

MITSUI & CO.,LTD.

Chemical Segment Business briefing session Basic Chemicals Business Unit Performance Chemicals Business Unit

Jul 8th 2011

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.



AGENDA

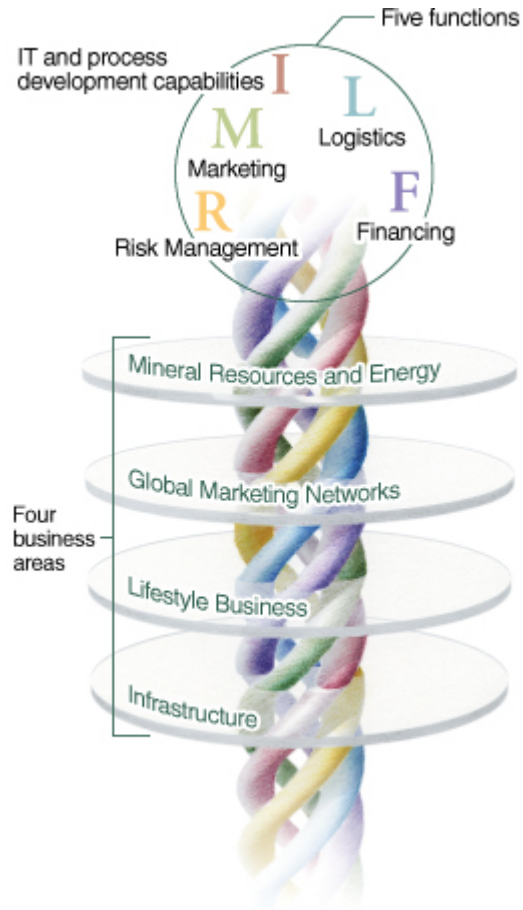
- I . Chemical Segment Overview**
- II . Basic Chemicals Business Unit**
- III . Performance Chemicals Business Unit**

I . Chemical Segment Overview

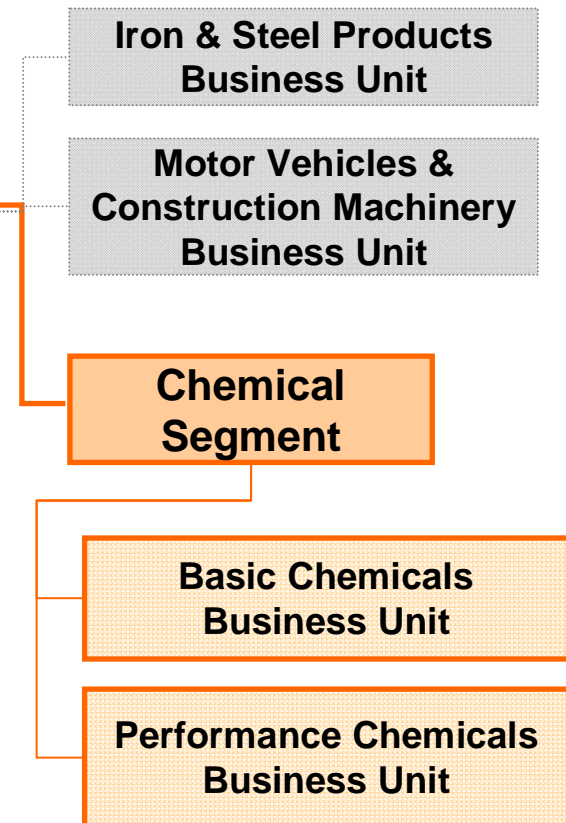
II . Basic Chemicals Business Unit

III . Performance Chemicals Business Unit

Business Areas(1)



4 Business Areas



Business Areas(2)

Basic Chemicals Business Unit

Business fields

Petrochemicals
Chlor-Alkali
Methanol
Specialty Chemicals

Cultivating marketing and distribution businesses and pursuing investment opportunities centered around petrochemical industries

Activities in brief: We are,

- ✓Pursuing large/medium scale cluster investment opportunities and deploying highly multifunctional distribution all the way from upstream to down in petrochem chain.
- ✓Pursuing investment opportunities and deploying marketing and distribution businesses on the entire value chain, made possible by integrating chlor and alkali related businesses.
- ✓Developing and deploying global marketing and distribution businesses by leveraging our stake in resource-based production assets.
- ✓Developing Green Chemical businesses.

Performance Chemicals Business Unit

Business fields

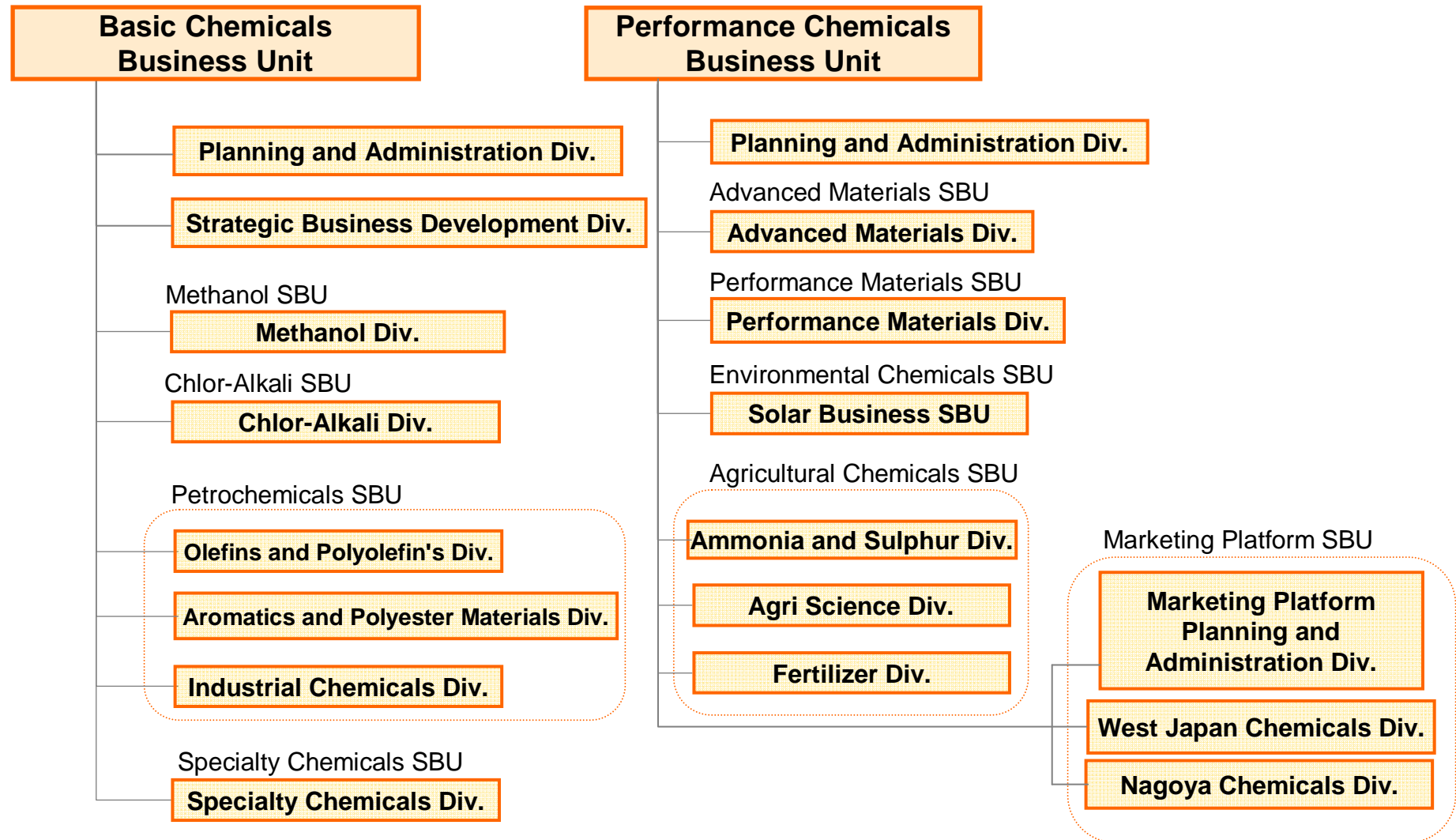
Agrochemicals
Environmental
Performance Materials
Advanced Materials

Expanding our presence in growth industries by leveraging strength acquired through our experience in the chemicals industry

Activities in brief: We are,

- ✓Pursuing investment opportunities and deploying global marketing/distribution business in fert feed resource and product retail, pesticides, and animal feed additives business areas.
- ✓Penetrating environment-related markets from the chemicals business standpoint, such as photovoltaic related business.
- ✓Expanding global marketing/distribution for functional and advanced materials centering out from Asia.
- ✓Deploying SCM services businesses with major LCD and electronics manufacturers

