

# Infrastructure Projects Business Unit

October 4, 2011

Mitsui & Co., Ltd.



## A Cautionary Note on Forward-Looking Statements:

This material contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui’s ability to 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

MITSUI & CO., LTD.

- Infrastructure Projects B.U. in Mitsui
- Overview
- Strategy in each operating field
- Q & A



# Agenda

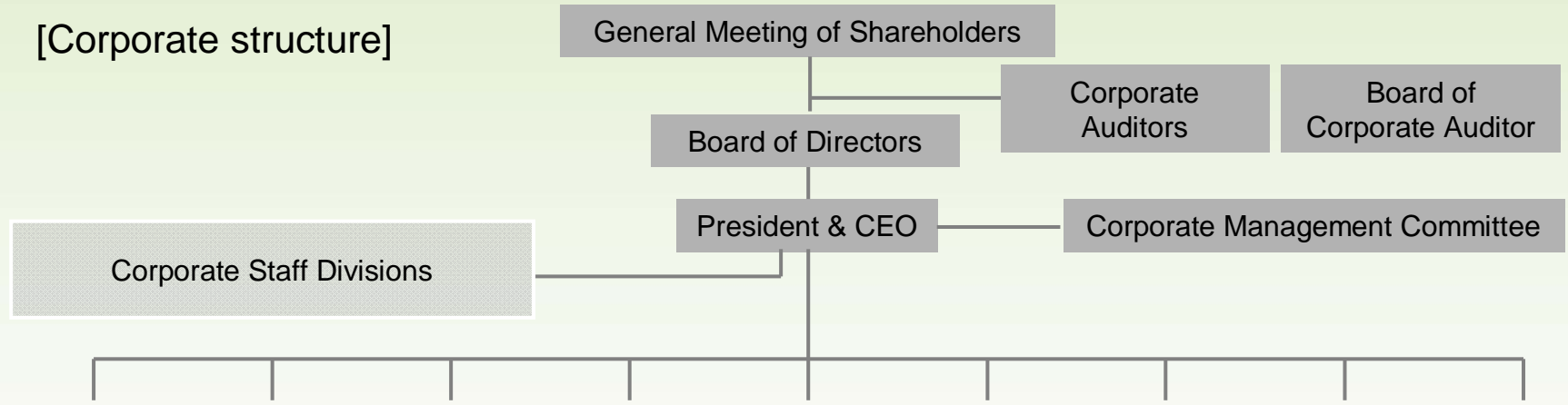
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# Infrastructure Projects B.U. in Mitsui

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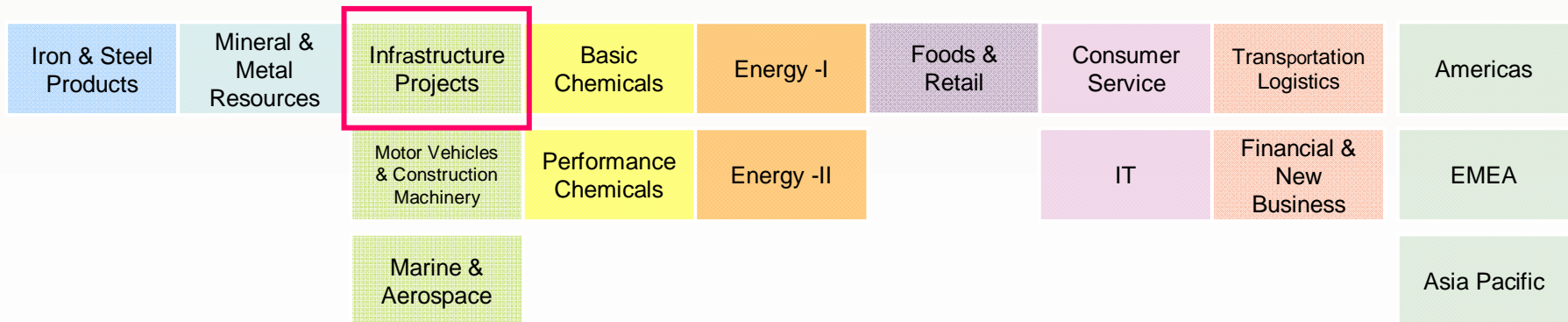
[Corporate structure]



Operating segments (11)



