May 9, 2017

For Immediate Release
To Whom It May Concern

Mitsui & Co., Ltd.

New Medium-Term Management Plan

Mitsui & Co., Ltd. ("Mitsui"; head office: Tokyo; President and CEO: Tatsuo Yasunaga) hereby announce our new Medium-term Management Plan “Driving Value Creation”.

Attachment: New Medium-term Management Plan “Driving Value Creation”

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Notice:
This announcement contains forward-looking statements. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui's latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements. This announcement is published in order to publicly announce specific facts stated above, and does not constitute a solicitation of investments or any similar act inside or outside of Japan, regarding the shares, bonds or other securities issued by us.

New Medium-Term Management Plan

Driving Value Creation

MITSUI & CO.

May 9, 2017
Mitsui & Co., Ltd.

A Cautionary Note on Forward-Looking Statements:
This material contains statements (including figures) regarding Mitsui & Co., Ltd. ("Mitsui")'s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui's management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui's ability to fulfil its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

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Driving Value Creation

1 Mitsui's vision

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Mitsui's vision

Mitsui is a group that incubates and develops new businesses

A **diverse pool of talented professionals** that **take the initiative to create new business** and actively leverage Mitsui Group's **comprehensive strengths and global network** for **sustained creation of new value**

Driving Value Creation: Accelerate growth by creating value



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New Medium-term Management Plan: Targets

By steadily progressing our key initiatives we are determined to achieve our quantitative targets for the year ending March 2020

Profit for the year	Core operating cash flow	ROE
¥440bn (Year to March 2020)	**¥630bn** (Year to March 2020)	**10%** (Year to March 2020)
¥306.1bn (Year to March 2017)	¥494.8bn (Year to March 2017)	8.6% (Year to March 2017)

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Driving Value Creation

2 New Medium-term Management Plan: Key initiatives

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Background to new Management Plan and Mitsui Vision

External environment

- Continued slow growth era (post commodities super cycle)
- Emerging shift in globalization trend
- Increased consumer diversity/individualization
- Further penetration of the Digital Economy
- Expanding Asian middle class, North American growth, expansion of emerging economies in Africa and elsewhere

Mitsui focus

- Need to deliver stronger but more stable and reliable growth with greater resilience to market trends and business risks – **Growing a stronger and more stable base**
- Continue active and disciplined financial management – **Cash flow focus**
- Greater emphasis on core businesses, as well as aggressively investing in new chosen growth areas – **Dynamic allocation of resources**

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New Medium-term Business Plan: Key initiatives

Key initiatives

1. Build robust profit base and thoroughly strengthen existing businesses
2. Establish selected new growth areas
3. Cash flow focused management; Strengthen financial base
4. Enhance Governance, Personnel and Innovation functions

Mitsui's materialities*



*Formulated in March 2015

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Key initiative 1

Strengthen existing businesses, build robust profit base

Core pillars of our business base will continue to be: **Resources & Energy**, **Machinery & Infrastructure**, and **Chemicals**

- Over the 3 year plan period we aim to generate 90% of core operating cash flow from these core areas. Add assets through bolt on acquisitions in Mitsui's areas of strength

	Resources & Energy	Machinery & Infrastructure	Chemicals
Main businesses	Iron Ore, Oil & Gas	Power generation, Marine energy, Gas distribution, Automobiles, Shipping, Railroads	Feed additives/Agricultural chemicals, Functional materials, Tank terminals, Chemical products manufacture and trading

Initiatives to thoroughly strengthen existing businesses

- Realize latent value (raise value through operational improvement, business revitalization, and industry reorganization)
- Pursue business entry and exit coordinated with business cycle
- Reinforcing trading by upgrading our selling power and value add

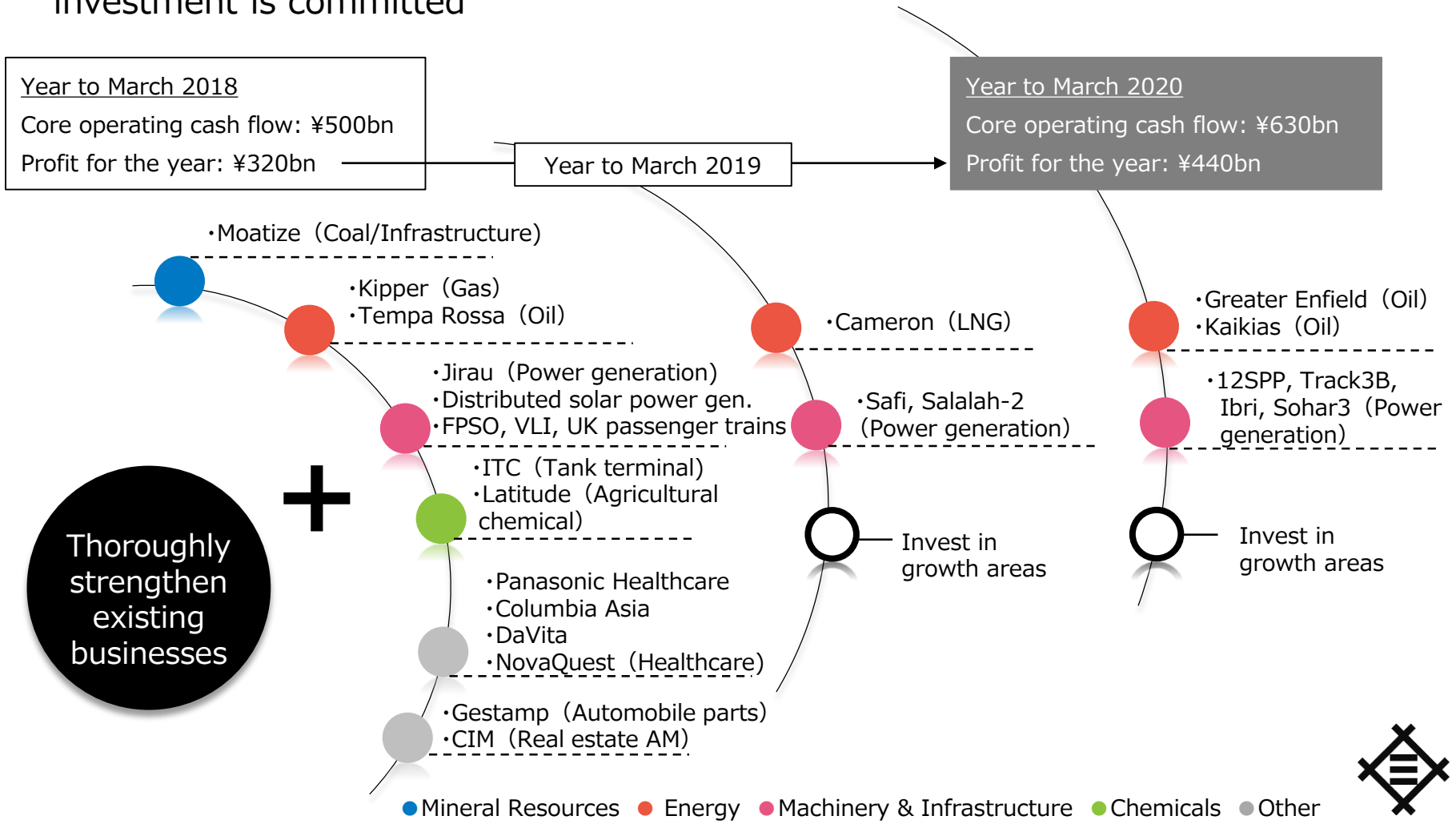
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Key initiative 1