Organization

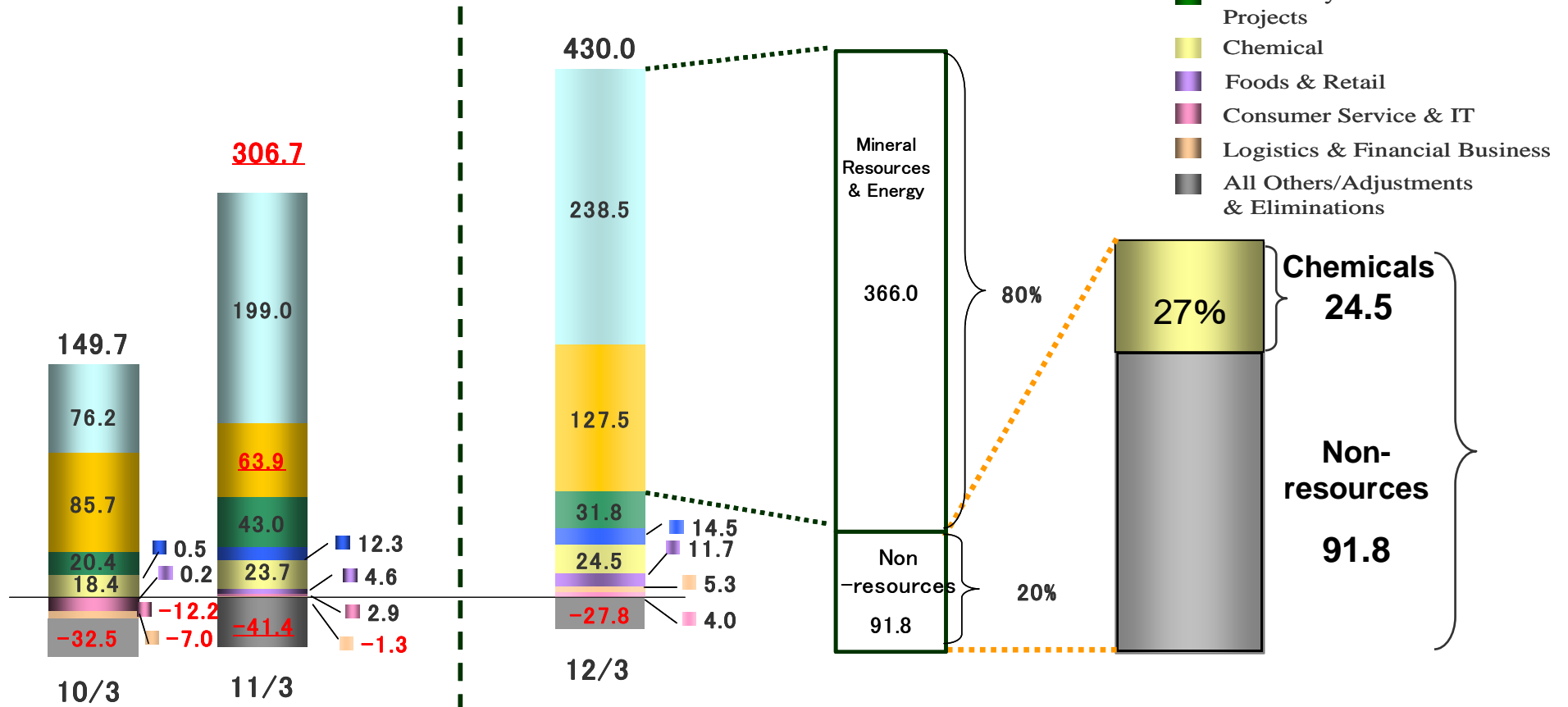


Global Net Income by Product Segments

(Reference*)

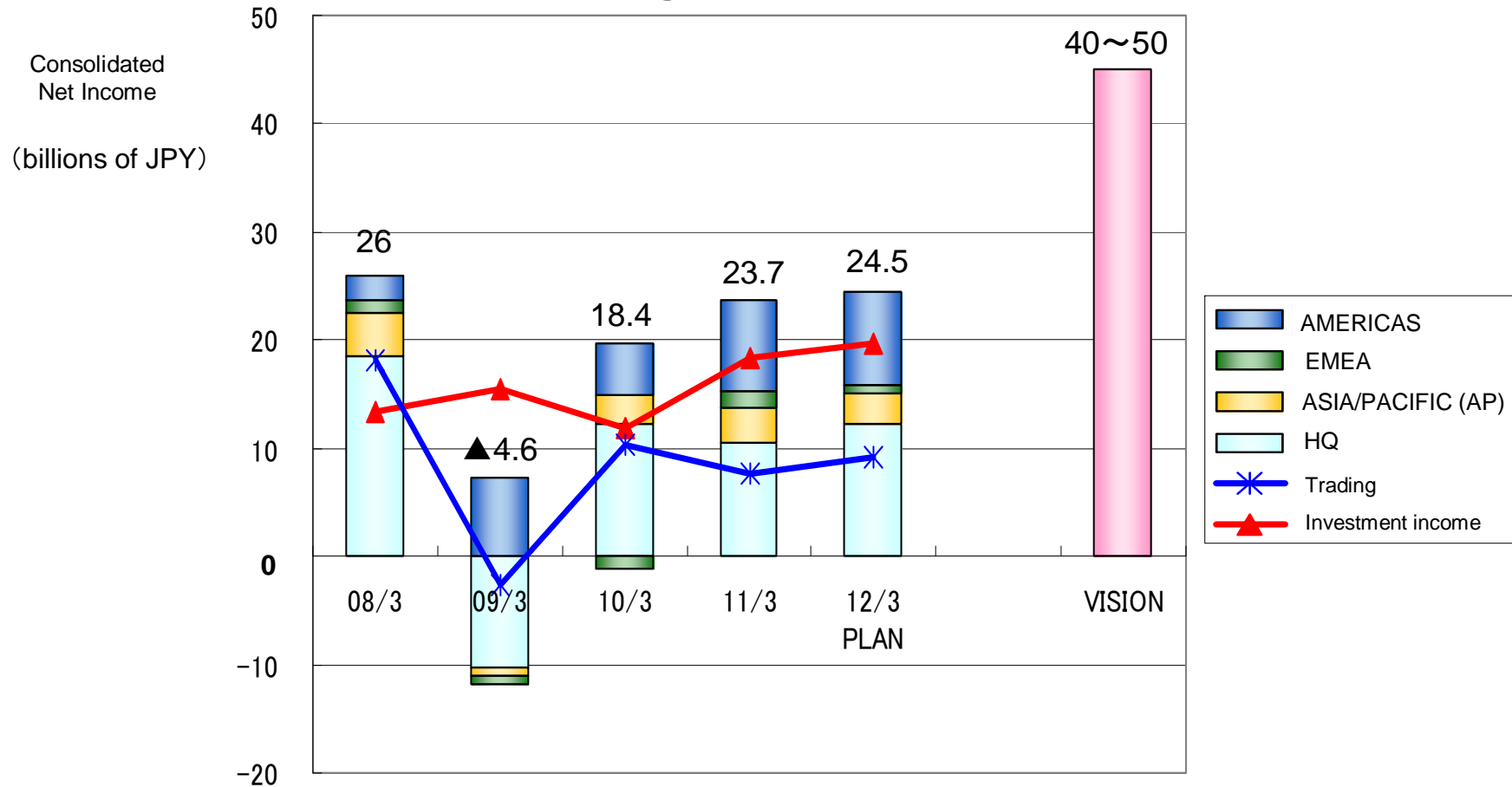
(billions of JPY)

- Mineral & Metal Resources
- Energy
- Iron & Steel Products
- Machinery & Infrastructure Projects
- Chemical
- Foods & Retail
- Consumer Service & IT
- Logistics & Financial Business
- All Others/Adjustments & Eliminations



(*) Global results by business area, including all overseas operations (Reference).

