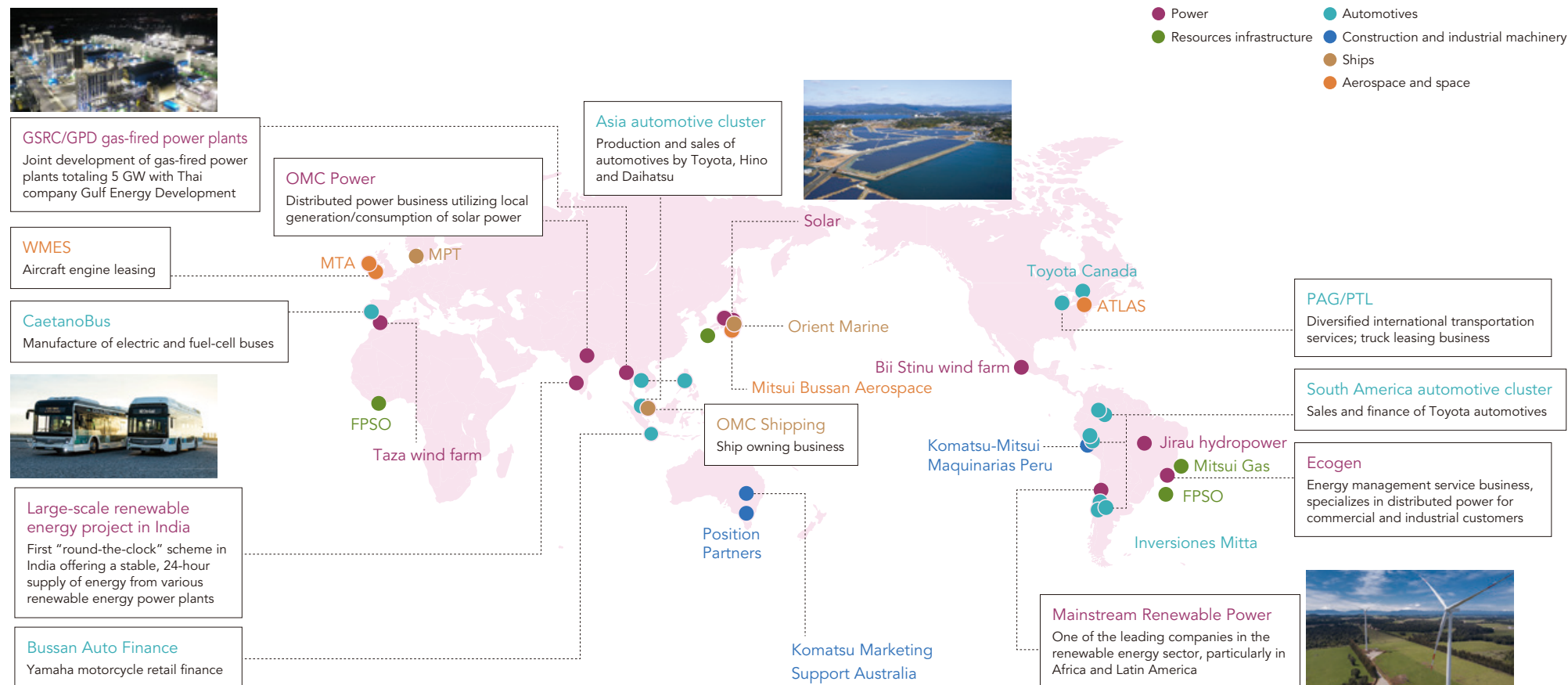
## Segment Strategies

### Machinery & Infrastructure Segment

#### Infrastructure and Mobility Business Portfolio

Infrastructure: Mitsui holds 73 assets in 23 countries, with a power generation capacity of approximately 11 GW (as of June 2023). We are conducting a strategic reconfiguration of our business portfolio with a targeted renewable energy ratio of over 30% by 2030.

Mobility business: Mitsui is engaged in the manufacture and sale of automobiles and motorcycles, finance, automotive fleet management, sale of mining and construction machinery, trade, ownership and brokerage of ships, and businesses relating to railways, aerospace and space. It carries out business activities in countries around the world, mainly in Asia-Pacific, the Americas and Europe.





Segment Strategies

# Chemicals Segment

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



**Junji Fukuoka**

Managing Officer,  
Chief Operating Officer  
of Basic Materials  
Business Unit

**Hiroshi Kakiuchi**

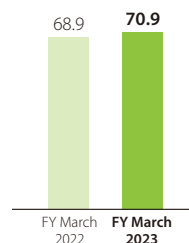
Executive  
Managing Officer,  
Chief Operating Officer  
of Performance Materials  
Business Unit

**Tetsu Watanabe**

Managing Officer,  
Chief Operating Officer of  
Nutrition & Agriculture  
Business Unit

**Segment Profit**

(¥ billion)



**Main Factors in the Year-on-Year Change in Results**

Profits increased, mainly due to strong operations and insurance income in the US tank terminal business, agrochemicals-related business, fertilizer and fertilizer raw materials-related business and trading, and phosphate ore business, despite lower profit due to higher raw material prices in the US methanol business.

