

## 99th (Year ended March 31, 2018)

In order to give our shareholders sufficient time to consider the agenda, we posted English translation of (i) the Notice of the 99th Ordinary General Meeting of Shareholders without the Financial Statements and (ii) the Internet Concerning Notice of the 99th Ordinary General Meeting of Shareholders without the Financial Statements.

Full version of the English translations are scheduled to be posted on no later than May 23, 2018. In the meantime, the financial results for the year ended March 31, 2018 is available on our website (<http://www.mitsui.com/jp/en/ir/library/meeting/2018/index.html>).

Note: This document has been translated from Japanese original for reference purpose only, without any warranty as to its accuracy or as to the completeness of the information. The Japanese original version is the sole official version.

# mitsui & co., ltd.

## Items Disclosed on Internet Concerning Notice of the 99th Ordinary General Meeting of Shareholders WITHOUT THE FINANCIAL STATEMENTS

### Business Report

Subscription rights to shares, etc. _____	1
Details of independent auditor _____	3
Necessary systems to ensure appropriate operations and status of operations of the systems ____	4

### Consolidated Financial Statements

Consolidated Statements of Changes in Equity _____	00
Consolidated Statements of Comprehensive Income [Supplementary Information] (Unaudited) _____	00
Segment Information [Supplementary Information] (Unaudited) _____	00
Notes to Consolidated Financial Statements _____	00

### Non-Consolidated Financial Statements

Statements of Changes in Equity _____	00
Notes to Non-Consolidated Financial Statements _____	00

## Subscription rights to shares, etc.

### 1. Overview of the subscription rights to shares, etc. granted to and held by Officers, etc. of the Company as compensation for execution of duties as of March 31, 2018

#### (1) Subscription rights to shares held by Directors, Audit & Supervisory Board Members, and Managing Officers

Year of issuance (Date of resolution of issuance)	Number of subscription rights to shares	Class and number of shares to be issued	Issue price	Amount of assets to be contributed upon exercise	Exercise period
Year ended March 31, 2015 (July 4, 2014)	1,211	121,100 shares of common stock	Issued without contribution	¥1 per share	From July 28, 2017 to July 27, 2044
Year ended March 31, 2016 (May 8, 2015)	68	6,800 shares of common stock	Issued without contribution	¥1 per share	From May 28, 2018 to May 27, 2045
Year ended March 31, 2016 (July 8, 2015)	1,955	195,500 shares of common stock	Issued without contribution	¥1 per share	From July 28, 2018 to July 27, 2045
Year ended March 31, 2017 (July 13, 2016)	2,722	272,200 shares of common stock	Issued without contribution	¥1 per share	From July 29, 2019 to July 28, 2046
Year ended March 31, 2018 (July 5, 2017)	3,096	309,600 shares of common stock	Issued without contribution	¥1 per share	From July 20, 2020 to July 19, 2047

#### (2) Breakdown

Year of issuance (Date of resolution of issuance)	Directors (excluding External Directors)		Audit & Supervisory Board Members		Managing Officers	
	Number of subscription rights to shares	Number of holders	Number of subscription rights to shares	Number of holders	Number of subscription rights to shares	Number of holders
Year ended March 31, 2015 (July 4, 2014)	684	7	87	1	440	11
Year ended March 31, 2016 (May 8, 2015)	–	–	68	1	–	–
Year ended March 31, 2016 (July 8, 2015)	1,201	8	–	–	754	16
Year ended March 31, 2017 (July 13, 2016)	1,497	8	–	–	1,225	21
Year ended March 31, 2018 (July 5, 2017)	1,538	9	–	–	1,558	28

#### Notes:

1. The holding status for Managing Officers who concurrently serve as Directors is listed in the Directors field.
2. The subscription rights to shares held by Audit & Supervisory Board Members were granted when the individuals in question served as Directors or Managing Officers, and were not granted during their terms as Audit & Supervisory Board Members.
3. The class and total number of shares to be issued upon exercise of subscription rights to shares as of March 31, 2018 (including those held by retirees) was 1,136,100 shares of common stock.