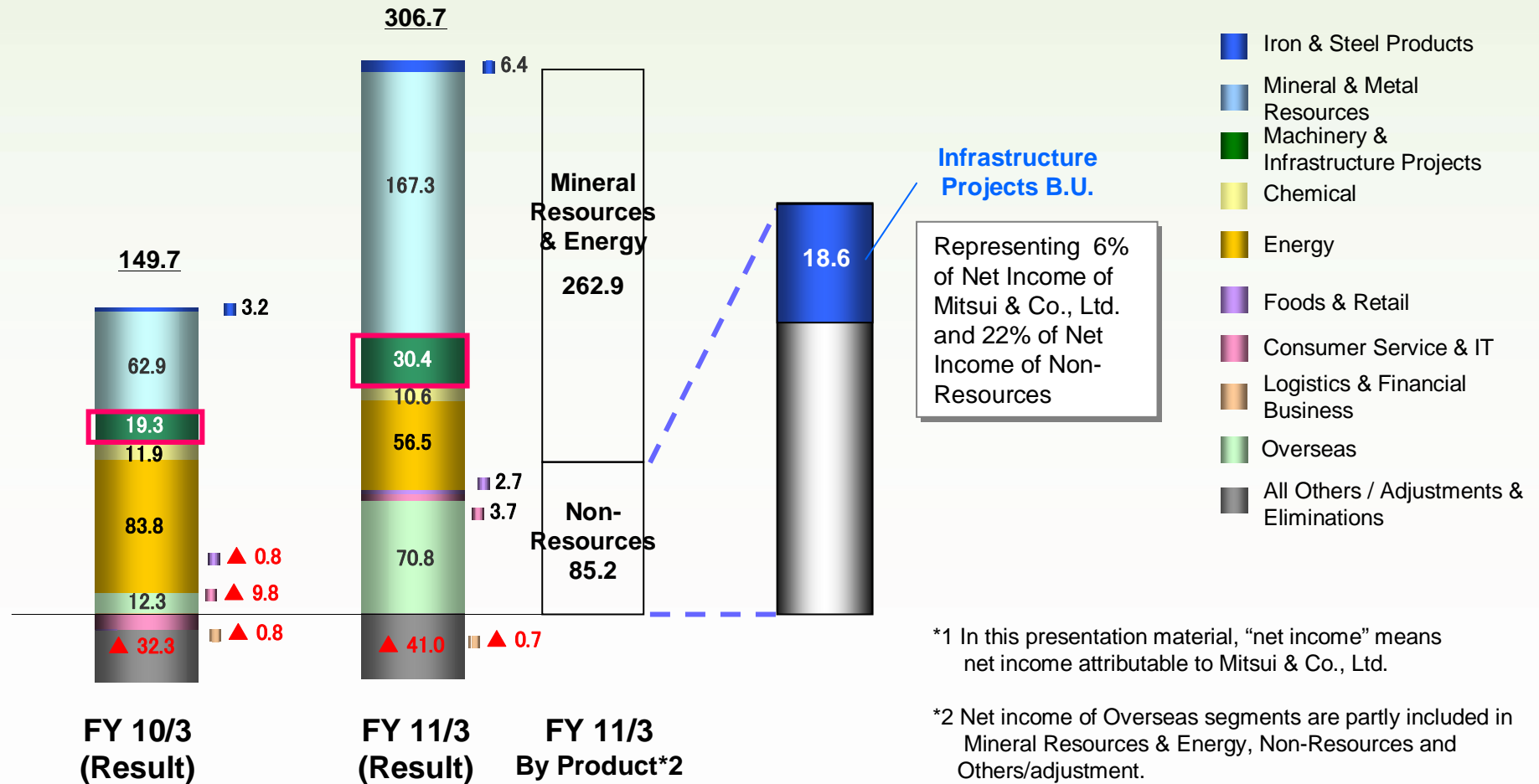
Business Units (17)





# Infrastructure Projects B.U. in Mitsui

[ Net Income by Operating segment\*1 (JPY billion) ]



\*1 In this presentation material, "net income" means net income attributable to Mitsui & Co., Ltd.

