# Business Activities and Corporate Social Responsibility

## Business Activities and Corporate Social Responsibility

There are a variety of issues in the world in which we live. We believe that solving these issues through our business activities is our social responsibility. Through interactions with our stakeholders, we identified various CSR-related issues and defined five material issues for our company in the fiscal year ended March 2015.

The following are examples of Mitsui's business activities leading to solving the said material issues, which were carried out in the seven "Key Strategic Domains" as established in the New Medium-term Management Plan "Challenge & Innovation for 2020 -Demonstrating Mitsui Premium-".

#### TOPIC1 **Key Strategic Domains: Infrastructure**





Contributing to the stable supply of energy on five continents

New "renewable energy & storage cell" scheme



Hydroelectric power generation that consider environmental conservation in Brazil



Contributing to improvements to the local infrastructure and job creation



Working together with indigenous people



Training personnel to take on the responsibility of doing business in various communities

#### TOPIC2 **Key Strategic Domains: Mobility**





Supporting the stable supply of automotive steel around the world

Initiatives with Gestamp in the Americas



Hot stamping: Exciting new technology Contributing to the spread of wind power generation



Promoting local employment at new business centers



Utilizing personnel training in relations with International corporations

#### TOPIC3 Key Strategic Domains: Lifestyle Products and Value-added Services



Creating new appeals for the aquarium through bonds with the local community



Toward a sustainable aquarium business

Using the region's past experiences to create the future



Functioning as a center for the conservation of biodiversity



Accepting 1,500 disaster evacuees



Utilizing this experience in the operation of other public facilities



**Toward the Creation of a Low Carbon Society** 

Throughout the world, the energy supply environment is undergoing major changes. As electrical power consumption around the world increases due to increasing populations and the economic development of emerging nations, we are working to make the use of renewable energy, which has less of an impact on the environment, more widespread and putting more of our energy into working to create a low carbon infrastructure. However, in comparison to the existing energy supply system, forms of energy such as wind power and solar power, which depend upon the climate and other factors in the natural environment, still have problems related to their stability, efficiency and economy. Currently, there are many examples in which the development of these forms of energy are overly dependent upon national and local government policies and subsidies. In order to increase the percentage of energy consumption that comes from renewable energy sources in the future and in order to overcome their current disadvantages, we need to establish the business sustainability in these fields. From this perspective, Mitsui continues to meet challenges in the fields of hydroelectric power and renewable energy in order to contribute to the energy self-sufficiency and stable energy supply based on the nation and local communities.



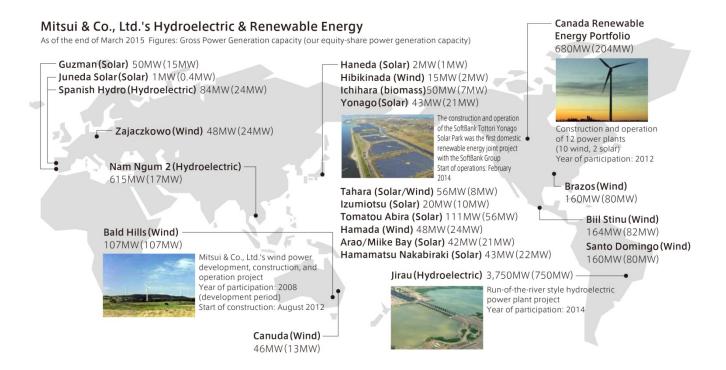
## Stable supply of resources & materials

## Contributing to the stable supply of energy on five continents

As an independent power producer (IPP), Mitsui conducts business on five continents, developing its power generation business in conformance with local characteristics and the needs of customers. As of the end of December 2014, our gross power generation capacity was 38 GW (our equity-share power generation capacity: 9.6 GW). Hydroelectric power and other forms of renewable energy account for approximately 21% of this total. In 2004, we initiated participation in the wind power business in the United States and Germany and the hydroelectric power business in Spain, and accelerated the development of those businesses following the introduction of FIT (feed-in tariffs) in Europe.

Examples of our company-directed projects include the wind power generation business in Victoria, Australia, where we supply electricity, of which power generation capacity is 107 MW (equivalent of approximately 62,000 average households), to communities in the state of Victoria. We are playing a major role in the Australian federal government's policy objective calling for 20% of all energy consumption to be supplied by clean energy by 2020. As part of our partnership initiatives, we are planning on investing in the renewable energy generation businesses in Canada, Mexico, and Brazil that are being developed and operated by ENGIE (ex-GDF SUEZ), EDF Energies Nouvelles and others.

In Japan, we are not only participating in the large-scale solar and wind power business, but also engaged in the spread and development of renewable energy in Japan through our unique perspective and know-how to, for example, develop solar power by diverting business income derived from revenue from sales of electric power into funds that are distributed to investors.



### New "renewable energy & storage cell" scheme

The worldwide demand for renewable energy is increasing, but before substantive increases in the use of such energy sources can occur, several hurdles will have to be overcome.

One of these is competitive costs. Compared to fossil fuels such as coal, petroleum, and natural gas — fuels that have been our main sources of power for many years — the cost of generating renewable energy is still high, and mainly in developed countries their use is supported by feed-in tariff schemes. In addition, it is still difficult to control the power generation capacity of wind and solar power at times of peak demand because these forms of power are affected by weather conditions.

In order to overcome these problems that are particular to the renewable energy business, Mitsui invested in Stem, Inc., a US company which provides an energy management service utilizing storage cells. If the power generated by both wind and solar power during optimal periods can be stored, then a stable electricity can be Stem

Energy management services by Stem, Inc.

supplied in accordance with demand. Stem, Inc. specializes in a next-generation energy management service that combines the use of storage cells with highly-advanced ICT. This service operates as a demand-response service\* that reduces the burden on the electric supply system and is designed to reduce customer's power costs. Mitsui is developing this service in regions around the world, especially in Asia that have a vigorous demand for energy. We are at the same time focused on turning this next-generation energy management service into a next-generation electric power business model to operate like a single virtual power plant that stores all the electric power generated by several wind and solar power facilities in storage cells.

\*Demand-response service: A system which balances electric power supply and demand by reducing power demand based on instructions from the electricity grid, instead of increasing power suppy when power supply and demand is tight.

### Hydroelectric power generation that consider environmental conservation in Brazil

Hydroelectric power generation produces very little greenhouse gas emission and is a form of renewable energy. However, when constructing large-scale facilities in natural environments, it is necessary to be fully aware of the effect on the surrounding environment.

The Jirau Hydroelectric Power Plant, which is under construction in the Madeira River in northern Brazil, adopts a "run-of-the-river" type of hydropower, making use of the natural river flow for power generation. In comparison to conventional dam-type hydroelectric power plants, it requires less reservoirs. In addition the facility is constructed and operated along with relocation of existing vegetaion and establishing fish transportation system, contributing to the conservation of fish species to help preserve the surrounding biodiversity.

Hydroelectric power generation is a main power source



Jirau Hydroelectric Power Plant

in Brazil that accounts for approximately 90% of all power generation in the country. Mitsui will utilize its participation in this project to continually supply electricity over the long term to approximately 10 million residents in big cities such as Sao Paulo and Rio de Janeiro.



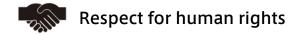
### Enhancement of local industrial bases & quality of life

## Contributing to improvements to the local infrastructure and job creation

Brazil's Jirau Hydroelectric Power Plant is a large-scale project with a total construction cost of approximately 800 billion yen, of which approximately 60 billion yen was used for ecosystem conservation activities, including conservation of the surrounding ecosystems, as well as programs that contribute to the local communities. Specifically, those activities included surveying the impact on rare plants and animals in the area, relocating region's cultural heritage items, establishing public health centers, anti-malaria measures, community development for displaced people, and the construction of homes, schools, hospitals, and other facilities. In these ways, the money was used for environmental concerns and to create an infrastructure for the local residents.



