

Last Update: November 10, 2020

Mitsui & Co., Ltd.

President and CEO Tatsuo Yasunaga

Contact: Investor Relations Div. +81-3-3285-7657

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

[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 16 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, the number of directors shall be set at an appropriate number where effective discussion is possible. 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, 2019 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/2020/05/20/en\\_101st\\_shoshu.pdf](https://www.mitsui.com/jp/en/ir/library/business/_icsFiles/afieldfile/2020/05/20/en_101st_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 shall be set at an appropriate number where effective discussion is possible. 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 shall be set at an appropriate number where effective discussion is 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, 2020, 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

Foreign Shareholding Ratio	20% - 30%
----------------------------	-----------

[Status of Major Shareholders] (as of September 30, 2020) **UPDATED**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	182,167,100	10.82
Custody Bank of Japan, Ltd. (Trust account)	99,018,400	5.88
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing agent: MUFG Bank, Ltd.)	91,028,713	5.40
Custody Bank of Japan, Ltd. (Trust account 5)	35,555,500	2.11
Nippon Life Insurance Company	35,070,840	2.08
JP MORGAN CHASE BANK 385781 (Standing agent: Mizuho Bank, Ltd.)	26,914,157	1.59
Sumitomo Mitsui Banking Corporation	25,667,000	1.52
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing agent: Mizuho Bank, Ltd.)	22,480,032	1.33
Custody Bank of Japan, Ltd. (Trust account 7)	20,569,700	1.22
Barclays Securities Japan Limited	20,360,444	1.20

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

1. In addition to the shares listed above, the Company holds treasury stock of 33,833 thousand shares. The Percentage of common stock issued is calculated excluding treasury stock.
2. The number of shares is rounded down to the nearest thousand.
3. Percentage of common stock issued is rounded down to two decimal places.
4. 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 two fiscal years and from April 1, 2020 to the date of the issuance of this report, as it is not possible for us to confirm the actual status of the shareholding ratio as of September 30, 2020. Reports by large volume shareholders include portions held by joint holders.

Name of shareholders	Ownership as of	Number of shares owned	Holding ratio (%)
Sumitomo Mitsui Trust Bank, Ltd.	October 15, 2018	84,529,900	4.85
Mizuho Bank, Ltd.	November 15, 2018	74,431,118	4.27
Sumitomo Mitsui Trust Bank, Ltd.	June 14, 2019	87,206,500	5.01
Mizuho Bank, Ltd.	September 30, 2019	89,773,218	5.15
Mitsubishi UFJ Financial Group, Inc.	December 23, 2019	104,359,600	5.99
BlackRock Japan Co., Ltd.	March 31, 2020	91,052,140	5.22
National Indemnity Company	August 24, 2020	86,453,900	5.03

## 2. 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

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

N/A

## 4. 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)

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

\* 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)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship/ Reasons of Appointment
Izumi Kobayashi	○	<p>Supplementary Explanation of the Relationship</p> <p>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 Members. 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</p> <p>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, 2020, she served as a member of the Remuneration Committee, and contributed to the discussions related to the design of a remuneration system for Officers and evaluation of Officers. In addition, as chair of the Nomination Committee, she exercised strong leadership in enhancing the transparency of the procedures for the appointment of executives, including the CEO. In view of these points we appointed Ms. Kobayashi</p>

		<p>as External Director so that she may continue to advise and supervise the Company'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</p> <p>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, 2020, she served as a member of the Governance Committee, actively provided her opinions with the aim of creating a highly transparent governance system. In view of these points we appointed Ms. Rogers as External Director so that she may continue to advise and supervise the Company'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 N/A</p> <p>Reasons of Appointment</p> <p>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, 2020, he served as a member of the Governance Committee, actively provided his opinions with the aim of creating a highly transparent governance system. He has diverse perspectives based on global corporate management experience and expertise and knowledge related to capital policy and business investment. We appointed Mr. Walsh as External Director so that he may continue to advise and supervise the Company'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>
Takeshi Uchiyamada	○	<p>Supplementary Explanation of the Relationship</p> <p>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 0.2% of the Mitsui's annual consolidated transaction</p>