Strengthen existing businesses, build robust profit base

Strengthen profit base by accumulating new income sources from projects where investment is committed



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Key initiative 2

Establish selected new growth areas

Dynamic business resource allocation in **four specific areas** of Mitsui strength, based on the medium-term outlook for the business environment and social issues

	MOBILITY	HEALTHCARE	NUTRITION & AGRICULTURE	RETAIL SERVICES
Approach	Multifaceted approach to Materials and Mobility & Transportation services based on changing social needs in the environmental society	Build healthcare ecosystem around medical services businesses	Raise productivity, provide stable supplies in agriculture/livestock/fisheries, enhance added value of foods	Foster next generation digital/logistics/ financial functions to meet consumer needs
Core businesses	■ Penske Truck Leasing ■ Gestamp	■ IHH ■ Panasonic Healthcare	■ Novus ■ Ventura	■ Media commerce businesses ■ Retail support businesses

The expanding middle class of Asia and growing North American economy are core targets

Foster businesses in new growth areas, create value to **establish Mitsui's next profit pillars**

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Key initiative 3

Stronger focus on cash flow management; Strengthen financial base

Key cash flow (CF) management policies in the new medium-term plan

- Minimum dividend payments based on stable core operating cash flow*
- By achieving positive Free Cash Flow (FCF) after shareholder returns we plan to manage the level of interest-bearing debt
- FCF after minimum dividend payment will be allocated as follows:
  - Additional shareholder returns
  - Debt repayment
  - Additional investments
- Maintain an A or higher rating from credit rating agencies

* Stable Core Operating Cash Flow is the level of core operating cash flow that Mitsui is able to generate stably during the medium-term plan period.
For more information on dividend policy see slide 20.

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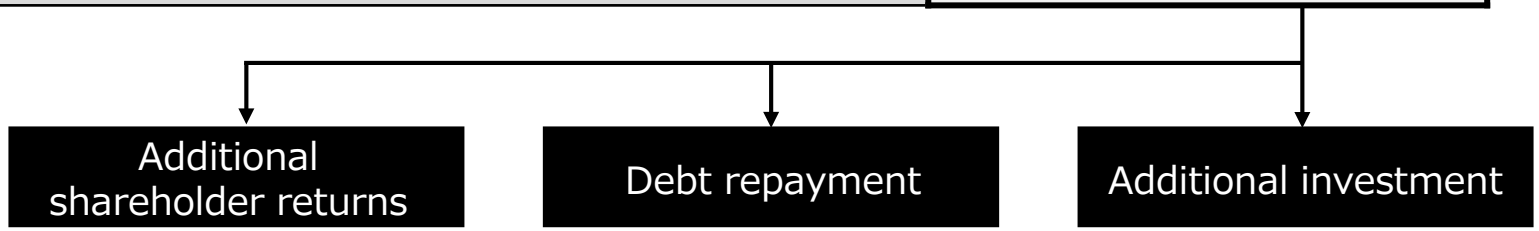
Key initiative 3

Stronger focus on cash flow management; Strengthen financial base

Outlook for cash flow allocation (FY March 2018 to FY March 2020, cumulative)

- FCF after minimum dividend payment is expected to be a cumulative ¥200 to ¥400bn over the 3 year period. Management will determine allocation to additional shareholder returns, debt repayment and additional investment

		3 years cumulative (FY2018-FY2020)
Cash-In	Core operating CF･･･①	¥1,700bn
	Asset recycling･･･②	¥700bn
Cash-Out	Investment･･･③	-¥1,700bn to -¥1,900bn
	Minimum dividend ･･･④	-¥300bn
FCF after minimum dividend･･①+②+③+④		¥200bn to ¥400bn



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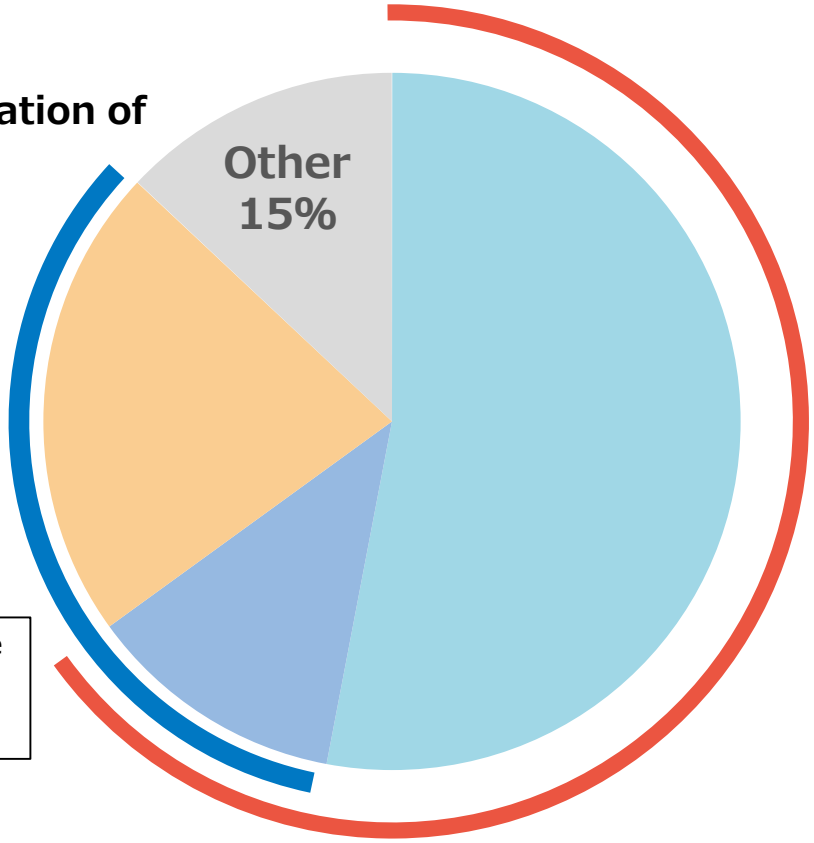
Key initiative 3

Stronger focus on cash flow management; Strengthen financial base

Maintain strict investment discipline, invest in accord with Key Initiatives 1 and 2

- Focused investment of around 65% of total in core areas (of which around half in Mineral Resources & Energy) aim to maintain and strengthen ability to generate strong core operating cash flow
- Allocate around 35% to growth areas, build Mitsui's next profit pillars

Disciplined Allocation of Investment



There is some overlap between the core areas of Machinery & Infrastructure and Chemicals, and the growth areas of Mobility and Nutrition/Agriculture