## Business Overview and Strengths

**Business Overview**

- Chemical raw materials and material-related businesses
- Hydrogen and industrial gases and gas chemicals businesses
- Agricultural input and animal nutrition-related businesses
- Tank terminal and trading-related businesses
- Forestry resources and biomaterial-related businesses

**Strengths**

- Logistics and trading businesses that support the stable supply of materials
- Global network with leading companies in a wide range of industries that leverage the strengths of our trading business
- Use of Mitsui's network for businesses that offer solutions to industry-related issues

## Operating Environment, Risks and Opportunities

**Operating Environment**

- Increasing social demand for environmentally conscious business in response to climate change
- Increasing demand for food and energy related chemicals due to population growth and economic growth
- Increasing demand for high value-added food due to growing health consciousness

**Risks**

- Acceleration of structural change in the petrochemical industry in response to climate change
- Supply chain restructuring and local production and consumption due to heightened geopolitical risks
- Increase in manufacturing costs due to rising energy costs and labor shortages

**Opportunities**

- Increasing need for stable supply due to changes in the supply chain
- Increasing need for environmentally friendly materials, products, and businesses in response to climate change
- Increasing need for health, wellness, and quality of life improvement

## Medium-term Management Plan Strategy

**Growth Strategy**

- Strengthen the foundation of the logistics business and enhance trading functions, including through collaboration with global leading companies
- Promote businesses that take responding to climate change as an opportunity, such as hydrogen, ammonia and other next-generation fuels, the circular economy, forest resources and next-generation agricultural businesses
- Promote and expand the wellness business by increasing added value in the fields of animal health, food and nutrition



Fairway Methanol (US)

**HIGHLIGHT**

### Challenge and Innovation Case Study—Initiatives That Leverage Stable Chemical Supply to Address Climate Change

Leveraging the trust we have built with our partners through our trading business, which has been the core of our operations since Mitsui was founded, we have entered the chemical product manufacturing and tank terminal businesses to contribute to the stable supply of basic materials by supporting the foundations of industry in terms of both manufacturing and logistics.

In 1972, we established a tank terminal business in the US (Intercontinental Terminals Company, or "ITC"). In addition to our track record of participation in the ammonia production business since 2000 (transferred in 2015), we began participating in the methanol production business in Saudi Arabia in 2002 (International Methanol Company) and in the US in 2014 (Fairway Methanol). A pipeline has opened in the US between Fairway Methanol and ITC to transport methanol, which was previously transported by sea. Through

these and other initiatives, we have been promoting more advanced functions to achieve stable supply as well as reduction of CO<sub>2</sub> emissions.

We are also utilizing the business knowledge and expertise as well as the trust with our partners that we have built through our existing businesses in projects including production of low-carbon methanol using CO<sub>2</sub> in the US, biomethanol production using renewable natural gas as a raw material, e-methanol production in Europe with green hydrogen and CO<sub>2</sub> as raw materials and clean ammonia production in the Middle East and the US. We will proactively tackle new projects that help to realize a decarbonized society and provide *real solutions* to deal with climate change.