Chemicals Segment Trajectory History, Plan, & Vision

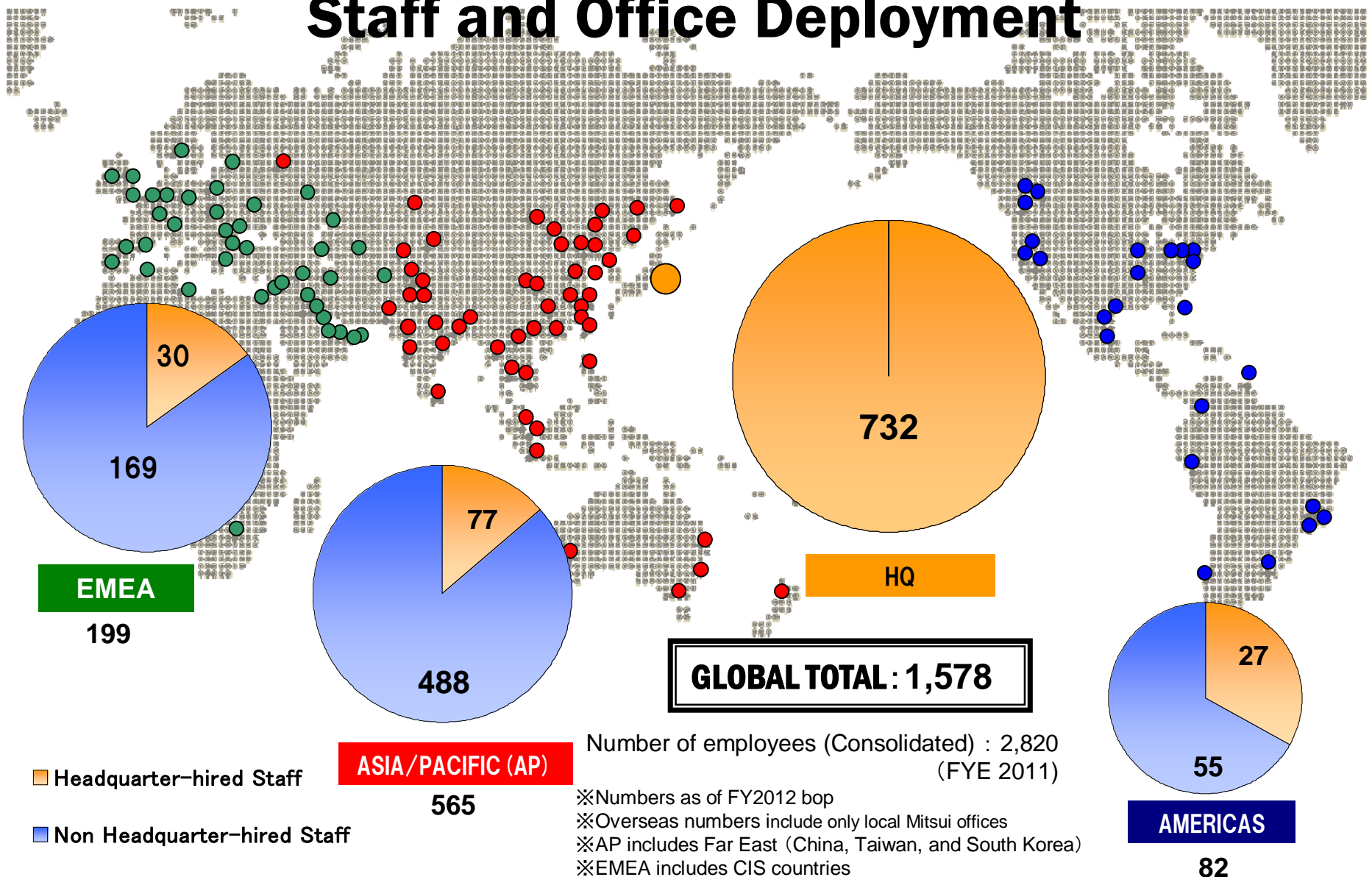


| | | | | |
|-----------------------|-------|-------|-------|-------|
| Total Assets** | 806.4 | 546.0 | 605.7 | 642.6 |
|-----------------------|-------|-------|-------|-------|

※AP includes Far East (China, Taiwan, and South Korea)

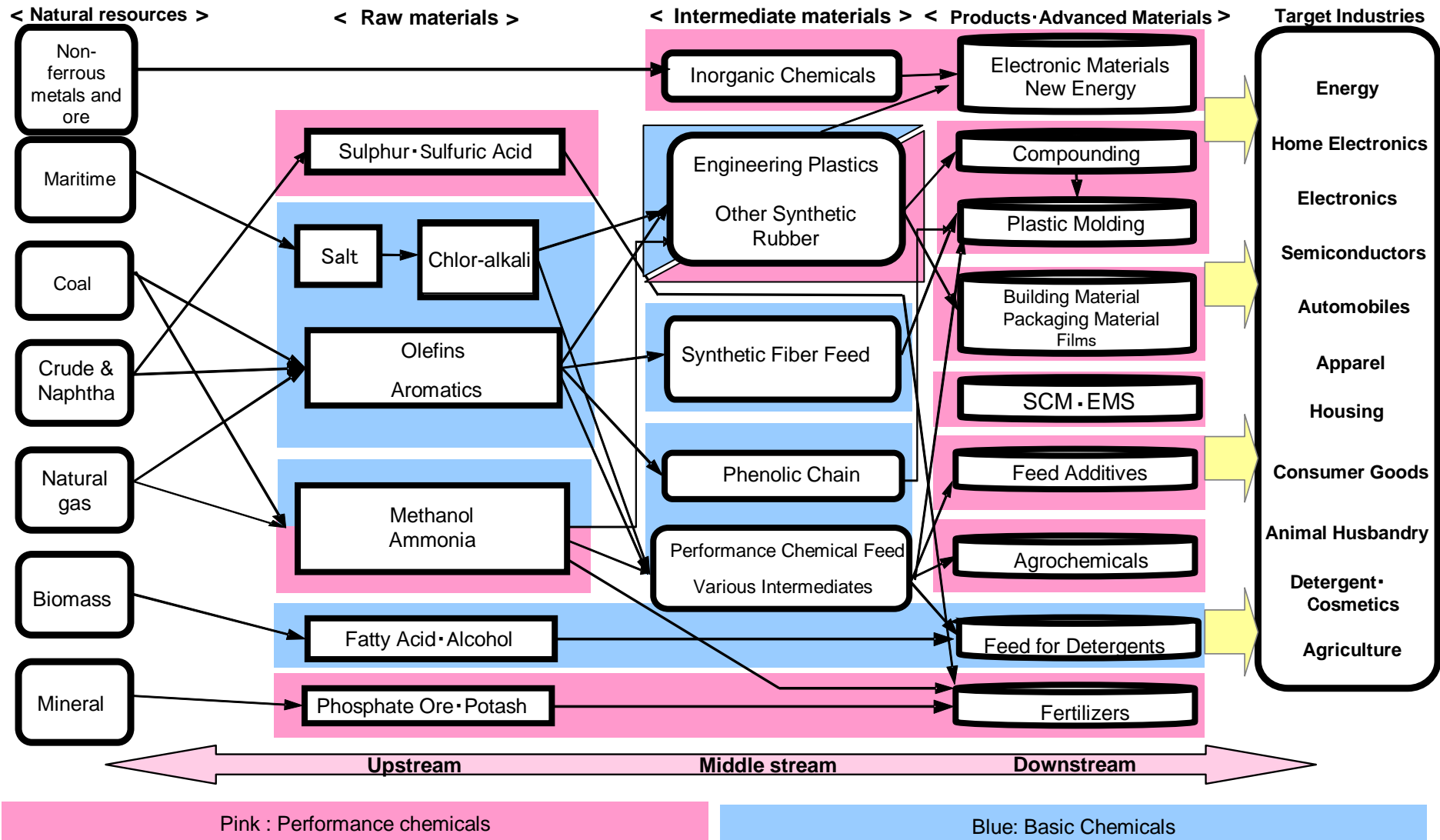
※ **Total Assets not including overseas operations

