10:00am - 11:30am on Thursday May 9th, 2019
IR Meeting for results of FY March 2019 and Business Plan for FY March 2020

== CEO Part ==

Good morning. My name is Tatsuo Yasunaga, CEO of Mitsui & Co.
Thank you for joining us today.

I will start today by reviewing progress and next steps after the second-year of our medium-term management plan *Driving Value Creation*, and then outline our business results for the fiscal year ended March 2019 as well as our forecast for the year ahead.

I will then hand over to Tetsuya Shigeta, General Manager of Global Controller Division, to explain the details.

[Summary of Operating Results (P3)]
Please look at Page 3 of the presentation, which outlines our results for the year.
Profit for the year was 414.2 billion yen and core operating cash flow was 570.5 billion yen. Although Chemicals fell short of the plan due to revision of Novus' expansion project and recognition of costs related to the fire incident at the U.S. tank terminal business, Resources & Energy fell more or less in line with the business plan in spite of Vale's incident whilst Lifestyle and Innovation & Corporate Development achieved large increase in year on year profit. To summarize, if one-time factors are excluded, the full-year results were largely in line with forecasts.

Moreover, in the fiscal year under review, we implemented initiatives to further enhance the already strong profit base in Mineral & Metal Resources and Energy segments as well as in power generation and FPSO, while pursuing expansion and portfolio optimization primarily in the Lifestyle segment, including the completion of withdrawal from Multigrain and additional investment in IHH to become the company's largest shareholder.
I feel confident about the year in positioning us to achieve the goals of the fiscal year to March 2020, the final year of our medium-term management plan.

In terms of shareholder returns, as announced at our Q2 results, we have proposed a 10-yen increase in the annual dividend to 80 yen per share, representing a total return to shareholders of approximately 140 billion yen.

[Key Initiative 1: Build Robust Profit Base and thoroughly Strengthen Existing Businesses (P4)]
Please turn to page 4. This slide outlines progress on one of our key initiatives: building a robust profit base and thoroughly strengthening existing businesses. I will focus on segments which have shown particularly significant progress.

In Mineral & Metal Resources, there were major developments in maintaining and expanding our iron ore business base in Australia, Mitsui's largest revenue source, with new development at South Flank and the decision to develop a new Robe River JV deposits. As part of our efforts to optimize our portfolio, we sold our equity interest in the Bengalla thermal coal mine.

In Energy, we achieved a major milestone with the agreement of a contract extension in the Abu Dhabi LNG business, while making steady progress in LNG pipeline projects in Mozambique and Cameron in the U.S. Furthermore, with the purchase of the Australian company AWE, we acquired not only quality assets but also operational capabilities.

In addition to the steady progress in portfolio optimization and business-based enhancement in the Lifestyle segment that I touched upon earlier, we have also made notable progress in Innovation & Corporate Development, achieving significant profit recovery from the previous fiscal year through the strengthening of MKI and other ICT-related businesses in Japan.

[Key Initiative 2: Establish Selected New Growth Areas (P5)]
Please turn to page 5, which is about progress made in our second key initiative: establish selected new growth areas.
Of the four growth areas, in the year under review, we saw accelerating initiatives towards establishing a future profit base mainly in Healthcare.

In March 2019, we made an additional investment of approximately 220 billion yen in IHH and became its largest shareholder. There remains a large shortage in the number of hospital beds in emerging Asian economies and since most of the ancillary functions, such as dialysis treatment, are still carried out within the boundaries of hospital operations, the growth potential of these markets are considerably greater than those in the developed economies. , We thus will continue to put priority on allocating resources to this area and further strengthen our business base.

In another case, last year, Mitsui invested jointly with Kirin Holdings in Thorne Research, a high-quality supplements business in the U.S., taking an aggregate 80% stake. The global market for supplements is forecasted to grow at a rate of 8 – 9% annually, and we are aiming to raise the value of Thorne's U.S. business and expand into Japan and other regions.

[Key Initiatives 3: Cash Flow Focused Management; Strengthen Financial Base (P6)]

Please turn to page 6. Cash flow management and strengthening our financial base is our third key initiative, so let me first explain our cash flow allocation for the year just ended.

As described earlier, core operating cash flow for the year was 570 billion yen. Combined with 230 billion yen obtained from progress in asset recycling, this produced a total cash-in of 800 billion yen.

Investment and Loans totaled 930 billion yen due to carry over of some projects from the previous fiscal year and additional investment in IHH. With the addition of 140 billion yen in shareholder returns, free cash flow after shareholder returns was negative 270 billion yen, bringing the two-year total to negative 30 billion yen.

