Newsletter to Shareholders

2011 Spring

3rd Quarter Summary, Fiscal Year Ending March 31, 2011

Proactive toward Realizing Future Growth

President and Chief Executive Officer Masami Iijima

On February 2, 2011, Mitsui announced its operating results for the third quarter of the fiscal year ending March 31, 2011. We recorded solid earnings in the quarter, primarily as a result of the gradual recovery of the global economy and a rise in commodity prices. Given our strong financial base, we pursued investments and loans proactively toward realizing further growth. I would like to recap Mitsui' s results through the third quarter and discuss the outlook going forward.

Evaluation of third-quarter results and full-year outlook for the fiscal year ending March 31, 2011

—— Mitsui recorded large year-on-year profit growth in the third quarter of the fiscal year ending March 31, 2011. How do you view the current operating environment and Mitsui's results?

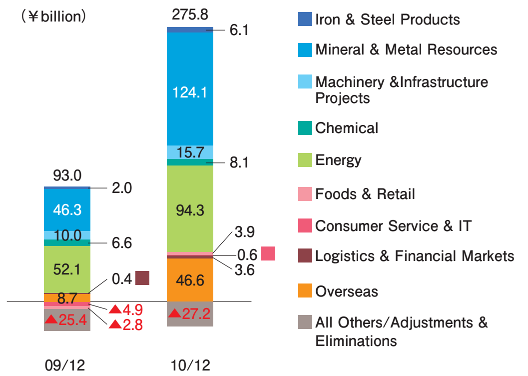
M.I. Although the advanced economies are a concern because of persistent high unemployment, the global economy is maintaining a gradual recovery, supported by growth in Asia and other emerging markets.

In addition to this gradual recovery in the global economy, Mitsui's results received a major boost from rising prices for commodities including crude oil, iron ore, coal, and copper. Cumulative net income for the first three quarters rose ¥182.8 billion year-on-year, to ¥275.8 billion, and all operating segments were profitable. Looking at results on a quarterly basis also shows a solid trend, with an increase in consolidated net income in the third quarter compared with the second quarter.

—— Mitsui has raised its forecasts for this year's full-year results. What was the background behind this revision, and are there any areas of uncertainty with regard to achieving the new forecast?

M.I. In terms of net income for the full year, we have raised our projection by ¥50.0 billion, to ¥370.0 billion, from the ¥320.0 billion forecast at the beginning of the year and at the announcement of second-quarter results. In addition to the recovery of the global economy, particularly in the emerging markets, the rise in commodity prices has been greater than we had estimated at the time of the second-quarter results announcement, and we are

Chart 1: Net Income by Operating Segment for the nine-month period ended December 31, 2010



also now forecasting certain gains from asset divestitures in the fourth quarter. On the other hand, there are some areas of concern. With robust demand in emerging markets and monetary easing in the United States, speculative funds have moved to the international commodity markets, pushing up the prices of commodities like crude oil, nonferrous metals, and grains. Going forward, we need to pay close attention to the effect of an excessive rise in these commodity prices on the global economy.

With regard to the dividend, when we announced the Medium-Term Management Plan in May 2010, we explained that we would flexibly consider returns to shareholders based on a variety of factors including the economic environment, operating results, and investment demand, with a minimum target dividend payout ratio of 20% of consolidated net income. When we announced second-quarter results, we raised the payout ratio to 23% based on our earnings projection and the level of retained earnings. At 23% of this year's forecast for net income of ¥370.0 billion, this works out to a full-year dividend of ¥47 per share, and after subtracting the ¥20 interim dividend that has already been paid, we intend to pay a year-end dividend of ¥27 per share. Going forward, we will continue to strive to maintain a balance between investing for future growth and distributing profit to shareholders.

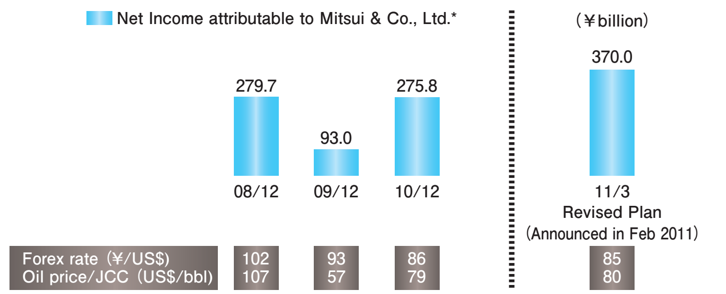
—— Businesses in the resource area accounted for roughly 80% of net income for the first three quarters. What is your view regarding this earnings structure?

M.I. The resource area is posting solid results on the back of rising commodity prices, but as I have mentioned previously, at Mitsui we are strengthening our businesses in both the non-resource area and the resource area, with the aim of creating a more stable, balanced business portfolio. In fact, we have recently seen signs of a recovery in the non-resource segments of machinery and infrastructure projects, chemicals and iron & steel products including activities of overseas segments. I hope to create an even firmer operating base for the company as a whole by continuing to pursue balanced investments in quality projects in the non-resource area as well as the resource area. I often hear people say, "Why don't you concentrate in the resource area," but our policy as a general trading company is to maintain a balance between resources and non-resources going forward.

—— The Medium-Term Management Plan includes an aggressive plan to invest a total of ¥1.2 trillion over the two years from April 2010. How is this progressing and what is your policy going forward?