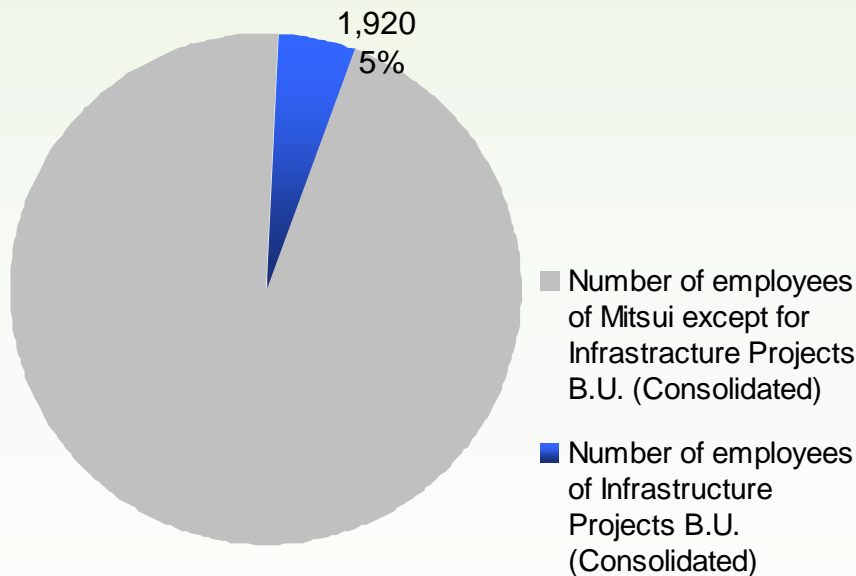
\*2 Net income of Overseas segments are partly included in Mineral Resources & Energy, Non-Resources and Others/adjustment.



# Infrastructure Projects B.U. in Mitsui

MITSUI & CO., LTD.

[Number of employees ]



## <Mitsui & Co., Ltd.>

Number of employees (Consolidated): 40,026

Number of employees (Parent Company): 6,095

## <Infrastructure Projects B.U.>

Number of employees (Consolidated): 1,920

Number of employees (Parent Company): 474



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# Business fields and activities



## <Business fields>

## <Activities>

## <Major subsidiaries and associated companies>

**Electric Power**

IPP business, EPC, providing related services

Mitsui & Co. Power & Infrastructure Development

Paiton Energy (Indonesia),  
MT Falcon, Valladolid (Mexico), Ontario (Canada), IPM Eagle, IPM UK (UK),  
Ras Laffan C (Qatar), Amman East (Jordan), Um Al Nar (UAE)

**Renewable Energy**

Development of RE projects, such as wind power, solar photovoltaic power, solar thermal power, smart city

Brazos Wind Venture (US), Zajaczkowo Wind Farm (Poland), Guzman (Spain), NS Wind power Hibiki, Green Power Ichihara (Japan)

**Energy & Basic Industries**

Development of oil & gas related infrastructure

Mitsui Gas e Energia do Brasil (Brazil),  
Manzanillo LNG terminal (Mexico)

**Transportation**

Leasing of rolling stock,  
Development of transportation infrastructure

Mitsui Rail Capital (US), Mitsui Rail Capital Europe (Holland), Mitsui Rail Capital Participações (Brazil)

**Water**

Water related business (water supply, sewerage, seawater desalination etc.)

Atlatic (Mexico), Galaxy New Spring (Singapore), Thai Tap Water (Thailand (\* owned by Asia Pacific B.U.))

Mitsui & Co. Plant Systems, Toyo Engineering, Tokyo International Air Cargo Terminal





# IPP assets portfolio

Net Capacity (Mitsui's Share): 5.2GW  
(Gross Capacity: 23GW)

As of September 30, 2011



\* Mitsui's share 49.7%  
(Original share 36.3% plus 13.4% through IPM Eagle)



# Non- IPP assets portfolio

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## Strategy of Infrastructure Projects B.U.

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“Vision”= Proactive business developer & Self-reliant business operator

- Develop new infrastructure projects principally in the emerging countries where there is large demand for infrastructure, by using our knowledge in the specific regions, financing and EPC integration capability etc. backed by our DNA “*project development*”;
- Apply our role model (IPP) to other business fields such as Energy & Basic Industries, Water and Transportation etc.;
- Enforce a management and administrative structure for further growth;
- Maintain a good quality portfolio through a cycle – development/ operation & management/ exit;
- Strive to penetrate the frontier markets and new business fields together with other Business Units