New hospital facilities constructed in local communities



## Working together with indigenous peoples

The wind power plant in Mexico was constructed and is being operated on land leased from the indigenous peoples. In entering into the lease in accordance with appropriate legal procedures, potential impacts on the living environment of the local people were duly considered. Furthermore, through this business, the local indigenous peoples are provided with opportunities for fair and equal employment.



## Corporate governance & human resource development

### Training personnel to take on the responsibility of doing business in various communities

Mitsui is creating new jobs throughout the world via its electric power business. We hire a large number of local people and, along with transferring technologies, provide trainings to personnel who will be in charge of the future of the electric power business.

Businesses run by Mitsui are in full compliance with and uphold the same standards that are used throughout the world. Joint enterprises improve compliance through coordination with cooperating companies.



Society's Expectations

Facilitating an Environmentally-Friendly Mobile Society Around the World

Mitsui's Ability to Accomplish This Goal

Mitsui is constantly taking on the challenges of technological innovations to meet the demands of the age by making improvements in the automobile value chain.

## **Toward Greater Business Value in the Automobile Value Chain**

The production volume of automobiles is increasing as they become more widespread in emerging countries. The total number of automobiles produced throughout the world in 2014 reached 89.5 million units.\* This growth is projected to be maintained in the future, and it is expected that by 2020 the number of units produced will exceed 100 million.

A great amount of steel is used in the construction of automobiles because it is inexpensive and easy to work with. However, throughout the history of automobile manufacture, the industry has taken on the challenges of technological innovations to reduce the vehicle weight and to ensure a high degree of safety, which will in turn improve mileage and running performance. In particular, there has recently been increasing demand for automobiles that consume less fuel in order to reduce exhaust emissions, which requires that the steel used in automobiles be made both stronger and lighter.

And as the worldwide market expands, production plants are increasingly being established in the regions where the automobiles are sold. As a result, the materials and parts supply chain is becoming more diversified. As the environment of the automobile industry undergoes these major changes, Mitsui is improving the existing automobile value chain from steel and other material procurement to processing, product assembly, sales, transport, sales financing, and car-sharing—all supporting our ability to supply society with the automobiles it requires.

\*Statistics from the International Organization of Motor Vehicle Manufactures (OICA)



### Stable supply of resources & materials

## Supporting the stable supply of automotive steel around the world

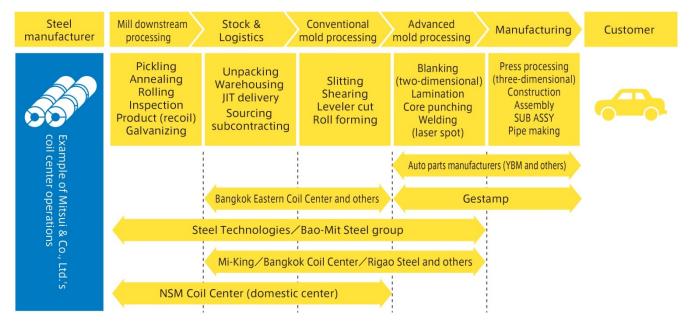
Mitsui works in the steel market, which is upstream in the automobile value chain, in cooperation with major Japanese steel manufactures such as Nippon Steel & Sumitomo Metal Corporation and JFE Steel Corporation as well as major steel manufacturers in Asia, including Baosteel Group Corporation in China, to ensure a stable supply of steel throughout the world.

Service centers (coil centers) that perform required processing before the steel enters automobile and automobile parts manufacturers' plants play a major role in the steel distribution process. These service centers cut and process steel sheets from coil roll like a giant toilet-paper in accordance with the automobile manufacturers' needs. Since steel manufacturers create production plans two months in advance while automobile manufacturers adjust their plans every month, the service centers fulfill a stock management role that compensates for this scheduling delay. Mitsui first entered the service center business about 50 years ago. In 1987 it established the merged company with Steel Technologies LLC in U.S. We currently own 50% of Steel Technologies LLC's stock, and manage its business affairs. With a total of 24 centers in the U.S., Canada, and Mexico, the company not only performs conventional steel processing, it also is engaged in pickling (acid cleaning of steel), cold-finished hoops, and other high added value

processing lines. This competitiveness augments Mitsui's advantages and leads to the improvement of the services we offer in the North America.

In order to respond to the expanding production in emerging nations, we are developing the service center business in various regions in the world, including India, Russia, and Central and South America, supporting the stable supply of steel as a whole.

Mitsui & Co., Ltd.'s Automotive Steel Materials Value Chain



### Initiatives with Gestamp in the Americas

In 2013 we made further improvements to the automotive steel value chain in the Americas. This took the form of investments in the Americas business group of Gestamp Automoción, S.A. (hereafter, Gestamp), a major global automotive pressed parts manufacturer based in Spain.

The Gestamp Group has 22 plants in four countries (the U.S., Mexico, Brazil, and Argentina), producing important pressed parts, including bodies and chassis, mainly for European manufacturers. From the perspective of efficiency, high functionality, and high quality, automobile manufacturers assemble accurately pressed parts into a number of components before final assembly. Thus, parts manufacturers like Gestamp that have a high degree of technical skill have been playing an increasingly important role in recent years.

### Hot stamping: Exciting new technology

In recent years, higher levels of automobile environmental performance and safety are required. As ultra-high tensile strength steel sheets and other materials that far exceed the limits of conventional high performance steel sheets have come into demand, a new technology known as "hot stamping" (hot press molding) has gained increasing amounts of attention. By pressing steel sheets that have been heated to high temperatures and then immediately cooling them, thinner sheets can be made harder. A level of strength previously impossible even with ultra-high tensile strength steel has been achieved with this technology. Gestamp is highly skilled in the use of this hot stamping technology.

Hot stamping is a technology that is being increasingly used mainly by European manufacturers. Since productivity remains an issue, though, it is still important



The Gestamp Group has 22 plants in four countries

to effectively and appropriately use both hot stamping and conventional ultra-high tensile strength steel. Gestamp is engaged in the research and development of optimal designs of automotive body frames for automobile manufacturers. Mitsui has added Gestamp's unique and highly-advanced technological skill to the extensive automotive steel sheet value chain it has created in order to improve automobiles' environmental performance and safety.

## Contributing to the spread of wind power generation

Investing in Gestamp's Americas business group provided an opportunity for Mitsui and Gestamp to expand their involvement in the field of renewable energy.

In March 2015, we invested in a holding company that owns shares in the Spanish GRI Renewable Industries Group (hereafter, GRI), world's largest manufacturer of wind power generation tower and flanges (connecting parts for the towers), affiliated with the Gonvarri Steel Industries company of the Gestamp Group. GRI has 10 manufacturing centers in 6 countries around the world. It is a major company that has a system to supply towers and flanges of equal quality to countries around the world.

Our indirect investment in GRI provided an opportunity for Mitsui to promote the expansion of wind power, a form of renewable energy, in its steel sheet value chain.



## Enhancement of local industrial bases & quality of life

### Promoting local employment at new business centers

Each time the automobile industry expands its range and opens an auto plant in a new area, new employment opportunities are created in related industries such as the parts manufacturing industry and the service center industry. The Mitsui steel sheet value chain opens new manufacturing and business centers around the world every year, which leads to increased employment opportunities in the surrounding areas and contributes to the economic development of the local communities.