M.I. Our plan at the beginning of the fiscal year ending March 31, 2011, was to invest ¥700.0 billion, and during the first three quarters we made investments totaling roughly ¥530.0 billion. By business area, in addition to expanding existing projects at the Mineral Resources & Energy business area, we invested approximately ¥180.0 billion in projects including the development of copper and molybdenum ore deposits in Chile. In the Global Marketing Networks business area, we invested roughly ¥90.0 billion in projects including phosphorous ore development in Peru and our chlor-alkali related joint venture with The Dow Chemical Company in the Unit-

Chart 2: Net Income for the nine-month period ended December 31, 2010



* In this booklet, "net income" means net income attributable to Mitsui & Co., Ltd.

ed States. We also invested roughly ¥50.0 billion in the Lifestyle business area, including investments in a payment settlement business in Russia and an electronics manufacturing service business in Taiwan. In the Infrastructure business area, we made capital investments totaling approximately ¥210.0 billion in businesses including natural gas thermal power generation in Mexico and a water treatment joint venture in China. In addition, we have made decisions regarding future capital investments, including an additional equity investment in Multigrain AG, which operates an agricultural production and grain distribution business in Brazil, and capital participation in an LED business in Taiwan. I can say that we are making steady progress in our investment for future growth.

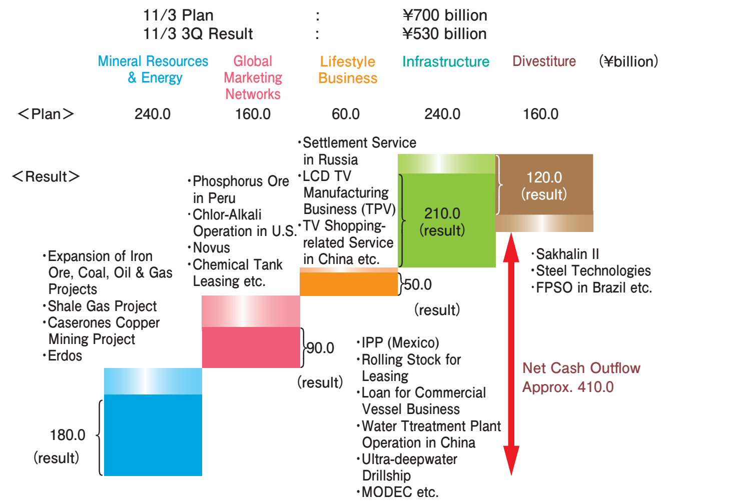
At the same time, we are putting effort into reviewing and replacing our assets and businesses (asset divestiture) to create an optimal business portfolio. Asset divestitures through the first three quarters totaled approximately ¥120.0 billion, so on a net basis cash outflows totaled ¥410.0 billion.

We view this two-year period under the Medium-Term Management Plan as a good opportunity to build up quality assets, and given our solid financial position, we are proactively pursuing attractive investments and loans for future growth.

—— How do you view Mitsui's financial condition as you pursue this proactive investments and loans?

M.I. Compared with the end of March 2010, our total assets have grown by roughly ¥200.0 billion, to ¥8.6 trillion. Over the same period, shareholders' equity has increased by roughly ¥50.0 billion, to ¥2.3 trillion, with a buildup in retained earnings being partially offset by the negative impact of the stronger

Chart 3: Investments and Loans



yen on foreign currency translation adjustments, and a decline in unrealized holding gains on available-for-sale securities. With the net debt-to-equity ratio ("net DER" *1) at 0.87, our financial position remains solid, and we are maintaining a structure that allows for proactive investments and loans.

Looking ahead to the fiscal year ending March 31, 2012

—— The fiscal year ending March 31, 2012 is the final year under the Medium-Term Management Plan. What are your expectations for the year?

M.I. The fiscal year ending March 31, 2012 is the year in which we will complete the Medium-Term Management Plan subtitled "Challenge and Innovation-2012," which aims to create "a stronger Mitsui & Co." and "a more distinctive and respected Mitsui & Co." I consider the three keys to achieving this to be "proactive approach," "strength at the forefront of business," and "globalization of human resources," and I emphasized these keys in my New Year's message to Mitsui's employees.

During the fiscal year ending March 31, 2011, we are taking a "proactive approach" against a backdrop of the steady promotion of portfolio management and a solid financial base, and aggressively carrying out investments and loans for future growth. In the fiscal year ending March 31, 2012, we aim to further clarify our "proactive" position and implement projects with a sense of speed.

In addition to a "proactive approach", "strength at the forefront of business" is the source of our competitiveness and essential to Mitsui's growth. We develop our businesses by having employees become deeply involved in "forefront activities," and using the capabilities that grow from the "forefront" to achieve our future objectives.

As Mitsui's activities expand globally, the "forefront" that supports us is spreading around the world, including affiliated companies. We are working toward having a global workforce to utilize these capabilities at the "forefront." Specifically, we are shifting staff to growth regions particularly in Asia, cultivating and making increased use of our international human

Note:*1. Net DER: Interest-bearing debt minus cash and cash equivalents and time deposits (net interest-bearing debt), divided by shareholders' equity.

resources as well as increasing opportunities for younger employees to be posted overseas.

We are currently formulating our business plan for the fiscal year ending March 31, 2012, and I expect to be able to announce it in May of this year. This business plan will aim to create a leading global company in a variety of business areas, based on a dynamic strategy with a sense of speed as well as of scale.

Regarding the Gulf of Mexico oil spill incident

M.I. I would like to briefly explain the current situation regarding the oil spill incident in the Gulf of Mexico that occurred on April 20, 2010 (local time), where a drilling rig experienced an explosion, causing the rig to sink and crude oil to be released into the gulf. After the continuous, large-scale operations carried out since the incident to control the well and clean up the oil spill, on September 19, 2010 (local time) the well was successfully plugged.