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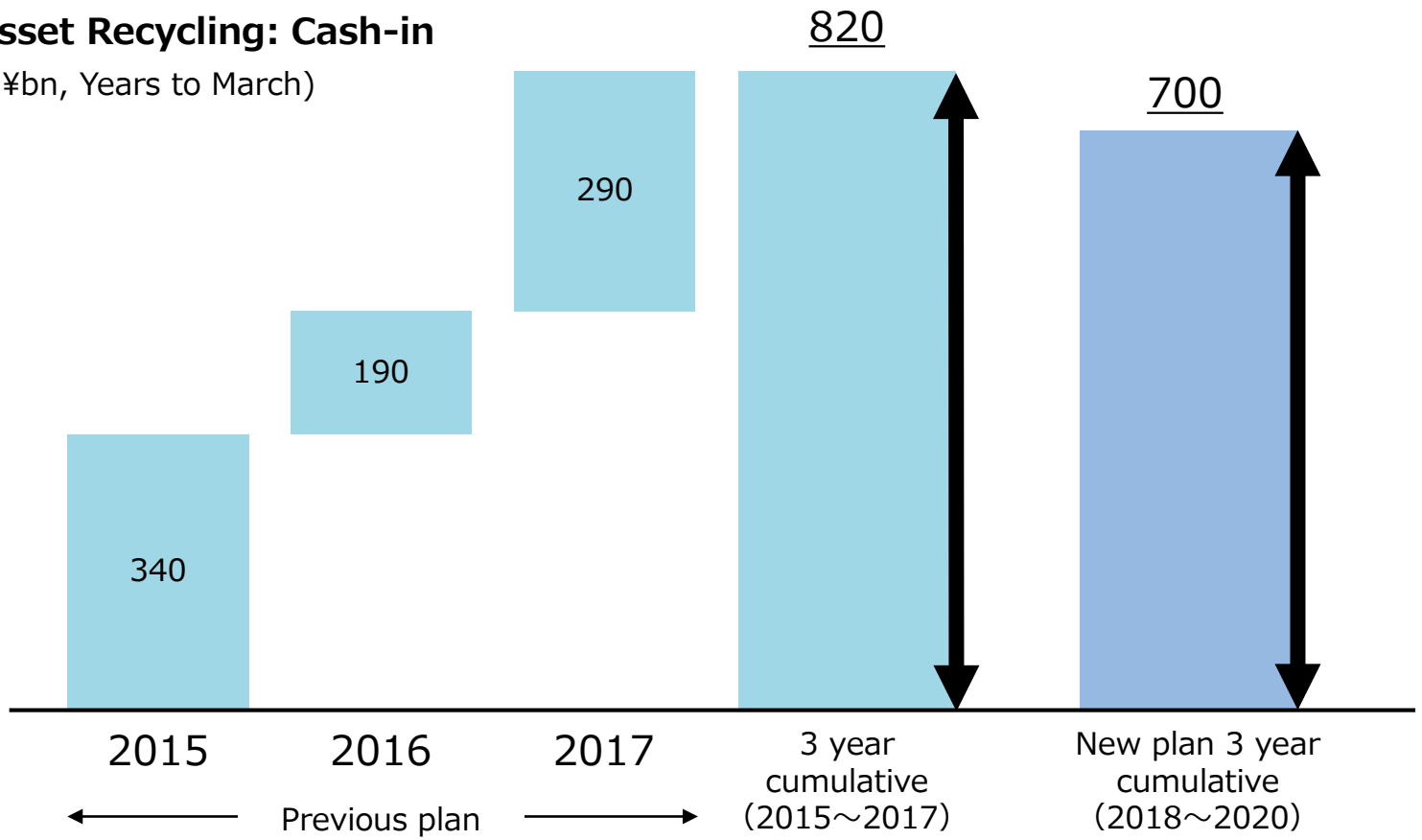
Key initiative 3

Stronger focus on cash flow management; Strengthen financial base

- Through steady, strategic asset recycling we expect cumulative Cash-In over the three year period of ¥700bn, mainly from the Machinery & Infrastructure, Resources & Energy and Lifestyle businesses

Asset Recycling: Cash-in

(¥bn, Years to March)

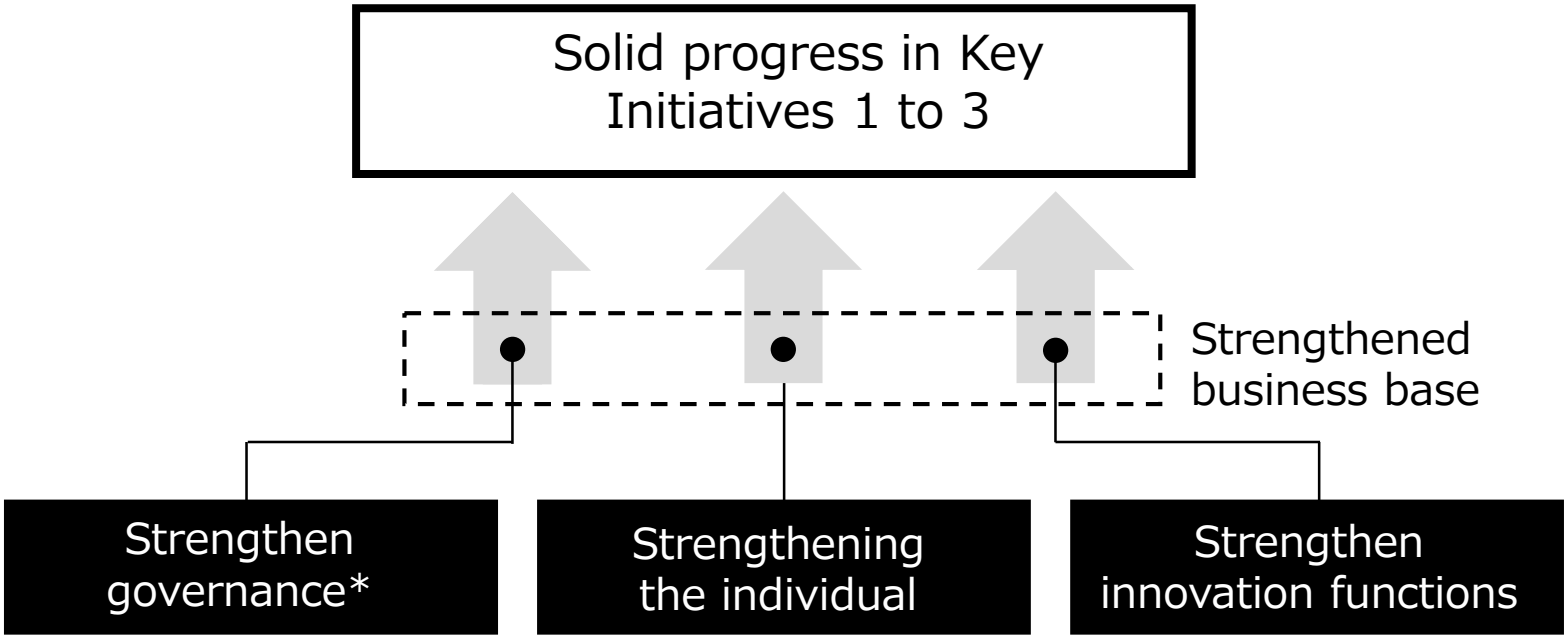


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Key initiative 4 Enhance Governance, Personnel and Innovation functions

Enhance each element of Mitsui's Governance, Personnel and Innovation functions to provide solid support to Key Initiatives 1 to 3



Key measures
-Increase diversity and effectiveness of Board of Directors

* For details of Mitsui's governance see slides 26-29

Key measures
-Promote optimal staff Groupwide
-Work style innovation
-Nurture and realize the potential of Mitsui professionals

Key measures
-Digital Transformation activities
-Introduce internal business start-up system