		<p>volume. In addition, Mitsui and its consolidated subsidiaries purchase automobiles and automobile components from Toyota Motor Corporation, but the yearly amount paid in each of the last three (3) fiscal years is less than 0.5% 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>Reasons of Appointment</p> <p>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, and has been exercising his excellent managerial skills as an executive officer of Toyota Motor Corporation. At the Board of Directors meetings, he makes many proposals and suggestions from a broad-minded standpoint based on his management experience at a global company and his in-depth knowledge of society in general, 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, 2020, he served as a member of the Nomination Committee, and contributed to the discussions with the aim of enhancing the transparency and effectiveness of the procedures for the appointment of executives, including the CEO. In view of these points we appointed Mr. Uchiyamada as External Director so that he may continue to advise and supervise the Company'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>
Masako Egawa	○	<p>Supplementary Explanation of the Relationship N/A</p> <p>Reasons of Appointment</p> <p>Ms. Egawa has deep insight in finance and corporate management gained through her experience of management as a director of The University of Tokyo, her many years of experience working at global financial institutions, and through her research on management and corporate governance at Japanese companies. She has also made extensive contributions to the public interest, including serving as a member on the Tax Commission, the Council for Science, Technology and Innovation, the Fiscal System Council, the United States - Japan Conference on Cultural and Educational Interchange, etc. Although Ms. Egawa has no direct experience participating in corporate management, considering the above, we newly appointed Ms. Egawa as External Director so that she may advise and supervise the Company'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>

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

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	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	Other

Supplementary Explanation

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 compositions of members, expected roles, functions, secretariat as of the date of issuance of this report and activities of the year ended March 31, 2020 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  
Expected Role: The Committee will work to enhance management transparency and fairness and achieve sustained improvement in Company's corporate governance by continually monitoring corporate governance and considering governance enhancement measures.  
Function: To consider basic policies and measures concerning the governance of the Company, to consider the composition, size, and agenda of the Board of Directors, with the aim of achieving further improvement in corporate governance, and to consider the role of the Board of Director's advisory committees, including recommendations on deliberations



and discussions in meetings of the Nomination and Remuneration Committees.

Activities: The Governance Committee was held three times in the year ended March 31, 2020 and carried out a discussion in relation to the Effectiveness of the Board of Directors and responded to the Practical Guidelines for Group Governance while taking into consideration the viewpoint of the external members.

- 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

Expected Role: To enhance the transparency and objectivity of processes relating to the nomination of Directors and Managing Officers through the involvement of external members, and to ensure the fairness of Directors and Managing Officers nominations.

Function : To study the selection and dismissal standards and processes for nominating Directors and Managing Officers, establish succession planning for President and Chief Executive Officer and other top executives, and evaluate Director nomination proposals and to deliberate on the dismissal of Directors and Managing Officers.

Activities: The Nomination Committee was held four times in the year ended March 31, 2020 and discussed the composition of the Board of Directors and balance, and 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 Managing Officers, and discussed the succession planning for the post of Chief Executive Officer.

- Remuneration Committee (Secretariat: Human Resources & General Affairs Div.)

Composition: 1 External Audit & Supervisory Board Member (the committee chair), 2 External Directors, 2 Internal Directors

Expected Role: To enhance the transparency and objectivity of decision-making processes relating to remuneration for Directors and Managing Officers through the involvement of external members, and to ensure the fairness of remuneration for Directors and Managing Officers through ongoing monitoring.

Function : To study the system and decision-making process relating to remuneration and bonuses for Directors and Managing Officers, and to evaluate proposals of remuneration and bonuses for Directors and proposals for evaluation and bonuses for Managing Officers.

Activities: The Remuneration Committee was held four times in the year ended March 31, 2020 and carried out a review of the remuneration and bonus structure and determination processes 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

- 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 a *kansayaku*

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

External *Kansayaku's* Relationship with the Company (2)

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.</p> <p>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 in legal affairs he has gained, as a prosecutor and an attorney at law. 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/ <i>Kansayaku</i>	8
---	---

Matters relating to Independent Directors/*Kansayaku*

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 of Directors meeting proposals as investments and loans, and knowledge of his or her particular area of business is 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 takes 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]

External Audit & Supervisory Board Members are appointed with the objective of further heightening the neutrality and independence of the auditing system, and it is particularly expected that External Audit & Supervisory Board Members objectively express their auditing opinions from the standpoint of neutrality, building on such factors as that independence.

When selecting candidates for positions of External Audit & Supervisory Board Member, 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 confirms that no issues with independence arise by taking into consideration not only the appointment standard provided for in "Appointment of Audit & Supervisory Board Members" above, but also such factors as relations with the Company, the management and important staff.

[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 Boardmember)
- (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. Activities of External Directors and External Audit & Supervisory Board Members in the year ended March 31, 2020

[External Director]

- Mr. Muto participated in all 15 Board of Directors meetings held during the year ended March 31, 2020, 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, 2020, as chair

of the Remuneration Committee (attending 3 of 4 such meetings) and as a member of the Governance Committee (attending all 3 such meetings), he exercised strong leadership in conducting discussions for designing a remuneration system for Officers and evaluation of Officers, and in creating a highly transparent governance system.