Please refer to our flash report dated February 2, 2011 for updates regarding this incident together with our analysis of the various risks, uncertainties and potential liabilities relating to this incident. As of March 25, 2011, we maintain our view noted in this flash report that the underlying cause of the incident is still being investigated by the U.S. governmental agencies and the degree of liability, ultimately to be borne by the related parties, is not yet clear. The Mitsui management will continue to monitor the situation very closely and, whenever necessary, provide you with future important updates regarding the matter.

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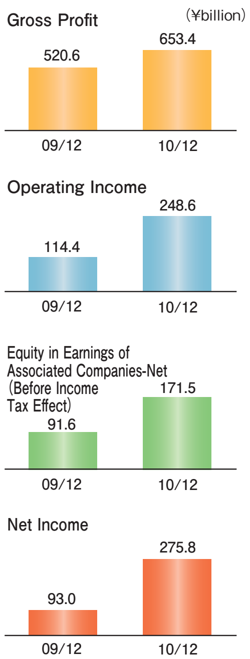
Finally, I would like to thank all shareholders for the constant support and guidance they have given to Mitsui.

Summary of Operating Results for the nine-month period ended December 31, 2010

Net income attributable to Mitsui for the nine-month period ended December 31, 2010 was ¥275.8 billion, an increase of ¥182.8 billion from ¥93.0 billion for the corresponding nine-month period of the previous year.



Gross Profit ¥653.4 bn, an increase of ¥132.8bn (+26%)

↑ MIOD +¥64.3, MII +¥16.5: Iron ore price up
↑ Increase in oil price and production volume at MOECO +¥15.8, MEPME +¥9.2, MEPAU +¥4.7
↑ Improved market condition at Mitsui Oil +¥8.4
↑ Increase in coal price MCH +¥7.9
↑ Increase at Overseas segments: Solid performance at chemical, and iron & steel products businesses
↓ Decline in gross profit at Foods & Retail, CS & IT, Chemical and Logistics & Financial Markets

Operating Income ¥248.6 bn, an increase of ¥134.2 bn (+117%)

↑ Increase in gross profit

Equity in Earnings of Associated Companies ¥171.5 bn, an increase of ¥79.9 bn (+87%)

↑ Valepar +¥28.8: Iron ore price up and sales volume up
↑ Robe River Mining Company +¥19.0: Iron ore price up
↑ JAL-MIMI: LNG price up linked to oil price
↑ Collahuasi +¥5.2: Copper price up
↓ IPP overseas -¥12.0: Mark to market evaluation loss
↑ 09/12 Impairment loss on listed shares at Moshi Moshi Hotline -¥7.3

Net Income ¥275.8 bn, an increase of ¥182.8 bn (+197%)

↑ Decrease in interest expense +¥9.1 (pre-tax)
↑ Dividend Income +¥11.7 (pre-tax) : LNG projects in the Middle East, Equatorial Guinea and Sakhalin Ⅱ +¥8.9 etc. (pre-tax)
↑ Improvement of write-down of securities +¥31.2 (pre-tax)
10/12 (pre-tax): Preferred share of Valepar -¥3.1
09/12 (pre-tax): Preferred share of JAL -¥20.0, Seven & i -¥15.1
↓ Reversal of deferred tax liabilities for dividend income from affiliated companies
10/12: approx. ¥18.0, 09/12: approx. ¥24.0

【Motorcycle Traffic in Indonesia】

Bussan Auto Finance

Seeking More-Rewarding Lifestyle for the People of Indonesia

In this edition, we are introducing PT. Bussan Auto Finance, a motorcycle financing company that is part of the Motor Vehicles Business Unit in the Machinery & Infrastructure Projects Segment. The following is an interview with Ken Nagai, the company's president, and Sigit Sembodo, who has been with the company since soon after it was established and is currently the director responsible for general affairs and branch administration.

About Bussan Auto Finance

【Head Office: Bussan Auto Finance】

Bussan Auto Finance (PT. Bussan Auto Finance; "BAF") was established in 1997 as a retail finance company for motorcycles manufactured by Yamaha Motor Co., Ltd. ("Yamaha") in the Republic of Indonesia, which, with total motorcycle demand of 7.24 million units in 2010, is the world's third-largest motorcycle market after China (16.09 million units) and India (11.27 million units). Motorcycles are an indispensible means of daily transportation in Indonesia, and with 2010 sales of 3.26 million units, Indonesia accounted for 47% of Yamaha's global sales of 6.96 million units and sales remain solid this year as well. BAF provides services that facilitate motorcycle purchases through installment payments. In order to provide opportunities for more people to buy motorcycles, the company had 169 branches across the Indonesian archipelago as of December 2010, and since the company was established, roughly four million customers have used its services. As of December 2010, BAF had 11,193 employees (including 6,030 contract employees).

For Mitsui, BAF not only contributes to the earnings of the Machinery & Infrastructure Projects Segment, it is also an important subsidiary that symbolizes Mitsui's partnership with Yamaha.