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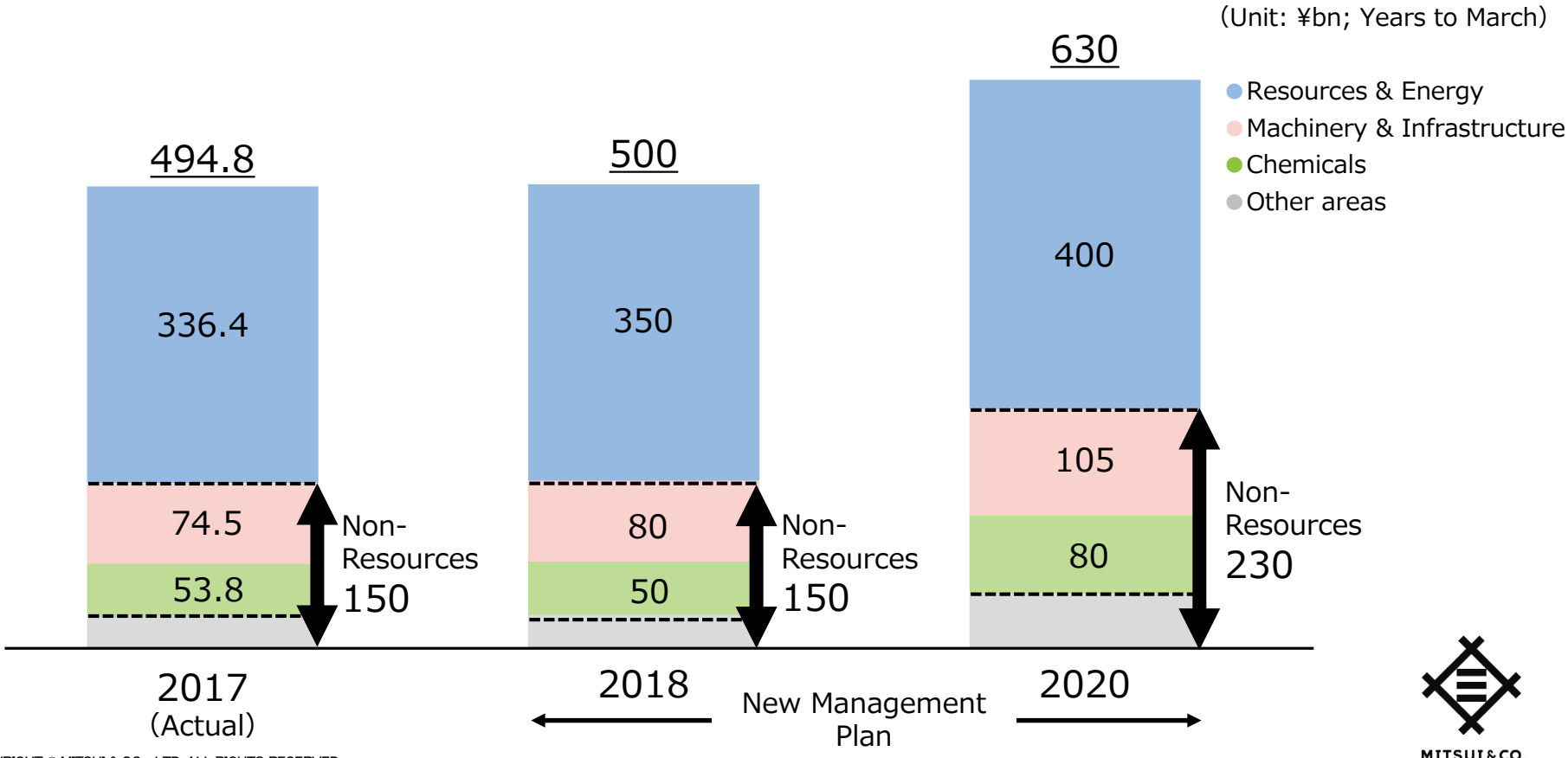
3 New Medium-term Management Plan: Targets

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Targets Core operating cash flow

Core operating cash flow of ¥500bn expected in year to March 2018 and ¥630bn in year to March 2020

■ Through Key Initiative 1 thoroughly strengthen existing businesses and build robust profit base to expand cash generation ability

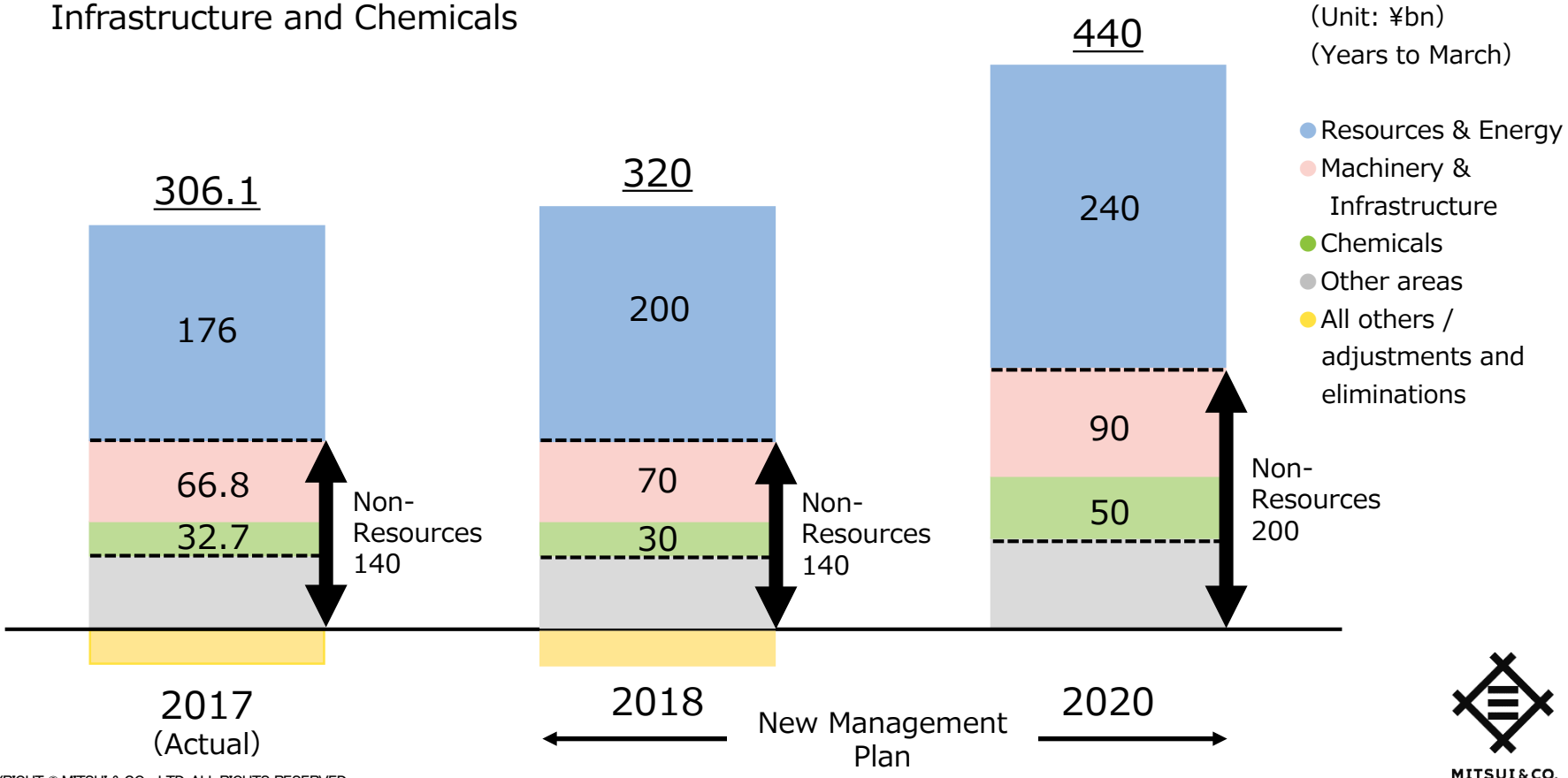


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Targets Profit for the year

Targeting profit for the year of ¥320bn in year to March 2018, ¥440bn in year to March 2020