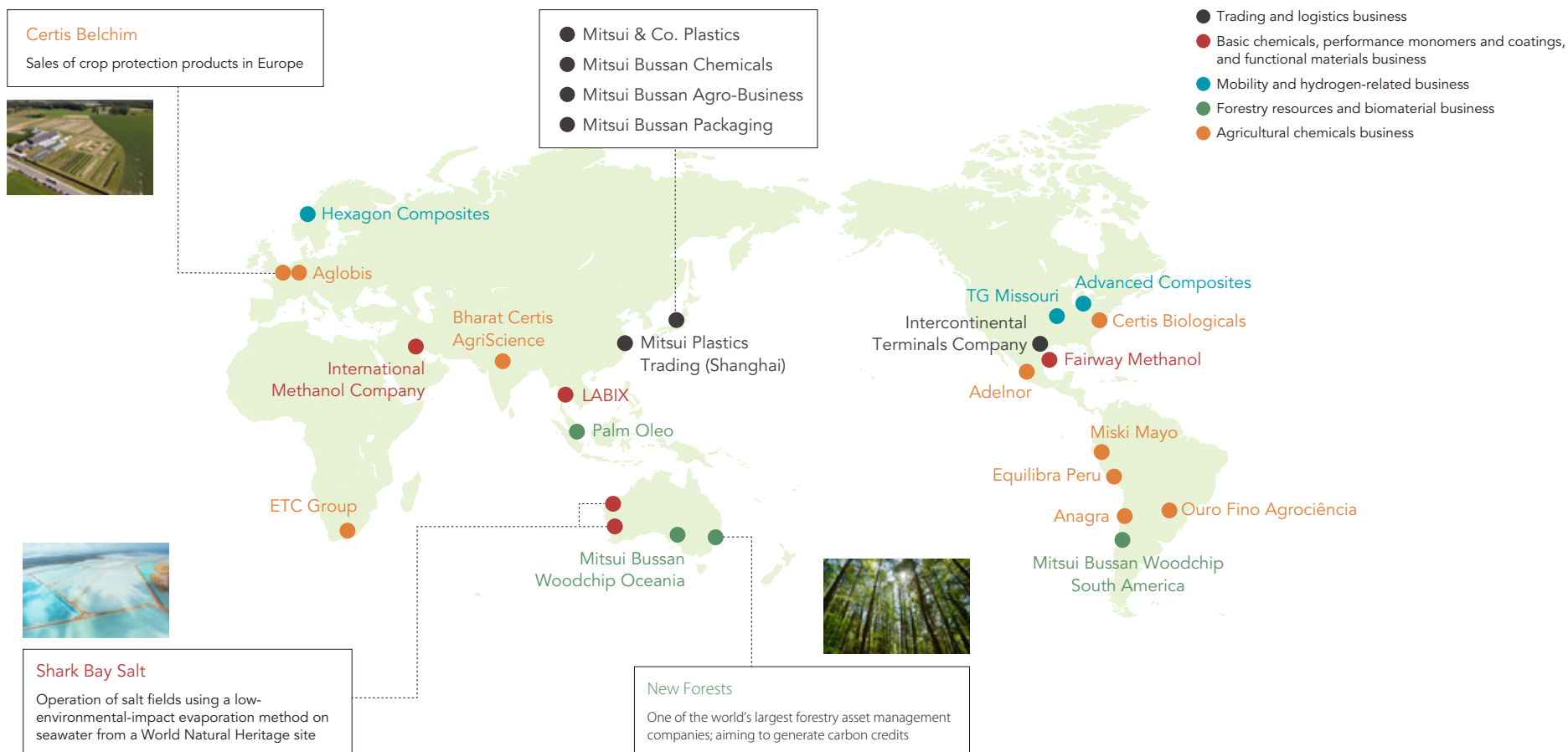
## Segment Strategies

### Chemicals Segment

#### Chemicals Business Portfolio

Based on the strong relationships we have cultivated with our customers and partners over the years, we have built a sales and trading business foundation including logistics assets such as tank terminals and ships. We also invest in the manufacturing businesses in fields where we can utilize our experience, knowledge and strengths, and are enhancing our functions to meet the increasingly complex needs of our customers.

We leverage the experience and knowledge we have accumulated through our existing businesses in businesses that help to address climate change such as the next-generation fuels: hydrogen and ammonia, as well as forest resources.



Segment Strategies

# Iron & Steel Products Segment

• Iron & Steel Products Business Unit

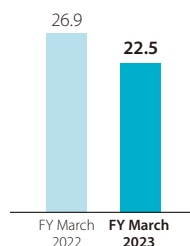


**Koichi Fujita**

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

**Segment Profit**

(¥ billion)



**Main Factors in the Year-on-Year Change in Results**

Although trading operations at Mitsui & Co. Steel performed strongly in the first half of the fiscal year, profit declined at NuMit (investment in steel processing and sales company Steel Technologies) in the US and overseas trading subsidiaries due to a decline in steel prices.

**Business Overview and Strengths**

**Business Overview**

- Electric furnace business
- Business for the sale and processing of iron and steel products
- Parts production business
- Wind power tower manufacturing business
- Infrastructure/offshore wind power maintenance business
- Product life cycle assessment (LCA) visualization business

**Strengths**

- Operations covering an extensive supply chain from steel manufacturing to sale and processing of steel products and parts production
- Global customer network of steel trading companies
- Diverse services beyond steel product distribution, such as infrastructure maintenance

**Operating Environment, Risks and Opportunities**

**Operating Environment**

- Step-by-step greenification through technological innovation toward a decarbonized society
- Heightened raw materials and fuel costs, and surfacing geopolitical risks
- Medium-term global steel demand is expected to increase, driven by Asia

**Risks**

- Industry restructuring and changes in distribution structure against a backdrop of declining domestic crude steel production
- The impact of heightened geopolitical risk on trade flows

**Opportunities**

- Changes in supply chain structure and increasing demand for longer-lasting infrastructure due to acceleration of shift to decarbonization and a circular economy
- Expanding needs for lighter and stronger materials in the field of transportation
- Needs for steel distribution reform through leveraging DX

**Medium-term Management Plan Strategy**

**Growth Strategy**

- Build a value chain that contributes to a decarbonized society and circularity
- Material supply, processing, and parts production for electrification
- Promote businesses for the transition to next-generation energies and digital transformation in logistics
- Build a circular economy and promote business to extend the lifespan of infrastructure



**HIGHLIGHT**

Challenge and Innovation Case Study—**Building an Offshore Wind Power Supply Chain**

While momentum is growing for the use of renewable energy, offshore wind power is attracting attention as Japan and other countries announce production targets.

The Iron & Steel Products Business Unit is building a value chain for the products and services necessary for offshore wind power generation. Mitsui & Co. Steel contributes to the construction of offshore wind power infrastructure through the supply of steel products. Regency Steel Japan utilizes its advanced manufacturing technologies and know-how to manufacture parts for offshore wind turbine foundations and laying ship and GRI Renewable Industries manufactures offshore wind turbine towers. With operations in eight countries around the world, GRI is one of the world's leading wind turbine tower

manufacturers. In addition, the transportation, storage and assembly of massive wind turbine components requires a specialized large-scale port, such as that operated by Global Energy Group. For the ongoing stable wind power generation, proper operation and maintenance (O&M) is necessary after the power plant begins operation. In this area, Horizon Ocean Management has launched Japan's first offshore wind O&M business.