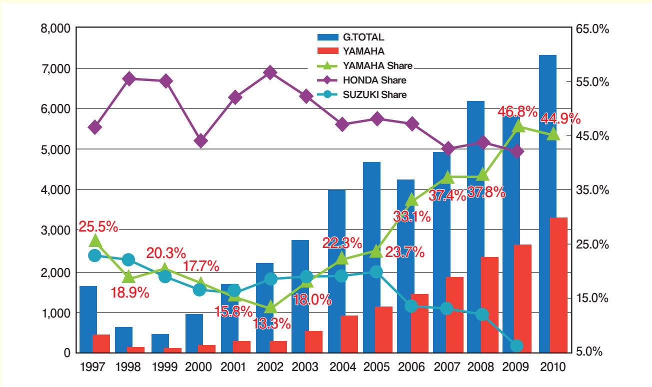
【Consolidated operating performance of BAF and the Machinery & Infrastructure Projects Segment】

(billion yen)

	07/3	08/3	09/3	10/3	11/3*1
Segment	33.6	35.0	21.8	19.3	15.7
BAF*2	1.4	2.3	2.9	3.4	2.6

* 1. Aggregate results through to the third quarter.
* 2. Portion corresponding to Mitsui's equity interest (pretax).

【Indonesia's Motorcycle Market and Yamaha's Sales】
(thousands units)



Ken Nagai

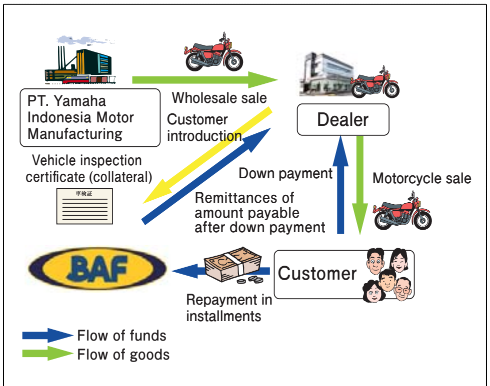
President, Bussan Auto Finance
(Seconded from Mitsui & Co's. Motor Vehicles Business Unit)

Q First, would you please tell us about BAF's business and how the company came into existence?

K.N. The partnership between Yamaha and Mitsui dates back roughly 50 years, and in Indonesia, Mitsui participated in the investment into Yamaha's local manufacturing and sales company, PT. Yamaha Indonesia Motor Manufacturing, in 1986.

When people visit Indonesia for the first time, they are surprised at all the motorcycles on the roads. Motorcycles are more than just a daily necessity—they are also a status symbol, as the price corresponds to roughly 8.5 months' salary for the average BAF customer. BAF recognized that a service was required to make it easier for the people of Indonesia to buy such motorcycles. In 1998, just after BAF was established, Yamaha' s share of the Indonesian market was 19%, but by 2009 Yamaha had the top share of 47%, and maintained a solid performance or 45% share in 2010.

【Motorcycle Financing Structure】

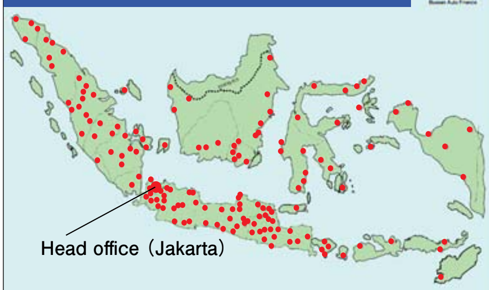


I am glad to say that Mitsui contributed to playing some part as partner in this remarkable growth.

Q BAF started with just a handful of employees. How did it grow into a large organization of more than 10,000 people? What are you trying to create by bringing together this large family?

K.N. Indonesia's land surface is 1.94 million square kilometers, which is roughly five times that of Japan. The country has the world's fourth-largest population, with 240 million people, and these people live scattered across more than 8,000 islands of all sizes. Providing opportunities to purchase motorcycles all over the country, which are essential to daily life, regardless of region requires an expansive service network. In addition, credit information in Indonesia is not always adequate, so even though they may look plain it is very important to visit each customer's home. The expansion of these services is what has led to our becoming such a large organization.

BAF's network covers all of Indonesia



● Branches (as of December 31, 2010): 169 branches

With such a large family, I always try to convey a message that is easy for all of our employees to understand, regardless of their personal background and living environment. Our corporate philosophy is "to serve best financial solution to enrich daily life of Indonesian society," and we recite this every morning at the head office and at all branches. I believe this simple daily activity leads to a common sense of identity among our employees. We are also setting up a training programs for developing human resources for the future, in cooperation with Mitsui and its affiliates throughout Asia.

Q One would imagine that when a Japanese company operates a business that is closely tied to the lifestyles of people overseas, there would be complications in terms of the local climate and business practices. Has that been the case?

K.N. I think the most important thing is to respect and accept the local way of doing things. This may sound like a matter of course, but it is important for us to first learn the normal way of doing business within Indonesian business practice and culture, and determine whether those practices are being applied within our company.

【BAF employees visiting a customer】

After building this type of business base, it then becomes possible to incorporate Japanese business practices, the Mitsui Group's expertise, and other useful knowledge.

Q I would also like to ask Mr. Sembodo. You joined BAF soon after it was established. Having worked for a Japanese company like BAF, what is your opinion of working in a Japanese company?

【Sigit Sembodo, Director】

S.S. Before joining BAF, I worked for a U.S. company. When I moved to BAF, I noticed how much detail was paid to business process control. For example, regarding one aspect of something like a marketing strategy, the policy is to implement it after employees are made thoroughly aware of why that method was chosen and the background that led to the decision. This means that I personally have been able to learn a lot about business. This may be why it is said that, "Mitsui is people" but the result is that most of BAF's managers are not brought in from outside, they joined the company in entry-level positions and have spent their entire careers here. I see this as the reason why BAF employees have a strong attachment to the company. BAF is in its 14th year of operations, and a "BAF culture" that fuses the Mitsui Group's corporate culture together with Indonesian culture has emerged, and I believe this is what makes BAF an attractive company for its employees.