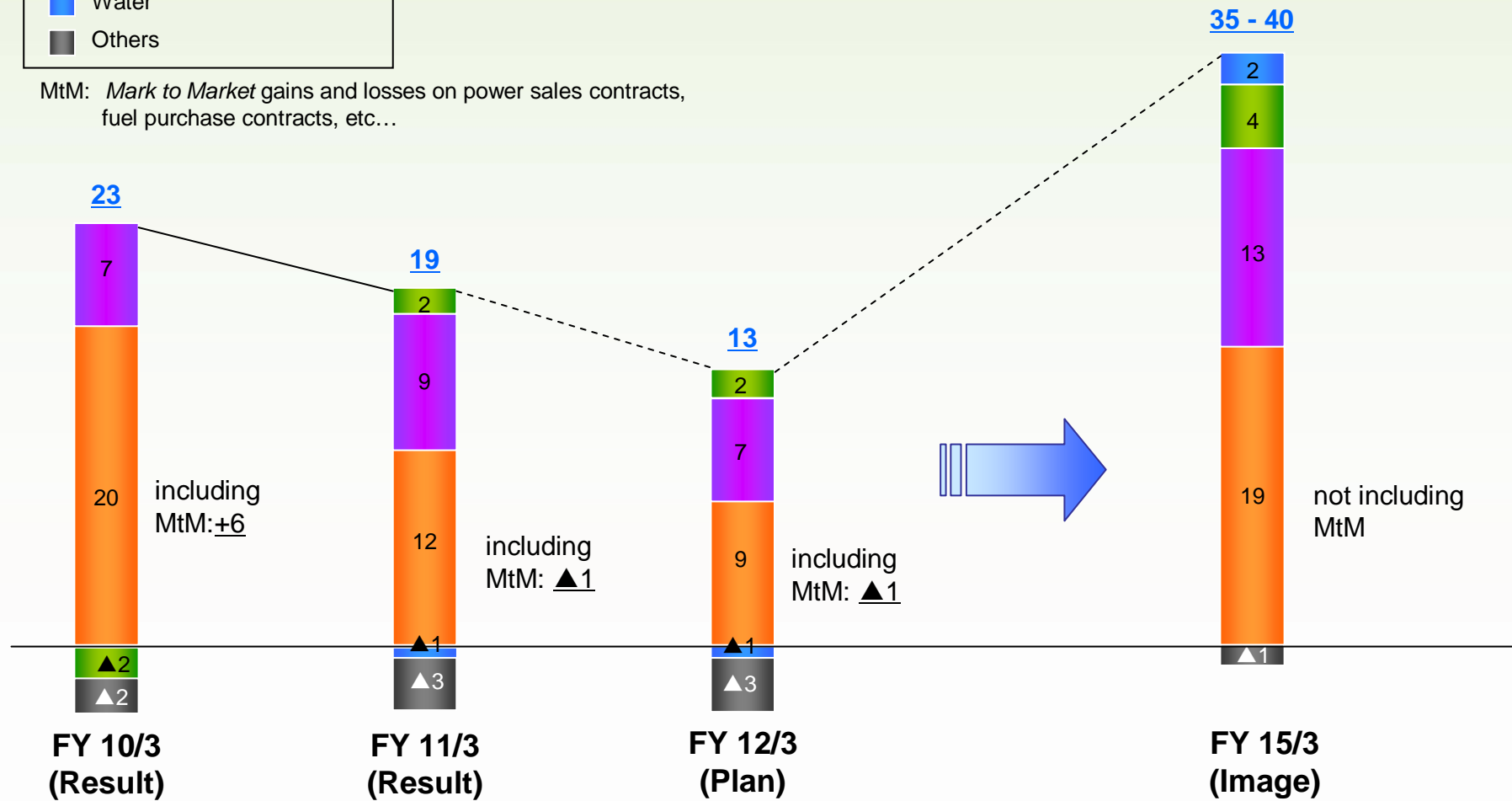


# Net income – History & Forecast

- Electric Power
- Energy & Basic Industries
- Transportation
- Water
- Others

[Unit: JPY Billion]

MtM: *Mark to Market* gains and losses on power sales contracts, fuel purchase contracts, etc...