- Ms. Kobayashi participated in all 15 Board of Directors meetings held during the year ended March 31, 2020, 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, 2020, she served as a member of the Remuneration Committee (attending all 4 such meetings), and contributed to the discussions related to the design of a remuneration system for Officers and evaluation of Officers. In addition, as chair of the Nomination Committee (attending all 4 such meetings), she exercised strong leadership in enhancing the transparency of the procedures for the appointment of executives, including the CEO.
- Ms. Rogers participated in all 15 Board of Directors meetings held during the year ended March 31, 2020, 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, 2020, 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.
- Mr. Walsh participated in all 15 Board of Directors meetings held during the year ended March 31, 2020, and made 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 the effectiveness of said meetings. In the year ended March 31, 2020, 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.
- Mr. Uchiyamada participated in all 11 Board of Directors meetings held since he became a Director in June 2019, and made many proposals and suggestions from a broad-minded standpoint based on his excellent managerial skill as an executive officer of Toyota Motor Corporation, management experience at a global company, and in-depth knowledge of society in general, having 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, making 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, 2020, as a member of the Nomination Committee (attending all 4 such meetings subsequent to his appointment), he contributed to the discussions with the aim of enhancing the transparency and effectiveness of

the procedures for the appointment of executives, including the CEO.

[External Audit & Supervisory Board Member]

- Ms. Matsuyama participated in 14 of the 15 Board of Directors meetings, and 23 of the 24 Audit & Supervisory Board meetings held during the year ended March 31, 2020. She offered advice and expressed opinions from the perspective of her knowledge and experience gained as a judge and an attorney at law. In the year ended March 31, 2020, as a member of the Governance Committee (attending all 3 such meetings), she actively provided opinions that contribute to developing transparent and objective governance.
- Mr. Ozu participated in all 15 Board of Directors meetings, and 23 of the 24 Audit & Supervisory Board meetings held during the year ended March 31, 2020. He offered advice and expressed opinions from the perspective of his knowledge and experience gained as a public prosecutor and an attorney at law. In the year ended March 31, 2020, as a member of the Nomination Committee (attending all 4 such meetings), he contributed to enhancement in the transparency of the Company's nominations of Officers.
- Mr. Mori participated in all 15 Board of Directors meetings, and all 24 Audit & Supervisory Board meetings held during the year ended March 31, 2020. He offered advice and expressed opinions from the perspective of his knowledge and experience gained as a certified public accountant. In the year ended March 31, 2020, as a member of the Remuneration Committee (attending all 4 such meetings), he contributed to the discussions and revision related to an objective remuneration system for Officers.

4. Major Concurrent positions in other organizations (as of June 19, 2020)

[External Director]

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. External Director, Nissan Motor Co., 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 JTEKT CORPORATION is an equity accounted associated companies of Toyota Motor Corporation.
Masako Egawa	External Director, Tokio Marine Holdings, Inc. External Director, Mitsui Fudosan Co., Ltd. Adjunct Professor, Graduate School of Business Administration, Hitotsubashi University



[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

5. Shareholdings as of March 31, 2020

[External Director]

Izumi Kobayashi	: 4,134
Jenifer Rogers	: 5,799
Samuel Walsh	: 7,100
Takeshi Uchiyamada	: 3,485
Masako Egawa	: 0

[External Audit & Supervisory Board Member]

Haruka Matsuyama	: 2,069
Hiroshi Ozu	: 1,710
Kimitaka Mori	: 4,439

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

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
----------------------------------	---------------------------------

Supplementary Explanation

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, 2020, replacing stock-based compensation linked to the stock price provided in the form of stock options, we have adopted a remuneration system with 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	
-----------------------------	--

Supplementary Explanation

N/A

[Director Remuneration]

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

Supplementary Explanation

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, 2020 was as follows:

Category of position	Number of recipients	Basic remuneration	Bonus	Stock Option	Total remuneration
Directors (Excluding External Directors)	11	¥724 million	¥507 million	¥322 million	¥1,552 million
Audit & Supervisory Board Members (Excluding External Audit & Supervisory Board Members)	4	¥132 million	—	—	¥132 million
External Directors	6	¥104 million	—	—	¥104 million
External Audit & Supervisory Board Members	3	¥60 million	—	—	¥60 million
Total	24	¥1,020 Million	¥507 million	¥322 million	¥1,849 million

(Notes) In addition to the amounts shown above, Mitsui paid pensions (resolution for payments made prior to the abolition of such program) of ¥468 million to 102 retired Directors, and a total of ¥41 million to 12 retired Audit & Supervisory Board Members in the year ended March 31, 2020.

- (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, 2020.