Staff and Office Deployment

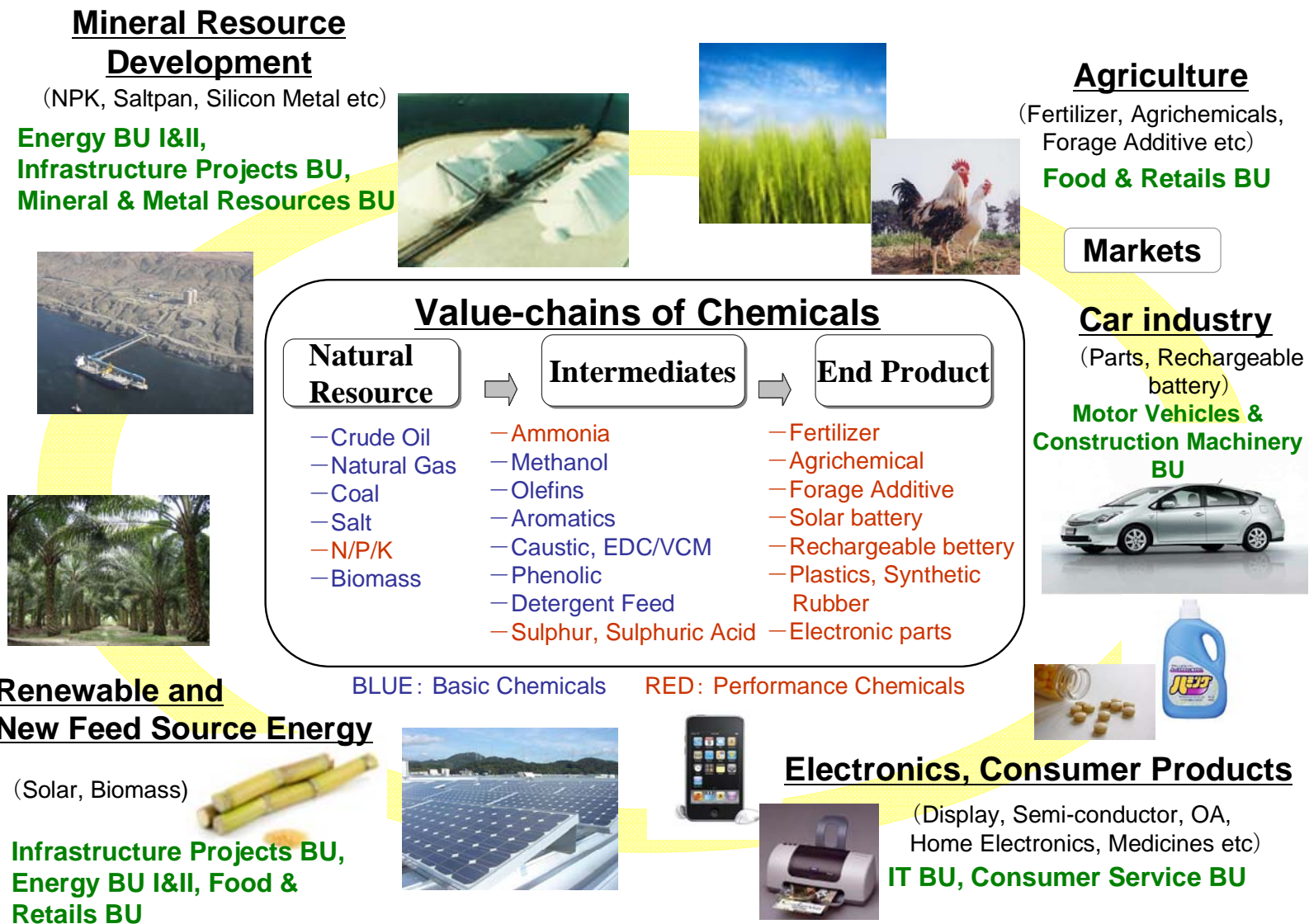


Supply Chains and Product Fit

(Updated:2011 .7.26)



Chemicals: Center of Various Growth Industries



Vision and Basic Strategy of Chemicals Segment

Vision

Drawn up Jul/2008

Commit to the growth of the chemical industry, and become the global player on whom the industries in the various corners of the world relies.

Chemical Segment Basic Strategy (“The Backbone”)

Concept: Mindset Change

We first change our mindset from optimization of individual products and sales divisions to overall segment optimization. We then put following three strategies into action with speed.

1.Cluster Investment Strategy

2.Highly Multifunctional Trading,
Marketing Platform Strategy

3.Chemical Frontier Strategy

~Take Investment Chances from ‘Highly Multifunctional Logistics and Marketing Platform Strategy In the View of Cluster Investment’~

Realize the following, by participating in the Cluster Investment with partners in the regions where competitive feeds exist.

- (1) Create new profit platform.
- (2) Contribute in increasing projects’ value with our marketing functions and strengthen marketing network further.
- (3) Contribute improving partners’ values and strengthen ties with them.

~Chain enables better view of opportunities to strengthen marketing capabilities ~

Value chain optimization by globally combining market-oriented distribution platform and multifunctional trading/distribution that takes advantage of our wide array of logistics functionalities and trading techniques.

~Finding seeds of growth and bringing them to harvest, from chemical point of view~

Focused on building new profit bases by incubating growth seeds by taking advantages of chemical industries’ interaction with peripheral industries. This is enabled by our competencies in marketing and distribution.

I . Chemical Segment Overview

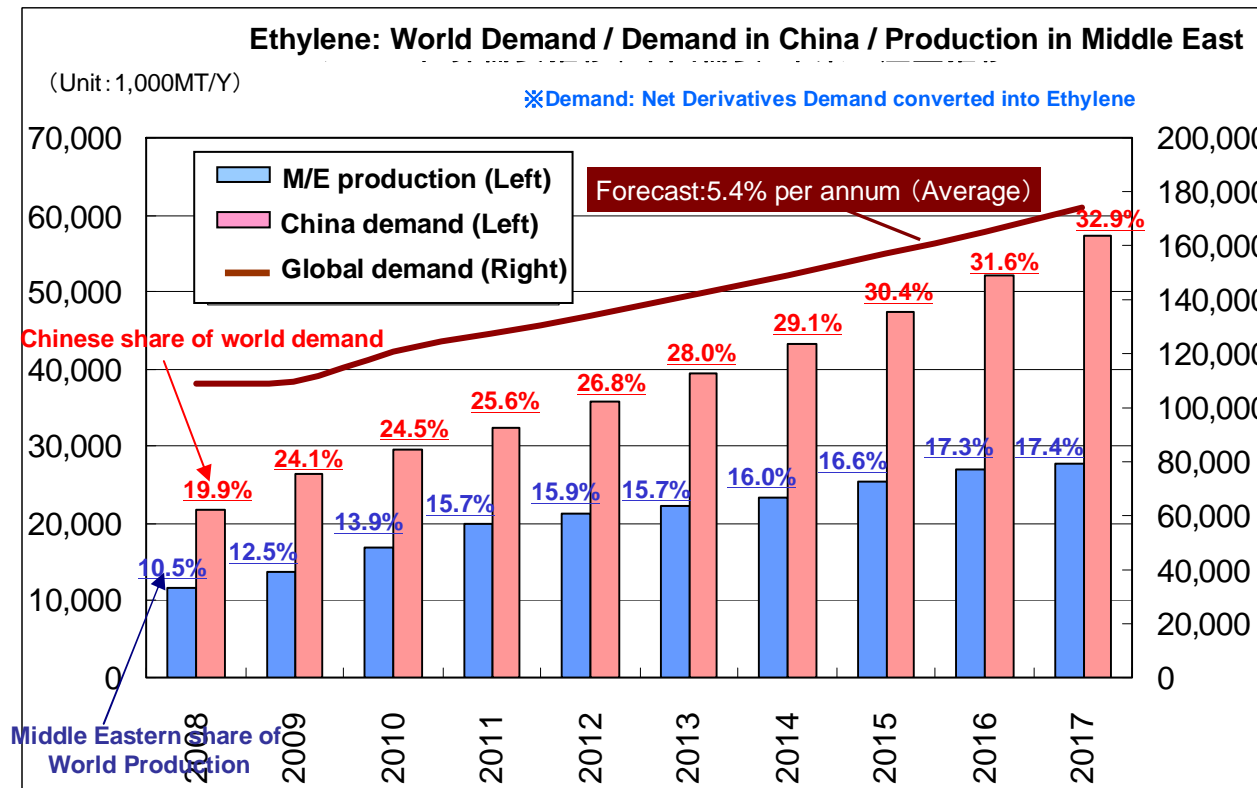
II . Basic Chemicals Business Unit

III . Performance Chemicals Business Unit

View on The Business Environment

➤ Petrochemical demand is anticipated to expand on the world scale stably, as global economy is led by emerging economies.