- Expected breakdown in year to March 2020: Resources & Energy ¥240bn, Non-Resources ¥200bn
- Main sources of profit growth in Non-Resources expected to be from Machinery & Infrastructure and Chemicals



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Driving Value Creation

4 Shareholder returns

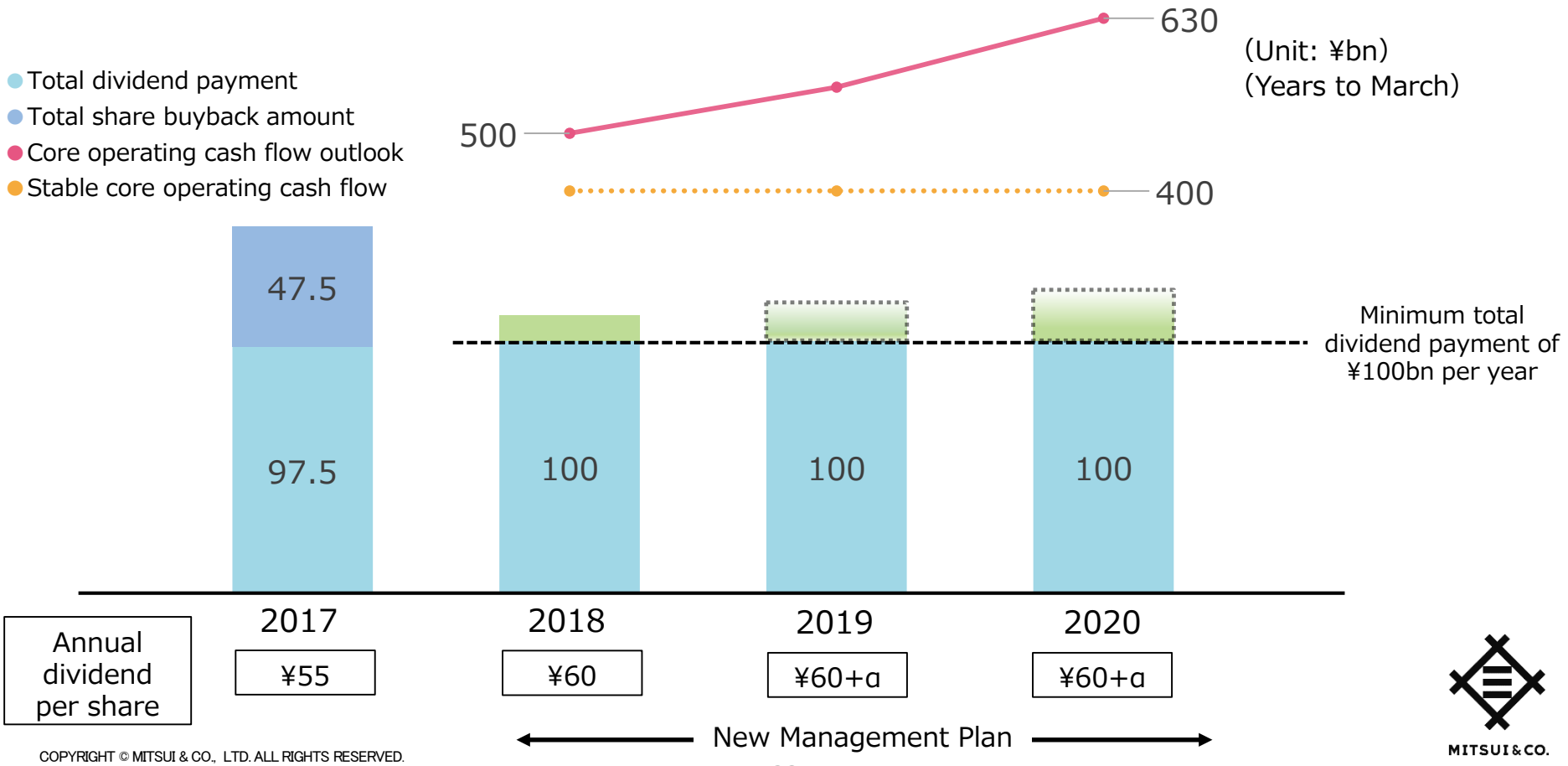
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Shareholder returns policy

Annual dividends:

- Assuming stable core operating cash flow of ¥400bn, minimum total dividend payment set at ¥100bn per year
- For the year to March 2018 the annual dividend per share forecast is 60 yen per share

Share buybacks: Flexible response depending on the business environment



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Appendix

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Year to March 2018 business plan

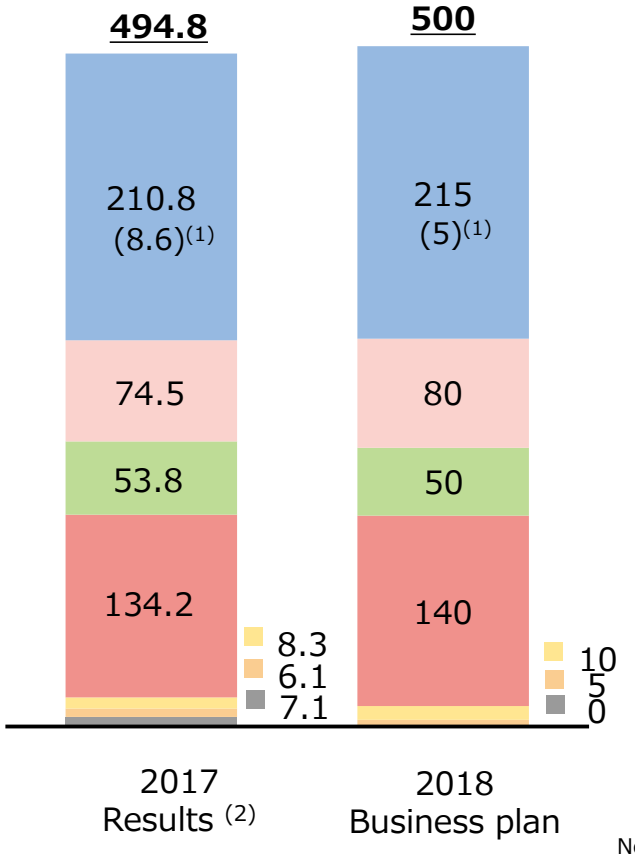
Core operating CF: ¥500bn (+¥5.2bn YoY)

- Slight YoY increase, core operating CF from 3 core areas to account for approx. 95% of total

Profit for the year: ¥320bn (+¥13.9bn YoY)

- Expect increased profit from Metals and Energy, mainly due to a rise in iron ore, oil and gas prices

