

January 21, 2021

For Immediate Release
To Whom It May Concern

Mitsui & Co., Ltd.

Mitsui Entered Into Heads of Agreement for Moatize Coal Mine,
Nacala Corridor Rail & Port Infrastructure Projects

Mitsui & Co., Ltd. (“Mitsui”, Head Office: Tokyo, President and CEO: Tatsuo Yasunaga) and Vale S.A. (“Vale”) have been engaged in the Moatize coal mine project (“Moatize Project”) and the Nacala Corridor rail & port infrastructure project (“Nacala Project”) (Moatize Project and Nacala Project collectively referred to as “the Projects”). On January 20, 2021, Mitsui and Vale entered into a Heads of Agreement (“HoA”) stipulating the main conditions for the transfer of all of Mitsui’s interest in the Projects and associated loans to Vale, the operator of the Projects, for the sum of US\$1.00 each.

HoA aims to conclude a definitive agreement for the transfer of the interests and the associated loans once all related parties reach an agreement on detailed terms and conditions and both Mitsui and Vale obtain the required internal approvals, and to complete the transfer throughout 2021, following the fulfillment of conditions precedents, including obtaining the necessary consents and approvals. A further notice will be issued when the definitive agreement is concluded.

In March 2017, Mitsui acquired, from Vale, a 15% equity interest in a Vale subsidiary that owns a 95% equity interest of the Moatize Project, and a 50% equity interest in another Vale subsidiary that is implementing the Nacala Project. Since then, Mitsui has worked to develop the Projects and improve their operations. However, Vale made a decision to divest its coal business to concentrate on its core activities, and in accordance to its ESG agenda. In response, Mitsui decided to sell its equity stake to Vale in the context of reorganization and restructuring of asset portfolio. Vale will continue to operate the Projects after their acquisition of Mitsui’s interest, and will ultimately consider divestment of their interest to a third party.

Mitsui is currently reviewing the anticipated loss that will result from the transfer. Mitsui will provide immediate release of any events that require disclosure. Any financial impact related to the Projects was considered in our forecasts for the fiscal year ending March 2021, which were released on October 30, 2020.

Overview of the Moatize Coal Mine Project

Purpose of the project	Mining and sales of coal
Ownership portion	The holding company of Vale and Mitsui: 95% (Vale: 85%, Mitsui: 15%) Empresa Moçambicana de Exploração Mineira (EMEM): 5%
Investment and loan	Approx. US\$0 (as of September 30, 2020)

Overview of the Nacala Corridor Rail & Port Infrastructure Project

Purpose of the project	Transportation and shipment of coal, general commodities, and passenger
Ownership portion	The holding company of Vale and Mitsui: Approx. 100% (Vale: approx. 50%, Mitsui: approx. 50%) Local shareholders: Minor shareholdings
Investment and loan	Approx. US\$500 million (as of September 30, 2020)

For inquiries on this matter, please contact:

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Notice:

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