

Last Update: June 20, 2019

**Mitsui & Co., Ltd.**

President and CEO Tatsuo Yasunaga

Contact: Investor Relations Div. +81-3-3285-7910

Securities Code: 8031

<https://www.mitsui.com>

The corporate governance of Mitsui & Co., Ltd. (the “Company” or “Mitsui”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

### 1. Basic Views UPDATED

[Basic Corporate Governance Policy]

In structuring the corporate governance framework, Mitsui places emphasis on “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and executive activities of the management.”

For the “improved transparency and accountability,” Mitsui ensures sound supervision and monitoring of management with the view point of External Directors and External Audit & Supervisory Board Members (hereinafter referred to as the “external members”). Mitsui has also established an internal control system for disclosure so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure. For “the clarification of the division of roles between the oversight activities and executive activities of the management,” Mitsui delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers’ business activities. Chief Operating Officers of 15 business units within headquarters and 3 regional business units serve concurrently as Managing Officers and engage in business operation for the consolidated group in a responsive and flexible manner.

While increasing the effectiveness of supervisory functions by having Audit & Supervisory Board Members, Mitsui implements corporate governance by maintaining an Audit & Supervisory Board system because it believes that having internal Directors who are familiar with our business practices and operations is essential to the business of a general trading company. By adopting a Committee System in which external members participate, Mitsui achieves highly effective corporate governance to secure “improved transparency and accountability” and “the clarification of the division of roles between the oversight activities and executive activities of the management.” In order to realize effective corporate governance for shareholders and other stakeholders, Mitsui has established, and maintains, the following structures:

(a) The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, Mitsui has set the number of Directors to the maximum number that permits substantial discussions. As advisory committees to the Board of Directors, Mitsui also has in place the Governance Committee, the Nomination Committee and the Remuneration Committee, in which External Directors and/or External Audit & Supervisory Board Members participate as members.

(b) The Audit & Supervisory Board Members supervise the Directors’ execution of duties as an independent institution with the mandate of the shareholders. For this purpose, Audit & Supervisory Board Members carry out 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.

Regarding Mitsui's basic views and policies on Corporate Governance, we published "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles" on Company's website as follows.  
([https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/corp\\_gov.pdf](https://www.mitsui.com/jp/en/company/outline/governance/system/pdf/corp_gov.pdf))

(Notes)

"External Director", "Audit & Supervisory Board Member" and "External Audit & Supervisory Board Member" are used in the same sense of "External Director", "*Kansayaku*" and "External *Kansayaku*" in the heading of the format of this Corporate Governance Report respectively. Further, "Independent Director" is an External Director who is unlikely to have conflicts of interest with general shareholders, as stipulated by the Tokyo Stock Exchange.

## [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Mitsui complies with all Principles of the Corporate Governance Code.

## [Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4 Cross-Shareholdings]

### ■ Policy related to acquisition and holding of cross-shareholdings

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

- (1) The purpose of cross-shareholdings in investees for which the equity-method is applicable is to improve the corporate value of the investees and increase equity-method based profit and dividends to be received through participation in the management of the investees. Cross-shareholdings in companies other than equity-method applicable investees (including deemed shareholdings) will be categorized as "listed shares for general investment purposes" and regarded as a means of creating business opportunities and building, maintaining, or strengthening business and collaborative relationships.
- (2) Investments in the shares of equity-method applicable companies are implemented only in cases where the economic rationale is recognizable. At the same time, each year the Board of Directors shall review the meaning of and policy on holding such shares, including a verification of the rationale in relation to our cost of capital, within the framework of portfolio reviews that are carried out in relation to investment assets generally, including unlisted shares. If the meaning of holding these assets has significantly declined, a policy toward withdrawal shall be set out.
- (3) When acquiring listed shares for general investment purposes, the Company shall conduct a prior stringent assessment of the probability of the investment creating business opportunities, or building, maintaining, or strengthening business and collaborative relationships. At the same time, each year, the Board of Directors shall review the meaning of and policy on holding listed shares for general investment purposes by verifying the economic rationale based on the status of dividends, business-related profits, and other related profits, in comparison to our cost of capital, and verification of qualitative aspects based on the status of and outlook for the creation of business opportunities, as well as business and collaborative relationship with each cross-shareholding investee. If as a result of this review the meaning of holding these assets has significantly declined, our policy is sell such assets thereby reducing the cross-shareholdings.

### ■ Result of verification at Board of Directors meeting

Details of verification by the Board of Directors concerning the cross-shareholdings as of March 31, 2018 are as follows.

Equity-method applicable investees:

With regard to every individual stock, checked if it falls under the exit criteria specified within the Company, consisting of the profitability and qualitative criteria. As a result, we confirmed the policy as to whether to hold, exit or continue to temporarily hold to watch those stock that fall under the exit criteria.

Listed shares for general investment purposes:

As far as economic rationality is concerned, confirmed that the related profit exceeds our cost of capital in about half of the individual stocks as a result of verification of the related profit situation,

including dividends and related trading profit compared with our cost of capital vis-à-vis the amount shown in the balance sheet at the end of the term for every individual stock. At the same time, verified and confirmed the qualitative rationale for holding every individual stock. Confirmed the stocks where future sale will be considered as a result of a lessening of the rationale for holding based on both qualitative and quantitative aspects.

■ Policy on the exercise of voting rights

With respect to the exercise of voting rights of listed shares held by the Company, the content of each proposal shall be considered in relation to the management policies and business plans, etc., of the investee, and deliberation shall be conducted on a case-by-case basis by taking into consideration comprehensively from the perspectives of (1) whether or not the proposal contribute to enhancing corporate value of the investee or mutual benefit of the shareholders, and (2) the impact that the proposal may have on the enhancement of the corporate value of the Company in terms of the creation of business opportunities, and building, maintenance, and strengthening of business and collaborative relationship between the investee and the Company.

[Principle 1.7 Related party transactions]

Mitsui seeks for resolution of the Board of Directors concerning transactions between the Company and a Director, Managing Officer or major shareholder in accordance with laws and regulations and the Internal Regulations on Matters to Be Resolved or Reported at the Meeting of the Board of Directors, and reports periodically to the Board of Directors on important transactions with subsidiaries and associated companies.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

Mitsui's corporate pension fund ("Corporate Pension Fund") is managed with the aim of securing the profit needed to ensure the disbursement of pensions and lump-sum payments, and building up quality pension assets. Mitsui assigns people with the specialist knowledge and appropriate qualities deemed necessary to manage the pension fund in line with said objectives. The Corporate Pension Fund has established an asset management committee. Pension assets are managed based on the deliberations by the asset management committee and in accordance with the subsequent decisions of the Board of Directors and board of trustees. For the asset management committee and board of trustees, Mitsui has assigned personnel with appropriate qualities for the task, such as its officers and employees engaged in such areas as human resource management, financial management, accounting, risk management, and legal affairs. At the same time, by assigning employees who represent the fund subscribers, it has created frameworks to carry out various tasks, such as the formulation of basic fund management policies, the allocation of basic assets based on certain strategies, the selection and assessment of fund management institutions, and monitoring of the fund management status. They have assigned people, such as officers or employees, who are from Mitsui, to also properly manage the issue of conflicts of interest between the Corporate Pension Fund beneficiaries and the Company with regard to the formulation and administration of these organizational frameworks.

The Corporate Pension Fund possesses assets, such as investment trusts and pension insurance, in accordance with the basic fund management policy and strategic allocation policy of base assets, and entrusts the fund management with contract fund management institutions by providing contract institutions with these fund management guidelines. The Corporate Pension Fund shall formulate stewardship policies, monitor the stewardship activities of entrusted fund management institutions, and submit reports to the asset management committee, the Board of Directors, and the board of trustees, etc.

[Principle 3.1(i) Company objectives (e.g., business principles), business strategies and business plans]

Please see Introduction of Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles. Also, we publish Corporate Mission Vision Values on the Company's website.

(<https://www.mitsui.com/jp/en/company/outline/idea/index.html>)

Further, we publish Management Plan on the Company's website.

(<https://www.mitsui.com/jp/en/company/outline/management/index.html>)

[Principle 3.1(ii) Basic views and guidelines on corporate governance based on each of the principles of the Code]

Please see Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles, as well as I.1. “Basic Views” of this report and Securities Report etc.

[Principle 3.1(iii) Board policies and procedures in determining the remuneration of the senior management and directors]

Please see II.1. “[Directors] and [Director Remuneration]” of this report and Securities Report etc.

[Principle 3.1(iv) Board policies and procedures in the appointment / dismissal of directors and the appointment of *kansayaku*]

The Board policies and procedures in the appointment/ dismissal of directors and the appointment of *kansayaku* are followings. Further, with respect to policies in the appointment of the external directors and *kansayaku*, please see II. 1 “Independent Directors/*Kansayaku*” in this report.

■ Appointment standard for Directors and process of appointment

Mitsui selects candidates for positions of director giving consideration to the following appointment standard for Directors. Selection of candidates for positions of Director is conducted after confirmation is obtained from the Nomination Committee that the necessary requirements based on the selection processes and the appointment standard for Directors established by the Nomination Committee are fulfilled.

- Person with excellent overall character who possesses qualities valuable for the management of Mitsui
- Person possessing both strong leadership skills and high moral caliber and with law-abiding spirit and a strong intention to contribute to public interest
- Person with no health concerns for the execution of duties
- Person possessing capability for smooth performance as a director of “decision-making related to the execution of operations of the company” and “oversight of the execution of duties by directors” to be conducted by the board of directors
- Person excelling in capability, foresight and insight to make best judgment for the company strictly in compliance with duty of care of a good manager and duty of loyalty expected of a director and in accordance with the “business judgment rule”

■ Appointment standard for Audit & Supervisory Board Members and process of appointment

Mitsui selects candidates for positions of Audit & Supervisory Board Member giving consideration to the following appointment standard for Audit & Supervisory Board Members. For the selection of candidates for positions of Audit & Supervisory Board Member, Directors prepare a proposal for election of Audit & Supervisory Board Members to be submitted to the General Meetings of Shareholders by the Board of Directors.

- Person of excellent personality and considerable insight, possessing outstanding capability and achievements or abundant knowledge in the fields of legal affairs, financial affairs and accounting, business management, and other various fields
- With respect to internal Audit & Supervisory Board Members, person well-acquainted with actual conditions of the company and possessing capability to conduct appropriate audits

■ Dismissal of Directors / Managing Officers (including the CEO)

In cases in which any of the circumstances listed below applies to a director and/or managing officer, to ensure objectivity and transparency, the Nomination Committee shall first discuss dismissal of that director and/or managing officer, followed by deliberations about same at a meeting of the Board of Directors.

- If a person is found to have violated laws and regulations, the articles of incorporation, or otherwise committed illicit acts
- If a person has not fully performed the functions and roles required for his or her office
- If a person has become not to fulfill any of the selection standards for his or her office

[Principle 3.1(v) Explanations with respect to the individual appointments and nominations]

Please see Notice of the Ordinary General Meeting of Shareholders on the Company’s website.

([https://www.mitsui.com/jp/en/ir/library/business/\\_icsFiles/afieldfile/2019/05/20/en\\_100th\\_shoshu.pdf](https://www.mitsui.com/jp/en/ir/library/business/_icsFiles/afieldfile/2019/05/20/en_100th_shoshu.pdf))

[Supplementary Principle 4.1.1 Scope and content of the matters delegated to the management]

Apart from deciding basic policy related to Mitsui management, items related to important operational execution, and items authorized by resolutions of the General Meetings of Shareholders, the Board of

Directors decides items provided for in laws and regulations along with the Company Articles of Incorporation, in line with Internal Regulations on Matters to Be Resolved or Reported at the Meeting of the Board of Directors. Moreover, by receiving reports on items provided for in laws and regulations and the status of the execution of important operations, the Board of Directors oversees the execution of duties by the management headed by the President, who serves as Chief Executive Officer.

Based on the basic design of internal controls provided for by the Board of Directors, the management assumes the role and responsibility of maintaining, operating and assessing internal controls at Mitsui and Mitsui affiliated companies.

Mitsui adopts a Managing Officer system so that Directors perform their management duties in an efficient manner. Managing Officers are appointed by the Board of Directors and are delegated authority by the Board of Directors.

Mitsui's product-based Head Office Business Unit are aligned to its products and services, with Regional Business Units in the Americas, the EMEA (Europe, Middle East and Africa), as well as Asia Pacific, making it possible for each Chief Operating Officer to implement timely, locally-based management decisions by delegating certain authority to each of them in accordance with Mitsui's Regulations on delegation of authority. Mitsui implements an internal approval system for matters which are beyond the delegated authority of each Chief Operating Officer. Within such system, Mitsui's Representative Directors make final decision in the best interests of the Company, following deliberations conducted by the relevant Corporate Staff Divisions on their capacities and specialist areas.