Employees of Gestamp



## Corporate governance & human resource development

### Utilizing personnel training in relationships with international corporations

Enhanced partnerships with major global automotive corporations such as Gestamp brings new opportunities for Mitsui's personnel training. Employees at Gestamp, a major global player in the automotive parts and wind power generation device industries, have outstanding knowledge and experience. In order to utilize their knowledge and experience in the training of our own personnel who will be responsible for the company in the future, Mitsui is actively involved in personnel exchanges with Gestamp.

This began in 2015 when we started personnel exchanges with Gestamp through our own long-established Global Management Academy (GMA, next-generation executive training course) and our employees' participation in Gestamp-sponsored programs at major Spanish universities.



A new tourism resource in the Tohoku region!

Through our aquarium project, which is designed to create new bonds between people and their community and industry, we are contributing to the revitalization of the local economy.

## **Creating a New Tourism Center in Tohoku**

Since Japan is surrounded by the sea, the people have an intense interest in marine life. A variety of aquariums are located throughout Japan as popular tourist spots.

With the aim of creating a new tourism resource in the Tohoku region, Mitsui has established the Sendai Aquarium Development Co., Ltd. in cooperation with Yokohama Hakkeijima Inc, a company with a wealth of experience in aquarium management, and leading local companies. In partnership with these private companies, Mitsui is committed to playing an important role in the development of SENDAI UMINO-MORI AQUARIUM, which is one of the largest aquariums in Tohoku. This project was a private funded business proposal to Sendai City that had been looking for a business plan that draws visitors, which would in turn energize the local tourism business. Local governments and residents have great expectations on Mitsui's financial ability and its organizational capability.



### Enhancement Local Industrial bases & quality of life

## Creating new appeals for the aquarium through bonds with the local community

The SENDAI UMINO-MORI AQUARIUM project is characterized by the fact that it is utilizing the close bonds of the local people to infuse the facility with a multitude of attractive qualities.

For example, the aguarium have an exhibition of approximately 50 species, totaling approximately 25,000 of sea lives, in an enormous water tank designed to represent the abundant seas of Sanriku, one of the three largest fishing grounds in the world. Some species are from the local fishing cooperatives in Miyagi Prefecture. Aquarium visitors are provided with information on this kind of cooperation with local communities.

Other unique distinctive features include exhibitions and workshops designed to help visitors learn about jobs in and the role of the marine products industry. These elements that help visitors learn about the industry provides them with opportunities to think about the relationship between our daily lives and the sea.



Enormous water tank designed to represent the abundant seas of Sanriku

The food court and shop—areas of the facility that increase visitors' enjoyment—are operated by Aim Services Co.,Ltd, which is part of the Mitsui Group. This company, which provides food services to company cafeterias, schools, hospitals, and welfare facilities, is in charge of food services at the Hiroshima Municipal Baseball Stadium (Mazda Zoom-Zoom Stadium Hiroshima), where it cooperates with local businesses to provide new food enjoyment based on the concept of "local production for local consumption."

Aim Services has advanced these initiatives in this project. Together with local companies, they have developed an original menu utilizing Sanriku marine products in order to communicate the charm of the local area through food. Original goods, such as traditional crafts from the Tohoku region, are in the museum shop as a way to communicate the culture and charm of Tohoku in a variety of ways.

We intend to contribute to the revitalization of the local community by creating new links between people, the sea, and industry through the operation of the aquarium together with the local community.

## Toward a sustainable aquarium business

In order to ensure the stable operation of the SENDAI UMINO-MORI AQUARIUM and establish it as a center for local tourism, education, and research, Mitsui is taking full advantage the business management know-how it has accumulated over the years in a variety of fields.

For example, by recruiting a wide variety of companies to co-sponsor the aquarium, we were able to develop a sponsorship program with a variety of selective privileges, such as offering the right to name the various zones of the aquarium and install nameplates, the right to use trademarks, and a plan for reserving the aquarium space after closing time. Mitsui & Co. Facilities, Ltd. has carried out same kinds of initiatives for the Hiroshima Toyo Carp professional baseball team and achieved good results.

The SENDAI UMINO-MORI AQUARIUM is located near Sendai Airport, where Sendai City has developed as a new tourist and industrial site. The neighborhood area consists of large-scale industrial facilities, including Tohoku's largest trade fairs and outlet parks. Mitsui is planning to not only increase the appeal of the aquarium itself, but is also to link up with nearby facilities to utilize the synergy created by the aquarium to improve the entire region's ability to attract customers.

## Using the region's past experiences to create the future

Miyagi Prefecture was home to beloved Marinepia Matsushima Aquarium, the second oldest aquarium in Japan. But the aquarium closed in May 2015. Yokohama Hakkeijima, in charge of operating SENDAI UMINO-MORI AQUARIUM, has taken on many of the staff and the creatures from Marinepia, which means they have at the same time taken on the irreplaceable knowledge and experience accumulated over many years at Marinepia.

In addition, since importance has been placed on the facility as an education center, educational programs and off-site programs aimed at children in kindergarten and primary school are under development. The aquarium also plans to hold events for the elderly, including senior citizen home residents, and to establish the aquarium as a lifelong learning facility in the community.

In these ways we are working to promote activities and educational programs designed to conserve and revitalize the natural environment and promote biodiversity.

### Functioning as a center for the conservation of biodiversity

Even as awareness of the need to conserve biodiversity has increased, 28 species of fish and 8 species of amphibians in Miyagi Prefecture have been listed as the endangered species. One of the roles of an aquarium is to preserve these endangered creatures. The SENDAI UMINO-MORI AQUARIUM has set up the Umino-Mori Laboratory, whose job is to breed rare creatures such as *Pseudorasbora pumila pumila*, *Acheilognathus typus*, and Tohoku salamander. As a part of our industry-academia collaboration, we are also engaged in research projects of the ecology of rare creatures with Tohoku University.

As one of the facility's environmental countermeasures, "Inochi Kirameku Umi" (Life Shining Sea) large tank is designed to use natural lighting as a way to reduce the cost of electric lighting.

Mitsui & Co. Facilities, Ltd. has a long history of employing a variety of energy-saving proposals in the operation and



UMINO-MORI Laboratory, where rare animals of the Tohoku region are bred

maintenance of the facilities. It has plans for the efficient use of energy in SENDAI UMINO-MORI AQUARIUM based on its years of experience in the fine and flexible control of air conditioning and lighting in accordance with weather and climatic conditions.

In addition, in consideration of the effect on the staff and the creatures on exhibit, we have in place an environmentally-friendly operation and maintenance system that includes limiting the use of cleansers that contain chemical substances to a minimum.



### Respect for human rights

### Accepting 1,500 disaster evacuees

SENDAI UMINO-MORI AQUARIUM has been designed in full consideration of "human safety." The building was naturally designed and constructed in accordance with the earthquake-resistance regulations stipulated in the Building Standards Act, as well as designed to function as an evacuation center in the event of a tsunami.

Takasago Chuo Park, where the aquarium is located, was the first large-scale public park constructed by Sendai City after the Great East Japan Earthquake in 2011. As such particular attention was paid to its role in disaster countermeasures. Because the park itself is within the potential tsunami-flood area, some public comments were raised by citizens worried about safety during times of disaster. As a result, the SENDAI UMINO-MORI



It is also used as a tsunami evacuation facility

AQUARIUM was designed to function as a temporary evacuation center. The second floor and the roof can accommodate 750 people each for a total of 1,500 evacuees. The facility also has a storage for food, water, and blankets for an equal number of people. It is also equipped with an emergency electric power generation system that can supply electricity for 72 hours, as well as emergency telecommunications equipment.