Q I see. Many are lifelong employees, but BAF is still a large company of more than 10,000 people. What is the atmosphere like inside the company?

S.S. In part because BAF itself is a young company, the average age of its employees is young—28 to 29 years old—and I think this is a distinct feature of the company. It may be because many employees are close in age, so there is a strong sense of unity and a lot of energy. In addition, while many companies are managed top-down, BAF also uses bottom-up management by proactively soliciting employees' opinions, and there is a sense of very open communication. Employees ambitiously tackle management issues like creating a new customer service, and I see this organizational culture as one of the reasons our company is a leader in an extremely competitive society.

Q Next, I would like to ask Mr. Nagai about the operating environment for BAF. With the Indonesian market continuing to show strength and the motorcycle market set to grow, one would expect new companies to enter this market and for competition to intensify. Against this backdrop, what are BAF's strengths?

K.N. Roughly three out of every four customers who buy Yamaha motorcycles elect to use installment payments, and we have the top share of those customers, at 35%.

It is certainly true that with last year's strong economy an increasing number of companies affiliated with local financial institutions have entered this market, and as a result competition in our main business is intense. Given this environment, one of our strengths is that we have an advantage in terms of fund procurement and adequate liquidity, because of the Mitsui Group's solid creditworthiness. In addition, we aim to do more than simply generate earnings through sales financing; we also collaborate

【A lively office】

with Yamaha Motor and local Yamaha dealers to popularize Yamaha motorcycles, and happy to say that customers recognize this.

Q Finally, what do you as president see as the ideal position for BAF?

K.N. When I think about the direction I would like to see BAF take, I consider our corporate philosophy that I mentioned earlier — "to serve best financial solution to enrich daily life of Indonesian society," — to be important. To provide convenience for the people of Indonesia, who live in a country made up of more than 8,000 islands, we need to continue to improve our service quality and further expand our service network, and I believe that this will lead to growth for BAF.

We have a slogan of "Grow, Control, and Evolve," which means that as we grow we do not aim for growth by any means, but rather strive to constantly develop services for customers who currently are less than fully satisfied, while maintaining a firm operating base. Employees are always keen to say, "Aim to be No. 1," but this does not mean simply pursuing earnings figures; it also means that they are aiming to be No. 1 in terms of service quality, as well as a quality company in society, and I consider this to be consistent with Mitsui's theme for this year of "aiming to be a leading company."

BAF today has more than 10,000 employees, and if their families are included, the number becomes two or three times that amount. In that sense, I want to be more than just one subsidiary of a Japanese company—I believe that through continuous business development in Indonesia, BAF also makes a contribution to Indonesian society.

In Conclusion

~Message from Ichizo Kobayashi,~

Managing Officer;
Chief Operating Officer of Motor Vehicles Business Unit
Ichizo Kobayashi

The Medium-Term Management Plan, announced in May 2010 and running through March 2012, presented an image of Mitsui in 3 to 5 years of earning 500 billion yen in consolidated net income, with the expectation that businesses Non-resources business area would contribute 150-200 billion yen, or roughly 40%, of that amount, and that the Motor Vehicles Business Unit would work to strengthen that earnings base.

Mitsui has identified the BRICs nations, as well as Mexico and Indonesia, as important regions to act as a foothold to achieve this vision. We will of course support BAF's core business of retail finance, but I also believe that in the future it will be possible to use the BAF business model that has grown from the Indonesian lifestyle and its broad customer network as a business base to develop new businesses utilizing Mitsui's comprehensive strength that spans a number of industrial sectors.

BAF is a business model that has succeeded through focused marketing that ties together the three sectors of manufacturing, sales, and finance, with its partner Yamaha Motor. As we build business bases going forward, I would like to emulate the process that BAF used, by creating business models that conform with local business practices after learning the business practices in various individual countries.

With the rise of China and other developing markets, we are working to accelerate our global development. Nevertheless, I feel that in building this type of business base that grows out of local lifestyles, it will become even more important to promote businesses with Mitsui's strategic partners.

While supporting BAF's growth going forward, Mitsui will also work to develop businesses rooted in local lifestyles in other regions, and through this, we will strive to further increase earnings in the Machinery & Infrastructure Projects Segment.

Main News Releases from July to December 2010

July–August

- **Participated in production of chlor-alkali with The Dow Chemical Company in Texas, USA**
- Increased investment in Erdos Electrical Power & Metallurgical, China
- Signed joint venture agreement with Hyflux to enter water infrastructure business in China

September–October

- Entered business partnership with Bright Food Group —One of China's largest food conglomerates
- Participated in Taganito Nickel Project in the Philippines
- Signed collaboration agreement on eco (low-carbon) island in Miyakojima-City, Okinawa Prefecture
- Mitsui Forest first ever company in Japan to be certified as JHEP AA+ rank (Quantitative Biodiversity Evaluation)
- **Initiated capital participation in Tianjin EV Energies in a move to enter China's rechargeable battery business for EVs and smart grids**

November–December

- Signed Asia's largest agreement for energy wood pellets with Plantation Energy Australia
- **Increased investment in U.S. grain distributor United Grain**
- Approved investment for Robe River JV port expansion in Western Australia
- Agreed to divest a certain stake in the natural-gas-fired power stations in Mexico
- Participated in Formosa Epitaxy, a leading LED epitaxy and chip manufacturer in Taiwan

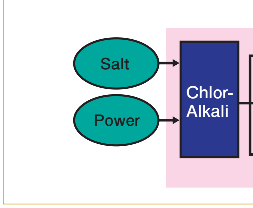
Participated in production of chlor-alkali with The Dow Chemical Company in Texas, USA

Mitsui has established a 50-50 joint venture with leading U.S. chemical company, The Dow Chemical Company ("Dow") to launch a chlor-alkali business in Texas USA. Mitsui's capital participation is expected to amount to approximately $140 million (equivalent to 11.5 billion yen).