- ✓ Middle East playing bigger role as production center
- ✓ More domestic production expected in China to support continuous demand growth
- ✓ Potential for new crackers in other regions such as North America



(Forecast of Olefins and Polyolefin's Division)

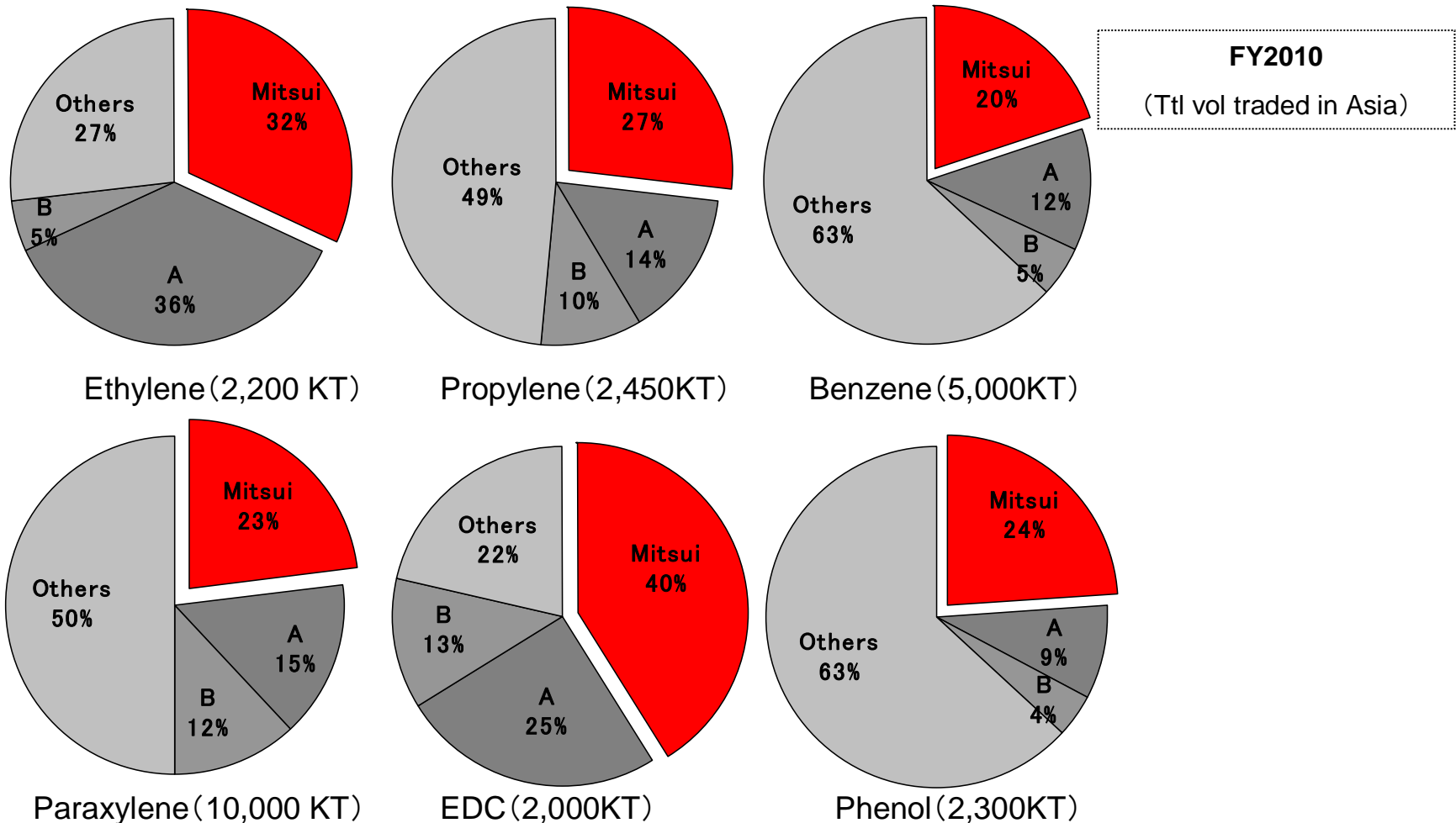
➤ The shift of key integrated producers in the west towards high performance products

➤ A structural change in the petrochemical industry – from mega competitions among players to the state of oligopoly

➤ Diversification in the petrochemical feed due to technological innovations, high crude oil prices

➤ Shift to a low-carbon, sustainable growth economy

Commodities Trading and Mitsui's Share in Asia



If accounted for GLOBALLY, Mitsui's trading volume is approx **13 million ton** per annum (FY2010)

Strategies

Our unit is working on..

➤ Implementing “Cluster Investment” and “Highly Multifunctional Trading” based on the product chains centered around petrochemicals industry.

(Expanding business model from one centered around global marketing on which we have long experience, to grow global presence by both expanding equity stake and strengthening marketing capabilities, taking advantage of expertise cultivated as a longtime marketer.)

Expand Value Chain into Upstream

(Secure competitive resources and develop business with scale)

Vision

Commit to the growth of the chemical industry, and become the global player on whom the industries in the various corners of the world relies.

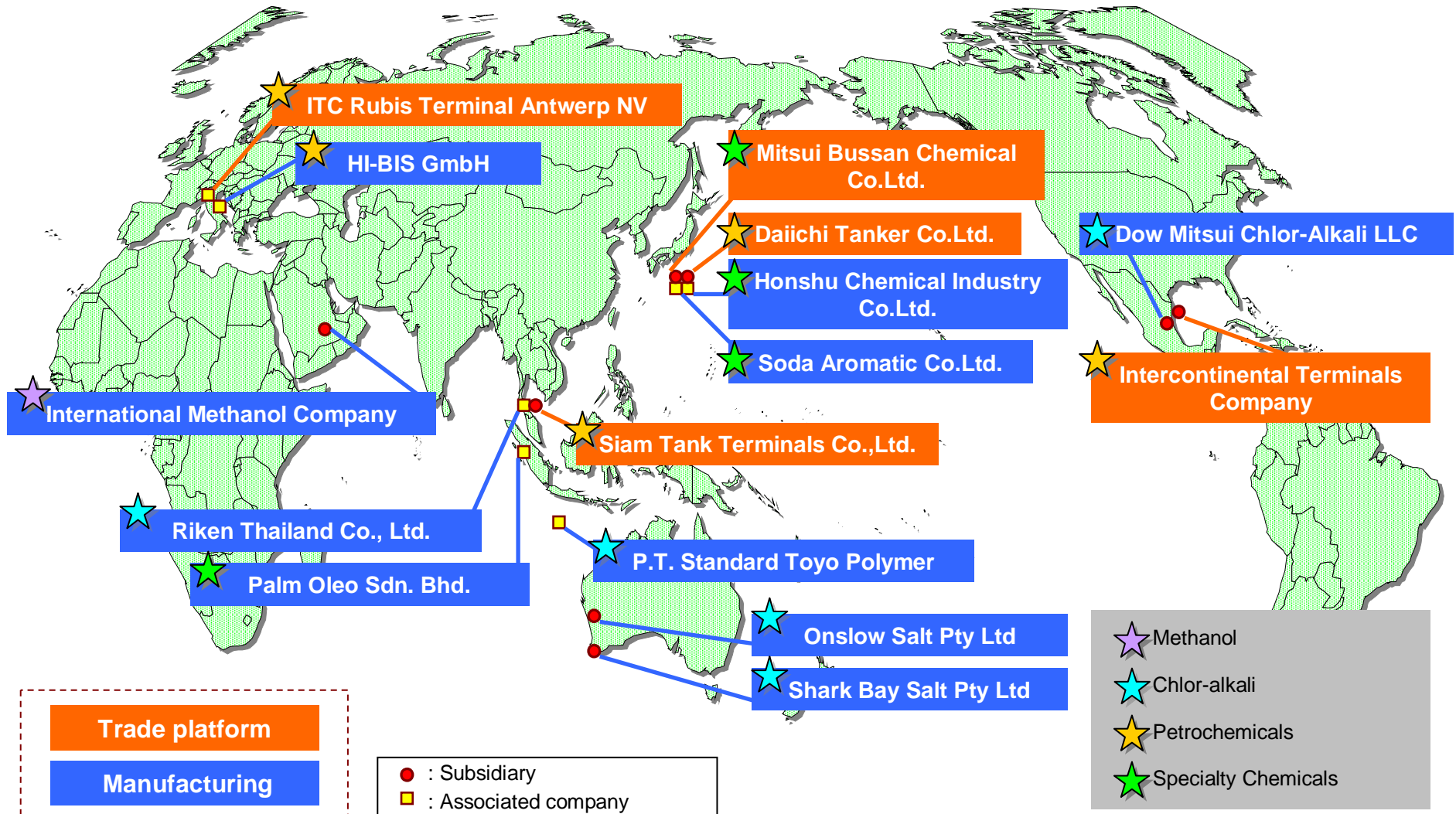
Develop the investment-oriented partnerships

(Aim to accelerate globalization and to become insider of regional markets by developing business with global overseas companies and Japanese firms striving to accelerate their advancement overseas.)

Strengthen Alliances with Other Segments and Manifest Integrative Strengths

(In order to respond with requirements of clients and emerging economies growing more broad and complex, manifesting integrative strengths through enhancement of cross-segment collaboration.)

Major Subsidiaries & Associated Companies



Methanol Business

Deploying upstream investments and global trading of derivatives from its value chain

<Vision>

By securing stake in methanol chain upstreamed with competitive natural gas, we aim to become one of world's prominent methanol players. Moreover, promote not only gas chemical but gas development as chemical feed through collaboration with our Energy Segment.