**2. Overview of the subscription rights to shares, etc. granted to the Company's employees, etc. as compensation for execution of duties during the fiscal year ended March 31, 2018**

Name	The 2017 First Subscription Rights to Shares of the Company (stock options as stock-based compensation with stock price conditions)		
Date of resolution of issuance	July 5, 2017		
Number of subscription rights to shares	1,538 rights	1,558 rights	156 rights
Number of granted persons	Directors of the Company (excluding External Directors): 9 persons	Managing Officers of the Company not concurrently serving as Directors (excluding Managing Officers outside Japan): 28 persons	Retired Managing Officers: 1 person
Class and number of shares to be issued upon exercise of subscription rights to shares	153,800 shares of common stock of the Company	155,800 shares of common stock of the Company	15,600 shares of common stock of the Company
Issue price of subscription rights to shares	Issued without contribution		
Amount of assets to be contributed upon exercise of subscription rights to shares	¥1 per share		
Exercise period of subscription rights to shares	From July 20, 2020 to July 19, 2047		
Main conditions for exercise of subscription rights to shares	<p>(1) Holders of subscription rights to shares may no longer exercise the subscription rights to shares after a period of 10 years has elapsed from the subsequent day on which the holders lose their positions as Directors, and/or Managing Officers, and/or Audit &amp; Supervisory Board Members of the Company.</p> <p>(2) Holders of subscription rights to shares may exercise all of the subscription rights to shares only when, as the stock price conditions, the Company's stock price growth rate over 3 years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate and on the other hand, when such rate falls below the TOPIX (Tokyo Stock Price Index) growth rate, reflecting the degree, they may exercise only part of such subscription rights to shares allotted (please refer to details on stock price conditions below).</p>		

Note: The one retired Managing Officer was granted subscription rights to shares the Company withheld while he is residing outside Japan.

[Details of stock price conditions]

1. When the **Company's stock price growth rate**<sup>\*1</sup> is equal to or exceeds the **TOPIX (Tokyo Stock Price Index) growth rate**<sup>\*2</sup>: All of the subscription rights to shares granted may be exercised.
2. When the Company's stock price growth rate falls below the TOPIX (Tokyo Stock Price Index) growth rate: **Only part of the subscription rights to shares granted**<sup>\*3</sup> may be exercised.

\*1 The Company's stock price growth rate shall be calculated by the formula below based on the Company's stock price growth rate for the period of three years from the allotment date to the first date of the exercise period.

A: The average closing price for the Company's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls

B: The total amount of dividends per common share of the Company for the period from the allotment date to the first date of the exercise period of the subscription rights to shares

C: The average closing price for the Company's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

**The Company's stock price growth rate = (A + B) / C**

\*2 The TOPIX (Tokyo Stock Price Index) growth rate shall be calculated by the formula below based on the TOPIX (Tokyo Stock Price Index) growth rate for the period of three years from the allotment date to the first date of the exercise period.

D: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls

E: The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

**TOPIX growth rate = D / E**

\*3 **Number of exercisable subscription rights to shares = Number of subscription rights to shares granted × (the Company's stock price growth rate / TOPIX growth rate)**

## Details of independent auditor

### 1. Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

### 2. Remuneration Paid to Independent Auditor

The remuneration paid by the Company and its consolidated subsidiaries to the Independent Auditor relating to the fiscal year under review is as follows.

(Millions of Yen)

Classification	Audit Fees	Non-Audit Fees
The Company	704	6
Consolidated subsidiaries	690	8
Total	1,394	14

Notes:

1. The Company has not drawn any distinction between the remuneration for the audit services pursuant to the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan in the agreement with the Independent Auditor.
2. Based upon the Practical Guidelines for Cooperation with Independent Auditors released by the Japan Audit & Supervisory Board Members Association, having obtained necessary materials and received reports from Directors, related departments, and the Independent Auditor, and having reviewed the auditing plans, the status of execution of duties by the Independent Auditor, the grounds for calculation of remuneration estimates and other matters in the previous fiscal year, the Audit & Supervisory Board gives consent to remunerations for the Independent Auditor in accordance with Article 399, Paragraph 1 of the Companies Act of Japan.
3. Some subsidiaries are subject to audits performed by certified public accountants and audit corporations (including those who have equivalent qualifications in foreign countries) other than the Company's Independent Auditor.