As offshore wind power is rapidly introduced worldwide, we will help to realize a decarbonized society through our operations across an extensive value chain, as well as the provision of expertise and services in cooperation with related segments.

## Segment Strategies

### Iron & Steel Products Segment

#### Iron & Steel Products Business Portfolio

Mitsui has established a global customer network through steel trading activities of Mitsui & Co. Steel, MM & KENZAI and NIPPON STEEL TRADING. Our supply chain, spanning steel manufacturing and steel product sales and processing to parts production, also enables us to meet a wide range of customer

needs. In recent years, we have also developed new businesses that address changes in social environment and are thereby expanding into diverse services beyond the steel product supply chain, including infrastructure, offshore wind power-related maintenance and product LCA visualization.





## Segment Strategies

## Lifestyle Segment



Yoichiro Endo

Executive Managing Officer,  
Chief Operating Officer of  
Food Business Unit

Tsutomu Osada

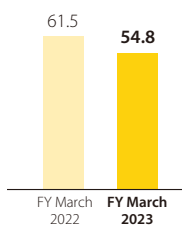
Managing Officer,  
Chief Operating Officer  
of Retail Business Unit

Takeshi Akutsu

Managing Officer,  
Chief Operating Officer of  
Wellness Business Unit

## Segment Profit

(¥ billion)



## Main Factors in the Year-on-Year Change in Results

Profits decreased, mainly due to the absence of a valuation gain related to the merger of Mitsui Bussan I-Fashion in the fiscal year ended March 2022, and the absence of gains on sales and valuation of the shares of PHC Holdings, although there was a decrease in corporate tax burden related to the sale of stock holdings, and strong performances by IHH Healthcare, WILSEY FOODS (investment in Ventura Foods, a processed oil food company) in the US, and grain trading.

• Food Business Unit • Retail Business Unit • Wellness Business Unit

## Business Overview and Strengths

## Business Overview

- Food production, aggregation, manufacturing, processing and development businesses
- Food product retail business (manufacturing, distribution and retail)
- Brand and retail business
- Medical services and data, and pharmaceutical-related business
- Digital transformation, human capital and hospitality-related business

## Strengths

- Stable supply capabilities covering three major nutrients and preferential ingredients
- Product planning and development capabilities to meet diverse needs
- Efficient supply chain management
- Business portfolio encompassing medicine, preventive care and wellbeing
- Accumulated knowledge and management talent in the healthcare provider business

## Operating Environment, Risks and Opportunities

## Operating Environment

- Diversified lifestyles and growing health consciousness and social values such as sustainability
- Rise in raw material costs, labor costs, etc
- Increasing importance of real “places” in conjunction with the convergence of online and offline

## Risks

- Migration of traditional production areas due to climate change
- Changes in supply chain due to geopolitical risks
- The paradigm shift in the healthcare industry due to healthcare regulatory trends, labor shortages, and the entry of GAFA and other industrial players into the healthcare market

## Opportunities

- Diversification and segmentation of values and diversification of consumer behavior
- Changes in behaviors and values toward preventive care and health
- Expansion of the gap between healthcare supply and demand in emerging countries such as Asia, and expansion of the market for preventive care in developed countries

## Medium-term Management Plan Strategy

## Growth Strategy

- Organize an ecosystem for improving consumers' lifestyles in collaboration with various businesses
- Strengthen stable food supply globally by identifying and reconfiguring procurement sources as appropriate and upgrading trading functions
- Expand the scale of the medical service business centered on IHH Healthcare and implement digital transformation



## HIGHLIGHT

## Challenge and Innovation Case Study—Joint Promotion of Medical Innovation in Asia with IHH Healthcare

In 2011, Mitsui invested in IHH Healthcare, Asia's largest hospital group, and has supported the growth of IHH Healthcare by utilizing the Asia networks Mitsui has built up over many years. As IHH Healthcare's largest shareholder with a current shareholding of 32.8% and as a strategic partner, we are aligning our perspectives and driving medical innovation in Asia. Through measures such as the establishment of the Innovation Office within IHH Healthcare in 2016, we are leading groupwide reform that spans national borders, in addition to initiatives on the business frontlines of individual countries. These initiatives have grown to encompass the introduction of advanced technologies including the full-scale introduction

of telemedicine, support for the development of early cancer diagnosis technology, and the development and introduction of MyHealth360, a mobile platform that enhances the patient experience through functions such as management of medical appointments, online examinations, viewing of test results and medical cost estimates. Moreover, the group has fostered a corporate culture of innovation. Such initiatives will help to build patient-centered medical care systems for serving the approximately 800,000 inpatients treated by IHH Healthcare annually, thereby expanding possibilities for healthcare and enhancing quality of life for people living in the growing Asia.

## Segment Strategies

### Lifestyle Segment

#### Lifestyle Segment Portfolio

##### Food Business

The strength of this business is its global network and stable supply capabilities covering the three major nutrients (proteins, oils and fats, and sugars) and preferential ingredients. It is promoting initiatives for products and markets that are expected to grow as a result of the fusion of Asian and Western food cultures.

##### Retail Business

This business creates value that enriches consumers' lifestyles with the combination of manufacturing, distribution and retail functions. It is also focusing on food product development and manufacturing in North America, and building businesses with local partners in Asia.