Name	Category of position	Payer	Basic remuneration	Bonus	Stock compensation	Total remuneration
Masami Iijima	Director	Mitsui	¥114 million	¥79 million	¥83 million	¥275 million
Tatsuo Yasunaga	Director	Mitsui	¥131 million	¥79 million	¥98 million	¥309 million
Shinsuke Fujii	Director	Mitsui	¥76 million	¥55 million	¥23 million	¥154 million
Nobuaki Kitamori	Director	Mitsui	¥76 million	¥55 million	¥23 million	¥154 million
Yukio Takebe	Director	Mitsui	¥76 million	¥55 million	¥23 million	¥154 million
Takakazu Uchida	Director	Mitsui	¥62 million	¥48 million	¥19 million	¥129 million
Kenichi Hori	Director	Mitsui	¥62 million	¥48 million	¥19 million	¥129 million
Hirotsu Fujiwara	Director	Mitsui	¥47 million	¥48 million	¥19 million	¥113 million

## 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 member. 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, 2020, replacing stock-based compensation linked to the stock price provided in the form of stock options, we have adopted a remuneration system with share performance-linked restricted stock. Also, each Director (excluding External Directors) is required to purchase Mitsui's ordinary shares in an amount less than ¥1 million through the Mitsui Executives' Shareholding Association with his or her monthly remuneration.

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, 2020, 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 × 2 persons + 6 points × 5 persons = 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

(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

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

(\*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

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

(\*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 (Clawback clause)

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.

	Basic remuneration	Bonus	Share Performance-linked restricted stock remuneration
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
Maximum (per year)	¥1 billion	¥700 million	¥500 million
Eligibility for payment	Directors	Directors (excluding External Directors)	Directors (excluding External Directors)
Number of the recipients at the time of the resolution	14	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*]

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, (i) Audit & Supervisory Board Members mutually exchange information and opinions regarding the activities of Fulltime Audit & Supervisory Board Members External Directors, and (ii) Audit & Supervisory Board Members and Independent Auditors mutually exchange information and opinions regarding the policy of audits. Fulltime Audit & Supervisory Board Members, at their discretion, hold a meeting to exchange opinions beforehand among the External Directors and Audit & Supervisory Board Members on certain important matters to be discussed at meetings of the Board of Directors, in order to provide External Board Members with sufficient information for effective discussion at meetings of the Board of Directors.

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. In the fiscal year ended March 31, 2021, since it is difficult and inappropriate that all Directors and Audit & Supervisory Board Members gather physically due to the spread of COVID-19, Mitsui holds

the meetings of the Board of Directors and the meetings of Audit & Supervisory Board Members as remote meetings using web conference system. Mitsui set up usage environment of such web conference system on the officer PCs and provide supports to use it in order that the Directors and Audit & Supervisory Board Members can discuss effectively even at remote meeting.

5. 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)

### 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 3 female External Directors, and the percentage of female Directors is 21.4%) are appointed, 8 of whom also serve as Managing Officers.
- The number of directors shall be set at an appropriate number where effective discussion is possible. 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, 2020, 15 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 fifteen times in the year ended March 31, 2020, 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, the operation of operating segments and human resources development.
- 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. From June 2019, external members compose a majority of the Remuneration Committee and as of the date of the issuance of this report, an External Audit & Supervisory Board Member serves as the committee chair. 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 we carry out an evaluation of the effectiveness of the Board of Directors based on the self-evaluations of individual directors, as well as on other information. These evaluations are analyzed and assessed, and a summary of the results is disclosed. Documentation\* concerning the composition and activities of the Board of Directors, as shown in the attachments, will be included in the disclosure of the evaluation results for the year ended March 31, 2020.

\* With respect to (i) Attendances for Board and other meetings, (ii) Board and other meetings, (iii) Free Discussion among all members of BOD and ASB, (iv) Number of proposals/reports to the Board, (v) Sustainability, Internal Control or Risk Management-related reports to the Board, (vi) Agenda of external members meetings, (vii) Advisory Committees Activities, and (viii) Activities of external members of BOD and ASB, please see the detail from page 6 on the following websites:

[https://www.mitsui.com/jp/en/company/outline/governance/outlook/pdf/e\\_eoe\\_202003.pdf](https://www.mitsui.com/jp/en/company/outline/governance/outlook/pdf/e_eoe_202003.pdf)

The method used to evaluate the effectiveness of the Board of Directors in the year ended March 31, 2020, and the results of that evaluation, are summarized below.

< Evaluation method > (Self-assessment, Third-party Evaluation)

In the current fiscal year, in addition to self-evaluations, we also employed a third-party organization to carry out the effectiveness evaluation process for the Board of Directors.

- (1) In December 2019, a questionnaire survey of all 14 members of the Board of Directors and 5 members of the Audit & Supervisory Board (“the FYE 3/2020 Survey”) was carried out.
- (2) Between January and early February of 2020, the third-party evaluation organization conducted individual interviews of all Directors and Audit & Supervisory Board Members.
- (3) There was an exchange of views about the effectiveness of the Board of Directors at an external members meeting held on February 4, 2020. All External Directors and External Audit & Supervisory Board Members were present.
- (4) On March 4, 2020, the third-party evaluation organization submitted a report to all members of the Board of Directors and the Audit & Supervisory Board containing an anonymized summary of comments from the individual interviews. At a meeting of the Governance Committee on the same date, committee members discussed the results of the FYE 3/2020 Survey, the results of the external members meeting, and the results of the third-party evaluation.
- (5) After the discussion at a Corporate Management Committee meeting held on March 30, 2020, the evaluation of the effectiveness of the Board of Directors for the year ended March 31, 2020 was finalized at a Board of Directors meeting held on April 8, 2020, based on a report from the Governance Committee.