International Methanol Company (IMC)



| | |
|---|---|
| Location | Al Jubail, Kingdom of Saudi Arabia |
| Foundation | 2002 |
| Ownership | SIPChem 65%, Japan Arabia Methanol 35%(NET Share of Mitsui & Co., :19.3%) |
| Capacity | 1.1 million ton/Y |
| Japan Arabia Methanol / Net income as of March 2011 | 1.7 billion yen |

Chlor-Alkali Business

Integrated salt/electrolysis/PVC/polyurethane related businesses. Deploying medium-scale Cluster Investment and global trading business of derivatives on the value chain.

Western Australia Salt Business
(Shark Bay Salt, Onslow Salt)



| | Shark Bay Salt | Onslow Salt |
|----------------------------|-----------------------------------|-------------------------------------|
| Location | About 800km to the north of Perth | About 1,300km to the north of Perth |
| Capacity | 1.3 million ton | 2 million ton |
| Product | Bay Salt | Bay Salt |
| Area of lake | About 6,900ha | About 8,600ha |
| Equity participation since | 1973~ | 2006~ |
| Current ownership | Mitsui 100% | Mitsui 100% |
| PAT for yr ending Mar '11 | 3.2 billion yen | |

<Vision>

Strengthen the total Chlor-Alkali value chain through both trading and investment. Build a unique business operation that integrate marketing into manufacturer position.

Dow Mitsui Chlor-Alkali LLC

| | |
|------------------------|---|
| Location | Freeport, TX USA |
| Main Business | Production and sales of Caustic and Chlorine made by electrolysis |
| Founded | 2010 |
| Operation commencement | Expected in mid 2013 |
| Capacity | Caustic: About 880k tpa Chlorine: About 800k tpa |
| Ownership | The Dow Chemical Company 50%, Mitsui 50% |



Petrochemicals Business

Integrated the derivatives businesses from upstream to common resin of petrochemical. Deploying the large/mid scale “Cluster Investment” and “Highly multifunctional global trading”. Collaborating with Performance Chemicals Business Unit as the downstream of petrochemicals.

<Vision>

Capture growth of demand from China and Asia by deploying highly multifunctional trading globally. And build partnerships with customers in worldwide, to lead steer advancement Japanese manufacturers overseas that have technical strength and to coinvest with them.

Daiichi Tanker Co., Ltd.



| | |
|---------------------------|--|
| HQ location | Tokyo, Japan |
| Founded | 1961 |
| Main Business | Coast and Ocean Shipping of Petrochemicals |
| Ownership | Mitsui 100% |
| PAT for yr ending Mar '11 | 0 billion yen |

ITC (Intercontinental Tank Terminal)



| | |
|---------------------------|--|
| Location | Deer Park, TX USA |
| Operation commencement | Feb, 1972 |
| Site area | 265 acres (about 110ha) |
| Tank capacity | 11.3mil barrels (=1.8 mil CBM) |
| Number of tanks | 225 now + 3 on stream by '11-end |
| Major clients | Shell, Lyondell Basell, ExxonMobil, Westport, Methanex, Dow/R&H etc. |
| Ownership | Mitsui 100% |
| PAT for yr ending Mar '11 | 2.4 billion yen |

Specialty Chemicals Business

With focus on intermediate products from midstream to downstream of petrochemicals, cultivating “green chemicals businesses” that respond to growing need for sustainability, further deploying the field of specialty chemical products. Also managing Mitsui Bussan Chemicals as a common marketing platform of our Segment.

<Vision>

Create new value chain, in response to the diversification into Non-Petro Businesses of petrochemical manufacturers. Expand the businesses as the player of Non-Petro feeds or products by deploying both investment and marketing in the field of carb-resource or plant oil feed originating chains.



Palm-Oleo Sdn. Bhd.

| | |
|---------------|--|
| HQ location | Kuala Lumpur, Malaysia |
| Founded | 1989 |
| Ownership | KLK, ADEKA, MIYOSHI OIL & FAT, MBK(16.7%) |
| Main Business | Production and sales of raw material for detergents (aliphatic acid, glycerin, and etc), and plastic additives |
| Plants | 2 plants in Rawang and Klang |



I . Chemical Segment Overview

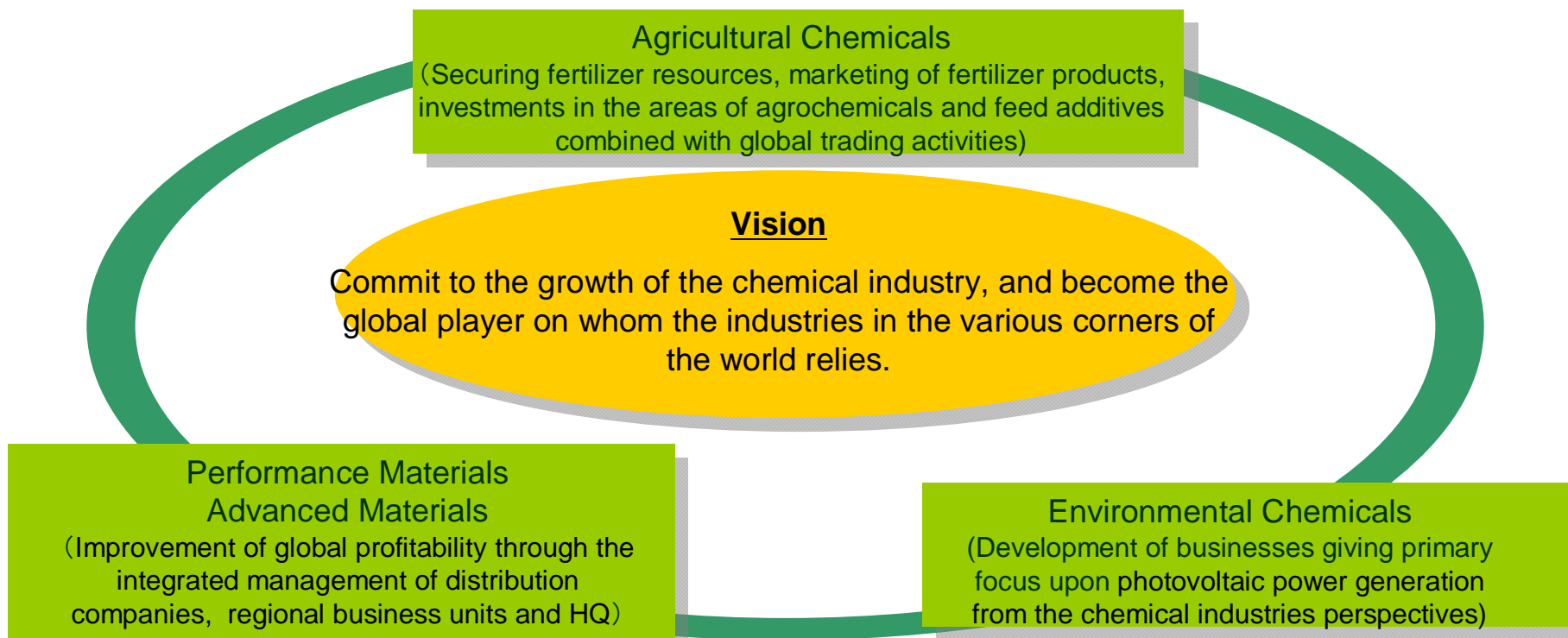
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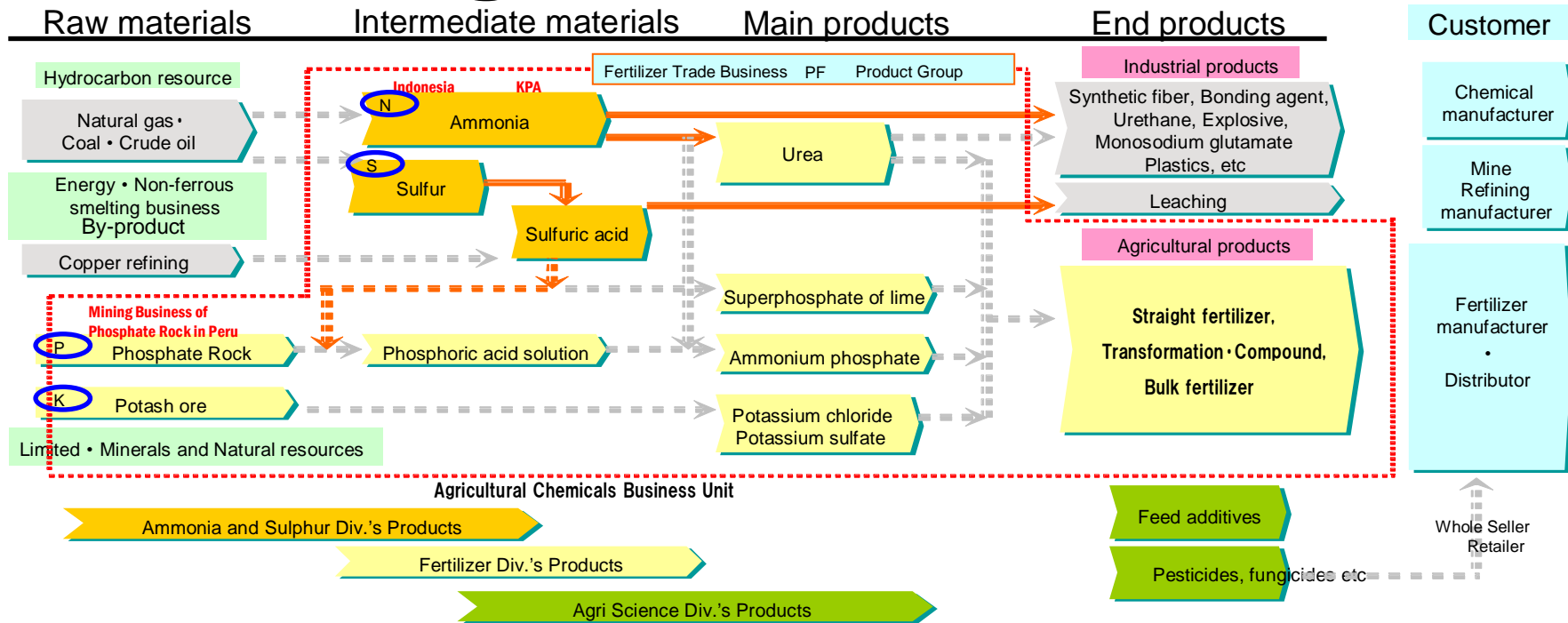
Strategies