[Key Initiative 3: Strengthen Financial Base (P7)]

On page 7 we discuss the status of our financial base.

Net interest-bearing debt increased 570 billion yen from the end of the previous fiscal year to 3.7 trillion yen. This was a result of large-scale investments such as in IHH as well as an increase in working capital and the conversion of foreign currency-denominated debt amid U.S. dollar appreciation. There is no change to our policy in achieving three-year cumulative positive free cash flow after shareholder returns, and we will continue to strengthen our financial base.

[Key Initiative 4: Enhance Governance, Personnel and Innovation functions (P 8)]

Turning to page 8. The last key initiative in my medium-term management plan progress report is to Enhance Governance, Personnel and Innovation functions. In the fiscal year under review, we took steps to improve the effectiveness of the Board of Directors, holding an off-site meeting for intensive discussion on corporate strategy and increasing opportunities to discuss important themes which affect the entire company, such as sustainability. In addition, at our shareholders meeting in June, we plan to introduce resolutions on the appointment of Takeshi Uchiyamada who has considerable business experience, as a candidate for External Director, and on a structure of remuneration that includes share performance-linked restricted stock. Further details on our corporate governance can be found in the appendix of the presentation materials.

To achieve our aim of Strengthening the individual, we have taken steps to enhance our global

HR management, introducing the Change Leader Program to identify and foster talented personnel globally and proactively including employees hired outside Japan in managerial appointments.

To Strengthen innovation functions, we established Moon Creative Lab as a subsidiary to “create” new businesses from the ground up, and we are accelerating digital transformation initiatives.

[New Materiality (P10)]
Please turn to page 10. Before we move on to discuss the Business Plan for the fiscal year to March 2020, I would like to explain our revised materiality, which we have announced on 26th April.

These revisions to the materiality that Mitsui identified in 2015 are a reflection of the constantly changing nature of the mega trends that have the potential to affect our business, and of the growing importance of global sustainability themes such as ESG and SDGs. The five new issues of materiality identified and presented on this slide are the result of intense discussion both inside and outside Mitsui, they incorporate the perspectives of a wide range of stakeholders and business impacts, and have the approval of our Board of Directors.

Mitsui will continue to pursue sustainable management, seeking to make a balanced and long-term contribution through our business activities to the sustainable economic and social developments of countries and regions around the world and to addressing global scale issues such as climate change.

[FY Mar/2020 Business Plan Summary (P11)]
Please turn to page 11. I would like to talk now about our business plan for the fiscal year to March 2020, the final year of the medium-term management plan.
In summary, we are targeting profit for the year of 450 billion yen, which is a historical high, and core operating cash flow of 640 billion yen. Both of these represent an increase to the respective targets announced two years ago with the launch of the current medium-term management plan, which were: profit for the year of 440 billion yen and core operating cash flow of 630 billion yen. Our ROE target of 10% by the end of March 2020 remains unaltered.

We will continue to monitor global economic conditions in formulating our management approach, including the growing sense of an overall global slowdown, the direction of U.S.-China trade talks, and policy trends in the world’s major economies.

[FY Mar/2020 Action Plan (P12)]
Turning to page 12. I would like to discuss our main action plan for the current fiscal year. Under the medium-term management plan, we have seen steady progress in the 3 core areas and the 4 growth areas. While the framework remains unchanged, we believe that businesses operating especially in areas concerning the ‘environment’ and ‘health’ have particularly high potential for solid and meaningful growth, and looking ahead, we remain focused on strengthening our foundations in these businesses and on expanding to adjacent businesses.

Tackling climate change is a growing global concern and we intend to further accelerate our efforts in the area of the environment, addressing the increasing demand in Asia for LNG, an energy source with comparatively low environmental impact, and trends for electrification and ride sharing in Mobility.

In the area of health, with Asia in particular experiencing high middle-class growth, the supply of health services to address the increase in chronic diseases associated with higher standards of living and the supply of quality food and medical products is essential to improving wellbeing and developing local industry.

Addressing these environment and health issues requires a cross-sectional approach, leveraging strengths across multiple different business segments. Mitsui is well positioned to create new value through the implementation of an action plan that brings out the comprehensive strength in which we excel.

Looking beyond environment and health, across all segments in which we operate, we will continue to improve the quality of our business and investment portfolio, pursuing initiatives to strengthen existing businesses, raising the profitability of existing assets, and through strategic recycling.