[Principle 4.8 Effective use of independent directors]

The number of Directors is restricted to the maximum number where effective discussion is still possible, and from the standpoint of promoting the division of roles between the oversight activities and executive activities of the management, priority is given to External Directors when increasing numbers. The Company's policy shall be that at least one-third of the total number of directors shall be independent external directors.

[Principle 4.9 Independence standards and qualification for independent directors]

Please see II.1. "[*Independent Directors/Kansayaku*]" in this report.

[Supplementary Principle 4.11.1 A view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size]

The number of Directors is restricted to the maximum number where effective discussion is still possible, and from the standpoint of promoting the division of roles between the oversight activities and executive activities of the management, priority is given to External Directors when increasing numbers. Mitsui has decided that as the appointment standard for External Directors, the prospective person's extensive business experience and knowledge are required to deliberate on such Board of Directors meeting proposals as investments and loans, and knowledge of his or her particular area of business is used. Mitsui has decided that in selecting candidates for the positions of External Director, it puts great value on ensuring their independence from Mitsui in the pursuit of their management oversight functions. Also, with a view to overseeing business operations in a way that reflects the standpoint of our diverse stakeholders, Mitsui takes into consideration the field from which candidates originate, along with their gender.

Through discussions by the Nomination Committee and Board of Directors about ways to ensure the effectiveness of the Board of Directors and the Audit & Supervisory Board, Mitsui has formed a Board of Directors with a composition that achieves a good balance between diversity including gender and national diversity, and an appropriate size. Also, Mitsui has appointed people with appropriate experience and capabilities as Audit & Supervisory Board members.

[Supplementary Principle 4.11.2 Major concurrent positions in other organizations of Directors/Kansayaku]

Please see I.1. "[*Independent Directors/Kansayaku*]" in this report. Further, we disclose major concurrent positions in other organizations of Directors, Audit & Supervisory Board Members and candidates of those every year in Notices of the Ordinary General Meeting of Shareholders and Securities Reports, etc.

[Supplementary Principle 4.11.3 Analysis and evaluation of effectiveness of Board of Directors]

We state in Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles that each year the Board of Directors analyzes and evaluates its effectiveness, taking into consideration the relevant matters, including the self-evaluations of each director, and discloses a summary of the results. For results for the

year ended March 31, 2019, please see II.2.1.(a)(iv) “*Evaluation of effectiveness of the Board of Directors*” of this report.

[Supplementary Principle 4.14.2 Training policy for directors and Kansayaku]

Please see Chapter 1 II.1. (12) “*Policy on training for directors*” and II.2. (5) “*Policy on training for Audit & Supervisory Board Members*” of Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles and II.2.1 “*Corporate Governance Structure*” in this report.

■ Policy on training for directors

- Upon assumption, opportunities are given to directors for gaining full understanding of the business, financial affairs, organization, etc. of the company, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may fulfil their duties including the role expected of directors which is mandated by the shareholders (fiduciary responsibility) and legal responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.
- Pre-Briefing with materials for each agenda is conducted for independent directors prior to each board of directors meeting etc.

■ Policy on training for Audit & Supervisory Board Members

- Upon assumption, opportunities are given to Audit & Supervisory Board Members for gaining full understanding of the business, financial affairs, organization, etc. of the company, the Companies Act of Japan and related laws and regulations, corporate governance and internal control to ensure that they may fulfil their duties including the role expected of Audit & Supervisory Board Members which is mandated by the shareholders (fiduciary responsibility) and legal responsibility. Furthermore, opportunities are given for keeping them up to date as necessary.
- Pre-Briefing with materials for each agenda is conducted for external *kansayaku* prior to each board of directors meeting etc.

[Principle 5.1 Policy for constructive dialogue with shareholders]

(1) Measures for revitalization of General Meeting of Shareholders and facilitation of exercise of voting rights

- i. Mitsui makes efforts to ensure that our shareholders may secure sufficient time to review proposals for the General Meeting of Shareholders by early sending and disclosure of convocation notice including English version and efforts to improve environment for shareholders to exercise their voting rights by introduction of electromagnetic exercise of voting rights.
- ii. Mitsui has established the handling relating to the exercise of shareholder rights, handling relating to shares and share options, and the fees charged for these matters in the Rules on Handling Shares and releases the same on its website.

(2) Measures related to IR

- i. Mitsui has established basic philosophy and procedures for statutory disclosure and timely disclosure in the Corporate Disclosure Policy and releases the same on its website.
- ii. Mitsui gives briefings to shareholders and investors to provide information in an appropriate manner and hold dialog in accordance with the Corporate Disclosure Policy and posts materials on its website.
- iii. Mitsui gives feedback to its officers and employees including the management with respect to the opinions and management issues obtained from shareholders and investors through dialog with them and makes good use of the same for continuous improvement of corporate value.

Further, please see Chapter III.2. “*IR Activities*” and V.2. “*Other Matters Concerning to Corporate Governance System*” in this report. Further, we publish Corporate Disclosure Policy on the Company’s website. (<https://www.mitsui.com/jp/en/ir/management/ethics/index.html>)

## 2. Capital Structure UPDATED

Foreign Shareholding Ratio	More than 20% Less than 30%
----------------------------	-----------------------------

### [Status of Major Shareholders] (as of March 31, 2019) UPDATED

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	149,001,100	8.57
Japan Trustee Services Bank, Ltd. (trust account)	94,512,200	5.43
Japan Trustee Services Bank, Ltd. (trust account 9)	36,404,700	2.09
Nippon Life Insurance Company	35,070,840	2.01
Japan Trustee Services Bank, Ltd. (trust account 5)	31,841,300	1.83
JP MORGAN CHASE BANK 385151 (Standing agent: Mizuho Bank, Ltd.)	26,234,573	1.50
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	25,717,432	1.47
Sumitomo Mitsui Banking Corporation	25,667,000	1.47
Japan Trustee Services Bank, Ltd. (trust account 7)	23,520,400	1.35
Japan Trustee Services Bank, Ltd. (trust account 1)	21,175,900	1.21

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	N/A

### Supplementary Explanation

**UPDATED**

1. Percentage of common stock issued is rounded down to two decimal places.
2. The status of major shareholders shown above does not include the following reports on possession of large volume and change reports pertaining to reports on possession of large volume that were filed with the Director-General of the Kanto Local Finance Bureau in the past three fiscal years, as it is not possible for us to confirm the actual status of the shareholding ratio as of March 31, 2019. Reports by large volume shareholders include portions held by joint holders.

Name of shareholders	Ownership as of	Number of shares owned	Holding ratio (%)
BlackRock Japan Co., Ltd.	July 29, 2016	93,768,268	5.22
Mizuho Bank, Ltd.	October 14, 2016	103,960,540	5.79
Mizuho Bank Ltd.	June 15, 2017	84,546,818	4.71
Mitsubishi UFJ Financial Group Inc.	September 25, 2017	144,322,236	8.03
Mizuho Bank Ltd.	September 29, 2017	92,121,763	5.13
Mitsubishi UFJ Financial Group Inc.	December 11, 2017	126,340,243	7.03
BlackRock Japan Co., Ltd.	February 28, 2018	111,861,699	6.23
Sumitomo Mitsui Trust Bank, Ltd.	October 15, 2018	84,529,900	4.85
Mizuho Bank Ltd.	November 15, 2018	74,431,118	4.27

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange (First Section), Nagoya Stock Exchange (First Section), Sapporo, Fukuoka
Fiscal Year-End	March
Type of Business	Wholesale Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

### 5. Other Special Circumstances which may have Material Impact on Corporate Governance

Mitsui has no parent company or listed subsidiaries. Furthermore, there are no particular special circumstances that have a material impact on corporate governance.



## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with <i>Kansayaku</i> Board (Audit & Supervisory Board)
-------------------	---

#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	N/A
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Company Chairperson
Number of Directors	14
Appointment of External Director	Appointed
Number of External Directors	5
Number of Independent Directors	5

#### External Directors' Relationship with the Company (1)

**UPDATED**

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Toshiro Muto	From another company												
Izumi Kobayashi	From another company								○		△		
Jenifer Rogers	From another company												
Samuel Walsh	From another company								△				
Takeshi Uchiyamada	From another company								○				

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company external directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director

himself/herself only)  
k. Others

External Directors' Relationship with the Company (2)

UPDATED

Name	Designation as Independent Director	Supplementary Explanation of the Relationship/ Reasons of Appointment
Toshiro Muto	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment Mr. Muto has deep insight into fiscal and monetary affairs, as well as in economics in general, gained at the Ministry of Finance and the Bank of Japan. At the Board of Directors meetings, he uses his specialist knowledge to speak out actively, making a significant contribution to deepening the discussion. In the year ended March 31, 2019, as chair of the Remuneration Committee and as a member of the Governance Committee, he exercised strong leadership in conducting discussions and revision related to a remuneration system for Directors and Officers and response to the revision of the Corporate Governance Code. Although Mr. Muto has no direct experience participating in corporate management, he has deep insight into fiscal and monetary affairs as well as knowledge of corporate governance. Mitsui has reappointed him as a candidate for another term as External Director so that he may continue to advise and supervise the Mitsui's management. He does not fall under any of the five circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, he has accordingly been appointed as an Independent Director.</p>
Izumi Kobayashi	○	<p>Supplementary Explanation of the Relationship Mitsui paid membership fees and made donations to the Japan Association of Corporate Executives, where Ms. Kobayashi had served as Vice Chairperson until April 2019, but the yearly amount paid in each of the last three (3) fiscal years was below the standard amount for donations and aid funds (¥10 million) established by Mitsui's Criteria of Independence for External Officers. From the above, Mitsui has determined that there is nothing that would affect the independence of Ms. Kobayashi as External Director. Other than the above, there is no special interest between Ms. Kobayashi and Mitsui, therefore, Ms. Kobayashi is deemed to appropriately carry out her duties as the independent and neutral External Director.</p> <p>Reasons of Appointment Ms. Kobayashi has deep insight in organizational management and risk management for generating innovation, which she has accumulated through her experience working as the representative of private sector financial institutions and a multilateral development bank. She speaks out actively from diverse perspectives at the Board of Directors meetings, making a significant contribution to deepening the discussion. In the year ended March 31, 2019, she served as a member of the Remuneration Committee, and contributed to the discussions and revision related to a remuneration system for Directors and Officers. In addition, as chair of the Nomination Committee, she exercised strong leadership in conducting discussions related to the policy and procedures for the dismissal of executives, including the CEO, and to the design and consideration of succession plans, in response to the revision of the Corporate Governance Code. In view of these points, Mitsui has reappointed her as External Director so that she may continue to advise and supervise Mitsui's management. She does not fall under any of the five circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, she has accordingly been appointed as an Independent Director.</p>

Jenifer Rogers	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment Ms. Rogers has a global perspective and deep insight in risk management cultivated through her experience working for international financial institutions and her experience in legal work as an in-house counsel. She makes many useful comments concerning risk control at the Board of Directors meetings, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2019, she served as a member of the Governance Committee, actively provided her opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. In view of these points, Mitsui has reappointed her as External Director so that she may continue to advise and supervise Mitsui's management. She does not fall under any of the five circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, she has accordingly been appointed as an Independent Director.</p>
Samuel Walsh	○	<p>Supplementary Explanation of the Relationship Mitsui's consolidated subsidiary sells iron and steel products to Rio Tinto Limited, at which Mr. Walsh served as CEO until July 2016; however, the yearly amount of sales in each of the last three fiscal years is less than 0.1% of Mitsui's annual consolidated transaction volume. From the above, Mitsui has determined that there is nothing that would affect the independence of Mr. Walsh as External Director. Other than the above, there is no special interest between Mr. Walsh and Mitsui, therefore, Mr. Walsh is deemed to appropriately carry out his duties as the independent and neutral External Director.</p> <p>Reasons of Appointment Mr. Walsh has global expertise and excellent management skills cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his abundant business management experience, and makes significant contributions to active discussions at the meetings of the Board of Directors, and to improving the effectiveness of said meetings. In the year ended March 31, 2019, he served as a member of the Governance Committee, actively provided his opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code. He has diverse perspectives based on global corporate management experience and expertise and knowledge related to capital policy and business investment. We have selected him as a candidate for another term as External Director so that he may continue to advise and supervise Mitsui's management.</p>