### 3. Non-Audit Services

The Company has engaged its Independent Auditor to provide "tax-related services," etc., being services falling outside the scope of Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

### 4. Policy for Decisions on Dismissal or Non-Reappointment of Independent Auditor

The Company has the following policy on the dismissal of, and decisions not to reappoint, the Independent Auditor.

- 1) The tenure of the Independent Auditor is one year, and they may be reappointed.

- 2) The election, dismissal and/or non-reappointment of the Independent Auditor is/are resolved by the Audit & Supervisory Board to be referred for discussion and resolution at the General Meeting of Shareholders. The reappointment of the Independent Auditor is determined by resolution of the Audit & Supervisory Board.
- 3) Other than the Company's convenience, where the Independent Auditor has breached or contravened law or regulation such as the Companies Act of Japan or the Certified Public Accountants Act, or has conducted itself in breach of public policy or breached its contract of engagement, the Audit & Supervisory Board considers whether or not it is appropriate to refer the dismissal or non-reappointment of the Independent Auditor to the General Meeting of Shareholders for discussion and resolution.
- 4) The Audit & Supervisory Board may dismiss the Independent Auditor with the approval of each Audit & Supervisory Board Member if the circumstances outlined in the respective provisions of Article 340, Paragraph 1 of the Companies Act of Japan apply.

### **Necessary systems to ensure appropriate operations and status of operations of the systems**

An outline of "Necessary systems to ensure appropriate operations" (pursuant to Article 362, Paragraph 4, Item 6 of the Companies Act of Japan) of the Company and the status of operations of the systems are as follows.

As for the systems above, further details can be found via the following link on the website of the Company (<https://www.mitsui.com/jp/en/company/outline/governance/index.html>).

#### **1. Systems to Ensure that Directors and Employees Comply with Laws and Regulations, and the Articles of Incorporation**

- 1) The Company has established the "BUSINESS CONDUCT GUIDELINES FOR EMPLOYEES AND OFFICERS OF MITSUI & CO., LTD.," based on its positioning of compliance by officers and employees in the course of carrying out their duties as one of the most important priorities of the Company.
- 2) The Company has established the Compliance Committee, headed by the Chief Compliance Officer (CCO), and carries out compliance training and other measures to ensure and improve awareness of compliance issues. The Company establishes several internal and external whistle-blowing avenues, and conducts periodical auditing to ensure its compliance regime is observed while also taking disciplinary actions on violations.
- 3) Audit & Supervisory Board Members monitor the observance of all relevant laws and regulations and the Articles of Incorporation, among other things, by Directors and employees in the performance of their duties.
- 4) The Company has appointed External Directors to strengthen the supervisory function of the Board of Directors and has established various advisory committees that include External Officers as committee members, in order to enhance objectivity and transparency of management.

#### **Status of operations of the above systems**

##### ● Compliance

Every year, the Company requires all officers and employees to submit a written pledge promising to comply with the BUSINESS CONDUCT GUIDELINES FOR EMPLOYEES AND OFFICERS OF MITSUI & CO., LTD., etc., and carries out compliance workshops, seminars, and awareness surveys, working to ensure thorough compliance. In the fiscal year under review, the Company established the Compliance Review week and, with the theme of "thinking about compliance issues around us," carried out various activities such as messages from the management including the President and CCO, panel discussion with CCO, External Audit & Supervisory Board Members and external attorneys at law, and seminars held by outside lecturers. Also, the Company put effort into enhancing employees' and officers' understanding and awareness of compliance by distributing the Compliance Handbook that explains the BUSINESS CONDUCT GUIDELINES FOR EMPLOYEES AND OFFICERS, and implementing compliance e-learning to confirm levels of understanding of the Handbook. Furthermore, as a new initiative aimed at further strengthening detection and control, the Company began the introduction of the Global Group Hotline, a special whistle-blowing hotline for reporting

and seeking advice regarding cases that breach the laws of Japan or another country regarding anti-trust (monopoly) laws or anti-corruption laws, or cases that give rise to suspicion of such breaches. Under the system that is being put in place, the Compliance Department belonging to the Company's head office Legal Division becomes a unified channel by which to receive whistleblowing reports from officers and employees of overseas trading subsidiaries, and other subsidiaries in Japan and overseas.