< Questionnaire items >

The main items in the FYE 3/2020 Survey were as listed below. For each question, participants provided an evaluation at one of five levels. There was also space for comments. In order to assess progress toward the improvement of the effectiveness of the Board of Directors, participants were also asked to carry out a three-level evaluation of improvement compared with the previous fiscal year.

- 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. Performance of duties by members of the Board of Directors and Audit & Supervisory Board
- VII. Support for the Board of Directors and Audit & Supervisory Board
- VIII. General

< Effectiveness Improvement Initiatives in the year ended March 31, 2020 >

Based on the results of the evaluation of the effectiveness of the Board of Directors in the year

ended March 31, 2019, the Board of Directors and its Secretariat implemented the following measures in the year ended March 31, 2020:

(1) Deepening of Information about Individual Business Projects

Efforts were made to ensure that materials provided to the Board of Directors concerning individual business projects clearly show the positioning of each project within the strategies of business units, including the amount of investment and loans as a percentage of the total for the business unit concerned, and a quantitative indication of the contribution to profits. Another focus of efforts was the improvement of materials showing the positioning of large-scale projects on a company-wide basis, and the influence on other business areas, including briefings about positioning in segment strategies, etc., and company-wide risk exposure in various countries. In addition, cash flow allocation progress reports were presented at external members meetings. In the FYE 3/2020 Survey, the majority of External Directors gave positive assessments about the deepening of information concerning individual business projects. Some participants commented that the improvement of materials provided to the Board of Directors concerning individual business projects made it easier to ascertain and understand management strategies, enabling them to discuss projects more strategically.

(2) Free Discussions at Off-site Meetings

Based on the results of the previous fiscal year's effectiveness evaluation, free discussions at off-site meetings have been held continuously in the year ended March 31, 2020. Directors and Audit & Supervisory Board Members held a free discussion session at our training center in Yokohama in November 2019. This resulted in intensive discussions focusing on (1) management strategies as a conglomerate, and (2) Mitsui Diversity Management.

The majority of External Directors provided positive assessments of the off-site free discussion sessions in the FYE 3/2020 Survey. However, participants also called for additional free discussion sessions without overnight stays.

(3) Changes to the Management of Board of Directors Meetings

We have made continual efforts relating to the management of Board of Directors meetings. In addition to an initiative to distribute materials for Board meetings earlier, we also improved the management of meetings to allow the limited time available to be concentrated on deliberations about important projects. This was achieved by using written decisions to provide sufficient time for deliberations about projects requiring more discussion. In addition, we took steps to include information about Corporate Management Committee deliberations in materials about individual business projects for Board meetings.

In the FYE 3/2020 Survey, the majority of external directors provided positive assessments of these changes to the management of Board of Directors meetings.

(4) Items Relating to Advisory Committees

The Board of Directors received reports concerning the activities of the Remuneration

Committee and Nomination Committee. In addition, a report about activity plans for the advisory committees was presented at the Board meeting in July 2019.

The majority of External Directors provided positive assessments in the FYE 3/2020 Survey. However, other opinions identified priorities for further improvement, including a call for the Governance Committee to stipulate themes for its meetings in an annual plan and increase the frequency of its meetings, and the view that the themes should also be debated by the committee.

(5) Effectiveness Evaluation Method

The effectiveness of the Board of Directors was evaluated by a third party, in addition to self-evaluations.

The main view expressed in the FYE 3/2020 Survey was that we should consider the method to be used in the next fiscal year after examining the results of the latest third-party evaluation. Following deliberations by the Governance Committee, it was decided to carry out a study with a view to having the effectiveness of the Board of Directors evaluated regularly by a third-party organization.