### Corporate governance & human resource development

### Utilizing this experience in the operation of other public facilities

In conjunction with its entrance into the aquarium business, Aim Services employed approximately 60 new employees mainly from the local community. In recent years, the food and beverage industry has been experiencing increasing difficulty in finding and hiring personnel. During the recruitment process for these jobs, however, an unexpectedly high number of applicants responded, which underscores the extent of the expectations placed upon the aquarium and the enthusiasm people have for being involved with building Tohoku's future. These attitudes are present within our company as well. One of the chefs from Miyagi Prefecture requested a transfer to the aquarium to work on creating an original menu.

Aim Services and Mitsui & Co. Facilities, Ltd. are using their experience working with Mazda Zoom-Zoom Stadium Hiroshima and the Hiroshima Toyo Carp professional baseball team to improve SENDAI UMINO-MORI AQUARIUM and will continue to use it in their operation and management of other public facilities in the future.



The original menu at SENDAI UMINO-MORI AQUARIUM (right)

## Tasks and Accomplishments

Mitsui believes that its roles are to meet the expectations of and respond to the trust of its stakeholders by creating new value through its business activities.

In order to fulfill these roles, we have identified, from among various social issues, "five material issues" in the CSR field to tackle.

## **Seven Key Strategic Domains**

The following are the results of initiatives for the "five material issues" for the fiscal year ended March 2015 that were implemented in each of the seven Key Strategic Domains, established in the New Medium-term Management Plan "Challenge & Innovation for 2020 - Demonstrating Mitsui Premium", whereby we can exercise Mitsui's strengths.

## **Hydrocarbon Chain**

Energy upstream to downstream and development of related businesses

- Upstream oil and gas projects, commercialization (LNG, chemicals manufacturing, power generation)
- Transportation and related businesses (ships, steel products, infrastructure development)



		Fiv	ve Ma	Material Issues				
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development		
Securing and Ensuring a Stable Supply of Energy Resources	<ul> <li>Expansion of a diverse and stable supply of energy sources such as crude oil, petroleum products, and LNG around the world.         (Equity-share production for upstream oil and gas assets: 243,000 barrels/day → 254,000 barrels/day)         • Development and launch of LNG projects (Mozambique LNG Project, US Cameron LNG Project, Australia Browse LNG Project)         • Promotion of E&amp;P business via affiliated companies</li> </ul>							
Initiatives to Reduce the Load on the Environment	<ul> <li>Green chemicals initiatives utilizing biomass resources</li> <li>Palm oil-derived oleo chemicals manufacturing project (Malaysia)</li> <li>Corn-derived glucose based biochemical products project (Canada)</li> <li>Sugarcane based biochemical products project (Brazil)</li> <li>Initiatives to achieve a low carbon society</li> <li>Investment &amp; participation in wood biomass power generation plant (Tomakomai, Hokkaido, Japan)</li> <li>Surface surveys &amp; excavations for the promotion of the geothermal power generation projects by Mitsui Oil Exploration (in Hokkaido/Tohoku region, Japan)</li> <li>Completion of the world's first integrated oxyfuel combustion and CO<sub>2</sub> capture demonstration in a coal fired power station in Australia for near zero emissions of CO<sub>2</sub></li> <li>Investment &amp; participation in fuel and chemical products</li> </ul>							

	development business utilizing microbial fermentation (U.S.)  • Construction & operation of a waste gas recycling plant for Qatar LNG project			
Contributions to Local Communities	<ul> <li>Co-sponsorship of educational programs for local university students through the Abu Dhabi Petroleum &amp; Gas International Conference</li> <li>Scholarships for study abroad programs in Japan for faculty members of the Universidade Lurio (Mozambique)</li> <li>Scholarship programs for four major universities in Thailand, and co-sponsorship of a variety of local events through Mitsui Oil Exploration</li> </ul>			

## Mineral Resources (Underground & Urban) and Materials

Mineral mining to material processing, building a recycling-oriented society

- Development and production of mineral resources, processing, distribution and recycling of products
- With focus on technical advancement, development of steel and chemical materials businesses



		Fi	ve Ma	iteria	l Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Development and Stable Supply of Resources	<ul> <li>Continuation of iron ore project development, and securing of stable supply of iron ore (separate J/Vs with Rio Tinto and BHP Billiton in Australia and alliance with Vale in Brazil)         (Iron ore business, equity-share production: 51 million tons → 55 million tons)</li> <li>Joint development of Moatize coal mine project with Vale (Mozambique)</li> <li>Continuation of copper project development, and securing of stable supply of copper (Chile)</li> </ul>					
Initiatives to Reduce the Load on the Environment	<ul> <li>Securement of stable supply of metal materials for rechargeable batteries and magnets used in eco cars as well as hard metal tools for automotive manufacturing (cobalt, lithium, tungsten)</li> <li>Agreement on a joint manufacturing project for remanufacturing auto parts introducing Japanese technology in partnership with Honest (Japan) and GEM (a major Chinese recycling firm)</li> </ul>					
Contributions to Local Communities	<ul> <li>Continuation of exchange training program with Vale (Brazil) that started in 2003. The cumulative number of participants over 23 programs to and from Brazil has reached 271</li> <li>Continuation of exchange training program with Baosteel Resources, a subsidiary of Baosteel (a major Chinese steel mill), that started in 2012; in FY 2014 Mitsui received 2 trainees from China and dispatched 4 to China</li> <li>Implementation of science educational program at primary schools attended by the children of workers in iron ore mines (Mitsui Iron Ore Development Pty. Ltd.)</li> <li>Implementation of scholarship programs and Japanese language education for the local community and workers in coal mines (Mitsui Coal Holdings)</li> </ul>					

## **Food and Agriculture**

Provide solutions for increasing and stabilizing food supply

- Food resources, food materials, agriculture
- Agricultural chemicals, food and nutrition chemicals



		Fiv	ve Ma	iterial	Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Stable Food Supply	<ul> <li>Diversification of stable food supply sources and handling volume expansion         (Grain production and grain origination-related business Annual amount handled: 15 million tons → 17.5 million tons)</li></ul>					
Initiatives to Reduce the Load on the Environment	<ul> <li>Support and promotion of environmentally friendly agribusinesses         <ul> <li>Support through Toho Bussan for the production of rice using environmentally friendly farming methods that develop biodiversity, and sales promotion of the rice produced (Toyooka City, Hyogo Prefecture; Sado City, Niigata Prefecture, Japan)</li> <li>Promotion and support of the sale of RSPO (Roundtable on Sustainable Palm Oil) certified palm oil</li> </ul> </li> <li>Promotion of the effective use of waste materials generated by manufacturing processes         <ul> <li>Use of poultry manure as fertilizer and poultry manure-derived snow melting agent (Prifoods)</li> <li>Use of residual tea leaves as fertilizer material (Mitsui Norin), etc.</li> </ul> </li> </ul>					
Food Safety and Security Initiatives	<ul> <li>Improvement of food and food product safety management system through improvements in traceability, utilizing a food safety management database</li> <li>Monthly Food Sanitation Management Committee meetings and monthly Food Safety seminars to inculcate knowledge of food sanitation, awareness of food safety, and related countermeasures (for employees)</li> </ul>					
Contributions to Local Communities	<ul> <li>Investment in operating company that manufacture and sell commercial processed tomato products and condiments for halal markets (Malaysia)</li> </ul>					

### Infrastructure

Contribute to nation building and develop business derived from infrastructure

- Electric power generation, water treatment and supply, port development
- Next-generation urban development