- **Monitoring by the Audit & Supervisory Board Members**

The Audit & Supervisory Board Members conduct audits of the decision-making process of the management team by inspecting decision-making documents and by attending important meetings including those of the Corporate Management Committee, and monitor the execution of duties through regular meetings with the management team and coordination with the Independent Auditor and the Internal Auditing Division.

- **Strengthening the Supervisory Function of the Board of Directors and Enhancing the Objectivity and Transparency of Management**

The Company appointed five External Directors from diverse backgrounds to utilize their expert knowledge in management and oversight. External Directors provide opinions and viewpoints based on various specialties and are significantly contributing to strengthening the supervisory functions through diverse analyses of topics deliberated by the Board of Directors. Also, in the fiscal year under review, the External Member Meetings, which are composed of External Directors and External Audit & Supervisory Board Members, were held six times, and the discussions in these meetings included such topics as business strategies for each unit, the internal control systems of affiliated companies inside the consolidated global management framework, and the Company's Digital Transformation. Furthermore, the Governance Committee (three meetings), the Nomination Committee (two meetings), and the Remuneration Committee (three meetings) carried out discussion in light of the opinions of External Officers and put effort into enhancing the objectivity and transparency of management.

## **2. Systems to Store and Control Information Related to Duties Performed by Directors**

In accordance with its Rules on Information Management etc., the Company stores and controls important information such as the minutes of the General Meetings of Shareholders and meetings of the Board of Directors.

### **Status of operations of the above systems**

To properly evaluate its decision-making process, the Company promptly creates, stores and manages the minutes from important meetings such as the General Meetings of Shareholders and meetings of the Board of Directors.

Furthermore, the Company implements thorough information management based on the Rules on Information Management etc., and of confidential information, information requiring particularly high-level control is indicated as "Classified and Sensitive Information" and placed under stricter control limiting the information handlers.

## **3. Regulations and Systems Related to Management of Risk of Loss**

- 1) The Chief Operating Officers of business units and regional business units of the Company manage risks of losses ("Risks") that arise from businesses within the scope of their authority.
- 2) Corporate Staff Unit of the Company have established and oversee an integrated risk management system to holistically manage the various Risks that the Company faces in its businesses, centered on the Internal Controls Committee and the Portfolio Management Committee.
- 3) The Company responds to crises and emergency situations by establishing the Crisis Management Headquarters, etc. in accordance with the "Crisis Management Headquarters Regulations" and the "Emergency Business Continuity Management Regulations."

### **Status of operations of the above systems**

The Company appropriately operates a system for the segregation of authority and an internal approval system, and the Corporate Staff Unit oversees and supports the decision-making of the Business Units, thus thoroughly managing the Risks arising from business activities.

Furthermore, through the prior setting of credit limits, etc. for customers and monitoring by specialized divisions, the Company manages quantitative Risks such as credit risk and country risk.

In the fiscal year under review, the Portfolio Management Committee held ten meetings and continued appropriate risk management at a company-wide level through monitoring of the entire company's portfolio and examination of individual proposals.

Also, the Internal Controls Committee held two meetings and reviewed the Group's internal control system and the status of operations of said system in light of the details of the activities of its sub-committees, which are the Compliance Committee, the Disclosure Committee, and the J-SOX Committee.