##### Wellness Business

This business is building an earnings base through forming of a business cluster that combines a hospital, clinic and hospital adjacent business, development and sales of pharmaceutical and healthcare products and a hospitality business centered on Aim Services.



Segment Strategies

# Innovation & Corporate Development

• IT & Communication Business Unit • Corporate Development Business Unit

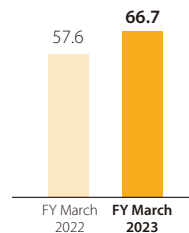


**Isao Kohiyama**  
Managing Officer,  
Chief Operating Officer of IT &  
Communication Business Unit

**Daisuke Ishida**  
Managing Officer,  
Chief Operating Officer of Corporate  
Development Business Unit

**Segment Profit**

(¥ billion)



**Main Factors in the Year-on-Year Change in Results**

Profits increased, mainly due to gains on sales in the domestic and overseas real estate business and strong performance in commodity derivatives trading, despite the absence of gains from the sale and fair value valuation of securities held in the fiscal year ended March 2022.

**Business Overview and Strengths**

**Business Overview**

- Digital solutions
- Consumer platforms, customer relationship management (CRM)
- Digital transformation in new areas such as healthcare
- Finance: Asset management, leasing, derivatives and private equity investment
- Real estate: Development, management and services
- Logistics-related: Logistics center operation and international transportation

**Strengths**

- Network with leading Japanese and overseas partners and customer base
- Building new digital transformation businesses using the technology and business knowledge of core domestic affiliated companies
- Value creation that combines Mitsui group's technology and knowledge with ICT, finance, real estate and logistics business functions

**Operating Environment, Risks and Opportunities**

**Operating Environment**

- Rise in the need for value-added services and cybersecurity measures are rising in line with the shift to digitalization
- Increased importance of investment decisions based on changes in the market environment and needs, such as heightened environmental recognition

**Risks**

- Market risks of stock price fluctuations, etc.
- Worsening business sentiment and performance due to higher interest rates and inflation

**Opportunities**

- ICT solution needs in the face of technological evolution
- Spread of digital services in line with diversified lifestyles
- Opportunities to create climate change-related financial products, increased hedging needs due to higher volatility

**Medium-term Management Plan Strategy**

**Growth Strategy**

- Further strengthen the earnings base of core group companies, and generate results from bolt-on acquisitions; establish framework for growth with positive impacts
- Achieve business expansion and improved capital efficiency through securitization of owned assets and portfolio consolidation and reorganization
- Create new businesses and build an earnings base in growth areas that incorporate new technologies and business models
- Provide expertise and functions in the fields of finance and ICT within Mitsui Group and to business partners, and initiate strategic projects that lead to co-creation and business transformation



**HIGHLIGHT**

Challenge and Innovation Case Study—**Commodity Derivatives Business: Ongoing Challenges for a More Robust Business**

The commodity derivatives business appropriately manages and monetizes the price fluctuation risk of commodities traded in the financial market. The business consists of marketing, which meets customer needs for risk hedging, and trading, which handles Mitsui's own risks. The main products are derivatives related to energy, non-ferrous metals and precious metals. One of Mitsui Group's strengths is its diverse businesses in areas such as energy and metal resources. In meeting the hedging needs that arise from Mitsui Group's wide-ranging businesses in each segment, we are able to quickly identify changes in industries and business environments, leading to advantageous proposals and trading strategies for our customers.

Through ongoing improvements in our risk management, we have been able to overcome market volatility and other difficulties. Moreover, the capable human resources, accumulated expertise, and trust from the market we gained through these experiences are also major strengths.

To continue to build on our track record, we are tackling new business initiatives including a cryptocurrency business that utilizes blockchain technology and a joint gas, electricity, and emissions credits business with the Energy Solutions Business Unit. We will continue working to create further value by applying our seasoned risk management in pursuit of the new challenges we take on.