The business will produce caustic soda*1 and chlorine*2, which are basic raw materials for chemical products, through the electrolysis of brine. By introducing the latest technology, the joint venture expects to produce roughly 880,000 tons of caustic soda and roughly 800,000 tons of

Mitsui President and CEO Masami Iijima and The Dow Chemical Company CEO Mr. Andrew Liveris

Chlor-Alkali Product



Initiated capital participation in Tianjin EV Energies in a move to enter China's rechargeable battery business for EVs and smart grids

In September 2010, Mitsui reached a basic agreement and concluded a related contract to provide a capital investment in Tianjin EV Energies Co., Ltd. ("JEVE"), which manufactures and sells rechargeable batteries in China. Mitsui will invest approximately RMB210 million (equivalent to 2.7 billion yen) to acquire 20.98% share in JEVE.

Rechargeable batteries, which can be recharged and used repeatedly, are critical components for electric vehicles (EVs) and smart grids (next-

The JEVE factory Rendering

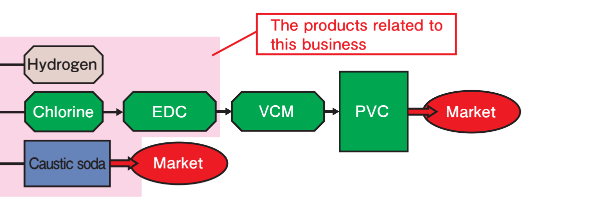
chlorine annually, making the facility one of the world's largest electrolysis plants. Operations are scheduled to commence in 2013.

In addition, Mitsui intends to subcontract to Dow the processing of ethylene dichloride*2, using the chlorine produced at the joint venture plant as a raw material.

Through this joint venture business, Mitsui will further deepen its relationship with Dow and enter the business of manufacturing basic raw materials and to contribute to a stable supply of caustic soda and ethylene dichloride. Mitsui is the leading global marketer of ethylene dichloride in the global market.

Notes:
1. Caustic soda is a raw material for products including pulp, alumina, and soap.
2. Chlorine and ethylene dichloride are raw materials for vinyl chloride, which is a raw material for products including pipes, sashes, leather, flooring, and wallpaper.

Flow Chart



generation power networks)*3, and are seen as a growth area at the core of environmental information technology. China is aggressively promoting EVs as a means of reducing CO_2 emissions. Investment to construct smart grids to upgrade the power infrastructure network is also moving forward, and as a result demand for rechargeable batteries in China is expected to grow.

JEVE manufactures batteries for electric bicycles and small electric vehicles, and plans to begin mass production of batteries for EVs from 2012, and then manufacture EV related components (motor inverters, etc.) and large capacity batteries for smart grids.

Through its capital participation in JEVE, Mitsui aims to address growing demand for rechargeable batteries, and create value for its new environmental IT business with a focus on rechargeable batteries.

Note:
3. Smart grids: Combine electrical power supply grids with data telecommunications networks to control the flow of electrical power from both the supply side and the demand side, to create optimal efficiency in electrical power supply and demand.

Increased investment in U.S. grain distributor United Grain

Mitsui has operated an origination , storage, and export business for wheat and other grains in the United States through a joint venture between its wholly owned subsidiary United Grain Corp. ("UGC") and CHS Inc. ("CHS") of the United States. In December 2010 Mitsui and CHS agreed to dissolve the joint venture, with UGC taking over the operation of the joint venture's grain export terminal*4 (Vancouver, Washington) and continuing to carry on the grain origination, storage, and export business on its own from April 2011.

Mitsui positions UGC as one of the core affiliated companies in its grain business, and in order to strengthen its structure for providing a stable supply of grain from the United States, mainly to Asian market, Mitsui has decided to make an additional investment in UGC of approximately $72 million (equivalent to 5.9 billion yen) to expand the grain export terminal. The expansion is expected to be completed in the summer of 2012.

The global demand for grain is increasing in line with global population growth and economic development in emerging countries, and Mitsui will strive to strengthen grain business as one of its core businesses. Through the expansion and development of UGC, we will work to expand our grain origination, storage, and export business in the United States, one of the world's largest grain producing countries.

Note:
4. A grain export terminal is a grain storage facility equipped to load grain directly onto ships.


Grain export terminal in Vancouver, Washington

"Forest Environment Program" for Mitsui Shareholders

Mitsui held a Forest Environment Program for its shareholders on November 25, December 4, and December 10, 2010, at its company-owned Kameyama forest in Chiba Prefecture, and 110 persons participated.

The forestry instructors from Mitsui's subsidiary, Mitsui Bussan Forest, first explained about the continuous forest management cycle in planted forests of "plant, cultivate, harvest, final use," and then participants tried their hand at the forestry operation of "thinning." Later, while trekking through the forest, the instructors explained the relationship between forests and biodiversity, and showed hives that have been installed in the forest to protect the Japanese honeybee (Apis cerana japonica), a native bee species. Participants saw how it is necessary to create an economical structure to continuously preserve forests, and admired the fact that Mitsui maintains these precious forests and takes ecosystems into consideration.