#### **4. Systems to Ensure Effective and Efficient Execution of Duties by Directors**

- 1) Efficient management performance is pursued through having the Board of Directors oversee each Director in the performance of his/her duties and the use of a Managing Officer System.
- 2) The Company has established various committees, such as the Corporate Management Committee and the Portfolio Management Committee, to enhance efficient and appropriate management decisions.
- 3) The Company has constructed a business unit system and regional unit system to enable timely management decisions, and implemented an internal approval system where its Representative Directors make the final decision in the best interest of the Company, following deliberations conducted by the relevant Corporate Staff Unit.
- 4) Management initiatives are implemented in accordance with the Medium-Term Management Plan and annual business plans, with the Board of Directors regularly verifying upon progress.

##### **Status of operations of the above systems**

The Company smoothly operates an internal approval system through coordination between the Business Units and the Corporate Staff Unit. Furthermore, through thorough evaluation at the various meetings, including the meetings of the Corporate Management Committee and the meetings of the Portfolio Management Committee, the Company realizes appropriate and efficient management decision making.

Prior to meetings of the Board of Directors, the Board of Directors Secretariat screens proposed resolutions and matters to be reported based on the Companies Act of Japan and internal rules, ensuring that the oversight of each Director in the performance of his/her duties is conducted appropriately and efficiently by the Board of Directors.

To evaluate the progress of actions taken in response to management issues, reports are carried out at meetings of the Board of Directors regarding company-wide issues, not limited to individual proposals. In the fiscal year under review, reports were made regarding topics such as reports on the Business Plan of the fiscal year ended March 31, 2018 and cyber security.

Furthermore, the Company reviews the various rules related to internal procedures as needed, working to make the execution of operations more efficient.

#### **5. Systems to Ensure Proper Operations in the Group**

- 1) Based on the general principle of maintaining the autonomy of its affiliated companies, the Company appropriately manages affiliated companies, understanding the management status and maintaining a group-wide management framework, while providing for the Company's participation in the management and/or governance of its affiliated companies as appropriate to its equity investor status.
- 2) The Company requires its major affiliated companies to conduct regular auditing to check their observance of all relevant laws and regulations, and internal regulations.
- 3) The Company requests to build an appropriate whistle-blowing avenue for affiliated companies, requests the prohibition of the disadvantageous treatment of whistleblowers, and, in the event that affiliated companies detect a violation of compliance by the officers or employees of the Company, the matter may be reported to the Compliance Committee, through the whistle-blowing avenues, either internally or externally.

##### **Status of operations of the above systems**

Depending on their relationship with the Company, the Company requires its subsidiaries and associated companies to comply with its "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles," or, requires they put in place internal control systems equivalent to the Company's system.

Furthermore, officers and employees of the Company serve as supervising officers of affiliated companies, managing the affiliated companies based on the “Rules on Duties of Supervising Officers of Affiliated Companies.” The Company dispatches its staff of the Company’s Internal Auditing Division, serving as Full-time Audit & Supervisory Board Members of its principal affiliated companies, which strengthen oversight of the Group.

Also, while increasing the effectiveness of the consolidated group’s business operations, the Company established the Mitsui Global Business Management Guidelines with the goal of maximizing the added value created by each company. In doing so, the Company is promoting organic cooperation between each group company and sharing of the management resources, functions, and networks that each company possesses.

In the fiscal year under review, the Company worked to enhance the compliance of the group, conducting a compliance awareness survey at principal domestic affiliated companies continuing from the previous fiscal year, and distributing the Compliance Handbook to principal domestic affiliated companies.

#### **6. Matters Related to Employees Assigned to Assist Audit & Supervisory Board Members, the Independence of Such Employees from Directors, and Ensuring the Effectiveness of Audit & Supervisory Board Members’ Directions to Such Employees**

- 1) The Company establishes the Audit & Supervisory Board Member Division and allocates three or more staff.
- 2) The organizational change and personnel change of employees of the Audit & Supervisory Board Member Division are determined with the approval of the Audit & Supervisory Board Members.

#### **Status of operations of the above systems**

The Audit & Supervisory Board Member Division is staffed with five employees who assist the Audit & Supervisory Board Members in their duties.

Furthermore, decisions on the personnel change of employees of the Audit & Supervisory Board Member Division were made by the responsible Director with the approval of the Audit & Supervisory Board Members.