● Iron & Steel products ● Mineral & Metal Resources				
Machinery & Infrast	<ul><li>Chemicals</li></ul>	Energy		
<ul><li>Lifestyle</li><li>Innovat</li></ul>	ion & Cor	porate Develor	oment	

		Fiv	ve Ma	iteria	Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Development of the Social Infrastructure	<ul> <li>Development and operation of the social infrastructure business throughout the world         (IPP business our equity-share power generation capacity: 8.5GW → 9.6GW)             • Promotion of the water supply and sewerage business in Mexico             • Construction and operation of a container terminal in Indonesia (equity participation)             • Promotion of the co-generation business (Thailand, Brazil)             • Partnership with Vale in the Nacala Corridor Railway and harbor infrastructure businesses (Mozambique)             • Promotion of the tank terminal business in distribution collection sites that serves as the basic distribution infrastructure for the petrochemical industry (Houston, USA and Antwerp, Belgium)</li> </ul>					
Stable supply of infrastructure materials	<ul> <li>Stable supply of the materials (rails, steel pipes, steel sheets, rebars, etc.) required for infrastructure projects around the world (Nacala Corridor Railway and harbor projects in Mozambique, ODA project in Vietnam such as Lach Huyen International Deep Water Port)</li> <li>Investment in Gonvarri Eólica, a holding company of GRI Renewable Industries that develops, manufactures, and sells towers and flanges for wind power generation use, and material supply for wind power generation-related infrastructure</li> </ul>					
Initiatives to Reduce the Load on the Environment	<ul> <li>Promotion of IPP business that uses at least 2GW (our equity-share power generation capacity) of renewable energy; energy efficient smart cities</li> <li>Domestic solar power generation business (Hamamatsu Nakabiraki Solar Park, Japan)</li> <li>Wind power generation business (Mexico)</li> <li>Run-of-the-river hydroelectric power generation business (Brazil)</li> <li>Promotion of smart-city business (Malaysia)</li> </ul>					
Contributions to Local Communities	<ul> <li>Job creation in countries where Mitsui operates infrastructure-related business</li> <li>Improvement of the educational environment for children in local communities by constructing schools in countries where Mitsui operates businesses</li> </ul>					

## Mobility

Services related to manufacturing, marketing and financing of transportation machinery

- Automobiles, industrial machinery, ships, aircraft, mass transit and rail transportation systems
- Logistics business and expansion to other Key Strategic Domains



		Fiv	ve Ma	ateria	l Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Ensuring Safe and Secure Transportation	<ul> <li>Promotion of efficient transportation through sales/purchase and/or operations of marine ships and the leasing of railway freight carriages</li> <li>Investment in general freight transportation business operations, with the aim of transporting grains, steel products, chemicals, etc. (VLI in Brazil)</li> <li>Investment in passenger railways transportation business (OM in Brazil)</li> <li>Investment in truck leasing business (PTL in US)</li> <li>Support for mine development and production activities through sales/after-sales services of mining machinery</li> </ul>					
Improvement and Stabilization of Quality of Life	<ul> <li>Provision of means of transportation in emerging nations through the financing and sales of automobiles and motorcycles, and promotion of improvements and advances in logistics through sales/after-sales services of truck and bus</li> <li>Provision of employment opportunities in communities around the world through 150 affiliated companies</li> </ul>					
Initiatives to Reduce the Environmental Burden	<ul> <li>Promotion of a modal shift through the development of railway infrastructures and the lease of rolling stock</li> <li>Stable supply of LNG through the operation of LNG ship fleet (20 ships)</li> <li>Promotion of the sales of E-bikes with lithium ion cells in the Chinese market in cooperation with Tianjin EV Energies (China)</li> <li>Promotion of the development of EV with Chinese automobile manufacturers</li> <li>Promotion of highly environmentally friendly auto parts manufacturing through initiative with Gestamp (America)</li> </ul>					

### Medical / Healthcare

Business development in healthcare and pharmaceutical value chain

- Hospital business and its ancillary services
- Pharmaceutical development, manufacturing and marketing



		Fiv	ve Ma	al Issues				
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development		
Providing Health Care Services	<ul> <li>Expansion of regional medical service through the IHH hospital business</li> <li>Promotion of new hospital business (Gleneagles Kota Kinabaru Hospital) in eastern Malaysia</li> <li>Provision of advanced health care services in accordance with international standards and contribution to the employment opportunities for doctors and other skilled local health care professionals</li> <li>Support for regional medical service through the IHH Group</li> <li>Contribute to the flood relief initiatives in northeastern Malaysia by providing required medical services</li> <li>Free cataract treatment for 55 underprivileged female patients in Singapore as part of the Gleneagles Hospital's 55th Anniversary Project</li> <li>Free otorhinolaryngological surgery in Singapore for a 11-month-old child with sensorineural hearing loss</li> </ul>							

## **Lifestyle Products and Value-added Services**

Consumer-linked businesses utilizing innovative functions (IT, finance, logistics)

- Clothing and food (distribution, data, e-commerce)
- Housing (real estate, financial and related services)



		Fiv	ve Ma	aterial	al Issues				
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development			
Improving and stabilizing the standard of living	<ul> <li>Provision of services, through Suvidhaa Infoserve (India), to help improve the lives of people living in regions where no bank services are available</li> </ul>								
Initiatives to Reduce the Load on the Environment	<ul> <li>Planning, development, and promotion of smart cities and smart communities</li> <li>Establishment of projects designed to realize a low carbon society through MBK Arup Sustainable Project in the UK</li> <li>Participation in the "Fujisawa Sustainable Smart Town" project, which promotes housing with a reduced environmental burden in Fujisawa, Kanagawa Prefecture, Japan</li> </ul>								

	<ul> <li>Investment in Viridity Energy (US) and promotion of power stabilization by participating in electric power usage optimization service business in the US</li> <li>Increase in the production ratio of fabrics with Bluesign certification from Mitsui Bussan Techno Products (approx. 70% of the main line of fabrics, namely Pertex branded ones, are Bluesign approved)</li> <li>Promotion of tree planting resource business for pulp and paper in compliance with FSC certification by subsidiaries of Mitsui Bussan Woodchip Oceania (Australia) and ensuring a stable supply of wood chips for the emerging Asian market</li> <li>Maintenance of FSC CoC certification by Mitsui Bussan Packaging and stable supply of CW certified pulp and paper</li> <li>Support for the overseas development of local companies through the Tri-Net Group, and shortening of the transportation routes by utilizing nearby ports</li> </ul>			
Contributions to Local Communities	<ul> <li>Continuation of our donation activities for school lunches in developing countries through Aim Services "Table for Two" (Since October 2007, FY 2014 results: approx. 495,000 meals provided)</li> <li>Creation of produce distribution system for agriculture in the Japanese National Strategic Special Zone in Yabu City, Hyogo Prefecture (Mitsui Bussan Agro-Business)</li> <li>Support for community revitalization through the exhibition and sales of products from regions throughout Japan, including the Tohoku region, at Food Show 2014 (Mitsui Foods)</li> <li>Continuous support for food education activities through the Kids Kitchen Association (Mitsui &amp; Co., Mitsui Foods, Bussan Food Services)</li> <li>Development of SENDAI UMINO-MORI AQUARIUM operations together with the partner companies</li> </ul>			

## **Management Platform**

The following are the initiatives for the "five material issues" implemented by Mitsui in the fiscal year ended March 2015 in the governance, environment, and social aspects of "Mitsui's Management Platform", the solid base that bolsters Mitsui as we advance our business activities and create new value.