< Outline of Evaluation Results >

(1) Results of Third-party Evaluation

According to the third-party evaluation, Mitsui's governance structures are of a generally high standard, thanks to years of determined efforts. The results of the third-party evaluation also show that positive views were in the majority for the following interview items:

- Concerning the composition of the Board of Directors, in addition to the excellent knowledge of the External Directors, Mitsui has also achieved diversity in terms of both attributes relating to gender, nationality, and generation, as well as experience of management, government administration, finance, law, and accounting.
- The top management's strong commitment to governance, compliance, and integrity is reflected in Mitsui's development of internal control mechanisms and essential organizational structures, and in the formulation and consistent application of the "With Integrity" code of conduct.
- Discussions at Board of Directors meetings are free, open, and highly transparent, thanks to efforts to improve the materials used at meetings, such as through the inclusion of quantitative and qualitative analyses, and positioning in terms of corporate and business unit earnings and risks in materials relating to individual business projects.
- All issues are properly debated by Directors and Audit & Supervisory Board Members in multiple forums, including Board meetings, external members meetings, and free discussion sessions, as well as during meals. Topics for discussion span the entire company and include strategies and medium- to long-term visions.
- The Chairman of the Board of Directors maintains a neutral and attentive stance, and manages proceedings to ensure that the views of Internal and External Directors are

actively heeded. The Board of Directors has adopted a consensus-based, rather than a majority-based, decision approach. Instead, matters are debated multiple times if necessary, based on views expressed or issues raised by External Directors or Audit & Supervisory Board Members concerning individual business projects.

- The Board of Directors secretariat has worked to enhance advance briefings. It has also taken steps to achieve continuous improvements in issues relating to the management of Board meetings, while also responding with care and sincerity to feedback to the external members, and working constantly to achieve further improvement in the careful and committed support that it provides to the members of Board of Directors.

## (2) Results of Self-evaluations

The following conclusions concerning the effectiveness of the Board of Directors in the year ended March 31, 2020 were confirmed on the basis of the results of the FYE 3/2020 Survey, exchanges of views at external members meetings, and deliberations at meetings of the Governance Committee and Board of Directors, as well as the results of the third-party evaluation:

- The majority of members expressed the view that there had been improvement concerning matters raised in the previous year, including (1) the deepening of discussion about individual business projects, (2) off-site free discussion sessions, (3) changes to the management of Board of Directors meetings, (4) the advisory committees, and (5) effectiveness evaluation methods.
- Concerning the composition of the Board of Directors, there has been progress toward the improvement of diversity, including an increase in the number of female and non-Japanese External Directors, as well as people with practical business experience.
- As far as the management of Board of Directors meetings is concerned, the early distribution of material for meetings has become the norm thanks to the introduction of paperless technology through the use of tablet device. Deliberations at Corporate Management Committee meetings are accurately recorded, and the Board of Directors secretariat is providing effective support, including appropriate scheduling.
- Ample time is being provided for deliberations by the Board of Directors by ensuring that the number of agenda items is appropriate, and by making efficiency improvements, including the active use of written resolutions. Mitsui's strategic direction and business strategies are discussed at Board meetings in an atmosphere of freedom and open-mindedness. External members have opportunities to deepen their understanding of overall strategies and strategic directions through wide-ranging discussions at external members meetings and free discussion sessions attended by Directors and Audit & Supervisory Board Members, including external members.
- The Board of Directors receives reports containing the results of analyses of diverse company-wide risks. For example, it has started receiving reports concerning control systems, etc., for company-wide and integrated risks. Based on these reports, the Board



of Directors identifies and examines risks in light of the knowledge of individual Directors and Audit & Supervisory Board Members.

- Funding and opportunities are provided appropriately to enable External Directors and External Audit & Supervisory Board Members to deepen their understanding of Mitsui's business operations, control systems, and environments. For example, there are increased opportunities to acquire the necessary knowledge through external members meetings and prior briefings. Mitsui has also established effective collaboration systems, including forums for regular exchanges of views between External Directors and the management team, Independent Auditors, and the Internal Auditing Division.

Based on the results summarized above, we can conclude that the Board of Directors achieved an appropriate level of effectiveness in the year ended March 31, 2020. However, there is also evidence of the need to enhance effectiveness further through initiatives targeting the items listed below.

< Initiatives toward Further Improvements in Effectiveness >

- Actions Relating to the Management of Board of Directors Meetings

Based on views heard from Directors and Audit & Supervisory Board Members during the effectiveness evaluation process for the year ended March 31, 2020, we will work on the following measures in relation to matters pertaining to the management of Board of Directors meetings:

- ① Provision of information about individual business projects at the consideration stage
- ② Progress reports on projects after their approval by the Board of Directors
- ③ Extension of time for prior briefings about important projects
- ④ Provision of information about the Cash Flow and IRR that were projected at the investment stage for impaired projects
- ⑤ Review of the frequency and duration of Board of Directors meetings
- ⑥ The addition of free discussion sessions that do not involve overnight stays

- Further Improvement of the Effectiveness of the Board of Directors in Relation to Discussion of Overall Strategies

One of the views put forward concerning the discussion of the overall strategies by the Board of Directors was that while there had been progress in some business areas in relation to strategy-related discussions about individual business projects, there was still room for further improvement. Another person expressed the opinion that business strategies are now being debated more actively than in the past, that this is a very positive trend from the viewpoint of External Directors, and that there should be further deepening of discussions. Based on these views, we will work to achieve further improvements in the effectiveness of the Board of Directors through efforts to energize discussions about Mitsui's overall strategies from the respective viewpoints of External and Internal directors.