#### **7. Systems to Report to Audit & Supervisory Board Members**

- 1) Audit & Supervisory Board Members may attend relevant important meetings, receive important in-house documentation and materials, have regular meetings with Directors, Managing Officers, or other management staff, and receive information on the Company including information on affiliated companies.
- 2) Directors report immediately to the Audit & Supervisory Board in the event of discovery of circumstances that carry the potential risk of serious loss or consequence to the Company.
- 3) Audit & Supervisory Board Members audit and supervise the state of the management of its major affiliated companies through visiting and through collaborating daily and meeting with the Audit & Supervisory Board Members of those companies.
- 4) The Company is prohibited from treating a whistleblower (including that at an affiliated company) to the Audit & Supervisory Board Members disadvantageously.

#### **Status of operations of the above systems**

The abovementioned system has been established and is in operation, in which Audit & Supervisory Board Members promptly receive reports from the person in charge of the relevant department in the event that there is a problem that could have a significant impact on the Company, or may receive whistle-blowing reports directly from officers and employees. Also, Audit & Supervisory Board Members attend important meetings including meetings of the Board of Directors and its advisory committee, and Corporate Management Committee, have regular meetings with the Directors, Managing Officers, and General Managers of the Corporate Staff Unit, exchange opinions at regular meetings with the Independent Auditor, the Internal Auditing Division, and Full-time Audit & Supervisory Board Members of subsidiaries, receive important documentation, and work to collect and examine information on the day-to-day management performance of the Company by various methods including the above meetings.



In particular, the Audit & Supervisory Board Members designate some of the affiliated companies both in Japan and overseas as “Important Affiliated Companies Designated by the Audit & Supervisory Board,” and make visits to these designated affiliated companies and local independent auditors of these companies, and proactively collect information on the management status of affiliated companies on a global group basis.

As outlined above, the Company has established and effectively operates the abovementioned system in which important matters and problematic events arising in relation to the global business management of the Company are reported to Audit & Supervisory Board Members in a timely and appropriate manner.

#### **8. Other Systems to Ensure Effective Auditing by Audit & Supervisory Board Members**

- 1) Directors maintain an appropriate environment for auditing and supervising of the management activities of the Audit & Supervisory Board Members.
- 2) The Audit & Supervisory Board Members may request cooperation from the Internal Auditing Division, the Legal Division, and the Global Controller Division, as well as other divisions with regard to their auditing and supervising.
- 3) The Audit & Supervisory Board Members maintain close contact with the Independent Auditor.
- 4) The Audit & Supervisory Board Members may request the assistance of legal counsel and other external expert professional advisors.
- 5) The Company is responsible for the costs associated with the execution of Audit & Supervisory Board Members’ duties.

#### **Status of operations of the above systems**

The Audit & Supervisory Board Members conduct effective auditing in collaboration with the Internal Auditing Division and the Independent Auditor through regular meetings with each of them, triangular meetings, and feedback sessions carried out by the Internal Auditing Division in the presence of the audited division (audited affiliated company), in and at which the Audit & Supervisory Board Members participate and state independent comments on the audited division or company. Furthermore, the Audit & Supervisory Board consults as necessary with legal counsel on auditing operations.

The Company secured the required budget for the execution of the Audit & Supervisory Board Members’ duties, including related legal fees, and bore the expenses related to the execution of Audit & Supervisory Board Members’ duties.

#### **9. Systems and Basic Philosophy Related to the Rejection of Anti-Social Forces**

The Company ensures all Directors and employees fully understand the Company’s basic philosophy with regard to the rejection of anti-social forces, including the forbidding of transactions with anti-social forces or with parties that have relations with anti-social forces, and also cooperates with external professionals such as the police and attorneys at law, through the establishment of a response unit for the handling of such matters.

#### **Status of operations of the above systems**

The Company ensures the thorough rejection of anti-social forces by all officers and employees, and in individual business activities, conducts screening utilizing a checklist for the elimination of anti-social forces at the stage of consideration of new projects.