Core operating cash flow



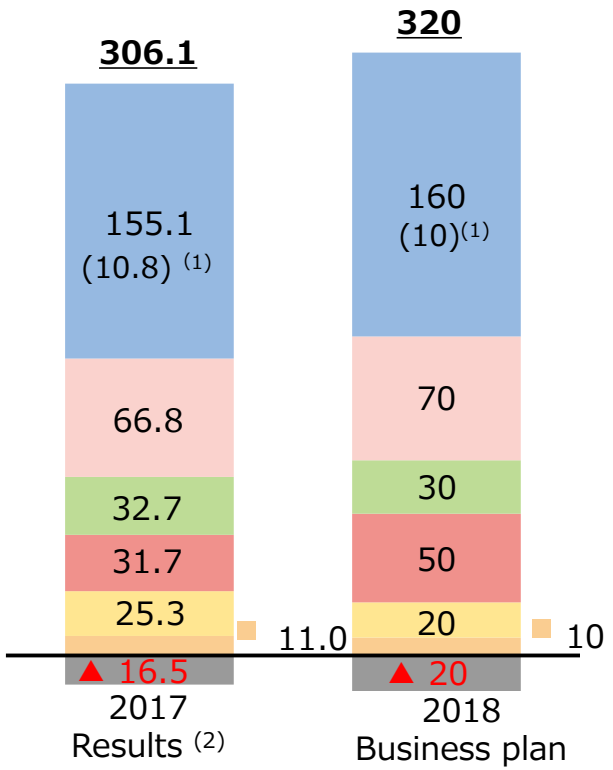
(Unit: ¥bn)

(Years to March)

Metals
Machinery and infrastructure
Chemicals
Energy
Lifestyle
Innovation and corporate development
Others, adjustments and eliminations

Note 1. Figures in brackets are for Iron & Steel Products

Profit for the year



Note 2. Figures reflect segment changes and internal system changes

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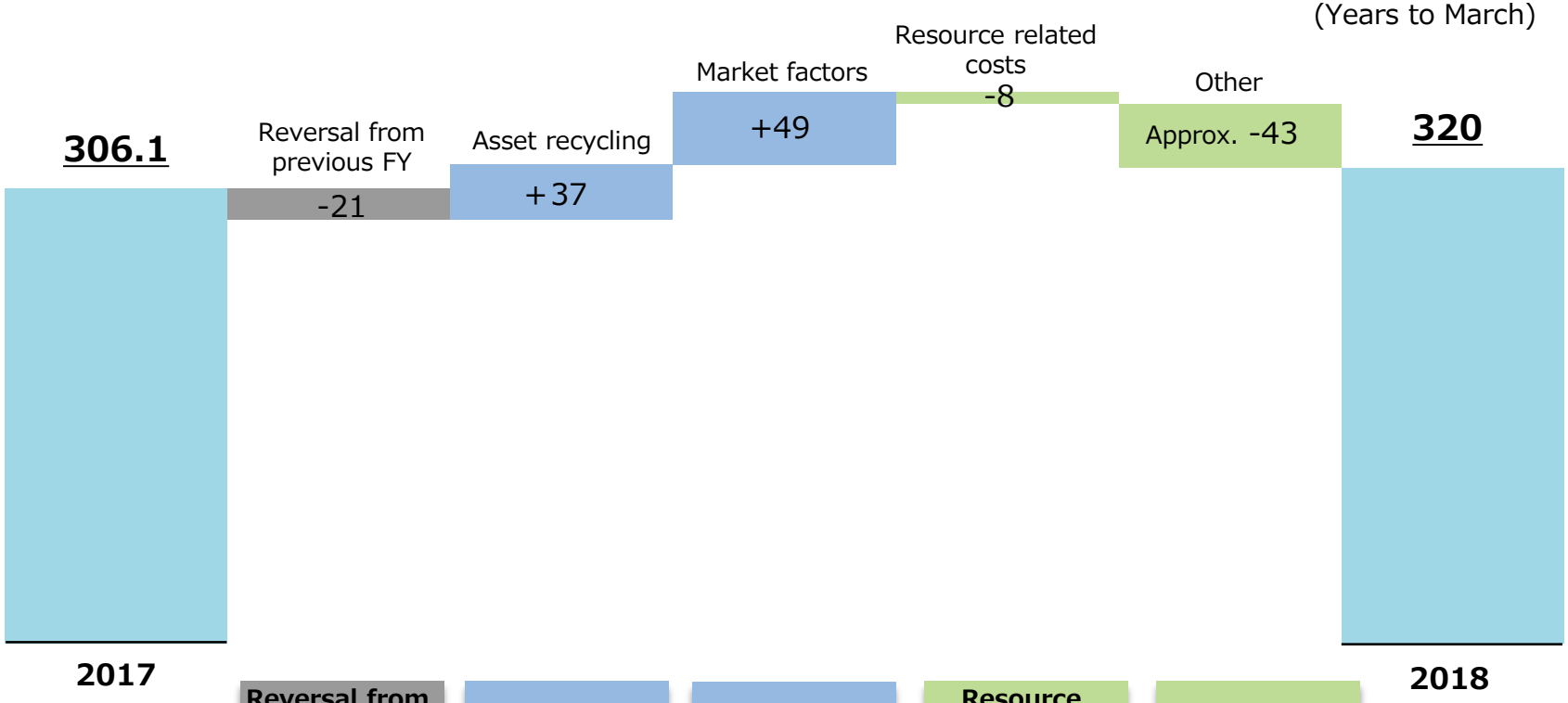
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Year to March 2018 business plan

Profit for the year: Analysis of YoY increase by factor

(Unit: ¥bn)

(Years to March)



Reversal from previous FY

・Valuations +32
・Asset recycling -53

Asset recycling

Machinery & Infrastructure
Lifestyle, others

Market factors

・Resources +27
Iron ore +18
Coal +4
Copper, Nickel +5
・Oil & Gas +20
・Forex +2

Resource related costs

Resources -3
Iron ore -2,
Coal -4, Copper +3
Energy -5

Other

Resources & Energy: Volume -3
(Resources +1, Energy -4)

Expenses and interest
Valepar deconsolidation, others

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Year to March 2018 business plan

Assumptions and Sensitivities

Estimated effect on profit for the year for the Year Ending Mar 2018 (Announced in May 2017)			Year Ending Mar 2018 (Assumption)	Year Ended Mar 2017 (Result)
Commodity Price	Crude Oil / JCC	¥2.8bn (US$1/bbl)	54	47
	Crude Oil / Consolidated (*1)		53	44
	U.S. Natural Gas (*2)	¥0.4bn (US$0.1/mmBtu)	3.00(*3)	2.55(*4)
	Iron Ore	¥2.5bn (US$1/ton)	(*5)	58(*6)
	Copper	¥1.0bn (US$100/ton)	5,600	4,863(*7)
Exchange Rate(*8)	USD	¥2.0bn (¥1/USD)	110.00	108.89
	AUD	¥1.7bn (¥1/AUD)	85.00	81.75
	BRL	¥0.4bn (¥1/BRL)	35.00	33.27

(*1) Oil price trend is reflected in profit for the year with a 0-6 month time lag, and Consolidated oil price is calculated on such basis.
For the Year Ending March 2018: 4-6 month time lag: 30%, 1-3 month time lag: 37%, without lag: 33%

(*2) US shale gas are not all sold at Henry Hub (HH) linked prices. Therefore the sensitivity does not represent the direct impact of HH movement, but rather the impact from the movement of weighted average gas sales price.