[Business assets: Contribution to profit; Cash generation (P13)]
Please turn to the next page. The fiscal year ending March 2020 will see the launch of a number of important projects in Energy, and these together with power generation businesses in Machinery & Infrastructure and coating manufacturing and the expansion of agricultural inputs and crop protections business in Chemicals are contributing to the enhancement of our profit base. In Lifestyle, we are forecasting contribution to profit from the completion of the construction of production facilities for high-quality sugar and from our additional investment

in IHH.
Ensuring the steady launch of these projects and enhancing our profitability while thoroughly strengthening existing businesses will enable us to achieve the goals of the business plan for the current fiscal year.

[Quantitative Goals: Profit for the year (P14)]
Please turn to page 14. These are the quantitative goals of the fiscal year to March 2020. As I explained, we are forecasting profit for the year of 450 billion yen. We are being conservative with resources prices, but in addition to the absence of one-time losses primarily in Chemicals included in the fiscal year to March 2019, we are forecasting profit growth in non-resource areas as a result of steady strengthening of the profit base primarily in Machinery & Infrastructure and Lifestyle.

[Quantitative Goals: Core operating cash flow (P15)]
Please look at the next page. We are forecasting core operating cash flow of 640 billion yen for the fiscal year to March 2020. Year-on-year growth is expected due to the approximately 50 billion yen effect of changes to the accounting standards concerning operating lease, the absence of one-time losses in Chemicals in the fiscal year to March 2019, and the strengthening of the cash generation capability of non-resource areas.

[Cash Flow Allocation (revised) (P16)]
Please turn to page 16. I will explain the three-year cumulative cash flow allocation for the period of the medium-term management plan.
I have already touched upon the core operating cash flow earlier. As for investments and loans, we are setting the target at 2.1 trillion yen which is within the three-year cumulative range presented in February this year, and there is no change to our forecasts for asset recycling and shareholder returns.

As a result, three-year cumulative free cash flow after shareholder returns will be approximately 130 billion yen, which cash will be used to pay down net interest bearing debt including the lease fees I touched on earlier, as well as for additional shareholder returns and additional investments as appropriate in consideration of the business situation.

[Shareholder Returns (P17)]
Please look at page 17. I would like to turn now to shareholder returns. We have set the dividend per share for the fiscal year ending March 2020 at 80 yen per share. We will consider additional

shareholder returns while monitoring the commodity market prices which are steady for the time being and paying attention to the accumulation of core operating cash flow.

That concludes my presentation. Thank you.

Mr. Shigeta, General Manager of Global Controller Division, will now go into the details of the Operating Results for the fiscal year ended March 2019 and the Business Plan for the current fiscal year.

== Global Controller Part ==

[Operating results (P18)]
Thank you. I am Tetsuya Shigeta, General Manager of Global Controller Division.

[Profit for the year: Year on year segment comparison (P19)]
Please see slide 19 for the year-on-year comparison of profits by segment.

Profit decreased 4.3 billion yen to 414.2 billion yen.

In Mineral & Metal Resources, profits decreased by 90.4 billion yen to 167.2 billion yen mainly due to the absence of a valuation gain on restructuring of Valepar included in the previous fiscal year, and despite the absence of a valuation loss related to Caserones, which was also included in the previous fiscal year.

Energy segment profits increased by 47.1 billion yen to 95.7 billion yen. The main factors were the absence of a decline in profit at our shale gas and oil business resulting from revisions to the US tax code included in the previous fiscal year, profit growth at MOECO driven by cost decrease and an increase in the price of oil and gas, and an increase in LNG dividends.

Machinery & Infrastructure profits decreased by 11.2 billion yen to 78.4 billion yen, mainly due to the absence of a gain on sale of a UK power plant and despite the absence of provisions for loan projects in Latin America, both of which were included in the previous fiscal year.

Chemicals profits decreased 29.7 billion yen to 4.5 billion yen due to one-time losses resulting from a fire at a U.S. terminal business company, the absence of profit recorded in the previous fiscal year attributable to revisions to the US tax code in the same company, and losses associated with the revision of an expansion project at our U.S. methionine business

In Iron & Steel Products, profits decreased 14.8 billion yen to 9.9 billion yen due to the absence of a derivative valuation gain resulting from a price adjustment clause with Gestamp, and the absence of an increase in volume of one-time transactions, both included in the previous year.

Lifestyle profits increased 68.7 billion yen to 42.4 billion yen. This is primarily due to the absence of losses included in the previous fiscal year associated with the withdrawal from Multigrain, and profit from partial reversal of provisions in the fiscal year under review.