### Governance

		Five Material Issues				es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Internal Controls & Corporate Governance	<ul> <li>In response to the May 1, 2015 Revision to the Companies Act, deliberations held in the Governance Committee and the Internal Control Committee meetings, and revisions made to the Mitsui &amp; Co., Ltd. Corporate Governance and Internal Control Principles effective April 1, 2015</li> <li>Promotion of initiatives on a global group basis, aimed at highly transparent disclosure of information and disciplined employee conduct related to the internal controls; reporting of progress status and issues to the Internal Control Committee and the Corporate Management Committee</li> </ul>					
Compliance	<ul> <li>Implementation of various seminars and training about important laws and regulations in Japan and overseas for employees at all levels, including employees moving overseas or being seconded to group companies</li> <li>Completion of revision of the Compliance Handbook, and implementation of online testing for all officers and employees</li> <li>Implementation of compliance awareness surveys, and formulation and implementation of the compliance activities based on the results of the surveys</li> <li>Visits to individual key subsidiaries and associated companies, making suggestions that would lead to development and enforcement of their compliance systems</li> <li>Reminders on compliance (written notice, meetings, etc.) sent, and sharing of disciplinary cases, etc. through line managers ensured</li> </ul>					
Business Unit Hosted Seminars	<ul> <li>Implementation of seminars and conferences focused on specific products and services         (Seminars on chemicals-related laws, food safety, etc.)</li> <li>Heightening of compliance-awareness of the affiliate employees by providing seminars and lectures, and conducting surveys, etc.</li> </ul>					
Risk Management Structure	• Establishment of the Rules on Safety Measures in January 2015, which describe initial actions in times of emergency. Implementation of a drill arranged by the Emergency Response Headquarters, and reinforcement and development of risk management framework continued					

## **Environment**

CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	M Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
Promotion of Environment-relat ed Business	<ul> <li>Proactive development of a variety of environment-related businesses aimed at finding industrial solutions to environmental problems</li> <li>Identification of mid- to long-term environmental changes in and future directions of the environment, energy, and gas value chains, and the electric power industry, at the Power and Energy Strategy Committee, a cross-sectional internal organization (committee meetings are held four times a year)</li> </ul>					
Enhancement of Environmental Management System	<ul> <li>Promotion of an overall optimization of environmental management at the affiliates through fine-tuning of the level of management according to the magnitude of their environmental burden</li> <li>Compilation of an incident casebook designed to reduce accidents, with a focus placed on alleviating environmental risks, including environmental accidents</li> <li>Increase in the applicability of expert advice on environmental and social risk management issues through the Environmental &amp; Societal Advisory Committee</li> <li>Implementation of training programs for employees of the company and its domestic affiliates for environment related laws and regulations, compliance with the Waste Disposal and Public Cleansing Act, and proper procedures for disposal of industrial waste</li> <li>Promotion of networking with NGOs and NPOs that are major stakeholders</li> <li>Heightening of environmental awareness of Mitsui officers and employees by continuing the Mitsui Environment Month (total of 290 participants in lectures and other events)</li> </ul>					
Implementation of global warming prevention measures	<ul> <li>Management of CO<sub>2</sub> Emissions</li> <li>For the Mitsui Group in Japan&gt;         On a group basis in Japan, companies with large CO<sub>2</sub> emissions are designated as companies that intensively manage greenhouse gas, as Mitsui aims for annual reduction in energy consumption rate of at least 1% on average (intensity target) from the fiscal year ended March 31, 2012     </li> <li>For the Mitsui Group worldwide&gt;         Mitsui will monitor changes in CO<sub>2</sub> emissions over the year, seeking areas where cuts can be made         Energy shortages in summer: Implementation of energy saving measures in the Headquarters building, taking into account the electricity peak demand level     </li> </ul>					
Mitsui's Forests	<ul> <li>Continuation of forest management in accordance with FSC certification; designation of Biodiversity Conservation Forests and continuation of biodiversity-friendly management practices</li> <li>Implementation of school visits teaching forest environment and forestry (approx. 1,500 people in 17 classes) and forest experience events (10 events, Mitsui-sponsored) as forums for environmental education</li> <li>Cooperation with the Biratori Ainu Association and Biratori-Cho in Hokkaido to preserve and pass down Ainu culture to future</li> </ul>					

generations through Mitsui's forests  Stable provision of company forest assets (FSC certified materials) at sawmills and other locations in all regions; wood material supply for woody biomass fuel  Endowed course, "Forest Product Theory", held at Keio University SFC to contribute to human resources training in forestry and the wood industry						
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## Society

		Fiv	ve Ma	iterial	l Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
The Mitsui & Co., Ltd. Environment Fund	<ul> <li>Twenty-nine grants totaling 203 million yen awarded based on the concept that the environment is "all aspects of the world around human being" (seven of these grants totaling 72 million yen were provided to Great East Japan earthquake disaster recovery efforts); contribution to the promotion of initiatives designed to advance the disaster recovery, train personnel in charge of environment and ecosystem conservation, and address environmental problems, through the support provided to grant recipients</li> <li>Enhancement of environmental awareness among employees by encouraging them to participate in grant recipients' environmental activities</li> </ul>					
Social Contribution Activities	<ul> <li>Execution of the following measures in the areas of international exchange and education, which are identified by the company as key fields for social contribution activities</li> <li>Scholarships granted for a total of 429 Brazilian students in Japan at 26 schools as part of our support activities for Brazilians living in Japan</li> <li>Implementation of exchange programs as part of the TOMODACHI Initiative</li> <li>Continued implementation of Mitsui endowed courses at overseas universities continued in order to train people to develop an international mindset         (Peking University: 6 times per year; St. Petersburg State University: 2 times per year; University of Warsaw: 2 times per year, etc.)</li> <li>Sasugaku Academy classes held as a learning place that supports children's "power to create a sustainable future"</li> <li>Continual promotion of social contribution activities by officers and employees on a global group basis, and donations totaling 3,880,000 yen sent to organizations involved in social contribution activities, based on the 3,880 people who were engaged in social contribution activities during the fiscal year through the Mitsui Global Volunteer Program</li> </ul>					
Employee Training	<ul> <li>Continued hiring and development of global human resources</li> <li>Increase in hiring of people with a global mindset (new graduate hiring, global hiring, mid-career hiring)</li> <li>Reinforcement of global human resources development (early-stage education, overseas dispatch programs, global training programs, etc.)</li> <li>Reinforcement of global human resources management</li> <li>Strengthening of inculcation of the company's management</li> </ul>					

	<ul> <li>philosophy to develop global human resources</li> <li>Implementation of Headquarters OJT(on the job training) and seminars for employees at overseas offices and affiliates in Japan and overseas</li> <li>Implementation of diversity measures for increased competitiveness</li> <li>Diversity Committee meetings held, and implementation of initiatives designed to utilize diverse personnel</li> <li>Promoting career advancement for our foreign national employees and female employees</li> <li>Selection as "Nadeshiko Meigara" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (Nadeshiko Brand)</li> <li>Dispatch of Japanese employees from affiliates to overseas offices and affiliates under the arrangement of HQ business units</li> </ul>			
Employee Safety & Health	<ul> <li>Establishment of permanent BCP rooms, implementation of drills arranged by the Emergency Response Headquarters, and completion of new BCP through assessment of identified material issues</li> <li>Constant grasp of the location of the employees on business trips or on assignment; development of a system to integrate the response at the Headquarters HR &amp; General Affairs Division in case of emergency</li> <li>Achievement of a nearly 100% medical examination rate by employees, and creation of a new medical interview system for all employees, in accordance with the "Health and Productivity Management" policy (which identifies employee health management as a management issue)</li> </ul>			
Information Disclosure to Investors	<ul> <li>Clear demonstration of the cash flow allocation framework, including our policy on return to shareholders, improving our explanation of comprehensive quantitative plans using EBITDA and ROE targets, etc., enhancing Mitsui's explanation of mid-to long-term management strategy (announcing the new Medium-term Management Plan)</li> <li>Ranked first in the "2014 Award for Excellence in Corporate Disclosure" (Commerce industry category) by The Securities Analysts Association of Japan</li> <li>Selection for the 2014 IR Special Award by the Japan Investor Relations Association</li> </ul>			