(*3) For natural gas sold in the US on HH linked prices, the assumed price used is US$3.00/mmBtu.

(*4) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX Year Ended March 2017: January 2016 - December 2016.

(*5) We refrain from disclosing the iron ore price assumptions.

(*6) Daily average of representative reference prices (Fine, Fe 62% CFR North China) Year Ended March 2017(Result): April 2016 - March 2017.

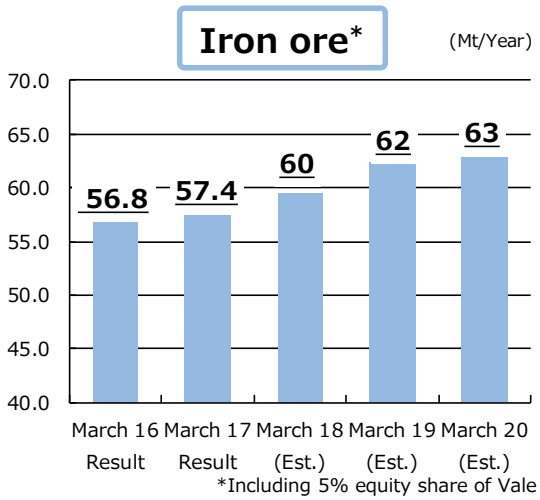
(*7) Average of LME cash settlement price Year Ended March 2017(Result): January 2016 - December 2016.

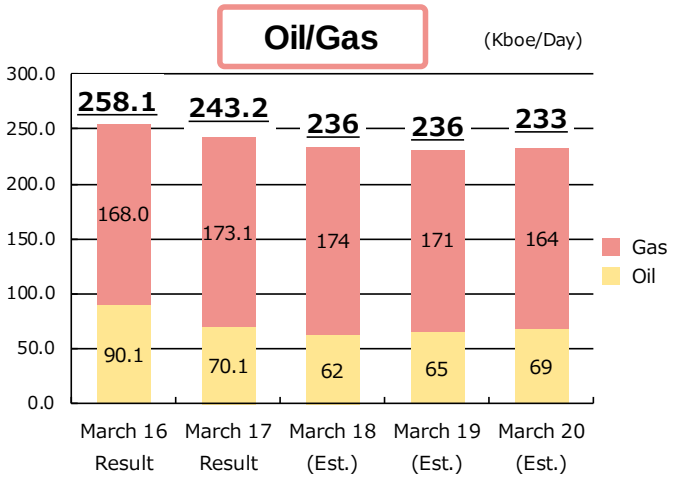
(*8) Impact of currency fluctuation on profit for the year of overseas subsidiaries and equity accounted investees (denomination in functional currency) against JPY. Depreciation of JPY has the effect of increasing the profit for the year through the conversion of profit for the year of overseas subsidiaries and associated companies (denomination in functional currency) into JPY. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange hedging are not included.

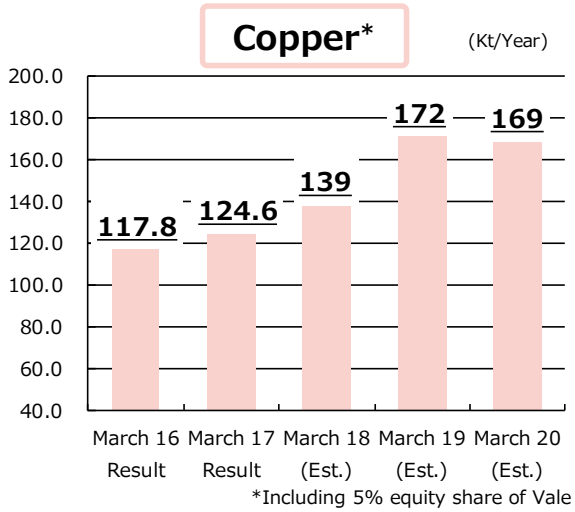
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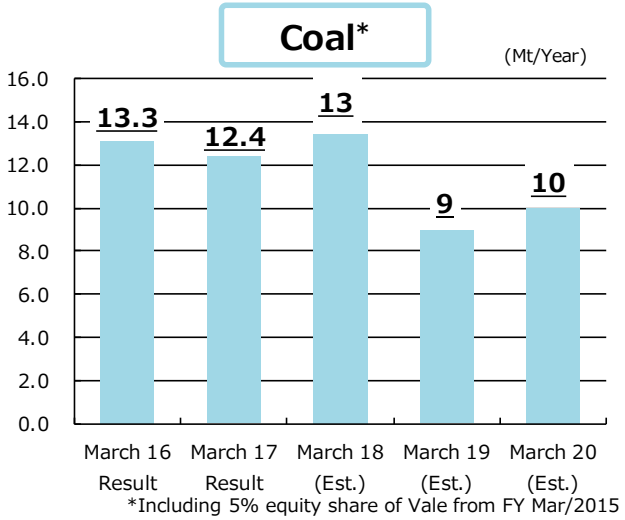
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Equity Share of Production (Announced May 2017)









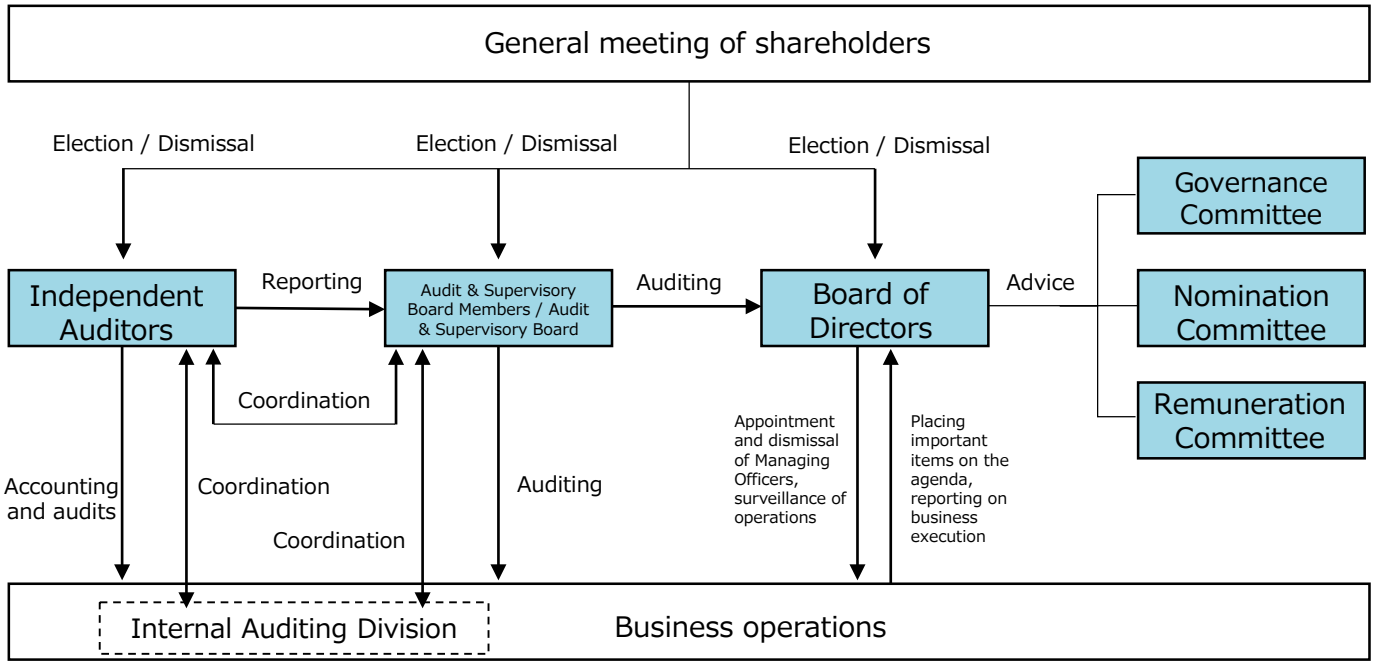
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Mitsui's Corporate Governance