Takeshi Uchiyamada	○	<p><b>Supplementary Explanation of the Relationship</b>  Mitsui and its consolidated subsidiaries sell metal products to Toyota Motor Corporation, at which Mr. Uchiyamada has served as Director; however, the yearly amount of sales in each of the last three (3) fiscal years is less than 0.1% of the Mitsui's annual consolidated transaction volume. In addition, Mitsui and its consolidated subsidiaries purchase automobile components from Toyota Motor Corporation, but the yearly amount paid in each of the last three (3) fiscal years is less than 1.5% of the annual non-consolidated transaction volume of Toyota Motor Corporation. From the above, Mitsui has determined that there is nothing that would affect the independence of Mr. Uchiyamada as External Director. Other than the above, there is no special interest between Mr. Uchiyamada and Mitsui, therefore, Mr. Uchiyamada is deemed to appropriately carry out his duties as the independent and neutral External Director.</p> <p><b>Reasons of Appointment</b>  Mr. Uchiyamada has long been involved in research on environmental and safety technologies at Toyota Motor Corporation that could realize a smart mobility society called for by today's society, as well as in the development of products demanded by consumers. He has been exercising his excellent managerial skill as an executive officer of Toyota Motor Corporation. He has also contributed to the public interest in a wide range of areas through his duties as a vice chair of the Keidanren (Japan Business Federation) and as a member of the Council for Science, Technology and Innovation, Cabinet Office. Mitsui has appointed him as External Director so that he may advise and supervise Mitsui's business management from a diverse perspective, capitalizing on his management experience at a global company and his in-depth knowledge of society in general. In our Medium-term Management Plan, we have positioned "establishing a new growth area" as one of our priorities, for which Mobility and Retail &amp; Services are included. Mitsui expects Mr. Uchiyamada to offer an advice based on his expertise and experience toward establishing the next profit pillars through the creation of new value in these areas. He does not fall under any of the five circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, he has accordingly been appointed as an Independent Director.</p>
--------------------	---	---

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
---	-------------

Committee's Name, Composition, and Attributes of Chairperson	<b>UPDATED</b>
--	----------------

Committee's Name	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
All Committee Members	5	5
Full-time Members	0	0
Internal Directors	2	2
External Directors	2	2
External Experts	0	0
Other	1	1
Chairperson	External Director	External Director

## Mitsui has established the Governance Committee, the Nomination Committee and the Remuneration

Committee shown above as advisory bodies to the Board of Directors. All members of the committee have been selected by a resolution of the Board of Directors. The role, compositions of members, secretariat as of the date of issuance of this report and activities of the year ended March 31, 2019 are as follows:

- Governance Committee (Secretariat: Corporate Planning & Strategy Div.)
  - Composition: Chairman of the Board of Directors (the committee chair), President and Chief Executive Officer, 3 External Directors, 1 Internal Director, 1 External Audit & Supervisory Board Member
  - Role: To study the state and future vision of Mitsui's corporate governance with the viewpoints of External Directors and External Audit & Supervisory Board Member
  - Activities: The Governance Committee was held three times in the year ended March 31, 2019 and responded to the revision of the Corporate Governance Code, carried out reviews of matters such framework of corporate governance of the Company, and the effectiveness of the Board of Directors.
- Nomination Committee (Secretariat: Human Resources & General Affairs Div.)
  - Composition: 2 External Directors (one of them is the committee chair), Chairman, President and Chief Executive Officer, 1 External Audit & Supervisory Board Member
  - Role: To establish the standards and processes used in nominating and dismissing Directors and Managing Officers (including the CEO, the same shall apply hereafter), set succession planning for CEO and other top executives, and to evaluate the Director nomination proposals  
Also, to deliberate on the dismissal of Directors and Managing Officers
  - Activities: The Nomination Committee was held four times in the year ended March 31, 2019 and responded to the revision of the Corporate Governance Code, carried out a review of the standards and the process for nominating and dismissing Directors and Managing Officers. The Committee confirmed that the candidates met the selection criteria of the Directors, and discussed the succession planning of Chief Executive Officer and the composition of the Directors and balance.
- Remuneration Committee (Secretariat: Human Resources & General Affairs Div.)
  - Composition: 2 External Directors (one of them is the committee chair), 2 Internal Directors, 1 External Audit & Supervisory Board Member
  - Role: To study the system and decision-making process related to remuneration and bonuses including evaluation of officer remuneration proposals, for the Directors
  - Activities: The Remuneration Committee was held five times in the year ended March 31, 2019 and responded to the revision of the Corporate Governance Code, carried out a review of the remuneration structure for Directors and Managing Officers, and evaluated remuneration proposals.

**[Kansayaku]**

Establishment of <i>Kansayaku</i> Board	Established
Maximum Number of <i>Kansayaku</i> Stipulated in Articles of Incorporation	N/A
Number of <i>Kansayaku</i>	5

Cooperation among *Kansayaku*, Accounting Auditors and Internal Audit Departments

**UPDATED**

- The Audit & Supervisory Board holds regular meetings with the Internal Auditing division and the Independent Auditors. At the beginning of the fiscal year, the participants exchange information and opinions about their auditing policies and plans, the items of focus in audits, the status of audits and other matters, and have discussions on the execution of effective and efficient accounting audits and internal control audits.
  - Fulltime Audit & Supervisory Board Members in principle attend all of the feedback sessions on regular internal audits by the Internal Auditing Division, in addition to the exchange of information with the Internal Auditing Division for implementing efficient audits. The General Manager of the Internal Auditing Division periodically reports on the plans and results of internal audits to the Audit & Supervisory Board. The Audit & Supervisory Board Members, as necessary, request reports on the internal control system, risk evaluation and other matters from the Internal Auditing Division and other divisions responsible for internal controls, and also ask for their cooperation on a wide range of matters in audits.
  - At the end of the fiscal year, the Audit & Supervisory Board receive reports on the audit procedures and results of audits on accounting and internal controls respectively from the Independent Auditors, and exchange opinions on these. During the fiscal year, the Audit & Supervisory Board Members hold monthly meetings with the Independent Auditors and receive reports from the Independent Auditors about their auditing plans, the items of focus in audits, the status of audits and other matters. At the meetings, the participants exchange information and have discussions on the execution of effective and efficient accounting audits and internal control audits
- Mitsui’s certified public accountant auditor is Deloitte Touche Tohmatsu LLC. See II.2.3. “*Details of Audit Fees and Other Matters*” regarding details of fees paid to the certified public account auditor and non-auditing work and policy for determining audit fees.

Appointment of External <i>Kansayaku</i>	Appointed
Number of External <i>Kansayaku</i>	3
Number of Independent <i>Kansayaku</i>	3

External *Kansayaku*'s Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	H	i	j	k	l	m
Haruka Matsuyama	Lawyer													
Hiroshi Ozu	Lawyer													
Kimitaka Mori	Certified Public Accountant													

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as *akansayaku*

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)

k. Executive of a company, between which and the Company external directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)

m. Others

Name	Designation as Independent <i>Kansayaku</i>	Supplementary Explanation of the Relationship
Haruka Matsuyama	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment Ms. Matsuyama is appointed as an External Audit &amp; Supervisory Board Member in expectation of the expression of her objective audit opinions from an independent and neutral standpoint, with advanced insight into corporate governance and risk management cultivated through her many years of experience in legal affairs as a judge and as an attorney at law. She does not fall under any of the five circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, she has accordingly been appointed as an Independent Audit &amp; Supervisory Board Member.</p>
Hiroshi Ozu	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment Mr. Ozu is appointed as an External Audit &amp; Supervisory Board Member in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, with advanced insight into governance and risk management cultivated through the many years of experience and perspective he has gained, mainly as a prosecutor. He does not fall under any of the circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, he has accordingly been appointed as an Independent Audit &amp; Supervisory Board Member.</p>
Kimitaka Mori	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment Mr. Mori is appointed as an External Audit &amp; Supervisory Board Member because Mitsui deems him capable of clearly expressing an opinion as External Audit &amp; Supervisory Board Member from a neutral and objective perspective based on his advanced expertise in corporate accounting cultivated through his many years of experience as a certified public accountant. He does not fall under any of the circumstances listed in Article III. 5. (3)-2 of the Guidelines Concerning Listed Company Compliance, etc. and meets the standards set by Mitsui for appointment as External Director, he has accordingly been appointed as an Independent Audit &amp; Supervisory Board Member.</p>



**[Independent Directors/*Kansayaku*]**

Number of Independent Directors/*Kansayaku*

8

Matters relating to Independent Directors/*Kansayaku*

**UPDATED**

1. Mitsui has submitted filings with the domestic stock exchanges on which it is listed designating all external members as Independent Directors and Independent Audit & Supervisory Board Members.

2. Policy regarding independence of external members, their function and roles

[External Directors]

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

Given that Mitsui is a general trading company with extensive business dealings, it has been decided to make appropriate efforts by the Board of Directors to handle likely conflicts of interest involving the prospective External Directors in individual transactions with external parties.

[External Audit & Supervisory Board Members]

The External Audit & Supervisory Board Members shall be elected with the objective of further heightening the neutrality and independence of the auditing system and further improving the effectiveness of the auditing with their deep knowledge and insight gained as experts, and, in particular, it is expected that the External Audit & Supervisory Board Members will give an objective voice to their auditing opinions from the standpoint of neutrality, building on such factors as independence.

When selecting candidates for External Audit & Supervisory Board Members in addition to the appointment standard for Audit & Supervisory Board members stated in II.2.1 "*Corporate Governance Structure*" in this report, the Audit & Supervisory Board shall confirm that no issues with independence arise by taking into consideration such factors as relations with the company, management and important staff members.

[Criteria of independence for external members]

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

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

### 3. Supplementary Explanation

Although Mitsui paid market research fees and so forth exceeding ¥10 million in the most recent business year to Deloitte Tohmatsu Consulting LLC, at which Mr. Mori’s eldest son was an employee until April 2017, the relevant amount of payment was less than 0.1% of Deloitte Tohmatsu Consulting LLC’s annual sales; moreover, Mr. Mori’s eldest son was in a non-managerial role, and was not involved in duties consigned by Mitsui; as such, Mr. Mori’s eldest son corresponds to a “one who is not important” defined under the Mitsui’s Criteria of Independence. From the above, Mitsui has determined that there is nothing that would affect the independence of Mr. Mori for External Audit & Supervisory Board Member. Other than the above, there is no special interest between Mr. Mori and Mitsui, therefore, Mr. Mori is deemed to appropriately carry out his duties as the independent and neutral External Audit & Supervisory Board Member.

4. Activities of External Directors and External Audit & Supervisory Board Members in the year ended March 31, 2019

[External Director]

- Mr. Muto participated in 15 of the 16 Board of Directors meetings held during the year ended March 31, 2019, and used his deep insight into fiscal and monetary affairs, as well as in economics in general, gained at the Ministry of Finance and the Bank of Japan, to speak out actively, making a significant contribution to deepening the discussion. In the year ended March 31, 2019, as chair of the Remuneration Committee (attending all 5 such meetings) and as a member of the Governance Committee (attending 2 of 3 such meetings), he exercised strong leadership in conducting discussions and revision related to a remuneration system for Directors and Officers and response to the revision of the Corporate Governance Code.
- Ms. Kobayashi participated in all 16 Board of Directors meetings held during the year ended March 31, 2019, and used her deep insight related to organization management that produces innovation, and risk management, gained from her experience serving as a representative of private sector financial institutions and a multilateral development bank, to speak out actively from a diverse perspective, making a significant contribution to deepening the discussion. In the year ended March 31, 2019, she served as a member of the Remuneration Committee (attending all 5 such meetings), and contributed to the discussions and revision related to a remuneration system for Directors and Officers. In addition, as chair of the Nomination Committee (attending all 4 such meetings), she exercised strong leadership in conducting discussions related to the policy and procedures for the dismissal of executives, including the CEO, in response to the revision of the Corporate Governance Code, and to the design and consideration of succession plans.
- Ms. Rogers participated in all 16 Board of Directors meetings held during the year ended March 31, 2019, and made many useful comments concerning risk control from her global perspective based on her deep insight related to risk management gained from her work experience at international financial institutions and in legal work as an in-house counsel, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2019, she served as a member of the Governance Committee (attending all 3 such meetings), actively provided her opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code.
- Mr. Takeuchi participated in 15 of the 16 Board of Directors meetings held during the year ended March 31, 2019, and made thought-provoking proposals about Mitsui's management strategies from the perspective of his deep insight related to management gained as an expert in international corporate strategy, making a significant contribution to enhancing the supervision function of the Board of Directors. In the year ended March 31, 2019, he served as a member of the Nomination Committee (attending 1 of 4 such meetings).
- Mr. Walsh participated in all 16 Board of Directors meetings held during the year ended March 31, 2019, and offered proposals and suggestions from a broad-minded standpoint based on his global expertise, excellent managerial skill, and abundant business management experience cultivated through his long years working in upper management within the automobile industry and as chief executive officer of an international natural resources company, making significant contributions to active discussions at the meetings of the Board of Directors, and to improving effectiveness of said meetings. In the year ended March 31, 2019, he served as a member of the Governance Committee (attending all 3 such meetings), actively provided his opinions with the aim of creating a highly transparent governance system, and contributed significantly to our response to the revision of the Corporate Governance Code.