Our unit is working on..

- The Performance Chemicals Business Unit, serving as bridges between the chemical industries and non-chemical industries, strive to expand its profits by linking new business investments, global trading activities and partners based upon its existing client & business platform.
- Primary focus given upon the areas of Agricultural Chemicals where globalization is rapidly progressing, while growth would be also sought in the areas of Environmental Chemicals where future growth is foreseen and Performance Chemicals and Advance Materials where market growth is expected especially in China and other Asian markets.



Agricultural Chemicals



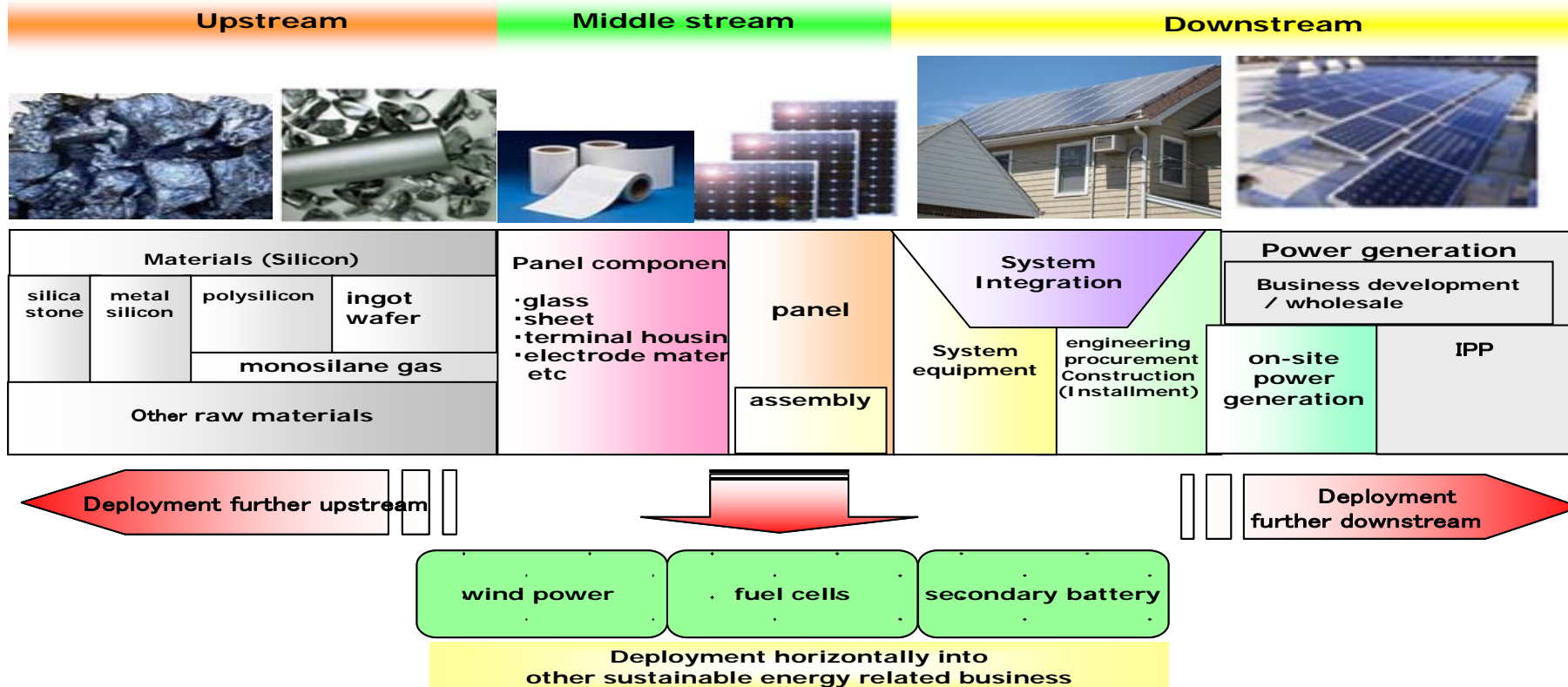
<Market Environment>

- Oligopoly through M&A among major players & market participation of major resource players (phosphate rock & potash)
- Increased difficulty in procuring competitive natural gas (ammonia)
- Growing need for sulfur trade along with the growth of demand for gas produced in the Middle East
- Inflation of company values agrochemical & feed additive industries

<Vision>

- Fertilizer resources: A major player having rights and interests in upstream resources
- Ammonia : A global player owning T/C fleet as well as production facilities in gas producing nations
- Sulfur & Sulfuric Acid: A sulfur solution provider having the largest global trade volume
- Feed additives : A leading nutrition company having a diversified but solid earning platform
- Agrochemicals : A leading player promoting innovative products developed by Japanese manufacturers as well as our own using our in-house IPs

Solar-related Business



<Market Environment>

- Expectations for high-growth, low barrier to entry , competition getting tougher
- Economics often depend on government policies
- No standard yet for winning model, always looking for better way of doing business