- Clarifying the Roles of the Advisory Committees

It was suggested that priority should be given to clarifying the roles of the Advisory Committees, while identifying the advantages of voluntary advisory committees in a company with an Audit & Supervisory Board.

In response to this suggestion, we will work to clarify the expected roles of the committees, with the aim to further realize the functions of voluntary advisory committees.

We will continue our efforts to maintain and improve the effectiveness of the Board of Directors, including the above points. Our aim is to ensure effective supervision of management by the Board of Directors, and to achieve sustainable growth in corporate value.

(b) Audit & Supervisory Board Members

(i) Status of Audit conducted by the Audit & Supervisory Board

Organization, personnel:

- 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%). 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.
- 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.
- We set up the Audit & Supervisory Board Member Division to assist in the performance of the duties of the Audit & Supervisory Board Members, and assign to the Division at least three full-time employees with the appropriate knowledge and abilities necessary for this work.

Activities of the Audit & Supervisory Board:

- A meeting of the Audit & Supervisory Board Members is regularly held prior to a meeting of the Board of Directors and whenever necessary. In the year ended March 31, 2020, 24 meetings were held. Full-time Audit & Supervisory Board Members participated in all 17 Audit & Supervisory Board meetings held after their taking position as of June 20, 2019
- 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. Regarding audits of consolidated group companies, because affiliated companies in Mitsui's consolidated group vary widely in terms of location, business areas, and growth stages, priority is given, during the formulation of audit policies, to checks concerning the assimilation of the Mitsui & Co. Group Conduct Guidelines as the foundation for the development and operation of

internal control systems, and the performance of business activities in accordance with those guidelines. We also respond to change in the external environment for business activities by basing audit policies on various perspectives, including climate change and new work styles. Additionally, to conduct effective and efficient audits, the Audit & Supervisory Board coordinates closely with the Independent Auditors and the Internal Auditing Division. Another priority is the development of closer collaboration with the organizations, officers, and employees (such as audit & supervisory board members of affiliated companies, accounting auditors, and internal audit organizations) responsible for supervision of the development and operation of internal control systems in affiliated companies.

- The main items considered and discussed at the Audit & Supervisory Board are as following:
  - Audit policies, audit plans and work assignment;
  - Assessment of Independent Auditor;
  - Audit activities conducted by full-time Audit & Supervisory Board Members;
  - 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
  - Monitoring of progress on discussions between the Company and the Independent Auditor about various issues including “Key Audit Matters”.
- Based on yearly audit results, the views of the Audit & Supervisory Board and any issues identified are compiled into recommendations to the Board of Directors. This is followed by an exchange of opinions at the meeting of the Board of Directors. The results of this process are disseminated within the Company.
- Visits to the locations of frontline business activities and communication with the group employees who are active in those locations are an important part of our audit activities. However, the COVID-19 pandemic has imposed severe constraints on corporate activities, and we are therefore trialing alternative audit procedures for use when these audit activities are not possible. We have started to examine our audit plans based on the results of these trials.
- An evaluation of the effectiveness of the Audit & Supervisory Board was conducted through individual interviews with all external Audit & Supervisory Board Members, an exchange of views at a meeting of the Audit & Supervisory Board, and self-evaluations. The results indicate that an appropriate level of effectiveness is generally being achieved. On the other hand, we recognized the need for efforts in some areas, such as the development of closer collaboration with the audit & supervisory board members of affiliated companies, in order to achieve further improvement in effectiveness.

#### Main Activities of Audit & Supervisory Board Members

- 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.

- 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. 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. Full-time 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.
- (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, 2020, is as follows: of a total of 77 people, which includes one General Manager, 40 internal auditors (including 24 re-employed retired contract employees), 24 members in charge of audits, and 12 staff members; 55 people are stationed in the Internal Auditing Division in the Head Office, 6 people are stationed in Internal Auditing Offices overseas, 3 people are stationed in the Internal Auditing Department within Business Supporting Units, and 13 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, 2020, the certified public accountants executing audits on our financial statements are the following four people, who all belong to Deloitte Touche Tohmatsu LLC: Shuichi Morishige, Takashi Kitamura, Takenao Ohashi, and Yoshio Oka. The period successively involved in the audit by Deloitte Touche Tohmatsu LLC is 47 years. The number of assistants involved in auditing work is 113 people as of March 31, 2020, and this number is comprised of 36 certified public accountants, 20 members of the Japanese Institute of Junior Accountants, and 57 others.
- Rotations of the partners were conducted properly. A partner does not serve the Company for more than seven consecutive fiscal years. In addition, a lead audit engagement partner does not serve the 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. The efforts made by the committees regarding execution of business activities and internal controls in the year ended March 31, 2020 are as follows:

<p>Compliance Committee</p>	<p>As an organization under the Corporate Management 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 training sessions. Further, Mitsui established the With Integrity 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 these affiliated companies by holding seminars, distributing the “Compliance Handbook for Mitsui Group companies” and also offering “Guidelines on the Establishment of Compliance Systems at Affiliated Companies” to contribute to the development and operation of an effective compliance system.. 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, in the year ended March 31, 2020, Mitsui increased the number of countries where the Global Group Hotline is applicable, which is 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 Corporate Management Committee, this committee develops principles and basic policy for statutory disclosure, timely disclosure and other important disclosure materials and disclosing acts 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 Corporate Management Committee, this committee develops, maintains, and improves the effectiveness of the system for ensuring the reliability of our consolidated financial reporting. The Committee met twice. The Committee understood the company-wide status of internal control over financial reporting for the year ended March 31, 2020 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 business portfolio strategy, investments, loans and recycling plans, and capital efficiency, 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	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 five 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 social contribution activities and the Mitsui & Co., Ltd. Environment Fund.
Diversity 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 Committee welcomed 2 Business Unit COOs and IR Div. G.M. as additional members. They joined the Chair, HR & Gen. Affairs Div. G.M. and Corporate Planning Div. G.M in the Committee. The Committee also increased the frequency of the annual meetings to three times a year with assemblies held on May & October 2019 and March 2020. The Committee



	followed up on the Mitsui Engagement Survey 2018, confirmed initiatives related to talent management on a global basis and deliberated on the KPI ratio of female managers.
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, 2020.

	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	742	8
Consolidated subsidiaries	719	11
Total	1,461	19

(Notes) 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, 2020.

	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	3	85
Consolidated subsidiaries	2,251	207
Total	2,254	292

#### (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	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 publishes it in Japanese and English on its Company's website.
Regular Investor Briefings for Individual Investors	Presentation meetings for individual investors are held around 7 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 has been holding 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 with executives are normally held around 5 times a year at the offices of institutional investors in Europe, the Americas, and Asia, or in web conferences.
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

	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] Diverse human resources make our firm competitive as a group, globally and locally. As one pillar of the human resource strategy in the mid-term management plan, we have set up further reinforcement of Diversity &amp; Inclusion as a KPI, to promote the development of diverse talent and build a workplace where employees with diverse backgrounds are able to stimulate each other to display their full potential.</p> <p>1. To advance diverse representation To lead the advancement of diverse leadership, regardless of nationality, gender and generation, we have conducted the 'Change Leader Program' to identify talent on a global basis and expecting their influence as leaders that drive change in the business. We also hold 'Diversity Seminars' twice a year for employees, welcoming external experts, to raise awareness on the importance of diversity in the organization.</p> <p>2. Career Development Initiatives for Female As of April 1, 2020, the percentage of female managers in parent company is 6.9% (234 employees). In order to further empower women's careers, we have set an action plan to achieve 10% of female managers by the fiscal year ending March 31, 2025. <a href="https://www.mitsui.com/jp/ja/sustainability/social/resources/diversity/pdf/jyoseikatsuyaku_2003.pdf">https://www.mitsui.com/jp/ja/sustainability/social/resources/diversity/pdf/jyoseikatsuyaku_2003.pdf</a> (Japanese only) As part of our efforts to further empower women's careers, we have implemented a "Women Leadership Initiative Program" with the active support by External Director. As a result of these initiatives, Mitsui was selected as a 2020 'Nadeshiko Brand' company by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of its proactive efforts to support women to play more active roles in the workplace. This is the sixth year running that Mitsui has been awarded the Nadeshiko Brand including Semi-Nadeshiko Brand in 2019. For information on our status regarding the promotion of a greater role for female employees, please refer to the database for companies promoting women's participation and</p>

advancement, operated by Japan's Ministry of Health, Labour and Welfare

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

(Japanese only)

3. To foster inclusive workplace environment

We are promoting a Work Style Innovation to create a workplace environment where diverse individuals can reach their full potential. In order to realize 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", "individual-based staggered working hour scheme" and "Telework (work-from-home)".

In May 2020, we completed its relocation to the new Head Office building. We defined our new Head Office building as a place where Mitsui's diverse individuals will create new value in an environment that combines intellectual efforts by numerous professionals from inside and, outside the company, to create the future of Mitsui & Co. We introduced "Group address system" and created "Communication space (Camp)".

We also have introduced Work Life Management policies that goes beyond minimum statutory requirements, such as childcare and family care. We also hold 'Diversity Café' session for employees to exchange information on 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

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

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, 2020.

#### 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, 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

### 3. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	
N/A	

### 4. Other Matters Concerning to Corporate Governance System

[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 businesses 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 and report to the Board of Directors.

- (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.

[Governance structure]