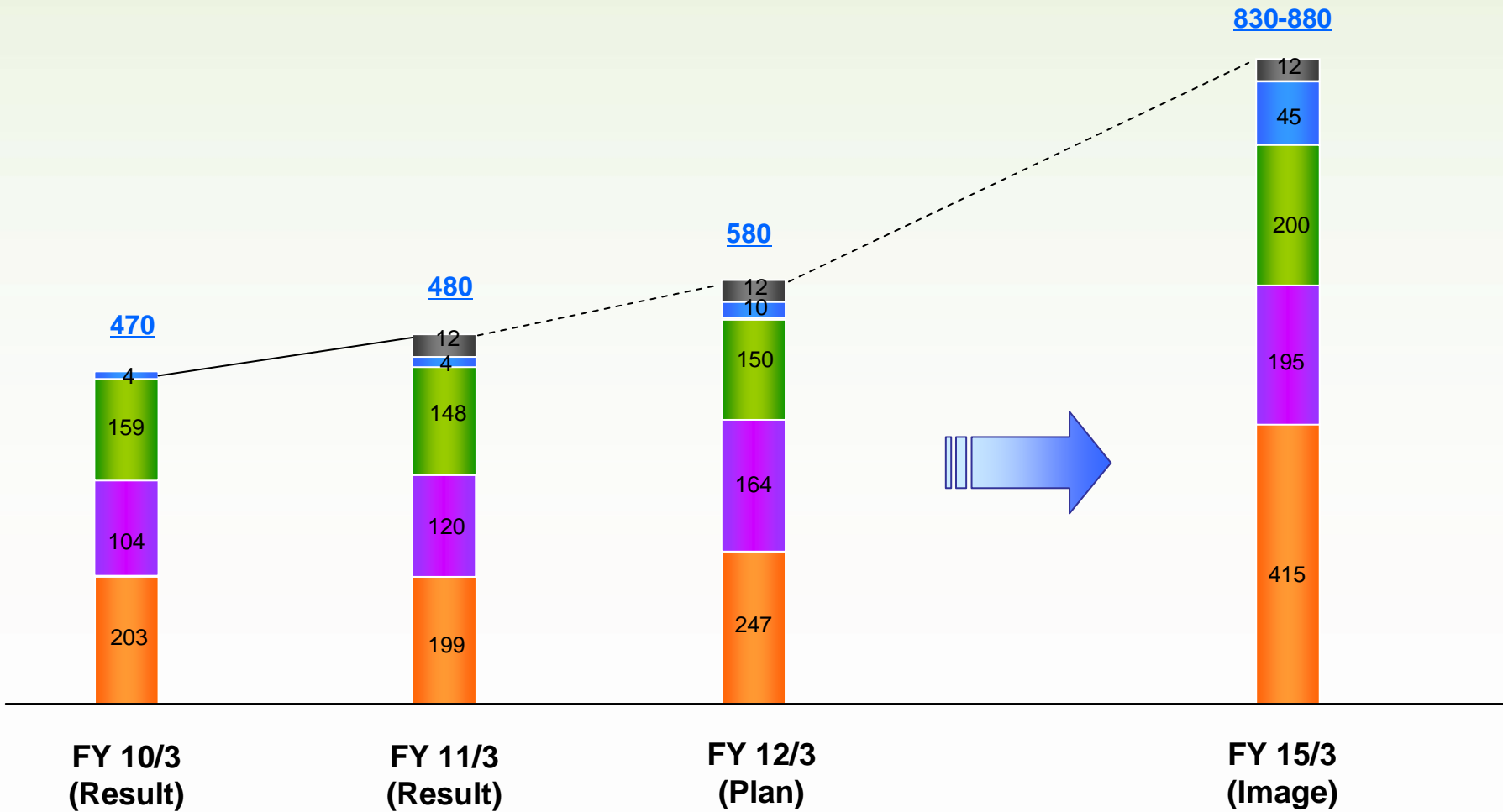




# Investment assets – History & Forecast

\* "Investment assets" means non-current assets including investments, loans, property and equipments

[Unit: JPY Billion]





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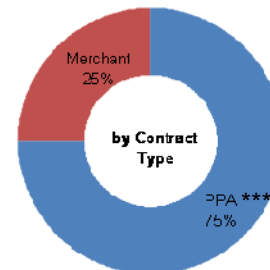
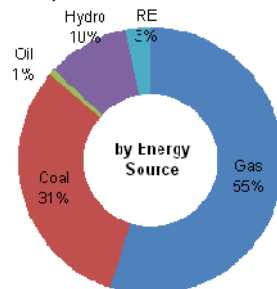
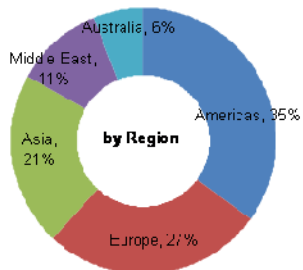
◆ Strategy