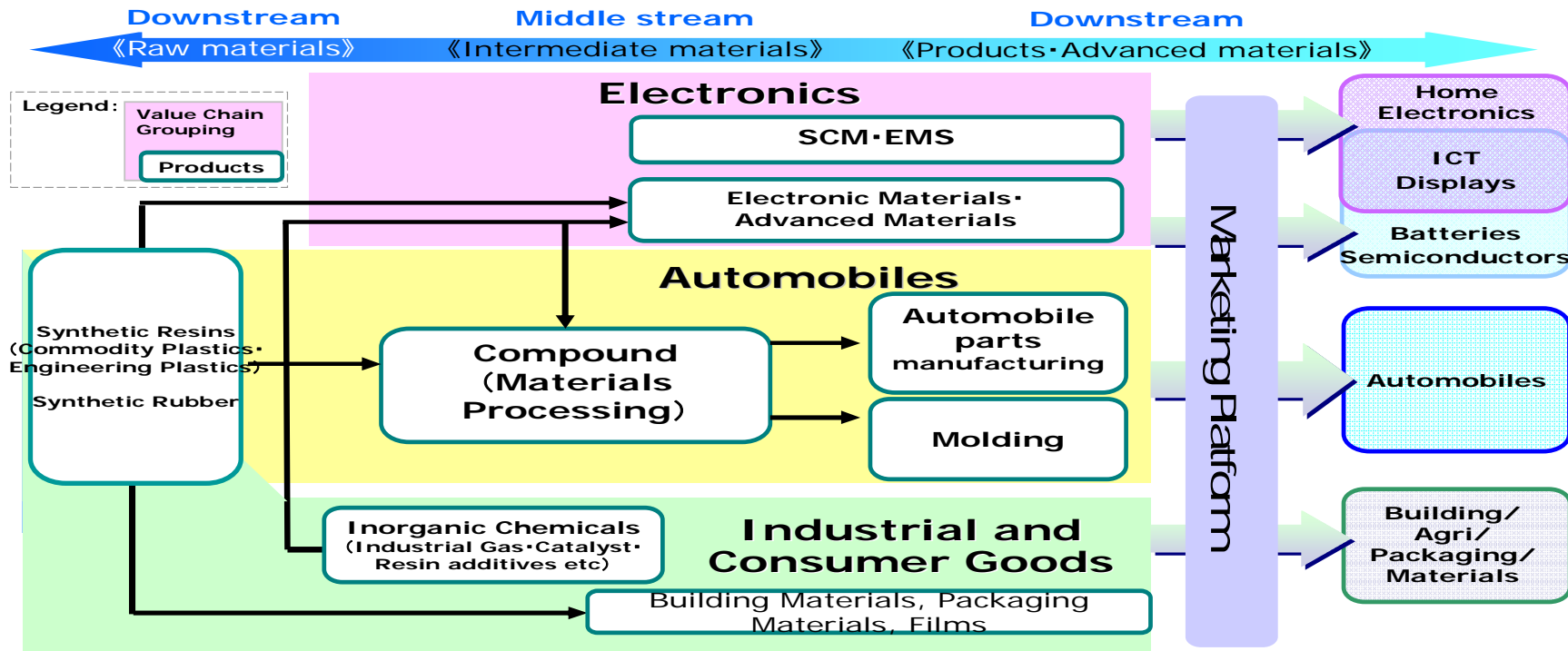
<Vision>

A front-runner with a definitive, winning business model.

<Key Strategies>

Take bird's eye view of the entire value chain → Deploy differentiated businesses with upstream & downstream focus.

Performance Materials & Advanced Materials



<Market Environment>

- Fast growing market in China and Asia (autos and electronics)
- Product life getting shorter
- Growing need for EMS who can realize low cost by large-volume, process-specific manufacturing

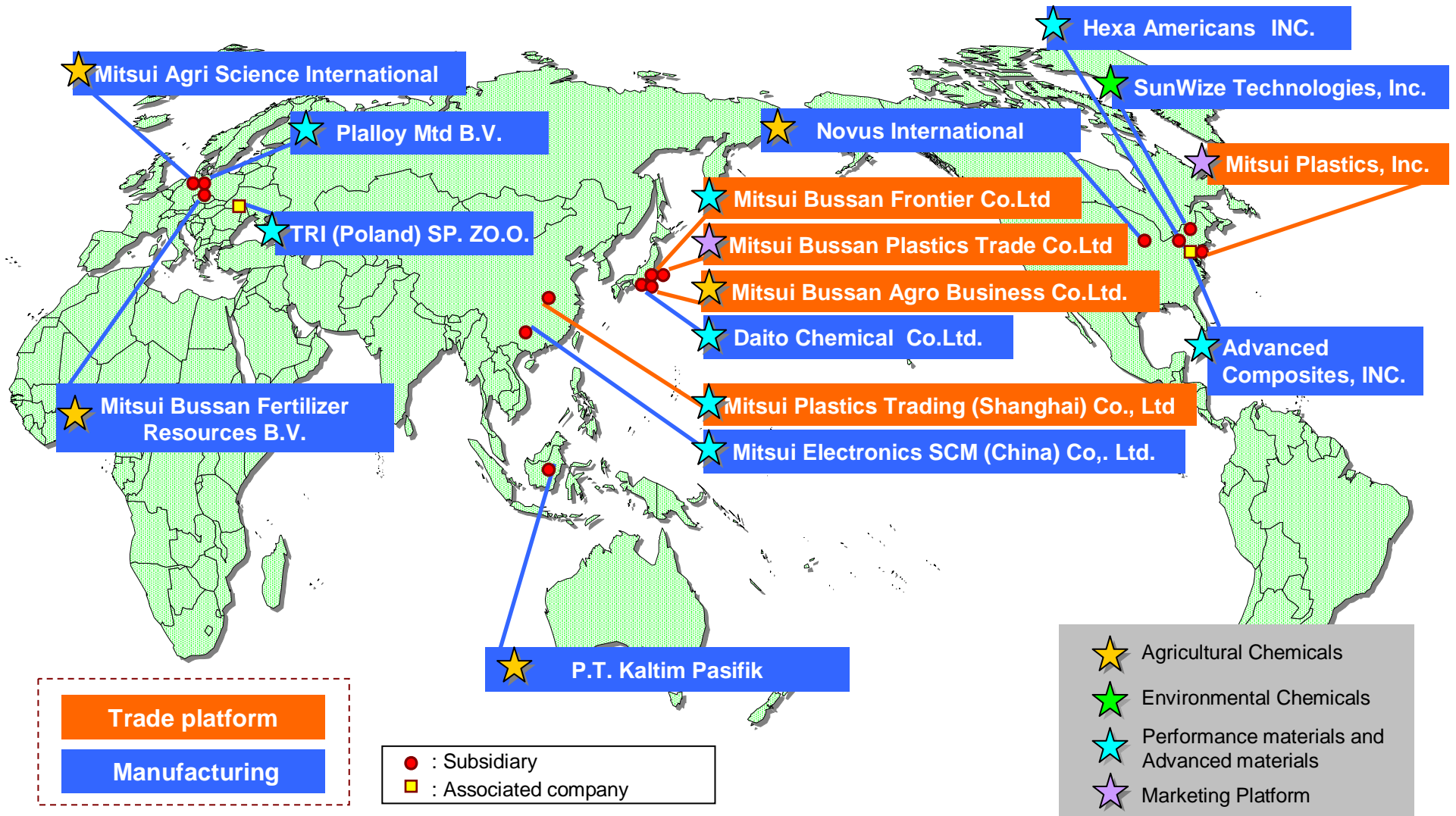
<Vision>

A total solution provider in the areas of key materials/components supporting the manufacturing industries

<Key Strategies>

With fast growing Chinese auto and electronics industries as key target market, deploy integration of existing customer assets, expertise, and subsidiary distribution networks and cope with rapid changes, to realize vision.

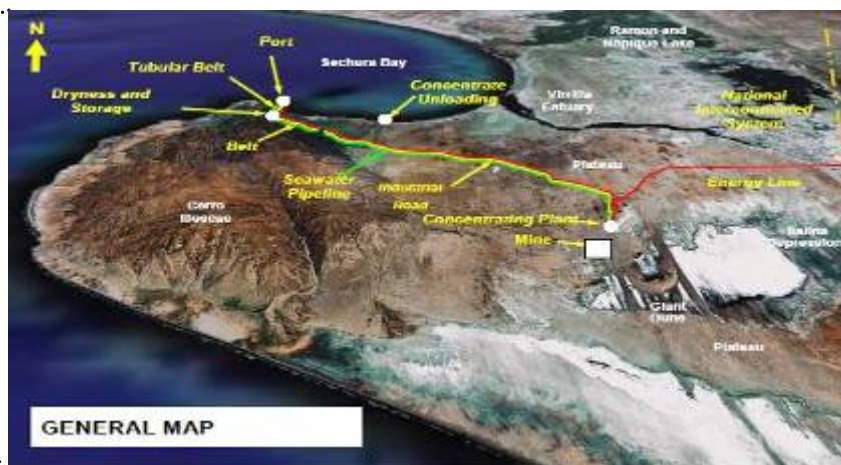
Major Subsidiaries & Associated Companies



Business Activities

(1) Mining Business of Phosphate Rock in Piura, Peru

| | |
|---------------------------------|--|
| Location | Bayóvar area of Piura Province in northwest Peru |
| Capex | US \$500 million |
| Ownership by voting right | Voting rights: Vale 51%, Mitsui 25%, Mosaic 24% |
| Ore reserves | 520 million ton |
| Start of operations | 10/Jul/2010 |
| Annual production (refined ore) | Approx. 3.9 million tonnes/year |
| PAT for yr ending Mar '11 | ▲ 0.5 billion yen |



Business Activities

(2)Novus International

| | |
|---------------------------|---|
| Location of HQ | St.Charles, MO USA |
| Plant | Chocolate Bayou,TX etc |
| Established | 1991 |
| Capital | US \$1billion |
| Ownership | Mitsui 65%、Nippon Soda 35% |
| Main Business | Manufacture and sales of feed additives |
| Number of Employees | 600 |
| PAT for yr ending Mar '11 | 8.9 billion yen |



Business Activities

(3) Kaltim Pasifik Amoniak

| | |
|---------------------------|---|
| Location of HQ | Jakarta, Indonesia |
| Location of Plant | Bontang, Kalimantan, Indonesia |
| Established | 1997 |
| Capital | US \$76 mil |
| Ownership | Mitsui 75%、Toyota Tsusho 25% |
| Main Business | Production and sales of anhydrous ammonia |
| Number of Employees | 200 |
| PAT for yr ending Mar '11 | 4.7 billion yen |



Thank You