## **CSR Policy**

		Fiv	ve Ma	iteria	l Issu	es
CSR Element	Initiatives for FY Ended March 2015 (April 2014 - March 2015)	Protection of the global environment	Respect for human rights	Enhancement of local industrial bases & quality of life	Stable supply of resources & materials	Corporate governance & human resource development
CSR Promotion Activities	<ul> <li>Review of CSR initiatives &amp; concept and update of CSR Concept Diagram</li> <li>Identification of CSR Material issues with recognition of society's concerns and expectations, with reference to international initiatives and with verification of compatibility with our management philosophy and business plans</li> </ul>					
Supply Chain Management	<ul> <li>Dissemination of our "Supply Chain CSR Policy" to our new suppliers (total of 6,374 companies from May,2012 through May,2014)</li> <li>Implementation of SAQs to suppliers focusing on aspects of compliance, human rights, safe and sanitary work environment, and safety and reliability of products and services (72 companies in total)</li> <li>Implementation of on-site survey to suppliers (apparel industry and coffee bean farms)</li> </ul>					
Risk Management	<ul> <li>Based on Specially Designated Business Management System, performance of potential-risk analysis related to the environment, society, and governance, and support for project formation process after considering countermeasures to the risks, and increase in the penetration level of the Specially Designated Business Management System and understanding of business frontlines</li> </ul>					

# Supply Chain Initiatives

Having built diverse value chains throughout the world and providing a wide range of functions and services, we at Mitsui are working with our business partners to respond to the needs of society. Our goal is to help solving the various issues present in our supply chains, including the human rights issues, labor issues, and global environmental problems that confront today's society.

## **Supply Chain Management**

Because Mitsui has built diverse value chains throughout the world and provides a wide range of functions and services, we have gone beyond environmentally friendly green procurement and are striving to comply with laws, respect human rights, maintain safe and sanitary working conditions, and ensure the safety and security of the products and services we provide. In order to correctly assess and solve CSR-related supply chain issues, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since worked to ensure that all of its business partners fully understand the standards Mitsui is striving to abide by and cooperate in the implementation of the policy. We are working to ensure compliance with and implementation of the policy while conducting reviews based on changes in society's expectations and demands, and we revised the policy in September 2011 and November 2013. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and extracting key issues based on the characteristics of each supply mode, country, and industry.

### **Supply Chain CSR Policy**

- 1. Mitsui & Co., Ltd. will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of its businesses, consistent with the wishes of its stakeholders.
- 2. Mitsui & Co., Ltd. will strive to support improvements in the supply chains by seeking understanding and implementation of the following principles by its business associates:
  - 1. To engage in fair trade, prevent corruption, and comply with all applicable laws and regulations.
  - 2. Not to be complicit in human rights abuse and violations.
  - 3. To prevent discrimination with respect to hiring and employment.
  - 4. To respect the rights of employees to associate freely and bargain collectively.
  - 5. To appropriately monitor employees' working hours, holidays, and leaves of absence, and prohibit unlawful excessive work.
  - To prevent forced labor, child labor, unlawfully-cheap labor, physical discipline, and physical, sexual and other forms of harassment.
  - 7. To ensure a safe and sanitary work environment.
  - 8. To reduce and mitigate business impact on the global environment.
  - 9. To ensure the safety and reliability of products and services.
  - 10. To disclose adequate and timely information relevant to the above.

## **Current State of Implementation of Supply Chain CSR Policy**

Mitsui is implementing this policy based on the following pillars.

### 1. Company-wide uniform supplier communication forms

Beginning in the fiscal year ended March 31, 2009, we sent a letter to all suppliers of Mitsui's business units, overseas offices, and subsidiaries (more than 38,000 suppliers in total, as of end of March, 2015) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy in a move to ensure that all Mitsui suppliers are fully aware of this policy.

#### 2. Supplier surveys

In promoting compliance with this policy, we consider interactive communication with business partners such as suppliers to be very important. We work to build relationships of trust and strengthen our supply chains by working jointly on ideas for improvements with our partners wherever needed. In the fiscal year ended March 31, 2012,

Mitsui conducted supplier surveys for coffee, cocoa, and other agricultural products (39 companies), as well as for consumer products such as apparel (153 companies). In the fiscal year ended March 31, 2015, as part of a new initiative, we selected 72 of our main suppliers from all our business domains, and surveyed them to confirm (1) the status of their compliance with our Supply Chain CSR Policy, and (2) whether they had CSR policies related to the areas of "Legal compliance," "Protection of human rights," "Workplace safety and health," and "Product and service safety and security." While all the companies we surveyed responded that they were "in compliance", we requested suppliers that were not equipped with a CSR policy to formulate one.

### 3. On-site survey of suppliers

In addition to the above-mentioned questionnaire-based survey, we also conduct on-site surveys of suppliers that are deemed to be in relatively high-risk business areas such as agricultural products and consumer products. In order to confirm the status of their CSR initiatives, we conduct interviews with responsible persons in accordance with the checklist for compliance with the Supply Chain CSR Policy followed by an on-site inspection at offices and operation sites.

In the fiscal year ended March 31, 2015, Mitsui Bussan Inter-fashion, Ltd., one of our subsidiaries in the apparel industry, strived to grasp the status of its major suppliers' compliance with its supply chain CSR policy through self assessment by the suppliers. The company also conducted interviews with its major suppliers concerning their utilization of the Japanese government's "Technical Intern Training Program". Through these efforts, the company enhanced the framework to monitor and address problems and issues with suppliers' cooperation. In addition, as our CSR initiative in the business area of agricultural products, we, together with an outside expert, conducted on-site surveys of coffee bean farms in Brazil that supply us and our subsidiary Mitsui Alimentos, focusing on the aspects of "legal compliance", "the environment", "labor practices", and "traceability". No serious problems or issues were found.

#### **■** Future Actions

We will continue sending out letters prior to starting business relationships with new suppliers and continue to ensure that all suppliers of Mitsui and its subsidiaries understand our Supply Chain CSR Policy.

To increase the sensitivity of all employees to human rights, labor, and other issues in our supply chains and to prevent problems, we will continue to heighten employee awareness and provide training seminars (283 participants in the fiscal year ended March 31, 2015), including newly-hired employees and managers.

Furthermore, we will endeavor to assess any actual business situations that do, or may, conflict with our Supply Chain CSR Policy, and ensure that suppliers embrace the policy and improve such situations. In case we find violations of this policy in our supply chain, we will make improvements by providing necessary support to the suppliers. However, if there are no improvements to the situation by the suppliers, we will determine carefully whether to continue our business with the supplier.

### Summary of Supplier On-site Survey (Coffee Bean Procurement)

In December 2014, we conducted on-site surveys at coffee plantations and agricultural cooperatives (three locations in total) in the Cerrado Region, which are the main suppliers of our Brazilian coffee beans. Brazil is an important coffee producing region, which serves as an important base for our coffee business (in which our wholly-owned subsidiary Mitsui Alimentos manufactures and sells roasted coffee beans for the Brazilian market), and also accounts for approximately 40% of our total imports to Japan.

We confirmed from the on-site survey that all locations are working in an appropriate way and all items were found to meet the requirements of our Supply Chain CSR Policy. We will continue to conduct on-site surveys in order to enhance supply chain management.