[External Audit & Supervisory Board Member]

- Ms. Matsuyama participated in 15 of the 16 Board of Directors meetings, and all 24 Audit & Supervisory Board meetings, held during the year ended March 31, 2019. She offered advice and expressed opinions from the perspective of her knowledge and experience gained as a judge and an attorney at law. Also, as a member of the Governance Committee (participated in all 3 meetings), she actively provided opinions that contributed to developing transparent and objective governance.
- Mr. Ozu participated in 15 of the 16 Board of Directors meetings, and all 24 Audit & Supervisory Board meetings, held during the year ended March 31, 2019. He offered advice and

expressed opinions from the perspective of his knowledge and experience gained as a public prosecutor and an attorney at law. Also, as a member of the Nomination Committee (participated in all 4 meetings), he contributed to enhancement in the transparency of the Company's nomination of officers.

- Mr. Mori participated in 15 of the 16 Board of Directors meetings, and all 24 Audit & Supervisory Board meetings, held during the year ended March 31, 2019. He offered advice and expressed opinions from the perspective of his knowledge and experience gained as a certified public accountant. Also, as a member of the Remuneration Committee (participated in all 5 meetings), he contributed to the discussions related to an objective remuneration system for officers and its revision.

#### 5. Major Concurrent positions in other organizations (as of June 20, 2019)

[External Director]

Toshiro Muto	Honorary Chairman, Daiwa Institute of Research Ltd. Director General / CEO, The Tokyo Organising Committee of the Olympic and Paralympic Games
Izumi Kobayashi	External Director, ANA HOLDINGS INC. External Director, Mizuho Financial Group, Inc.
Jenifer Rogers	General Counsel Asia, Asurion Japan Holdings G.K. External Director, Kawasaki Heavy Industries, Ltd.
Samuel Walsh	Chairman of the Board, Gold Corporation (Australia)
Takeshi Uchiyamada	Chairman of the Board of Directors, Toyota Motor Corporation External Director, JTEKT CORPORATION External Audit & Supervisory Board Member, TOKAI RIKA CO., LTD. External Audit & Supervisory Board Member, Toyoda Gosei Co., Ltd.  JTEKT CORPORATION, TOKAI RIKA CO., LTD., and Toyoda Gosei Co., Ltd. are all equity accounted associated companies of Toyota Motor Corporation.

[External Audit & Supervisory Board Member]

Haruka Matsuyama	Attorney at Law External Director, T&D Holdings, Inc. External Director, Mitsubishi UFJ Financial Group, Inc. External Director, Restar Holdings Corporation
Hiroshi Ozu	Attorney at Law External Audit & Supervisory Board Member, TOYOTA MOTOR CORPORATION External Audit & Supervisory Board Member, Shiseido Company, Limited
Kimitaka Mori	Certified Public Accountant External Director, Japan Exchange Group, Inc. External Audit & Supervisory Board Member, East Japan Railway Company External Director, Sumitomo Life Insurance Company

#### 6. Shareholdings as of March 31, 2019

[External Director]

Toshiro Muto : 14,225  
Izumi Kobayashi : 3,468  
Jenifer Rogers : 4,668  
Samuel Walsh : 4,800  
Takeshi Uchiyamada : 0

[External Audit & Supervisory Board Member]

Haruka Matsuyama : 1,736  
Hiroshi Ozu : 1,376  
Kimitaka Mori : 3,109

Mitsui considered that the shareholdings of external members shall not affect the independence of those external members.

**[Incentives]****UPDAED**

Incentive Policies for Directors

Performance-linked Remuneration

Supplementary Explanation

**UPDAED**

As the performance-related remuneration, the performance related-bonuses and the stock-based compensation linked to the stock price are paid to the Company's Directors (excluding External Directors) . In the year ended March 31, 2019, remuneration linked to the stock price is provided in the form of stock options, but from the year ending March 31, 2020 onwards, it will be provided as remuneration of share performance-linked restricted stock. See II.1. "Director Remuneration" for more information about the performance related-bonuses and the share performance-linked restricted stock.

Further, the same share performance-linked restricted stock is granted to the Managing Officers (non-residents of Japan receive monetary remuneration linked to the share price under conditions equivalent or similar to the share performance-linked restricted stock, mutatis mutandis) by resolution of the Board of Directors.

Recipients of Stock Options

**UPDAED**

Supplementary Explanation

**UPDAED**

N/A

**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration	Selected Directors
--	--------------------

Supplementary Explanation	UPDAED
---------------------------	--------

The total amount of remuneration for Directors and Audit & Supervisory Board Members and a breakdown of this total are recorded in Business Reports, etc. and Securities Reports, which are available on the Mitsui website for public perusal. The amounts of remuneration for individual directors receiving ¥100 million or more are also recorded in the Securities Reports.

(a) Remuneration of Directors and Audit & Supervisory Board Members for the year ended March 31, 2019 was as follows:

Category of position	Number of recipients	Basic remuneration	Bonus	Stock Option	Total remuneration
Directors (Excluding External Directors)	12	¥719 million	¥492 million	¥116 million	¥1,328 million
Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members)	2	¥132 million	—	—	¥132 million
External Directors	5	¥104 million	—	—	¥104 million
External Audit & Supervisory Board Members	3	¥60 million	—	—	¥60 million
Total	22	¥1,015 Million	¥492 million	¥116 million	¥1,624 million

(Notes) In addition to the amounts shown above, Mitsui paid pensions (resolution for payments made prior to the abolition of such program) of ¥490 million to 109 retired Directors, and a total of ¥44 million to 13 retired Audit & Supervisory Board Members in the year ended March 31, 2019.

(b) The following table contains information about remuneration earned by the named directors who earned more than a total of ¥100 million for the year ended March 31, 2019.

Name	Category of position	Payer	Basic remuneration	Bonus	Stock option	Total remuneration
Masami Iijima	Director	Mitsui	¥114 million	¥78 million	¥27 million	¥219 million
Tatsuo Yasunaga	Director	Mitsui	¥131 million	¥78 million	¥32 million	¥241 million
Makoto Suzuki	Director	Mitsui	¥76 million	¥55 million	¥7 million	¥138 million
Satoshi Tanaka	Director	Mitsui	¥76 million	¥55 million	¥7 million	¥138 million
Shinsuke Fujii	Director	Mitsui	¥76 million	¥55 million	¥7 million	¥138 million
Nobuaki Kitamori	Director	Mitsui	¥62 million	¥47 million	¥6 million	¥115 million
Yukio Takebe	Director	Mitsui	¥47 million	¥47 million	¥18 million	¥112 million

Policy on Determining Remuneration Amounts and Calculation Methods	Established	UPDAED
--	-------------	--------

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for directors (excluding External Directors) is determined by a resolution of the Board of Directors on the basis of deliberations by the Remuneration Committee, which is chaired by an External Director. It consists of basic fixed remuneration, performance-related bonus based on Mitsui's key performance indicators, and stock-based compensation linked to the stock price as medium to long-term incentive compensation. In the year ended March 31, 2019, remuneration linked to the stock price is provided in the form of stock options, but from the year ending March 31, 2020 onwards, it will be provided as remuneration of share performance-linked restricted stock. Also, each Director (excluding External Directors) is required to purchase Mitsui's shares in an amount equivalent to at least 10% of his or her monthly remuneration but less than ¥1 million through the Mitsui Executives' Shareholding Association.

The appropriateness of percentages of basic fixed remuneration, performance-related bonus, and stock-based compensation is verified each year by the Remuneration Committee, taking trends at other companies and other factors into consideration. The findings are reported to the Board of Directors.

The method used to determine the amount of performance-related remuneration is as follows. (The word "Directors" in (1) and (2) below refers to Directors excluding External Directors.)

(1) Performance-related bonus

(a) Total amount paid in bonuses for Directors

The performance-related bonus is calculated by the formula that is advised as appropriate by the Remuneration Committee and subsequently resolved at a Board of Directors meeting.

For fiscal year ended March 31, 2019, total amount of bonus is calculated as follows:

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

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

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

(b) Amount paid as individual bonuses

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

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

Points by position: Chairman/President (10), Executive Vice President (7), Senior Executive Managing Officer (6), Executive Managing Officer (5)

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

Chairman/President = ¥700 million × 10 points / (10 points × 2 persons + 7 points × 3 persons + 6 points × 3 persons + 5 points × 1 person = 64 points) = ¥109.37 million

Executive Vice President = ¥700 million × 7 / 64 points = ¥76.56 million

Senior Executive Managing Officer = ¥700 million × 6 / 64 points = ¥65.62 million

Executive Managing Officer = ¥700 million × 5 / 64 points = ¥54.68 million

(2) Remuneration system of share performance-linked restricted stock

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

(a) Payment method

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

(b) Total number of shares to be issued or disposed of, paid-in amount per share

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

(c) Details of share performance linkage conditions

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

If the growth rate of Mitsui's share price (\*1) is equal to or greater than 150% of the growth rate of the Tokyo Stock Price Index (TOPIX) (\*2), the number after valuation will be deemed to be the entire number of Shares issued (\*3).

If the growth rate of Mitsui's share price is lower than 150% of the TOPIX growth rate, the number of Shares after valuation will be a number calculated using the following formula, and the remainder of the Shares will be acquired by Mitsui without compensation at the end of the valuation period.

$$\begin{aligned} \text{Number of shares after valuation} &= \text{Number of Shares} \times \frac{\text{Mitsui's share price growth rate}}{\text{TOPIX growth rate} \times 150\%} \\ &= \text{Number of Shares} \times \frac{(A+B) \div C}{(D \div E) \times 150\%} \end{aligned}$$



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

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

B: The total dividend per share for Mitsui's ordinary shares during the valuation period

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

Growth rate of Mitsui's share price =  $(A+B) / C$

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

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

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

TOPIX growth rate =  $D/E$

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

(d) Restriction on transfer

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

(e) Lifting of the Restriction on Disposal

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

(f) Grounds for acquisition without compensation

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

(g) Procedures in the event of organizational restructuring, etc.

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

External Directors, who are separated from business execution, would receive only basic remuneration and would not be paid or given bonus or stock-based compensation linked to the stock price.

Directors are not paid retirement compensation.

As stated below, approval has been given through a resolution at a General Meeting of Shareholders that decisions about the maximum amount of Directors' remuneration and the maximum amounts for individual payments are taken within that limit by the Board of Directors. However, following a resolution at the Ordinary General Meeting of Shareholders held on June 20, 2019 to introduce a share performance-linked restricted stock remuneration system, stock-based compensation stock options with stock price conditions will be abolished (excluding options already granted). Thereafter, no subscription rights to shares will be issued as remuneration for Directors.

	Basic remuneration	Bonus	Share Performance-linked restricted stock remuneration (from the year after the year ended March 31, 2019 (the year ending March 31, 2020))	Stock-based compensation stock options with stock price conditions (up to the year ended March 31, 2019)
Resolution of General Meeting of Shareholders	Ordinary General Meeting of Shareholders on June 21, 2017	Ordinary General Meeting of Shareholders on June 21, 2017	Ordinary General Meeting of Shareholders on June 20, 2019	Ordinary General Meeting of Shareholders on June 20, 2014
Maximum (per year)	¥1 billion	¥700 million	¥500 million	¥500 million
Eligibility for payment	Directors	Directors (excluding External Directors)	Directors (excluding External Directors)	Directors (excluding External Directors)
Number of the recipients at the time of the resolution	14	9	9	9

2. Audit & Supervisory Board Members receive only basic fixed remuneration which does not include a performance-related portion. The total amount of basic remuneration shall not exceed ¥240 million per year (Resolved at the General Meeting of Shareholders on June 21, 2017. The number of the recipients at the time is 5.). The basic remuneration for each Audit & Supervisory Board Member is determined within that limit by discussions among the Audit & Supervisory Board Members. Retirement compensation is not paid to the Audit & Supervisory Board Members.

**[Supporting System for External Directors and/or *Kansayaku*] UPDAED**

The external members, through the Board of Directors, the Audit & Supervisory Board and the meetings composed of all external members (hereinafter referred to as the "external member meetings") respectively, mutually coordinate with internal audits, auditing by Audit & Supervisory Board Members and accounting audits as well as supervise and audit the internal control system. Specifically, they periodically receive reports on the following at the meeting of the Board of Directors and the Audit & Supervisory Board, respectively:

results of the internal audits and internal audit plans, results of auditing by the Audit & Supervisory Board and audit implementation plans, summary of management letters by Independent Auditors, assessment results with regards to the internal control system in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the structure and management of internal controls. At the external member meetings, External Directors, Audit & Supervisory Board Members and Independent Auditors mutually exchange information and opinions regarding the policy of audits.

In addition to the above, at meetings such as meetings of the Audit & Supervisory Board, the External Audit & Supervisory Board Members coordinate with the Independent Audit & Supervisory Board Members and the Internal Auditing Division by periodically receiving reports regarding status and results of their audit activities and exchanging information and opinions.

The external members are given the following support in addition to the training shown in II.2.1 “*Corporate Governance Structure*”:

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

**[Status of persons retired from Representative Director and President, etc.]**

Names, etc., of advisors (“sodanyaku,” “komon,” etc.) who have formerly served as Representative Director and President, etc.