## Segment Strategies

### Innovation & Corporate Development

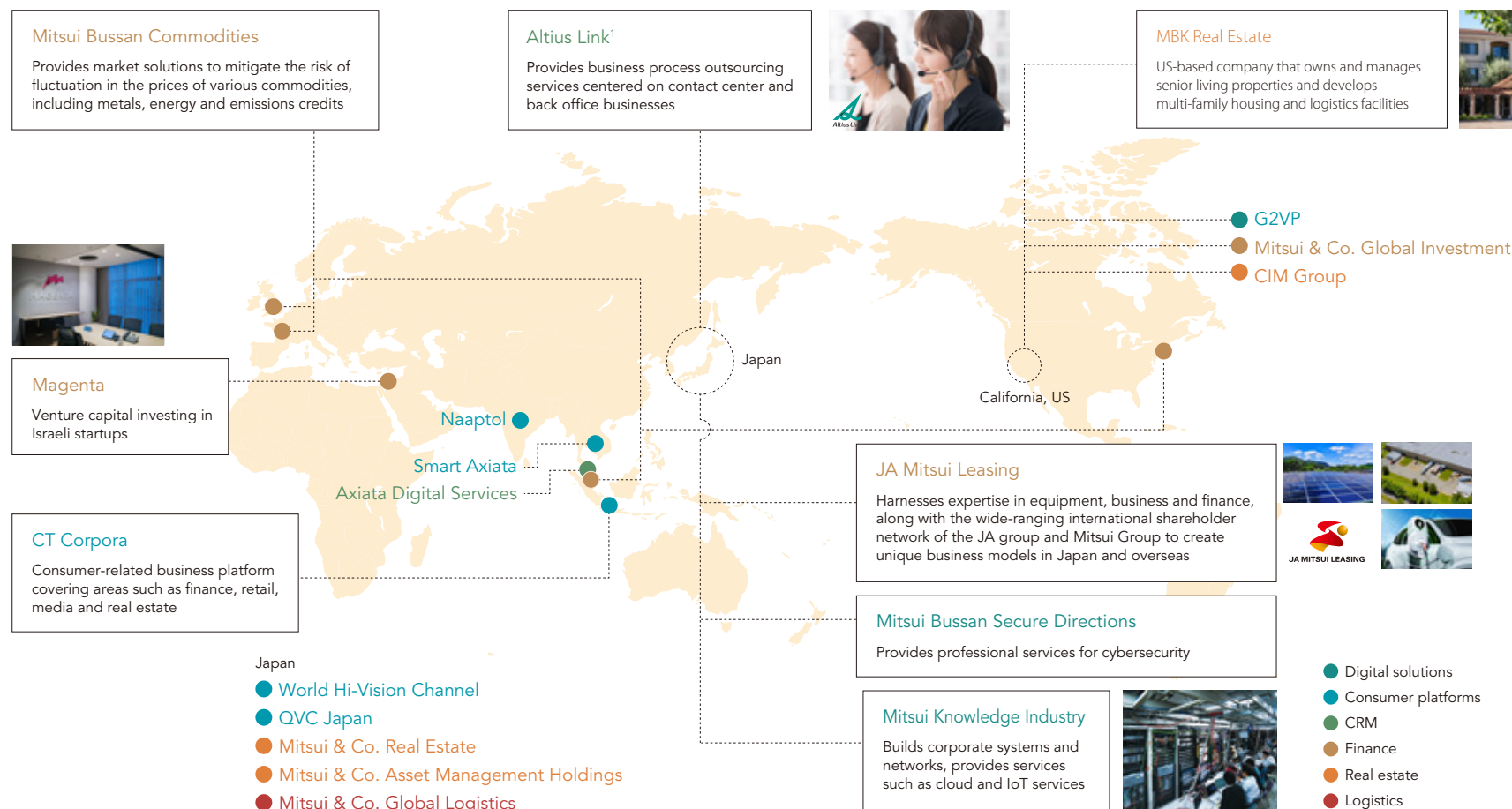
#### Innovation & Corporate Development Business Portfolio

##### IT & Communication Business

This business is working to create and promote businesses in areas such as IT services, cybersecurity, broadcasting/TV shopping and digital marketing.

##### Corporate Development Business

In addition to efforts relating to finance, real estate and logistics businesses in Japan and overseas, this business is working on the development of strategic projects and new business areas that will lead to the evolution of Mitsui's business models.



<sup>1</sup> Altius Link is scheduled to be established on September 1, 2023 through the business integration of Relia and KDDI Evolva.



# Major Risk Exposure by Country

Circle size is an approximate indication of total exposure (i.e., net position) as of March 31, 2023.

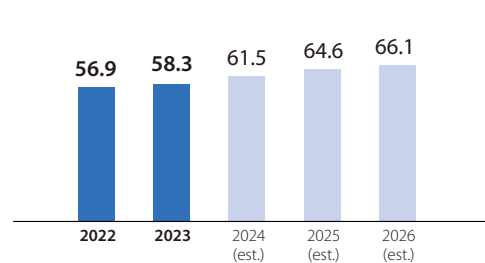


Please refer to the following website for more information on risk exposure by country.  
[https://www.mitsui.com/jp/en/ir/library/meeting/pdf/en\\_233\\_4q\\_risk.pdf](https://www.mitsui.com/jp/en/ir/library/meeting/pdf/en_233_4q_risk.pdf)

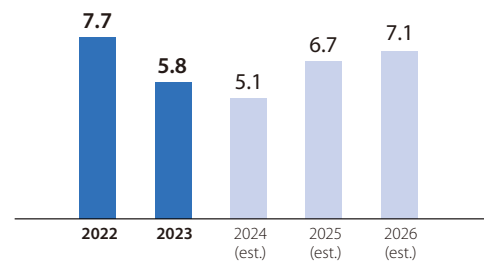
## Equity Share of Production

(As of May 2023)

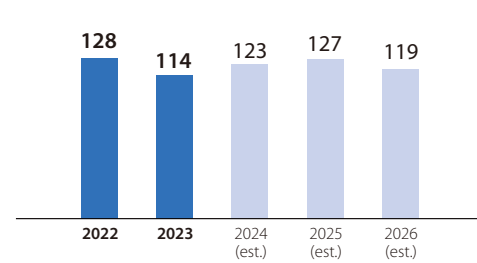
Iron Ore  
(Mt/year)