Now in its fourth year, applications were received from roughly 1,500 people who wished to participate, showing again shareholders' high level of interest in preservation of forests. We hope to expand this program furthermore.

Participants learning about forests at Mitsui's company-owned Kameyama forest

About Mitsui's Forests

- There are 73 locations nationwide, approximately 44,000 hectares (account for 0.1% of Japan's total land area).
- Approximately 40% are forests for regeneration and harvest and 60% forests including natural forests and naturally regenerated forests.
- In December 2009, all of the forests managed by Mitsui received FSC™ (Forestry Stewardship Council) Certification, an internationally unified forest certification for adequate forest management.

FSC www.fsc.org FSC® C057355
The mark of responsible forestry

The Mitsui & Co., Ltd. Environment Fund sponsors "Go NPOs! Passionate People of the Earth" special symposium

The Mitsui & Co., Ltd. Environment Fund sponsored a special symposium, "Go NPOs! Passionate People of the Earth," at Keidanren Hall in Tokyo on January 27, 2011. This year marks the fifth anniversary of the fund's establishment, and this public symposium was held as part of its interchange program for grant recipients. Approximately 290 persons participated including members of grant recipient organizations and the general public. The theme "Go NPOs! Passionate People of the Earth" is the title of a documentary sponsored by Mitsui that is being broadcast on TwellV (BS channel 12) in six installments from January.

Hiroshi Yagyu, president of the Wild Bird Society of Japan

The first keynote presentation was given by Dr. Seita Emori of the National Institute for Environmental Studies, who spoke about the importance of the overall structural design of society and of rethinking individual lifestyles, in addition to major reductions in industrial greenhouse gas emissions, to prevent global warming. Second, Hiroshi Yagyu, president of the Wild Bird Society of Japan, talked about the relationship between people, forests, and woodlands, drawing on his experiences traveling alone at the age of 13 and of living in the Yatsugatake Highland, highlighting his keynote that "our future can be found in nostalgic scenery."

Next, Mr. Aoki, general manager of Mitsui's Environmental - Social Contribution Division, talked about the Mitsui & Co., Ltd. Environment Fund and Mitsui's company-owned forests, and then presented some of the successes of the fund's grants. Kanazawa University developed a program for regional cooperation and preservation of woodlands and sea sides in Oku-Noto; Nippon International Cooperation for Community Development promoted organic agriculture in Malawi, and Seikei University succeeded in developing an afforestation method by crushing hard, dry land so that rainfall can penetrate the underlying soil.

The fund has been supporting activities and research that contribute to resolving global environmental problems, but this was the first time results of its projects were publicly announced, providing an opportunity to better understand the activities of NPOs and NGOs.

Mexico

Mitsui's Business Activities in Mexico

The activities of general trading companies are not confined to Japan; they seek business opportunities around the world, operate businesses in various countries and regions, and contribute to the economic and social development of those countries. In terms of organizational style, many of Mitsui's businesses are described as "vertically organized," with businesses carried out by product. This section takes a different perspective, and looks at Mitsui's operations in a country that is important to our business, or is being strategically targeted. For this second feature, we look at Mexico.

Understanding the current macro situation

Mexico lies to the south of the United States, and its land area extends from the Pacific Ocean to the Atlantic Ocean. In addition to access to North and South America, this geographical location gives the country the advantage of being accessible to Asia via the Pacific Ocean, and to Europe and Africa via the Atlantic Ocean. Mexico has concluded free trade agreements with many countries around the world, and as a national strategy has used capital from overseas to attract manufacturing and improve infrastructure. In particular, after NAFTA (North American Free Trade Agreement) took effect in 1994, economic ties with the United States and Canada became much closer, and with a stable political environment and healthy macroeconomic management, the country developed into a manufacturing base for North America. The United States accounts for roughly 80% of Mexico's exports and half of its imports, and approximately half of direct investment in Mexico comes from the United States, meaning that the economic environment is heavily influenced by trends in the United States. In 2009, in addition to the recession in the United States from the economic crisis, there was an epidemic of a new strain of influenza, and Mexico was unable to avoid a sharp economic slowdown. Nevertheless, manufacturing and exports began to recover in line with the U.S. economic recovery from early in 2010, and automobile production in 2010 reached a record high 2.26 million vehicles. At the same time, Mexico was once the world's third-largest oil producing nation and the government relied on oil income for more than 30% of its revenue, but private sector companies, including foreign companies, were not allowed to enter the market. As a result, Mexico has fallen to being the world's seventh-largest oil producing nation, development of new oil resources is at a standstill, and there are other concerns including public safety. Nevertheless, Mexico has a population of more than 100 million and a GDP of $1 trillion, and as the population and domestic demand increase, stable economic growth is forecast over the medium term, in line with further expansion and capital investment by companies from other countries, especially the United States.

Mitsui's approach

In the 1950s Mitsui exported power generation, steel production, and other plant equipment from Japan to Mexico. In the 1960s, with the development of an oil production industry, Mitsui's activities expanded to importing steel products to Mexico and exporting petrochemical products. In this way, we have conducted a variety of trade activities in Mexico in line with changes in the market and in demand over time. In our Medium-Term Management Plan for March 2012, we have designated Mexico as a priority region, along with the BRICs nations and Indonesia. We will continue to address the needs of customers and society by investing in the electrical power business and other large-scale infrastructure, and becoming involved in peripheral businesses to the nation's core automobile manufacturing industry. Along with expanding and diversifying our businesses in various areas, we hope to contribute to the development of the Mexican economy.