Name	Title/ Position	Role/Activity	Working Conditions	Date of Retirement from President, etc.	Term
Shoei Utsuda	Counselor (Komon)	Business community-related activities (not involved in the management and operation of the company)	Full-time Paid	March 31, 2009 ※	5 years ※

※ After the retirement from President, Mr. Utsuda remained as Director until June 2015, and thereafter he has been serving as Counselor (Komon).

Total number of advisors (“sodanyaku”, “komon”. etc.) who have formerly served as Representative Director and President, etc.	1 person
---	----------

Others:

- We abolished sodanyaku system in 2006.

- We have internal rules in place regarding Counselor (Komon) and appointment of Komon is subject to a resolution by the Board of Directors.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

### Decisions (Overview of Current Corporate Governance System)

UPDATED

#### 1. Corporate Governance Structure

##### (a) Board of Directors

##### (i) Status of Board of Directors

- Upon the introduction of the Managing Officer System in April 2002, the number of Directors was reduced from 38 to 11 in June 2002. In June 2003, the first External Director was appointed, and since the Ordinary General Meeting of Shareholders held in June 2015, five External Directors have been appointed. As of the date of the issuance of this report, 14 Directors (including 2 female External Directors, and the percentage of female Directors is 14.3%) are appointed, 8 of whom also serve as Managing Officers.
- Mitsui has limited the number of Directors to the maximum to enable substantial discussions and gives priority to the appointment of new External Directors in the case of increasing the number of board members in order to enhance the division of roles between the oversight activities and executive activities of the management. The tenure of Directors is one year, and Directors can be reappointed.
- The Chairman is a director and is authorized to call for a meeting of the Board of Directors and to serve as a chairman of the meeting. His role as the Chairman of the Board of Directors of Mitsui chiefly involves carrying out supervision of management. He does not concurrently serve as an executive officer and he is not involved in the execution of day-to-day business operations.
- In accordance with the Rules of the Board of Directors Regarding Resolutions and Matters to be Reported, the Board of Directors passes resolutions of fundamental policies on management of Mitsui, matters of important business operation, matters mandated by a resolution of the General Meeting of Shareholders and issues prescribed in laws and regulations and in the Articles of Incorporation. The Board of Directors also receives reports on issues prescribed in laws and regulations and the status of important business operations.
- A regular meeting of the Board of Directors is held once every month, and extraordinary meetings are held from time to time, whenever necessary. During the year ended March 31, 2019, 16 meetings were held.
- Further, the external member meetings are held for the purpose of exchanging information and opinions regarding important matters in management among external members, or among external members, Internal Directors, Full-time Audit & Supervisory Board Members and/or Managing Officers. The meeting was held nine times in the year ended March 31, 2019, where external members, Internal Directors, Full-time Audit & Supervisory Board Members, Independent Auditors and Managing Officers exchanged information and opinions regarding matters such as the corporate management policy, audits and the operation of operating segments.
- Mitsui has established the three committees shown below as advisory bodies to the Board of Directors. Mitsui has reviewed the composition of members in order to strengthen the corporate governance structure of Mitsui in June, 2015. As a result, External Directors and Auditor compose a majority of the Governance Committee, and an External Director serves as the committee chair of the Nomination Committee as well as the Remuneration Committee. Further, from June 2018, external members compose a majority of the Nomination Committee, and from June 2019, external members compose a majority of the Remuneration Committee. See II.1. “Committee’s Name, Composition, and Attributes of Chairperson” for the composition of each Committee, etc.
- Mitsui has entered into agreements with each External Directors respectively limiting their liability as External Directors to legally designated limits pursuant to Article 427(1) of the Companies Act of Japan.

##### (ii) Appointment standard for Directors and process of appointment

Mitsui selects candidates for positions of director giving consideration to the following appointment standard for Directors. Selection of candidates for positions of Director is conducted after confirmation is obtained from the Nomination Committee that the necessary requirements based on the selection processes and the appointment standard for Directors established by the Nomination Committee are fulfilled.

- Person with excellent overall character who possesses qualities valuable for the management of Mitsui

- Person possessing both strong leadership skills and high moral caliber and with law-abiding spirit and a strong intention to contribute to public interest
- Person with no health concerns for the execution of duties
- Person possessing capability for smooth performance as a director of “decision-making related to the execution of operations of the company” and “oversight of the execution of duties by directors” to be conducted by the board of directors
- Person excelling in capability, foresight and insight to make best judgment for the company strictly in compliance with duty of care of a good manager and duty of loyalty expected of a director and in accordance with the “business judgment rule”

(iii) Evaluation of effectiveness of the Board of Directors

Each year, the Board of Directors analyzes and evaluates its effectiveness, taking into consideration relevant matters, including self-evaluations of each Director, and discloses a summary of the results. The methods and results of the evaluation of effectiveness of the Board of Directors for the year ended March 31, 2019 are summarized as follows:

< Evaluation method >

(1) In January 2019, questionnaires pertaining to matters such as the composition of the Board of Directors, its operational status, and topics for deliberations, were distributed to fourteen Directors and five Audit & Supervisory Board Members (hereinafter referred to as the "2019 questionnaire").

(2) Moreover, opinions were exchanged regarding the effectiveness of the Board of Directors in meetings attended by all External Directors and External Audit & Supervisory Board Members (hereinafter referred to as the “External member meetings”) held on February 1, 2019.

(3) In its meeting held on February 12, 2019, the Governance Committee engaged in discussions on the basis of the results of the 2019 questionnaire and External member meetings.

(4) The Board of Directors, after discussing such matters while taking the Governance Committee’s report into account, decided on the matter of evaluating its effectiveness for the year ended March 31, 2019 in its meeting held on March 20, 2019.

With respect to the carrying out of the above evaluation method, at a Governance Committee meeting held in November 2018, the decision was made, as the current format’s effectiveness was recognized previously, to persist with the current self-evaluation format involving the evaluation of the effectiveness of the Board of Directors for the year ended March 31, 2019, upon having verified the adequacy of processes that encompass methods of evaluating the effectiveness of the Board of Directors carried out by a third party.

< Questionnaire items >

Major categories of questionnaire items of the 2019 questionnaire are listed below. The 2019 questionnaire contains fields for free comments related to such categories, and has been evaluated using methodology that involves assigning one of five grades to each question. Furthermore, evaluation also encompasses the extent to which effectiveness of the Board of Directors has improved in comparison with the previous year by assigning one of three grades, in order to gain an understanding of progress achieved in that regard.

- I. Composition of the Board of Directors
- II. Operational status of the Board of Directors
- III. Deliberations of the Board of Directors
- IV. Roles and duties of the Board of Directors
- V. Advisory Committees
- VI. Execution of duties of the Directors and Audit & Supervisory Board Members themselves
- VII. Support, etc. for Directors and Audit & Supervisory Board Members
- VIII. Overall comments

< Initiatives in the year ended March 31, 2019 geared to achieving greater effectiveness >

During the year ended March 31, 2019, the Board of Directors and the Board of Directors Secretariat have engaged in the following initiatives taking into account results of the evaluation of effectiveness of the Board of Directors for the previous year. The Governance Committee also held meetings in September and December 2018, where committee members confirmed, reported and otherwise took action with respect to challenges of improving effectiveness and the status of initiatives geared to resolving issues.

- Composition of the Board of Directors

In November 2018, a free discussion session at the Company's training institute (hereinafter referred to as the "free discussion") was held, during which discussions were held on the design of the Company's governance and organizational structure, and more detailed discussions were held on what would be the most optimal composition of the Board of Directors in accordance with the design of the organizational structure to be chosen for the Company. In addition, Mr. Uchiyamada (Chairman of Toyota Motor Corporation), who has significant business experience, was appointed as External Director at the Annual General Meeting of Shareholders held on June 20, 2019.

A significant majority of the External Directors and External Audit & Supervisory Board Member (hereinafter referred to as the "External members") responding to the 2019 questionnaire provided favorable assessment concerning the composition of the Board of Directors. However, opinions were also raised that, in order to make future improvements, the total number of Directors should be reduced, or that the ratio of External Directors should be increased, favorable opinions were raised that the number of people with business experience has increased, and opinions were also raised that there will be an expectation to discuss the knowledge, experience, and attributes required of External Directors in the Nomination Committee.

- Topics for the Board of Directors to deliberate

In addition to formulating agenda items which would be suitable topics for discussion with External members, the Board of Directors also held meetings to discuss company-wide themes such as internal controls, risk management, sustainability, and cybersecurity, as well as issues based on trends and current social circumstances.\* In addition, a discussion on the responses and concerns in the capital markets took place in an External member meeting. Furthermore, discussions also took place regarding the Company's policies with respect to the coal business through deliberations on individual business projects, as well as the Company's policies with respect to businesses in the non-resources sectors.\*

A significant majority of the External members responding to the 2019 questionnaire provided favorable assessment concerning the items deliberated at meetings of the Board of Directors, and a majority of the respondents overall feel the situation has improved in comparison with the previous year.

\*With respect to (i) Board and other meetings held in FY ended March 2019, (ii) Attendances for such meetings, (iii) Summary of topics for the Board of Directors Meetings held in FY ended March 2019, please see the following websites:

(i) [https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/record\\_e.pdf](https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/record_e.pdf)

(ii) [https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/attendance\\_e.pdf](https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/attendance_e.pdf)

(iii) [https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/reports\\_e.pdf](https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/reports_e.pdf)

\*With respect to Topics for External member meetings, please see the following website:

[https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/theme\\_e.pdf](https://www.mitsui.com/jp/en/company/outline/governance/outlook/files/theme_e.pdf)

- Methods of deliberation by the Board of Directors

As opinions were raised in the previous year's evaluation of the effectiveness of the Board of Directors that the Board of Directors should have an opportunity for free discussion with respect to the methods of deliberation in meetings of the Board of Directors, the free discussion was held in which all Directors and Audit & Supervisory Board Members discussed the following topics:

- The Company's governance and organizational structure
- Themes, current situation, and issues for realizing sustainable growth
- The Company's human resources to support sustainable growth

A significant majority of External members responding to the 2019 questionnaire provided favorable assessment concerning the methods of deliberation in meetings of the Board of Directors, and a majority of the respondents overall feel the situation has improved in comparison with the previous year. On the other hand, as a matter for further improvements, opinions were raised that it was necessary to accurately communicate discussions and nuances at management meetings in order to ensure that External Directors are well aware of the importance of individual matters.

- Matters concerning the Advisory Committee

For the fiscal year ended March 31, 2019, there was an expansion of the reporting of the topics

of deliberation and results of such deliberations for each Advisory Committee to the Board of Directors, and initiatives were implemented to establish the frequency of meetings and enhance discussions of each Advisory Committee.

A significant majority of External members responding to the 2019 questionnaire provided favorable assessment, and a majority of the respondents overall feel the situation has improved in comparison with the previous year. On the other hand, opinions were raised that while the number of deliberations being reported by each Advisory Committee to the Board of Directors have increased as well as there being an increase in transparency, expectations are being placed on discussions being conducted at future meetings of the Board of Directors, and as a result, the matters requiring further improvement were able to identified.

< Summary of evaluation results >

Taking the aforementioned initiatives into account, the Company has reviewed the results of the 2019 questionnaire, and outcomes of exchanges of opinion at the External member meetings and deliberations of the Governance Committee and the Board of Directors. Accordingly, with respect to effectiveness of the Board of Directors during the year ended March 31, 2019, the findings made by the Board of Directors are as follows:

- Many commented that improvements have been achieved in addressing the challenges stated last year of (i) composition of Directors, (ii) matters for deliberation by the Board of Directors, (iii) methods of deliberation by the Board of Directors, and (iv) Advisory Committees.
- The Board of Directors has a wealth of diversity, and has prepared a system structure to secure in place to ensure effective management oversight.
- Meetings of the Board of Directors have been operating smoothly, underpinned by adequate support of the Board of Directors Secretariat in areas such as preparing materials for meetings of the Board of Directors, provision of information, and scheduling.
- The Board of Directors has been securing ensures sufficient time for deliberations and engaging in constructive discussions and exchanges of opinions.
- The direction and business strategies of the Company are actively being discussed by the Board of Directors. In addition, by taking advantage of the opportunities for free discussions between Directors and Audit & Supervisory Board Members including External members, a wide range of discussions concerning the realization of the Company's sustainable growth were able to take place.
- At meetings of the Board of Directors, reports are given on results of risk analysis from Company-wide and multiple angles, based on which the Board of Directors discusses and reviews such risks drawing on knowledge furnished by respective Directors and Audit & Supervisory Board Members.
- The Board of Directors appropriately supervises the development and operation of internal control systems and risk management systems.
- The respective Directors and Audit & Supervisory Board Members, upon understanding the Board of Directors' duty to carry out oversight and auditing of the management, have all been devoting sufficient time and effort in fulfilling their responsibilities as Directors or Audit & Supervisory Board Members from an objective standpoint separate from business execution.
- The Company adequately ensures the availability of opportunities and funds for enabling Directors and Audit & Supervisory Board Members to acquire knowledge necessary to fulfill their roles and duties, and also on the whole the Company has ensured availability of frameworks for collaboration involving External members, the management, the Independent Auditor, and the Internal Auditing Division.