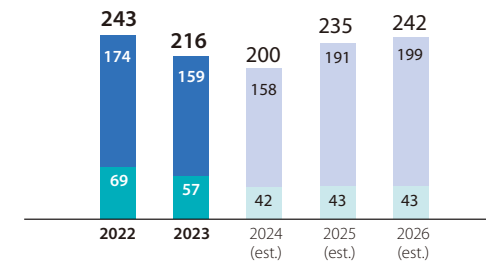
Metallurgical Coal  
(Mt/year)



Copper  
(kt/year)



Crude Oil & Gas<sup>1,2</sup>  
(kBOE/day)



(Fiscal years ending March)

1. Oil equivalent: Mitsui's equity share of interests of consolidated subsidiaries, affiliates and general investments  
 2. Mitsui's share of sales is applied to certain projects

## 5-Year Financial Data

	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2023
					(¥ billions)	(US\$ millions)
<b>Consolidated Operating Results (For the Fiscal Year):</b>						
Revenue	6,957.5	6,885.0	8,010.2	11,757.6	<b>14,306.4</b>	<b>106,764</b>
Gross Profit	838.5	839.4	811.5	1,141.4	<b>1,396.2</b>	<b>10,419</b>
Share of Profit of Investments Accounted for Using the Equity Method	255.4	269.2	227.9	431.3	<b>555.5</b>	<b>4,146</b>
Profit for the Year Attributable to Owners of the Parent	414.2	391.5	335.5	914.7	<b>1,130.6</b>	<b>8,437</b>
<b>Consolidated Financial Position (At the Fiscal Year-End):</b>						
Total Assets	11,945.8	11,806.3	12,515.8	14,923.3	<b>15,380.9</b>	<b>114,783</b>
Total Equity Attributable to Owners of the Parent	4,263.2	3,817.7	4,570.4	5,605.2	<b>6,367.8</b>	<b>47,521</b>
Interest-bearing Debt	4,625.5	4,550.5	4,401.5	4,509.2	<b>4,609.5</b>	<b>34,399</b>
Net Interest-bearing Debt	3,659.2	3,486.7	3,299.8	3,338.9	<b>3,212.7</b>	<b>23,975</b>
<b>Consolidated Cash Flows (For the Fiscal Year):</b>						
Cash Flows from Operating Activities	410.7	526.4	772.7	806.9	<b>1,047.5</b>	<b>7,817</b>
Core Operating Cash Flow	570.5	621.9	658.1	1,158.7	<b>1,205.5</b>	<b>8,996</b>
Cash Flows from Investing Activities	(719.0)	(185.2)	(322.5)	(181.2)	<b>(178.3)</b>	<b>(1,331)</b>
Cash Flows from Financing Activities	127.4	(204.6)	(487.0)	(614.3)	<b>(634.7)</b>	<b>(4,737)</b>
Free Cash Flow	(308.3)	341.2	450.2	625.7	<b>869.2</b>	<b>6,487</b>
Investments and Loans	(930.0)	(420.0)	(445.0)	(511.0)	<b>(628.0)</b>	<b>(4,687)</b>
Divestitures	230.0	250.0	143.0	257.0	<b>392.0</b>	<b>2,925</b>
Net Cash Outflow	(700.0)	(170.0)	(302.0)	(254.0)	<b>(236.0)</b>	<b>(1,761)</b>
<b>Financial Indicators:</b>						
Return on Equity (ROE)	10.1%	9.7%	8.0%	18.0%	<b>18.9%</b>	
Return on Assets (ROA)	3.5%	3.3%	2.8%	6.7%	<b>7.5%</b>	
Net Debt-to-Equity Ratio (Net DER)	0.86	0.91	0.72	0.60	<b>0.50</b>	
¥						
<b>Amounts per Share:</b>						
<b>Profit for the Year Attributable to Owners of the Parent</b>						
Basic	238.33	226.13	199.28	561.61	<b>721.82</b>	<b>5.39</b>
Diluted	238.15	225.98	199.18	561.38	<b>721.41</b>	<b>5.38</b>
Cash Dividends	80	80	85	105	<b>140</b>	<b>1.04</b>
Consolidated Dividend Payout Ratio	33.6%	35.4%	42.7%	18.7%	<b>19.4%</b>	<b>19.4%</b>
Total Equity Attributable to Owners of the Parent	2,452.81	2,235.83	2,739.28	3,501.21	<b>4,177.49</b>	<b>31.18</b>
<b>Stock Price:</b>						
Market Capitalization (billions)	2,986.9	2,567.3	3,849.9	5,340.8	<b>6,289.7</b>	
Stock Price (Closing stock price on the Tokyo Stock Exchange)	1,718.5	1,503.5	2,302.2	3,328.0	<b>4,116.0</b>	
Price Earnings Ratio (PER)	7.21	6.65	11.55	5.93	<b>5.70</b>	
Price Book-Value Ratio (PBR)	0.70	0.67	0.84	0.95	<b>0.99</b>	
US\$						

Notes: 1. Per share information is calculated based on the number of shares issued at fiscal year-end.

2. Price earnings ratio (PER) is calculated based on the stock price (closing stock price on the Tokyo Stock Exchange) (yen) divided by basic profit attributable to owners of the parent per share.

3. Price book-value ratio (PBR) is calculated based on the stock price (closing stock price on the Tokyo Stock Exchange) (yen) divided by equity attributable to owners of the parent per share.

4. The US dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate of ¥134.00=US\$1, the approximate rate of exchange on March 31, 2023.