- Focus on “power generating sector”, whose market demand in the next 20 years is expected to be \$7 trillion, as our core business field;
- Expand a net generating capacity from 5.2GW to 10-12 GW in the next 5 years, and increase a proportion of Renewable Energy from 3% to around 10% in our portfolio;
- Choose an appropriate model between Operator-ship model(\*) and Partnership model(\*\*) considering area characteristics, our function, investment volume etc.;
- Concentrate our resources in Southeast Asia, North America, Middle East and Africa in a short-term, and in China and India in a middle/long term;
- Maintain well-balanced portfolio in terms of region, energy source and contract type

\* Operator-ship model: a model where Mitsui plays a leading role

\*\* Partnership model: a model where both Mitsui and partner(s) complement their function mutually

Portfolio (by Region, Energy Source, and Contract Type)



\*\*\*Power Purchase Agreement



## <Examples>

### 1.MT Falcon/ Mexico

Operation of 5 Gas-fired power plants in Mexico

- Acquisition: 2010
- Generating capacity: 2,233MW (Mitsui's capacity: 893MW)
- Equity participation:  
Mitsui: 40%, Tokyo Gas: 30%,  
Chubu Electric Power Company:20%  
Tohoku Electric Power Company:10%



### 2.Paiton/ Indonesia

Operation of 2 Coal-fired power plants in Indonesia

- Commercial operation: since 1999 (Paiton1),  
from 2012 (Paiton3 - scheduled)
- Generating capacity: 2,045MW (Mitsui's capacity:1,017MW)
- Equity participation (Ultimate ratio):  
Mitsui: 50%, International Power:31%,  
TEPCO: 14%, others:5%



### 3.IPMUK/ UK

Operation of 5 Gas-fired power plants in UK

- Acquisition: 2007
- Generating Capacity:4,978MW (Mitsui's capacity: 1,245MW)
- Equity participation:  
International Power:75%  
Mitsui:25%



### 4.Guzman Energia/ Spain

Operation of Solar power generation in Spain

- Commercial operation: from 2012 (scheduled)
- Generating capacity: 50MW (Mitsui's capacity: 15MW)
- Equity participation:  
FCC:70%, Mitsui:30%
- \*\*CO<sub>2</sub> reduction: 30,000 ton/year