Based on the details summarized above, the Company's Board of Directors concludes that it has adequately maintained its effectiveness during the year ended March 31, 2019. On the other hand, the following issues were recognized as issues that are required to be addressed in order to achieve greater effectiveness of the Board of Directors.

< Further Initiatives geared to achieving greater effectiveness >

- More detailed deliberations on individual business project  
With respect to the relationship between individual business projects and company-wide strategies to be discussed at meetings of the Board of Directors, as well as company-wide strategies and business plans, the Company has implemented the following measures based on the opinions and recognition of issues from past evaluations of effectiveness.

Year Ended March 31, 2017

A review was undertaken on the explanatory materials for individual business projects and by putting forward the Company's strategies and positioning in the asset portfolio, efforts were made to discuss the major direction of the Company through discussions on individual sales projects.

Year Ended March 31, 2018

In order to create more opportunities to discuss the major direction of the Company, such as the Company's corporate strategy and medium-term management plan, discussions with respect to the business plan and the new medium-term management plan were held at a meeting of the Board of Directors following the same discussions at an External member meeting. In addition, the issues of 'Key issues in the capital markets and the Company's IR activities' and the 'Company's Digital Transformation' were discussed at External member meetings.

However, several opinions were raised such as that in the current fiscal year, there was difficulty in gaining an overall picture by analyzing individual business projects.

Based on these opinions, efforts will be made to have more detailed deliberations on individual business projects by creating materials that provide easy-to-understand explanations of the positioning of individual business projects as part of the segment strategies.

- About the free discussion  
With respect to the free discussion, opinions were raised that "we were able to discuss the direction of the Company and business strategies", "more active discussions were able to take place" and "the format of the training camp was good", and all Directors and Audit & Supervisory Board Members responded that the same concept should continue to be held in the next fiscal year. On the other hand, as matters for improvement, the participants expressed their expectations for further improvement by devising ways to implement themes and methods of the free discussions. Based on these opinions, it is intended that the free discussion will continued to be held by continuing to devise and improve methodologies for the free discussion and selecting themes
- Further improvement of the operation of the Board of Directors  
With respect to the operation of the Board of Directors, there were opinions calling for (i) further acceleration of the distribution of materials which are intended to be pre-distributed; (ii) enhancing deliberations on important individual businesses projects; (iii) further use of written resolutions; and (iv) more accurate, objective, and clear sharing of discussions at the Management Committee.  
Based on these opinions, the Board of Directors is committed to further improving the operations of the Board of Directors by (i) sharing materials at the draft stage; (ii) with respect to important business projects, enhancing the provision of information to External members in multiple angles and in an objective manner, including by providing more detailed written reports, allocating more time, and the provision of explanations by the Business Division in charge of the business project, as well as the General Manager of the Investment Administrative Division; (iii) further utilizing written resolutions; and (iv) further improvement of the accuracy, objectivity, and clarity of discussions at the Management Committee.
- About the Advisory Committee  
With respect to the Advisory Committee of the Board of Directors, opinions were raised that "the deliberation and discussion by the Advisory Committee has been enriched, but the extent to which there is a understanding by Directors other than those who are committee members, is unknown" and opinions were raised that there were expectations to further enhance the reporting of discussions at the Advisory Committee meetings to the Board of



Directors.

The Advisory Committee is committed to enhancing deliberations by the Board of Directors concerning the direction and action policies of each Advisory Committee, as well as continuing to regularly report the activities of the Advisory Committee to the Board of Directors.

- Method of evaluation of effectiveness

Regarding the method of evaluating the effectiveness of the Board of Directors, opinions were raised that it would be preferable to conduct a third-party evaluation periodically, and that advice and evaluation should be sought from third parties regarding the ways in which self-evaluation are being conducted, as well as the contents of the questionnaire.

Based on these opinions, the Board of Directors will consider using a third-party evaluation to evaluate the effectiveness of the Board of Directors for the next fiscal year.

The Company's Board of Directors will continue to work to maintain and improve the effectiveness of the Board of Directors, including the matters described above, to ensure thorough supervision of management by the Board of Directors, and to aim for sustainable improvement of corporate value.

(b) Audit & Supervisory Board Members

(i) Status of Audit & Supervisory Board

- As of the issuance of this report, there are five Audit & Supervisory Board Members, including two Full-time Audit & Supervisory Board Members and three External Audit & Supervisory Board Members (including one female External Audit & Supervisory Board Member, and the percentage of female Audit & Supervisory Board Member is 20%). A meeting of the Audit & Supervisory Board Members is regularly held prior to a meeting of the Board of Directors and whenever necessary. Audit & Supervisory Board Members attend the meeting of the Board of Directors and audit the procedure of the meeting and the contents of resolutions as well as other issues, and proactively express their opinions. The Audit & Supervisory Board has designated Mr. Kimiro Shiotani and Mr. Kimitaka Mori as Audit & Supervisory Board Members who have considerable expertise in finance and accounting. Mr. Kimiro Shiotani joined Mitsui in 1984. Before being elected as Audit & Supervisory Board Member in 2019, he had worked in the field of accounting and was appointed as General Manager of Segment controller Division in 2012, and as Managing Officer, General Manager of Accounting Division in 2015. Mr. Kimitaka Mori had been working in the field of corporate accounting over the years as a certified public accountant, and holding important positions in that field such as the former Chairman and President of Japanese Institute of Certified Public Accountants.
- The Guidelines of Auditing by Audit & Supervisory Board Members define the responsibility of Audit & Supervisory Board Members, the frame of mind necessary for them, the framework of audits, audit standards, and codes of conduct. Pursuant to laws and regulations, the Articles of Incorporation and the provision of the Rules of the Audit & Supervisory Board, the Audit & Supervisory Board receives reports, deliberates and/or makes resolutions as to important matters in auditing.
- The Audit & Supervisory Board establishes audit policies and makes audit plans taking into consideration materiality, timeliness and other necessary elements. To conduct effective and efficient audits, the Audit & Supervisory Board coordinates closely with the Independent Auditors and the Internal Auditing Division. In the year ended March 31, 2019, 24 meetings were held. The Audit & Supervisory Board carries out a full exchange of opinions, review and discussion on major issues and due process relating to matters to be discussed at the Board of Directors meetings, major issues and resolutions relating to the internal control system on global group basis, and major amendments of laws and regulations which would affect the auditing including the introduction of "Key Audit Matters".
- Each Audit & Supervisory Board Member has a duty to audit the following issues; (i) in the area of business auditing, execution of duties by Directors, decision-making processes at the Board of Directors and others, and the status of operation and improvement of the internal control systems, and (ii) in the area of financial audit, the independence of the Independent Auditors, effectiveness of the internal control systems, system of financial reporting, accounting policies and processing of financial information, audit of financial statements, reviews and reports from the Independent

Auditors, and the system of disclosure.

- Full-time Audit & Supervisory Board Members attend important internal meetings and committees, including the Corporate Management Committee. All Audit & Supervisory Board Members have discussions with the Chairman of the Board of Directors and the President & Chief Executive Officer, respectively, on a periodic basis. Full-time Audit & Supervisory Board Members receive reports and exchange opinions at individual meetings with Directors and Managing Officers, as well as regular meetings with the Directors in charge of Corporate Staff Units and general managers in Corporate Staff Units. Fulltime Audit & Supervisory Board Members receive reports relating to regular internal audits from the Internal Auditing Division, in principle attend all of the feedback sessions on regular internal audits by the Internal Auditing Division, and deliver their opinions and advices to audited organizations.
- The Audit & Supervisory Board has designated some of the affiliated companies both domestic and overseas as “Affiliated Companies to be Monitored Designated by the Audit & Supervisory Board”. The Audit & Supervisory Board Members conduct auditing on the management status of Mitsui’s subsidiaries through visits to these designated affiliate companies and major subsidiaries as well as through cooperation with audit & supervisory board members at subsidiaries. In addition to the above, The Audit & Supervisory Board Members receive reports relating to the status of audits and other matters, including the status of quarterly review, at the monthly meetings with the Independent Auditors. At the meetings, the participants exchange opinions about audit environment and other matters, including cooperative framework for the accounting audit within the Company.
- Mitsui has entered into agreements with each Audit & Supervisory Board Member respectively limiting their liability as Audit & Supervisory Board Members to legally designated limits, pursuant to Article 427, Paragraph 1 of the Companies Act of Japan.
- Mitsui sets up the Audit & Supervisory Board Division to assist in the performance of the duties of the Audit & Supervisory Board Members, and assign to the Division at least 3 full-time employees with the appropriate knowledge and abilities necessary for this work.

(ii) Appointment standard for Audit & Supervisory Board Members and process of appointment

Mitsui selects candidates for positions of Audit & Supervisory Board Member giving consideration to the following appointment standard for Audit & Supervisory Board Members. For the selection of candidates for positions of Audit & Supervisory Board Member, Directors prepare a proposal for election through consultation with Audit & Supervisory Board Members and obtain agreement of the Audit & Supervisory Board in advance. The Audit & Supervisory Boards deliberates on the advisability of agreeing with the proposal for election of Audit & Supervisory Board Members to be submitted to the General Meetings of Shareholders by the Board of Directors.

- Person of excellent personality and considerable insight, possessing outstanding capability and achievements or abundant knowledge in the fields of legal affairs, financial affairs and accounting, business management, and other various fields
- With respect to internal Audit & Supervisory Board Members, person well-acquainted with actual conditions of the company and possessing capability to conduct appropriate audits

(iii) Internal auditing

- Based on the order or approval of the President and Chief Executive Officer, for the purpose of contributing to the effective achievement of management goals, the Internal Auditing Division evaluates how internal control is present and functioning with emphasis on the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, as well as safeguarding of Company assets. The adequacy and effectiveness of each process in risk management, control (any action taken by the management toward the achievement of the established goals) and governance (processes and structures implemented by the management to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives) within each organizational unit shall also be evaluated, and suggestions and proposals shall be made for their improvement.
- In order to ensure the independence and objectivity of internal audits, we have the Internal Auditing Division directly under the rule of the President and Chief Executive Officer. The composition of the personnel in the division as of March 31, 2019, is as follows: of a total of 73 people, which includes one General Manager, 37 internal auditors, 25 members in charge of audits, and 10 staff members; 56 people are stationed in the Internal Auditing Division in the Head Office, 6 people are stationed in Internal Auditing Offices overseas, 4 people are stationed in the Internal Auditing Department within Business Supporting Units, and 7 people are stationed in subsidiaries.

- In the regular audits which cover Mitsui, Overseas Offices, Overseas Trading Subsidiaries, and other subsidiaries, internal auditors carry out independent and objective evaluations, pursuant to the rules on internal audits, etc., with an emphasis on risk management, effectiveness of management and operations, compliance, and appropriate financial reporting. In addition, the following audits are implemented as internal audits: cross-organizational and cross-functional audits by target and item, such as issues involving multiple organizations and business processes or security trade control systems, and extraordinary examinations to get a whole picture of such events that caused or could cause irregular economic losses or that jeopardized or could jeopardize the corporate trust, in order to identify the responsibility and recommend measures to clarify causes as well as to prevent recurrence. The Internal Auditing Division as an independent department compiles and checks the assessment of the entity-wide internal control regarding the credibility of financial reports, pursuant to the Financial Instruments and Exchange Act of Japan. The final results are reported to the below-mentioned J-SOX Committee.
- For each fiscal year, the internal auditing policy and the internal auditing plan go through the approval process by the President and Chief Executive Officer. Internal audits are implemented either with or without advance notice to the target organization. The internal auditors provide feedback on the results of the internal audit to the organization before preparing the internal audit report and carry out a full exchange of opinions on their suggestions. The audit results are reported to the President and Chief Executive Officer. The reports from the organization on the implementation status of improvements regarding the issues identified are requested and are reevaluated.

(iv) Auditing of financial statements

- For the year ended March 31, 2019, the certified public accountants executing audits on our financial statements are the following three people, who all belong to Deloitte Touche Tohmatsu LLC: Yoshio Sato, Takashi Kitamura, and Takenao Ohashi. The period successively involved in the audit by Deloitte Touche Tohmatsu LLC is 46 years. The number of assistants involved in auditing work is 111 people as of March 31, 2019, and this number is comprised of 39 certified public accountants, 19 members of the Japanese Institute of Junior Accountants, and 53 others.
- Rotations of the partners were conducted properly. A partner does not serve our company for more than seven consecutive fiscal years. In addition, a lead audit engagement partner does not serve our company for more than five consecutive fiscal years.
- In order to secure prompt financial closing and reliability, the auditing work of Mitsui and its consolidated subsidiaries are in principle entrusted solely to Deloitte Touche Tohmatsu. Mitsui's Independent Auditors implement auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of the consolidated financial statements in English.