Innovation & Corporate Development profits increased 21.2 billion yen to 16.6 billion yen mainly due to the absence of a valuation loss on an emerging market high-speed mobile data network operator and the absence of losses related to an Indian TV shopping business, both included in the previous fiscal year.

[Core Operating Cash Flow: Year-on-year segment comparison (P20)]

Please see page 20.

Core operating cash flow for the fiscal year ended March, 2019 was 570.5 billion yen, a year-on-year decrease of 96 billion yen.

I will mainly explain about segments whose movements in core operating cash flow differ from that of profit.

In Mineral & Metal Resources, core operating cash flow decreased by 59.3 billion yen to 181.5 billion yen. This was primarily the result of a decrease in the sales price of iron ore and an increase in costs at our Australian iron ore business, as well as an increase in operating costs resulting from changes to the mining plan at our Australian coal business.

In Machinery & Infrastructure, core operating cash flow decreased by 84.8 billion yen to 74.0 billion yen. This was due to the absence of a dividend increase from the IPP business included in the previous fiscal year.

In Iron & Steel Products, core operating cash flow decreased 8.3 billion yen to 5.9 billion yen due to a decline in Mitsui & Co. Steel Ltd. gross profit resulting from a business transfer.

In Innovation & Corporate Development, core operating cash flow increased 17.7 billion yen to 20.8 billion yen. Strong performances at domestic ICT-related businesses contributed.

[YoY factor comparison (P21)]

Turning now to page 21, we will look at the main factors influencing year-on-year changes in profit.

Base profit contributed to an increase of approximately 43 billion yen compared to the previous fiscal year, supported by the absence of losses associated with poor performance at Multigrain and METS in the previous fiscal year, in addition to an increase in LNG dividends received and strong performance in the methanol business.

Resources-related costs/volume was a factor in a decline of approximately 18 billion yen compared to the previous fiscal year, primarily due to an increase in costs and a decrease in volume as a result of a fire and cyclone that impacted the shipping ports of our Australian iron ore business, as well as higher costs in the coal business associated with changes to the mining plan.

Asset recycling was a factor in a decline of approximately 40 billion yen due to the absence of profit included in the previous fiscal year for the sale of a UK power plant, and despite gains from the sale of our equity interest in the Bengalla thermal coal mine in Australia in the year under review.

Commodity prices/Forex contributed to an increase of approximately 45 billion yen due primarily to higher oil & gas and coal prices.

Finally, Valuation gain/loss was a factor in a decline of approximately 34 billion yen, due to one-time losses resulting from a fire at a U.S. terminal business company, impairment loss at our U.S. shale business, and losses associated with revision to the methionine business expansion project.

[Asset Recycling, Investments and Loans (P22)]

Please turn to page 22. Here I will explain our asset recycling, investments and loans during the previous fiscal year.

In Asset Recycling, we achieved a total of 230 billion yen in the fiscal year under review, placing us in line with targets. Main contributors included the completion of the sale of our equity interest in the Bengalla thermal coal mine in Australia in Q4.

Investment and Loans accounted for 930 billion yen in total cash outflows, largely attributable to our additional investment in IHH in Q4.

[Business plan for the FY ending March 2020 (P23)]

Please turn to page 23. Here we show our business plan by segment for the fiscal year ending March 2020.

We are forecasting profit for the year of 450 billion yen, which is a 35.8 billion-yen increase year on year. Main factors are profit increase in Chemicals due to the absence of one-time losses included in the fiscal year just ended, as well as increased profit in Machinery & Infrastructure resulting from improvement in base profit.

We are forecasting core operating cash flow of 640 billion yen, representing a 69.5 billion-yen increase year on year. Main factors are the changes to accounting standards concerning operating lease, which will mostly affect the Lifestyle segment, and the absence of one-time losses in Chemicals.

[Business plan for the FY ending March 2020 – Profit change factor comparison (P24)]

Please turn to page 24. These are the factors influencing year-on-year profit changes under the business plan for the fiscal year ending March 2020.

<u>Base profit</u> is forecast to contribute to an increase of approximately 11 billion yen, supported by base profit improvement in Machinery & Infrastructure and despite expected decline in FVTPL gains.

<u>Valuation gain/loss</u> is forecast to contribute to an increase of 30 billion yen due to the absence of one-time losses incurred at the US terminal business and despite the fact that dividends from Vale have not been included in the plan resulting from the incident at the beginning of the year.

Please refer to the slide for other factors.

That concludes my presentation. Thank you.