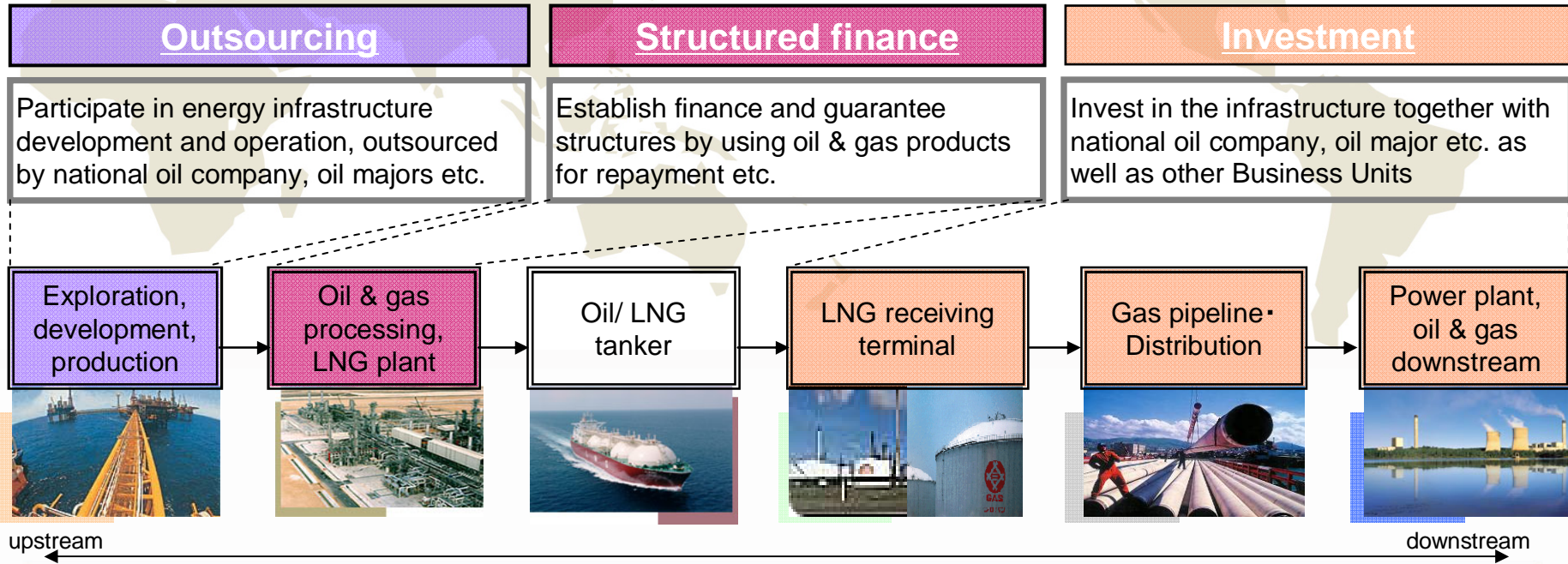




### Strategy

- Focus on Americas as strategic area and on Asia as growth zone;
- Develop new projects in the oil & gas value chain by foreseeing change in the future global energy supply & demand as well as logistics;
- Co-working with other Business Units (Energy, Chemical, Marine etc.) for the frontier markets and new business fields

#### <Business models>





## <Examples>

### Drillship/Brazil

#### Drillship service in Brazil

- **Service:**  
Provide exploration service in the deep see for *Petrobras*
- **Company:** P&M Drilling International B.V.
- **Size of the project:**  
\$ 0.75 billion



### PDVSA Finance/Venezuela

#### Arrangement of finance for PDVSA

- **Project:**  
Arrange a finance for refurbishment and upgrade of oil refinery plants of PDVSA, by using oil and related products for repayment.
- **Finance amount:**  
\$ 4.25 billion

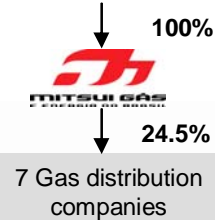


### Mitsui Gas /Brazil

#### Gas distribution in Brazil

- **Service:**  
Gas distribution in 7 states
  - **Company:** Mitsui Gas e Energia do Brasil (since 2006)
  - **Size of the project:**  
-Investment: \$ 0.25 billion (100% controlled by Mitsui)  
-Gas sales: 1 million m<sup>3</sup>/day (\*)
- (\*) It represent around 18% of total sales volume in Brazil.

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**Strategy**

- Enforce and expand the rolling stock leasing business in 3 areas, US, Europe and Brazil;
- Apply the leasing model to other growing markets such as Russia, Asia;
- Challenge the operation of railway infrastructure including cargo terminal, based on the expertise and know-how acquired in the leasing business

<Leasing business>

**Mitsui Rail Capital, LLC**



- Railway wagon leasing in US (since 1996)
- Cargo: Coal, cement, steel products, construction materials etc.
- No. of railway wagons: 8,300

**Mitsui Rail Capital Europe**



- Locomotive leasing in Europe (since 2004)
- Cargo: Container, coal, cars
- No. of locomotives: 276

**Mitsui Rail Capital Participações**



- Railway wagon rental in Brazil (since 2004)
- Cargo: Grain, soybean oil etc.
- No. of railway wagons: 6,000



### Strategy

- Pursue business opportunity in the water market, whose volume is expected be \$ 900 billion in 2025;
- Expand market share in the invested market, and develop new projects globally by using a function of Atlatec (acquired in 2008) and by strategic alliance with Hyflux, who is a partner in Chinese market;
- Penetrate new market together with local partner(s), like the case of TTW;
- Increase Mitsui's *water service population* from 7.3 million to 10 million in 2015

<3 principal examples>

#### Thai Tap Water(TTW) /Thai

- Company : Thai Tap Water
- Commercial operation : since 2004
- Project scheme: BOO(30years)
- Equity participation:
  - Ch. Kamchang: 35%
  - Mitsui (AP B.U.): 26%
  - Others: 39%
- Business activities:
  - Supply of clean water to PWA (Water authority) for 30 years



#### Atlatec/Mexico

- Company : Atlatec
- Acquisition July, 2008
- Equity participation:
  - Mitsui: 85%,
  - Toyo Engineering: 15%
- Business activities:
  - Engineering of industry water treatment, sewage disposal etc.
  - Development, design, construction, operation of water treatment facility, and investment



#### Galaxy/ China

- Company : Galaxy NewSpring
- Established in August, 2010
- Equity participation:
  - Mitsui: 50%
  - Hyflux: 50%
- Business activities:
  - Development, operation, management of water business in china, and investment





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