Governance structure
Organizational format: Company with Audit & Supervisory Board
Directors: 14 (of whom 5 are external directors)
Audit & Supervisory Board Members: 5 (of whom 3 are external Audit & Supervisory Board members)

Advisory Bodies to the Board of Directors:
1. Governance Committee (Committee chair: Chairman of the Board of Directors)
2. Nomination Committee (Committee chair: External Director)
3. Remuneration Committee (Committee chair: External Director)



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Mitsui's Corporate Governance

(Following June 21, 2017 shareholders meeting)

	Name	Position at Mitsui	Governance Committee	Nomination Committee	Remuneration Committee	Diversity	
						Female	Non-Japanese
Directors	Masami Iijima	Representative Director, Chairman of the Board	◎				
	Tatsuo Yasunaga	Representative Director, President & CEO	○	○	○		
	Hiroyuki Kato	Representative Director, Executive Vice President					
	Yoshihiro Hombo	Representative Director, Executive Vice President					
	Makoto Suzuki	Representative Director, Executive Vice President		○	○		
	Satoshi Tanaka	Representative Director, Executive Vice President	○	○			
	Keigo Matsubara	Representative Director, Sr. Executive Managing Officer			○		
	Shinsuke Fujii	Representative Director, Sr. Executive Managing Officer					
	Nobuaki Kitamori	Representative Director, Executive Managing Officer					
	Toshiro Muto	Director (external)	○		◎		
	Izumi Kobayashi	Director (external)		◎	○	○	
	Jenifer Rogers	Director (external)	○			○	○
	Hirotaka Takeuchi	Director (external)		○			
	Samuel Walsh	Director (external)	○				○
Auditors	Joji Okada	Full-time Audit & Supervisory Board member					
	Takashi Yamauchi	Full-time Audit & Supervisory Board member					
	Haruka Matsuyama	Auditor & Supervisory Board member (external)	○			○	
	Hiroshi Ozu	Auditor & Supervisory Board Member (external)		○			
	Kimitaka Mori	Auditor & Supervisory Board Member (external)			○		

Notes 1.Election of 14 directors and 1 auditor (Kimitaka Mori) is subject to Resolution by Shareholders Meeting
2. The mark ◎ represents Chairperson in each committee

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Mitsui's Corporate Governance

Mitsui is engaged in a wide range of ongoing measures to enhance governance structure and functioning and to increase the effectiveness of the Board of Directors

Initiatives in the year to March 2017:

- Strengthened coordination between external directors and accounting auditors/Internal Audit Division: Introduced opinion exchange meetings at External Director Meetings
- Bolstered discussion on corporate strategic direction: Project materials positioning within corporate strategy clearly identified
- Ensured sufficient time to review BoD agenda: Prompt distribution of materials to external directors via personalized PCs

Further plans to enhance governance

1. Discussion themes: Provide more opportunities for discussion of corporate strategy and business plans
2. Board composition: Ongoing consideration of appropriate composition including number of directors, ratio of external directors, balance of capability and expertise
3. Management reviews: Clarify discussion points, provide more time for discussions

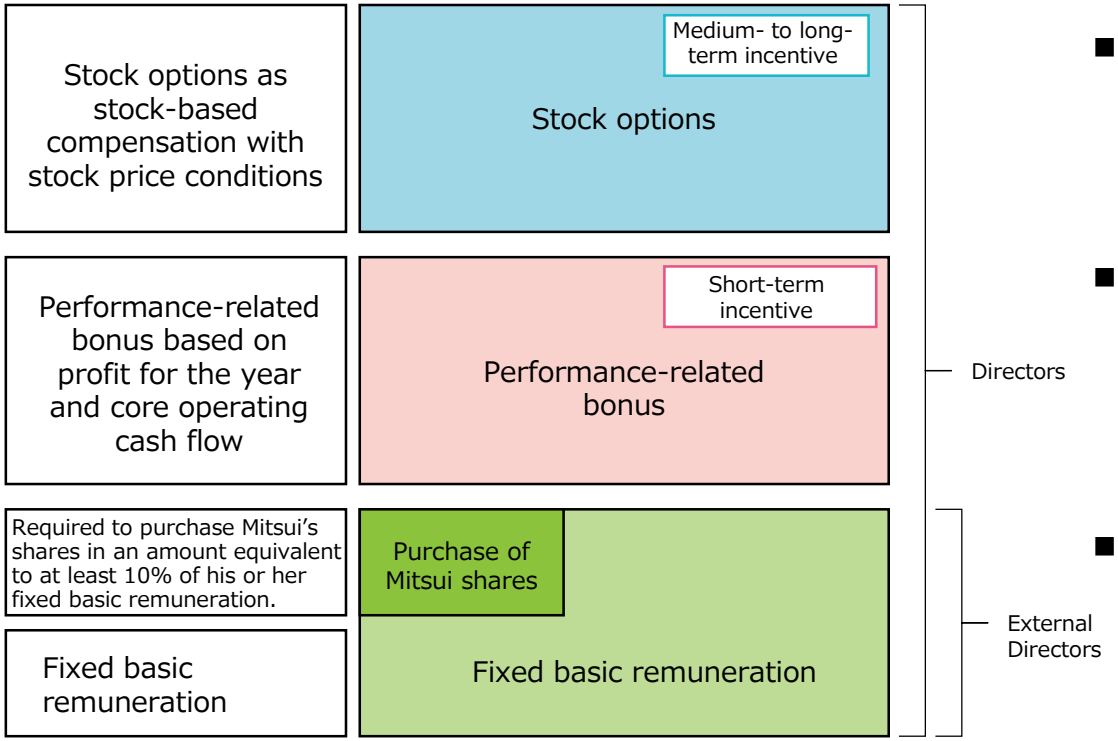
* Fore more details of Mitsui's corporate governance please see our Corporate Governance Report
http://www.mitsui.com/jp/en/company/outline/governance/outlook/index.html

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Mitsui's Corporate Governance

Director Remuneration



(Note) No retirement compensation is paid

- Plan to submit changes to Director remuneration to the General Meeting of Shareholders upon receipt of report from Remuneration Committee that deems changes appropriate
- Performance-related bonus: Limit to be changed from 500 million yen per year to 700 million yen per year on change in formula* used to calculate from profit for the year and core operating cash flow
- Fixed basic remuneration: Limit to be changed from 70 million yen per month to 1 billion yen per year

*(Profit for the year×50%×0.1%)+(Core operating CF×50%×0.1%)

*For details, please refer to the Notice of the 98th Ordinary General Meeting of Shareholders (scheduled to be posted on Mitsui's website on May 17).

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