2. Framework for internal control and execution of business activities

- Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer. The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer. The Corporate Management Committee is organized for deliberating the basic policies and important matters relating to the overall management. The Committee consists of the Chairman of the Board of Directors, President and Chief Executive Officer (the committee chair), the Directors in charge of Corporate Staff Units, and Representative Directors or Managing Officers nominated by the President and Chief Executive Officer. The Corporate Management Committee is held weekly in principle. Matters referred to the Corporate Management Committee meeting are determined by the President and Chief Executive Officer, taking into consideration discussions among the Committee members.
- As mentioned above, the Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui. With the delisting from NASDAQ in April 2011 and the termination of SEC registration in July 2011, Mitsui has implemented the internal control framework based on Japanese regulation from the year ended March 31, 2012. Even after the transition, Mitsui maintains its internal control system by positioning the internal control as the structure by which the management controls the executive body, aiming for: (1) "Improvement of effectiveness and efficiency of operations," (2) "Compliance with accounting standards and securing reliability of financial reporting," (3) "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and (4) "The safeguarding of company assets;" and consists of: "control environment," "risk assessment," "control activities," "information and communication," "monitoring," and "response to IT." These objectives and components are as stated in the basic framework designated in "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting," issued by the advisory board to the Commissioner of the Financial Services Agency.
- Mitsui has established major committees pertaining to the execution of business and implementation of internal control as follows, and is taking measures to respond to a wide range of risks and forms of businesses, which continue to increase and diversify. After reviewing the group companies' internal control frameworks, Mitsui decided that from April 2019 onwards, the Corporate Management Committee assume the roles and responsibilities hitherto performed by the Internal Control Committee, such as the formulation of basic policies on internal controls, the integrated development of internal control frameworks, and the maintenance and improvement of their effectiveness. Moreover, the Internal Control Committee is abolished, and its subordinate organizations (Compliance Committee, Disclosure Committee and J-SOX Committee) report directly to the Corporate Management Committee. Also, considering the penetration of innovation activities in the company, Mitsui decided to dissolve the Business Innovation Committee and its roles and functions will be performed by the Information Strategy Committee from April 2019 onwards. The efforts made by the committees regarding execution of business activities and internal controls in the year ended March 31, 2019 are as follows:

Internal Controls Committee	<p>Chaired by the President and Chief Executive Officer, as an organization under the Corporate Management Committee, the Internal Controls Committee established a basic policy related to the internal control system while developing, maintaining, and improving the effectiveness of the integrated management system. The Committee met twice, and the 3 sub-committees to the Internal Controls Committee, which are the Compliance Committee, the Disclosure Committee and the J-SOX Committee, each made reports to the Internal Controls Committee regarding matters including the discussions they held.</p>
Compliance Committee	<p>As an organization under the Internal Controls Committee, this committee, with an attorney at law from outside Mitsui participating as an observer, develops, maintains, and improves the effectiveness of the compliance structure. In order to improve the awareness and knowledge of compliance issues among its officers and employees and instill integrity, Mitsui distributed a handbook to all the employees, and conducted various compliance e-learning and training sessions. Further, Mitsui established the Compliance Review Month with the theme of “thinking about integrity”, carried out various activities such as seminars, exchanges of opinions and information, and so on. The compliance awareness survey was also conducted at Mitsui and its major affiliated companies located in Japan, in order to assess the awareness level of the group. Mitsui has also assisted compliance officers of these affiliated companies by holding seminars and distributing the “Compliance Handbook for Mitsui Group companies”. Furthermore, in order to further strengthen the detective and control, Mitsui encourages the use of the whistle-blowing system through continuous messaging from the CCO and other officers, displaying posters in office spaces, and releasing a video introducing the whistle-blowing system on the intranet. In addition, Mitsui started the operation of the Global Group Hotline, a special whistleblowing hotline for reporting and seeking advice for incidents that breach the laws of Japan or other countries regarding anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to the suspicion of such breaches. Whistleblowing reports from officers and employees of overseas offices and other subsidiaries in Japan and overseas received via this hotline are handled in an integrated manner by the Compliance Department belonging to Mitsui’s head office Legal Division.</p>

Disclosure Committee	As an organization under the Internal Controls Committee, this committee develops principles and basic policy for statutory disclosure and timely disclosure as well as the internal structure, and discusses and determines the materiality and appropriateness of information to be disclosed. The Committee met four times and established a disclosure policy for various disclosure materials and carried out evaluations of the appropriateness of the contents of such materials.
J-SOX Committee	As an organization under the Internal Controls Committee, this committee develops, maintains, and improves the effectiveness of the system for ensuring the reliability of our consolidated financial reporting. During the year ended March 31, 2012, due to the termination of the registration with SEC, the SOA Sec. 404 Committee was renamed as the J-SOX Committee. The Committee met twice. The Committee understood the company-wide status of internal control over financial reporting for the year ended March 31, 2019 and studied company-wide measures to keep and improve the effectiveness of internal control.
Portfolio Management Committee	As an advisory body to the Corporate Management Committee, this committee establishes the corporate portfolio strategy as well as investment and loan plans, monitors our corporate portfolios, and examines important individual proposals. The Committee met nine times. The Committee reported to the Corporate Management Committee regarding the results of examinations into key strategic domains, business portfolio strategy, investments, loans and recycling plans, and individual large-scale investments, and carried out monitoring and analysis of important indices such as cash flows and risk assets.
Information Strategy Committee	As an advisory body to the Corporate Management Committee, this committee plans company-wide information strategy and determines and monitors essential policies concerning establishment of a management platform and promotion of the structure of the information strategy. The Information Strategy Committee met five times. The Committee reviewed and discussed various initiatives such as Digital Transformation, work style innovations toward office building relocation, current business process and next generation of core systems, etc.
Sustainability Committee	We have newly established the Sustainability Committee from May 2017 by strengthening and enhancing the role of the CSR Promotion Committee. As an organization under the Corporate Management Committee, this committee aims to promote management with greater awareness of the sustainability of both society and Mitsui and provides advice to the management. The Sustainability Committee met four times. The Committee conducted proposals to the Corporate Management Committee regarding sustainability-related management policies and business activities, and reported the results and the plans of sustainability promotion activities and the Mitsui & Co., Ltd. Environment Fund.
Business Innovation Committee	As an organization under the Corporate Management Committee, this committee monitors and analyzes new technology trends and potential business innovations, specifies our priorities and focuses, and provides advice to the management. It also examines specific measures to support business units in implementing potential new next generation business. The Committee met four times. It not only focused on new technology trends and potential business innovations, but also promoted innovation such as reformation of business models, researched and identified company-wide priority items, shared such information internally, formed internal task forces, conducted awareness campaigns, and studied and deliberated on potential new business opportunities.
Diversity Promotion Committee	As an advisory body to the Corporate Management Committee, this committee makes proposals regarding basic policy and the plan for diversity promotion, and formulates and implements targets set along with the plan. The Diversity Promotion Committee met in September, 2018. The Committee discussed and analyzed the progress and the current issues to realize our diversity management aims and made decisions on focusing on Diversity and Inclusion strategy on global and group basis.

Crisis Management Headquarters	As an extraordinary and non-permanent organization under the direct rule of the President and Chief Executive Officer, the Crisis Management Headquarters exercises necessary decision making in place of normal in-house decision mechanisms relating to all conceivable matters requiring an extraordinary response. The President and Chief Executive Officer serves as head of this Headquarters.
--------------------------------	---

### 3. Details of Audit Fees and Other Matters

#### (a) Details of fees paid to the certified public accountant auditor

Mitsui's certified public accountant auditor is Deloitte Touche Tohmatsu LLC. The table below shows the amount of fees paid to Deloitte Touche Tohmatsu LLC by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2019.

	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	750	6
Consolidated subsidiaries	697	3
Total	1,447	9

(Note) Audit fees are fees for auditing pursuant to the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and auditing the consolidated financial statements prepared in English. The audit fees include services performed as part of the audit, directly relating to the audit, and which are required by laws to be performed by the auditor, and can only be reasonably performed by the auditor.

#### (b) Details of other significant fees

We entrust auditing work and non-auditing work to member firms of Deloitte Touche Tohmatsu Limited, which belong to the same network to which Deloitte Touche Tohmatsu LLC belongs. The table below shows the amount of fees paid to member firms of Deloitte Touche Tohmatsu Limited (excluding Deloitte Touche Tohmatsu LLC) by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2019.

	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	3	37
Consolidated subsidiaries	2,227	273
Total	2,230	310

#### (c) Details of non-auditing work performed by the certified public accountant auditor of Mitsui

The non-auditing work for which Mitsui pays a fee to Deloitte Touche Tohmatsu LLC includes tax-related services and so on.

#### (d) Policy for determining audit fees

In determining audit fees, factors such as the auditing plan and the status of execution of duties by the auditor in the previous fiscal year are taken into account. In order to maintain and improve audit quality and efficient execution of audit, we check the audit process and divide roles between the auditor and the executive department as well as organizing the issues of the individual projects, which promotes transparency of the auditing hours and optimizes the amount of audit fees.

In addition, comparison of budget and actual results, analysis of fluctuation factors, studying further efficiency of audit and confirmation of its progress are carried out quarterly, all of which are discussed with the auditor in a timely manner.

The adequacy of audit fees is confirmed in accordance with the above policy, and the final approval is made with the consent of the Audit & Supervisory Board.

### 3. Reasons for Adoption of Current Corporate Governance System

- Regarding the reasons for adoption of the current corporate governance system, see I.1. "Basic Views" and II.2.1. "Corporate Governance Structure".
- Regarding the functions and roles of External Directors of Mitsui, see II.1. "Matters relating to Independent Directors/Kansayaku".

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

Supplementary Explanations

Early Notification of General Shareholder Meeting	Mitsui dispatches notices for General Meetings of Shareholders around 3 weeks before the date of each Meeting.
Scheduling AGMs Avoiding the Peak Day	When setting the date for Ordinary General Meetings of Shareholders, Mitsui gives first priority to the avoidance of dates on which there are many other shareholders' meetings.
Allowing Electronic Exercise of Voting Rights	To facilitate the active exercise of shareholders' voting rights, Mitsui has started using electronic convocation notices and electronic voting since the General Meeting of Shareholders in June 2004.
Participation in Electronic Voting Platform	Since the General Meeting of Shareholders held in June 2006, Mitsui has used the platform provided by ICJ, Inc. to enable institutional investors to exercise their voting rights electronically.
Providing Convocation Notice in English	English versions of notices, including Business Reports, etc., are posted on the company's website.
Other	Notices (including Business Reports, etc.), including English translations, are disclosed on the company's website and posted on stock exchanges and electronic voting platforms via TDNet more than 4 weeks prior to the date of the meeting. In addition, immediately after a General Meetings of Shareholders, videos of activities at each Meeting, including presentations by senior management, are posted on the Company's website and are available for streaming for a certain period.

## 2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	Since 2005, Mitsui has maintained a Corporate Disclosure Policy and published it in Japanese and English on its Company's website.
Regular Investor Briefings for Individual Investors	Presentation meetings for individual investors are held around 5 times a year, and the presentation materials are posted on the company's website. Since the year ended March 31, 2010, the President and Chief Executive Officer, CFO, Global Controller or General Manager of Investor Relations Division have acted as presenters at these meetings.
Regular Investor Briefings for Analysts and Institutional Investors	Regular presentations for sell-side analysts and institutional investors are held after the release of quarterly financial results, with the President and Chief Executive Officer or CFO as presenter. Presentation materials, including English translations, are posted on the company's website on the day of each meeting. Questions and answers from these meetings are also posted on the website. In addition, Mitsui hold the investor day event every year for sell-side analysts and institutional investors from 2017. On-demand video of the presentations, questions and answers as well as presentation materials, including English translations, are posted on the website.
Regular Investor Briefings for Overseas Investors	Individual meetings are normally held around 5 times a year at the offices of institutional investors in Europe, the Americas, and Asia.
Posting of IR Materials on Website	IR materials are available on the Company's website ( <a href="https://www.mitsui.com/jp/en/ir/index.html">https://www.mitsui.com/jp/en/ir/index.html</a> ). Information provided for shareholders on the website includes financial results, timely disclosure materials other than financial results, Securities Reports, quarterly reports, integrated reports, corporate presentation materials, corporate governance reports, notices for General Meetings of Shareholders, and Newsletters to Shareholders.
Establishment of Department and/or Manager in Charge of IR	The Investor Relations Division has been established under the rule of the CFO as a dedicated IR unit.