5. The US dollar amounts for cash dividends represent translations of the Japanese yen amounts at the rate in effect on the payment date.

6. From the fiscal year ended March 2020, interest-bearing debt is calculated by subtracting lease liabilities from long-term debt. However, figures for prior years have not been retroactively revised to reflect this change.

7. The revenue of certain transactions has been revised to be presented as gross amounts, beginning with the fiscal year ended March 2021. However, figures for prior years have not been retroactively revised to reflect this change.

8. Market Capitalization is calculated based on the closing price on March 31 of each fiscal year and the number of shares after deducting the number of treasury stock held by the Company from the total number of shares issued.

The number of shares held by the Employee Stock Grant Trust included in treasury stock in the consolidated financial statements and the number of cross-held shares (equivalent to the Company's investment ratio) are not deducted.

# Company Information / Investor Information / Editor's Afterword

(As of March 31, 2023)

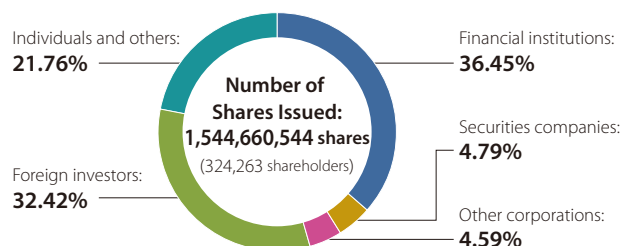
<b>Trade Name</b>	MITSUI & CO., LTD.
<b>Date of Establishment</b>	July 25, 1947
<b>Common Stock</b>	¥342,560,274,484
<b>Number of Employees</b>	5,449 (Consolidated 46,811)
<b>Number of Affiliated Companies for Consolidation</b>	Subsidiaries: 87 in Japan, 210 overseas Equity accounted investees: 45 in Japan, 171 overseas
<b>Address</b>	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan Tel: 81 (3) 3285-1111 URL: <a href="https://www.mitsui.com/jp/en/">https://www.mitsui.com/jp/en/</a>

## Major Shareholders

Shareholder	Equity in Mitsui	
	Number of shares held (thousands)	Equity ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	248,457	16.25
EUROCLEAR BANK S.A./N.V.	115,800	7.57
Custody Bank of Japan, Ltd. (Trust account)	95,425	6.24
Nippon Life Insurance Company	35,070	2.29
JP MORGAN CHASE BANK 385632	33,227	2.17
STATE STREET BANK WEST CLIENT-TREATY 505234	24,527	1.60
JP MORGAN CHASE BANK 385781	19,723	1.29

Notes: 1. In addition to the shares listed above, the Company holds treasury stock of 16,561 thousand shares.  
2. The number of shares is rounded down to the nearest thousand.  
3. Percentage of common stock issued is rounded down to two decimal places.

## Share Distribution (by Shareholder Status)



<b>Securities Code</b>	8031
<b>Stock Exchange Listings</b>	Tokyo, Nagoya, Sapporo, Fukuoka
<b>Fiscal Year</b>	From April 1 to March 31
<b>Ordinary General Meeting of Shareholders</b>	June
<b>Administrator of the Register of Shareholders</b>	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
<b>Contact Information for the Above</b>	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Tel: 0120-782-031 (Toll free in Japan) (Office hours: 9:00am to 5:00pm, closed weekends, national holidays and New Year period)
<b>American Depository Receipts</b>	Symbol: MITSY CUSIP Number: 606827202 Exchange: OTC (Over-the-Counter) Ratio: 1ADR = 20 common shares
<b>Depository and Registrar</b>	Citibank, N.A. Shareholder Services P.O. Box 43077 Providence, Rhode Island 02940-3077 USA Tel: 1-877-248-4237 (Toll free in the US) 1-781-575-4555 (Overseas dial-in) Email: <a href="mailto:citibank@shareholders-online.com">citibank@shareholders-online.com</a> URL: <a href="http://www.citi.com/adr">www.citi.com/adr</a>
<b>Number of Shares Authorized</b>	2,500,000,000 shares

## Editor's Afterword

In Integrated Report 2023, we tried to visualize the connection between our financial and non-financial initiatives and enhancement in our corporate value. The production team considered this deeply through repeated discussions with management. Through this process, we came to realize that the execution of our growth strategies, which integrate financial and non-financial initiatives, is directly linked to enhancement in our corporate value, leading to the theme of "Linking Our Growth Strategies to Greater Corporate Value" (Page 24). Gate 2 (Growth Strategy) introduces specific strategies and execution, and also mentions this linkage in messages from management.

We also worked on enhancing non-financial information related to climate change and other topics. With the disclosure of our new Roadmap to Net-zero emissions by 2050 (Page 38), we have endeavored to communicate Mitsui's climate change initiatives in a simple manner.

There is a saying at Mitsui: "People make business, business cultivates people." The production of Integrated Report 2023 reminded us of how these words concisely sum up our business model, in which our people "create, grow, and extend" businesses, and our value creation process, which cultivates individuals by having them exercise their ingenuity to provide *real solutions* to social issues through those businesses.

We would appreciate receiving your feedback after reading this report.



Corporate Profile

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

MITSUI & CO., LTD.