On the following pages, we will introduce our major business activities in Mexico, but in addition to those, Mitsui de Mexico imports steel products, chemical products, and foodstuffs and sells them domestically under its own name. Mexico is also the world's third-largest producer of orange juice concentrate, and Mitsui handles roughly 90% of the Mexican orange juice concentrate imported into Japan.

Major Business Activities

Participation in natural-gas-fired power generation business

Mitsui participated in the Valladolid III thermal power generation business via tender held by the Mexican Federal Electricity Commission (Comisión Federal de Electricidad; "CFE") in 2003, and commercial operations began in 2006 (Mitsui currently owns a 50% interest). Together with Tokyo Gas, in 2009 we acquired from Spain's Gas Natural SDG five thermal power plants in northeastern Mexico and related companies including a pipeline company for approximately $1.2 billion (70% ownership as of December 31, 2010*1). All operate natural-gas-fired thermal power plants, and are engaged in long-term sales of electrical power to CFE. The two businesses have a gross generating capacity of 2,758MW, and are one of Mexico's largest independent power producers (IPP). In line with the country's economic growth, demand for electricity in Mexico is growing by roughly 4% annually, and going forward we intend to acquire quality power generation assets.

Rio Bravo natural-gas-fired thermal power plant in Mexico

Note:
＊1. In order to recover our invested capital at an early stage and stabilize the business base, Mitsui will divest a 30% stake in total out of 70% of its economic interests to two Japanese electric power companies by the end of March 2011.

Hino Motors local assembly, import, and sales business

Mitsui set up Hino Motors Sales Mexico, S.A. de C.V. as a joint venture with Hino Motors Ltd. in 2007, and began importing and selling light trucks manufactured by Hino. A local assembly plant was built in 2008, and the business began handling medium-sized trucks, hybrid trucks, and buses, supplying the Mexican market a range of vehicles. Since 2007, the business has sold a total of roughly 2,500 vehicles, and aims to continue to increase sales in Mexico, one of the world's 10 largest truck markets.

Sales of Hino trucks

Steel Service Center Business

Mitsui established Nu-Mit LLC in the United States as a 50-50 joint venture with Nucor Corporation, the world's largest electric furnace steel manufacturer, in April 2010. Through its wholly owned subsidiary Steel Technologies Inc., NuMit operates coil centers in six locations in Mexico, primarily for the automotive industry, and is planning to open additional centers. In addition to being a member of NAFTA, Mexico is also known as an automobile manufacturing center for Central and South America. Mexico's output in 2009 was roughly 1.5 million vehicles, and this is expected to reach 2.9 million in 2014. Going forward, Steel Technologies intends to enhance its functionality while expanding its scope of operations, to be able to meet growth in Mexico's demand for steel material processing.

Steel Technologies' coil center

Apart from Nucor, Mitsui also has a capital stake in the coil center company Acero Prime S.R.L. de CV., a joint venture with the major U.S. steel manufacturer U.S. Steel and Feralloy Corporation of the United States. Acero Prime primarily handles subcontracted processing.

Participation in Water Supply, Sewage, and Wastewater Treatment Business

Infrastructure is one of Mitsui's core non-resource business areas, and along with electrical power and transportation, water treatment is a priority infrastructure area that we pursue globally. In Mexico, we invested in a wastewater treatment business for oil refineries at the Mexican state-owned petroleum company PEMEX in 2003, and together with our associated company Toyo Engineering, in 2008 we acquired Atlatec, S.A. de C.V. (Mitsui's stake: 85%), which designs, builds, and operates water treatment facilities in Mexico. Since the acquisition, Atlatec has received numerous orders for large-scale domestic water businesses, and in 2010, together with Mexico's largest construction company, ICA, was the successful bidder for the rights to the world's largest wastewater treatment plant in Atotonilco, which will treat the wastewater from roughly 60% of Mexico City's households. Including those under construction, Atlatec is participating in 22 water projects inside and outside Mexico, and is Mexico's largest water engineering company with a roughly 70% share (facility capacity basis) of the sewage treatment business with Mexico's local governments. In addition to further strengthening the business base within Mexico, going forward Atlatec aims to expand globally, beginning with the Central and South American markets.


Water treatment facility, Atlatec

Participation in LNG Terminal Operations


Manzanillo LNG terminal, currently under construction

In 2008, Mitsui was the successful bidder (for a 37.5% stake) together with Korea Gas Corporation and the Samsung Corporation for our second LNG receiving terminal in Mexico located in Manzanillo City. The business is to build and operate a facility for the storage and re-gasification of LNG, and to supply gas to CFE for 20 years. The project is a cornerstone of the Mexican government's infrastructure improvement plan, and the gas from this facility will primarily supply thermal power plants in west-central Mexico. In addition to contributing to Mexico's economic growth as a valuable source of energy, the facility will also help to improve the region's severe air pollution caused by heavy-oil-fueled power generation. Construction is on course for the commencement of operations this fall.

Service and Maintenance Business for Komatsu Mining Equipment

Mexico is blessed with abundant mineral resources, and our wholly owned subsidiary Road Machinery Co, S.A. de C.V. operates a service and maintenance business for mining equipment manufactured by Komatsu Ltd. This is done under a long-term service and maintenance contract for roughly 80 pieces of mining equipment, including super-large dump trucks with a maximum payload of 300 tons at the Penasquito mine, Mexico's largest gold mine. We aim to continue to expand the business in this area, which is also one of the world's major producers of silver and copper.


Super-large dump truck operating at a mine

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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 fulfill 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.