### 3. Measures to Ensure Due Respect for Stakeholders

UPDAED

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	In the Mitsui & Co., Ltd Corporate Governance and Internal Control Principles, the management objective of Mitsui is defined as “Mitsui company officers and employees working under the “Mitsui management principles” to reply to the expectations and trust placed in us by our stakeholders, including shareholders, clients, employees as well as consumers and regional communities, and proactively pursuing Corporate Social Responsibility (CSR) oriented management, and as a result to increase corporate value from both the quantitative and qualitative aspects in a sustainable manner.” The company has also formulated various policies, including the Basic CSR Policy, the Social Contributions Policy, the Environmental Policy, and the Supply Chain CSR Policy, to raise the CSR awareness of individual employees.
Implementation of Environmental Activities, CSR Activities etc.	Please refer to the Sustainability Report for detailed information about environmental conservation and CSR activities.
Development of Policies on Information Provision to Stakeholders	The Basic CSR Policy requires that the company should fulfill its accountability obligations by giving priority to interactive communication, including the provision of information to stakeholders. Continuous effort is being made to improve CSR activities based on feedback from stakeholders.
Other	<p>[Initiatives for combining the capabilities of diverse human resources]</p> <p>Diverse human resources are what makes our firm competitive as a group, globally and locally. We focus on Diversity&amp;Inclusion, which is to promote diverse individual talent as well as to create workplaces where employees with a diverse range of backgrounds are able to stimulate each other to display their potential to the full.</p> <p>1. To advance diverse representation To lead the advancement of diverse leadership, regardless of nationality, gender and generation, we have conducted ‘Change Leader Program’ for talented people on the global basis who are identified as influential leaders to drive change in business. We also continuously work on the Diversity Management training for managers and career vision program for women.</p> <p>2. Career Development Initiatives for Female As of April 1,2019, the percentage of female managers in parent company is 6.3%( 216 employees). We have set targets of tripling the number of female managerial staff compared with the total as of June 2014 (67 staff members) by 2020, and we achieved this target in the last fiscal year, two years ahead of schedule, through the proactive implementation of diversity management. In addition, the percentage of female who joined Mitsui on April,2019 is 45.5%, 10.7% increase to the previous year. As a result of this series of initiatives, Mitsui was selected as a 2018 ‘Nadeshiko Brand’ company by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for its proactive efforts to support women to play more active roles in the workplace. Including being selected as a Semi-Nadeshiko Brand last year, this is the fifth year running that Mitsui has been recognized as a Nadeshiko Brand.</p> <p>We drew up our action plan in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace enforced in April, 2016, and posted it on the Company’s website. (<a href="https://www.mitsui.com/jp/ja/sustainability/activity_report/governance/diversity/initiatives/pdf/jyoseikatsuyaku_1603.pdf">https://www.mitsui.com/jp/ja/sustainability/activity_report/governance/diversity/initiatives/pdf/jyoseikatsuyaku_1603.pdf</a>) (Japanese only)</p> <p>For information on our status regarding the promotion of a greater role for</p>

female employees, please refer to the database for companies promoting women's participation and advancement, operated by Japan's Ministry of Health, Labour and Welfare.

(<https://www.positive-ryouritsu.jp/positivedb/detail?id=866>)

(Japanese only)

### 3. To foster inclusive workplace environment

We are promoting Work Style Innovation to create a workplace environment where diverse individuals can reach their full potential. In order to realize varied work patterns with high levels of efficiency and productivity and maximize both our personal and organizational results, we introduced "annual paid leaves on an hourly basis", "mobile work" and "an individual-based staggered working hour scheme". In addition, we have implemented Telework for all the employees in Japan since April, 2019. We have introduced higher level of Work Life Management policies than regulations, such as childcare and family care, and arrange 'Diversity Café' for employees to exchange information how to manage their Work and Life.

#### [Compliance with the United Nations Global Compact]

In October 2004, Mitsui pledged its support for the United Nations Global Compact. The Company is promoting business activities based on good faith and a high standard of transparency by periodically reviewing its compliance with the principles of the Compact in order to identify and remedy any inadequacies.

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

UPDAED

Regarding internal control system and the related units, see II.2.2 “*Framework for internal control and execution of business activities*”. In the construction of internal control processes, aiming to achieve the above mentioned objective of the internal control process – “Improvement of effectiveness and efficiency of operations,” “Compliance with accounting standards and securing reliability of financial reporting,” “Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy,” and “The conservation of company assets” – the following systems are implemented.

#### 1. Risk management system

As a general trading company engaging in a wide variety of businesses, risks arising from business activities are monitored and managed by Chief Operating Officers of business units and regional business units within their authorization delegated from the management. Risks associated with our business include quantitative risks such as credit risk, market risk, business risk arising from subsidiaries’ businesses and country risk, as well as qualitative risks such as compliance risk and operational risk. Measures taken by each business unit to manage quantitative risks include setting of position limits and loss-cut limits as well as monitoring of positions by divisions with relevant expertise. For the management of qualitative risks, the business units are obligated to observe related internal regulations. When a business unit or a regional business unit takes risks greater than the scope of authority granted to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a Representative Director in charge, or a Senior Managing Officer in charge, depending on the importance of the case, in accordance with the standards of the internal approval system. Furthermore, as stated in II.2.1. “Corporate Governance Structure” as committees responsible for business execution and the internal control system, organizations such as the Portfolio Management Committee, the Internal Controls Committee, the Sustainability Committee, and the Crisis Management Headquarters establish and develop the risk management structures and handle significant risks. These committees consist of Managing Officers and the General Managers of Corporate Staff Units. With respect to the risks in the fields they are in charge of, each division of the Corporate Staff Units is responsible for surveillance of the whole Company’s positions, control within the prescribed range of their authority, and supporting the relevant Directors and Managing Officers.

## 2. Internal control over financial reporting

As a result of the termination of the SEC registration, Mitsui implements the internal control framework as stipulated in the Financial Instruments and Exchange Act of Japan from the year ended March 2012. In addition to the Company-wide discipline, Mitsui 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. After comprehensively assessing the above, Mitsui management confirmed that internal control over financial reporting is effective for the year ended March 31, 2019.

## 3. Internal controls regarding construction and management of information systems and information security

“Information Technology (IT) policy” is declared as a basic policy for IT utilization to promote further awareness raising of employees and enhancement of IT governance. The important principles for our global group information strategy are formulated in line with the corporate management policy through the discussions at the Information Strategy Committee established pursuant to the “Rules of Information Strategy Committee.” Under the system centered around the Information Strategy Committee, we are enhancing the system of internal control including management of various possible risks such as information leakage risks through maintenance of the following rules, necessary in light of development and operation of information systems and information security.

“Rules on Information System Management”: rules on the process of procurement, introduction and operation of Information assets

“Rules on IT Security”: code of conduct for the system supervisory divisions regarding IT security

“Rules on Information Management”: basic policies in terms of information risk management system and information management

“Rules on Protection of Personal Information”: rules for the handling of personal information required for business execution (Applied only in Japan)

“Rules on Cyber Security Countermeasures”: rules for preventive measures against cyber-attacks and emergency countermeasures in the event of incident

## 4. Compliance structure

In addition to the Compliance Committee, (see II.2.1 “*Corporate Governance Structure*”), chaired by the Chief Compliance Officer, Mitsui implements a compliance management system within the regular line of management at business division and department level. Further, Compliance Supervising Officers are designated at domestic and overseas units, branch offices and others.

Mitsui has set forth the “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” (“Guidelines”) and has equivalent business conduct guidelines in place at its subsidiaries. Mitsui is striving to improve observance of the Guidelines through continuous monitoring and reviewing. Additionally, to further clarify our basic approach toward integrity and compliance on a global group basis, in November 2018, we have put together the “Mitsui & Co. Group Conduct Guidelines” to be shared by Mitsui & Co. Group companies. Please refer to the “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” or “Mitsui & Co. Group Conduct Guidelines” released on the Mitsui’s website.

Mitsui has a total of eight whistle-blowing avenues in place, including those involving an external attorney at law and a third-party providing hotline services. Pursuant to the Whistleblower Protection Act, Mitsui made it clear that a whistle-blower would not be subject to any recrimination or detrimental treatment by Mitsui as a result of whistle-blowing. Additionally, Mitsui makes sure that its domestic affiliated companies are also able to use the whistle-blowing avenues (external attorneys at law and a third-party providing hotline services) designated by Mitsui in order to (i) maintain a high standard of confidentiality and (ii) enable their employees to use these avenue without uneasiness. Mitsui’s overseas offices and overseas affiliate companies also have whistle-blowing systems that were put in place considering applicable local laws and regional characteristics. Furthermore, Mitsui prohibits treating a whistleblower disadvantageously due to the reason of the whistleblowing itself, and will thoroughly make this a known internal fact. Any cases of violation of compliance are handled strictly, including disciplinary actions in accordance with the Employment Regulations of Mitsui & Co., Ltd.

## 5. Specially Designated Business Management System

In response to the DPF Incident, Mitsui established the “Specially Designated Business Management

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

**6. Systems to secure appropriateness of operations within the corporate group**

In March 2006, Mitsui established the “Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles” (“Principles”). In light of other laws and regulations and to the extent reasonable, Mitsui requires its subsidiaries to develop and operate internal controls based on these Principles, and for its equity accounted investees, Mitsui coordinates with other equity participants and encourages the equity accounted investees to develop and operate similar internal controls. For internal controls to secure reliability in financial reporting, see IV.1.2. “*Internal control over financial reporting*” above. In addition, from its officers and employees, Mitsui appoints supervising officers for its affiliated companies and has them engage in their duties based on the “Rules on Delegation of Authority for Supervising Officers for Affiliated Companies.” Also, when Mitsui deploys full-time audit & supervisory board members in major affiliated companies, Mitsui selects personnel from the Internal Auditing Division rather than from related Business Units to enhance the independence of auditing.

**2. Basic Views on Eliminating Anti-Social Forces**

1. Mitsui reacts resolutely towards antisocial forces, and will not, as a matter of principle, conduct business with antisocial forces or with parties that have relations with antisocial forces.
2. Mitsui specifies the abovementioned principle in its “Business Conduct Guidelines”, and makes this thoroughly known to its officers and employees. To reject antisocial forces, and to make this a company-wide stance, insertion of a clause within contracts rejecting antisocial forces is encouraged, and by placing a response unit, a system enabling routine coordination with external professionals, such as police and lawyers, is established.

**V. Other**

**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation
---------------------------

N/A
-----

## 2. Other Matters Concerning to Corporate Governance System

UPDAED

### [Outline of Timely Disclosure System]

#### 1. Internal structure relating to timely disclosure to capital markets

- (1) Mitsui has formulated principles and a basic policy and developed an internal structure relating to statutory disclosure, timely disclosure and other important disclosure materials and disclosing acts on an internal and external consolidated basis. We have also established the Disclosure Committee to examine highly urgent IR matters and formulate measures. The Disclosure Committee is a subordinate organization of the Corporate Management Committee. It is headed by the CFO and co-headed by CAO and CCO, and its members are the General Managers of the relevant corporate staff divisions. The Investor Relations Division, which acts as the secretariat for the Disclosure Committee, works with IR staff assigned to corporate staff divisions and business units to prepare drafts of disclosure documents and analyze points for discussion in response to directives from the Disclosure Committee.
- (2) In its Corporate Disclosure Policy, Mitsui has defined the fundamental requirements and procedures for the disclosure of information that investors need to make appropriate decisions. This policy has been posted on the Company's website.
- (3) Mitsui has established the Investor Relations Division as the unit responsible for disclosure to investors. This Division is in charge of administrative processes relating to timely disclosure and is responsible for the monitoring and management of facts, financial data, and other information that could have a material impact on investors' decisions, and for the accurate and timely disclosure of that information.

#### 2. Facts that could have a material impact on investors' decisions

- (1) Management of information relating to timely disclosure is integrated within the Investor Relations Division, which is the unit responsible for communication with the Tokyo Stock Exchange. When disclosing important new facts, the Investor Relations Division, determines the content of the disclosure. If necessary, it first examines the information in consultation with the corporate staff divisions that make up the Disclosure Committee and consults with the Corporate Communications Division, which is responsible for interaction with the media.
- (2) If a high-level management decision is required concerning the disclosure method and timing, etc., disclosure will be carried out after deliberation by the Disclosure Committee, and, if necessary, after approval has been obtained from the Corporate Management Committee.
- (3) The Investor Relations Division is responsible for day-to-day communications among internal units in preparation for the disclosure of important information. Internal units are required to inform the Investor Relations Division about progress on important projects through the corporate organization. To align the viewpoints of the corporate organization and frontline business units, the Investor Relations Division holds regular meetings with each business unit after the publication of quarterly financial results. The purpose of these meetings is to share information about market reactions to information disclosed at the corporate or individual business unit level, and about important disclosure items going forward.

#### 3. Information about Financial Results

Information is released each quarter after approval by the Corporate Management Committee

- (1) Management of financial information has been integrated within the Global Controller Division, and general non-financial information within the Investor Relations Division. Final responsibility for the external disclosure of Flash Reports and other information rests with the Investor Relations Division.
- (2) Before financial results are released, Flash Reports and other external disclosure documents and important disclosure items are checked by a study committee made up of the CFO and members of the Disclosure Committee.