### **Details of inspection**

On-site and off-site surveys were conducted in the areas of "legal compliance", "environment", "labor practices", etc. through interviews with management and workers in offices followed by visual inspections of plantations, factories (selection and packaging processes, etc.) and warehouses (cargo receipt and dispatch).

### Legal Compliance

 We checked compliance with regional regulations on the environment, wages, working hours and working age, and compliance with development & operation licenses and labor union agreements.

#### Carrying out the Supplier On-site Survey

Dr. Naoki Adachi, Response Ability Inc.

Mitsui & Co., Ltd. and its group companies procure coffee from around the world, and we visited two plantations and one cooperative located in Brazil, which is one of their main procurement locations. Progress has been made in Brazil in introducing internationally-recognized accreditation systems, such as Rainforest Alliance and UTZ, particularly at plantations that supply the export market. Both of the plantations we visited acquired accreditation under both systems at an early stage. Mitsui & Co. also buys beans from other plantations, but because it only procures high quality beans this means that beans will be bought from plantations with a high level of awareness as a matter of course. Consequently, the level of CSR risk can be deemed to be low. Both of the plantations we visited had achieved an extremely high standard of management in terms of environment, labor conditions and social considerations. The high standards achieved at the plantations would be impressive to many Japanese farmers who are farming other crops.

One matter of concern is the large-scale droughts in Brazil, that are likely to have occurred as a result of climate change. At well-developed plantations the situation is being responded to using irrigation methods, etc., but there may be a need to come up with countermeasures on a larger scale.

The inspection confirmed that the best beans are being selected, not only in terms of quality but also in terms of careful consideration of the environment and society, for shipment to Japan. I look forward to seeing Mitsui & Co. expand these activities in other countries and regions as a major coffee importer that Japan can be proud of.

#### **Environment**

- Development of farming areas and the protection of virgin forests
- ightarrow We confirmed that virgin forests equating to 20% of the farming areas were secured, in accordance with the development & operation license of the Cerrado Region.
- Use of agrichemicals
- → The temperature of the farming area, despite being located in the highlands at altitudes of 1,000-1,200m, rises higher in summer and leads to the generation of diseases, such as rust disease, and the proliferation of bacteria through damaged tree plants. Agrichemicals are used to protect coffee trees from such diseases and also to reduce the risk of damage from disease- carrying pests spreading to other plantations.

We confirmed that only agrichemicals permitted under regulations are used.

- Securing irrigation water
- → To cope with the increased frequency of droughts due to global warming, irrigation dams have been extended at the plantations in order to secure enough irrigation water. Also, a drip method has been adopted, and irrigation water containing liquid fertilizer is fed to the coffee trees, helping to effectively use irrigation water.

- Labor Standards
- Respect for the freedom of employees to join labor unions
- ightarrow We confirmed that employees' right to join labor union is respected.
- Prohibition of low-wage labor and child labor
- → We confirmed that they comply with local laws and regulations and labor union agreements on low wages and not hiring underage workers and cheaper foreign workers, especially during harvest season.
- Ensuring the safety and health of employees
- → Visual inspection was conducted to ensure that pedestrian walkways are secured at factories and warehouses, that helmets and masks are worn, and that fire extinguishers and other equipment are installed.
- Developing a better work environment → Employee housing, canteens, training facilities, and company housing and canteens for workers living far from home have been installed, and canteens are kept clean.



An extended dam to secure irrigation water



Employees selecting beans

### International Accreditation and Traceability

- All locations we visited this time have acquired international accreditations (UTZ, Rainforest Alliance) for plantations with outstanding initiatives in a variety of environmental and social fields, including environmental protection, management, work conditions and work practices, as well as agricultural methods
- Ensuring product traceability: Premium coffee beans are bought from designated plantations, including the above visited plantations. Even when beans are bought from small to medium-sized plantations via agricultural cooperatives, plantation traceability is ensured for each lot.





## **Examples: Assessing and Solving Supply Chain Issues**

### **Food and Food Products**

### Initiatives designed to ensure a stable supply of high-quality coffee



The production volume of coffee, a product enjoyed by people throughout the world, is greatly affected by natural events including frost and droughts as well as climatic conditions such as rainy and dry seasons, and this has a major effect on the market price. Thus, it is difficult to purchase coffee at a stable price and maintain a balance between supply and demand. Mitsui & Co. plays the role of liaison between producers and consumers in the supply chain. Therefore, the company is working to improve relations with suppliers around the world in order to guarantee a stable supply of high-quality coffee beans carefully selected from regions around the world such as Central and South America, Southeast Asia, and Africa.

In particular, our base of operations in Brazil, Mitsui Alimentos (100% subsidiary), has created alliances with superior producers, and by ensuring "the business with traceability, transparency and identifiability" at all stages of the supply chain, has created a stable supply system for high-quality coffee green beans.

For example, Mitsui & Co. is cooperating with Mitsui Alimentos to offer comprehensive marketing and sales support to the Bau Farm in the Corredo region, Brazil. We are also cooperating to provide the funds necessary to land reclamation work for new farms, and we have entered into a long-term contract in order to ensure stable business dealings. In addition, we are investigating opportunities to use our over 20 years of good relations in the region as a lever to further expand our business. Bau Farm owner Tomio Fukuda, a former engineer of a second-generation of Japanese descent has devoted himself to strict and reliable coffee production based on the quality control concepts of Kaizen and 5S. As a result of his efforts, his farm is now one of the famous specialty coffee farms in Brazil. His cooperation with Mitsui & Co. has led to the expansion of sales not only in Japan but throughout Asia.

Bau Farm values its employees and improves the quality of its products by improving the quality of the labor. Based on Mr. Fukuda's concept that "careful work comes from motivation, and motivation is created by the treatment and education of employees," the employees are involved in efforts to improve their workplace. In addition, Bau Farm is promoting learning about coffee and trends in consumer countries through training programs and on-site education. It is constantly making efforts to increase employees' understanding of coffee. High-quality employee education, one of its competencies, leads to the maintenance of more stable employment comparing to other farms.



Bau Farm owners: The Fukuda Family

Moreover, under the slogan of Kaizen, the Farm actively introduces new technologies designed to improve coffee productivity and quality. Bau Farms' another distinctive characteristics is its commitment to constantly trying new ideas that utilize new methods and varieties of coffee. In addition to use the irrigation system for avoiding drought damage, Bau Farm is utilizing it to increase the efficiency of its workforce by controlling the flowering period of the plants in order to stagger the harvest periods. It has also introduced GPS for effective soil improvement.

Mitsui & Co. keeps the producer's intentions in mind as it provides this high-quality coffee—created as a result of these initiatives—to consumers. In order to make sure that the owners of Bau Farms are constantly deepening their understanding of the coffee consumers demand, they visit Japan approximately once every two years and speak with coffee shop owners and beverage manufacturers. We also provide opportunities for our vendors who sell Bau Farms' coffee to visit Bau Farms when they go to Brazil in order to improve mutual understanding through communication.

By creating the strong value chain, we aim to contribute to the stable supply of high-quality coffee green beans to consumers around the world and support producers through our business.

### **Apparel Operations**

### **Intensifying Supply Chain CSR Initiatives**

Mitsui Bussan Inter-Fashion Ltd. (MIF)—a Mitsui subsidiary that handles the production and procurement of apparel and fashion goods—outsources the production of goods for apparel companies to subcontracted suppliers in Japan and overseas.

MIF has established a "Supply Chain CSR Policy". It sends notices requesting that its suppliers, including manufacturing subcontractors both within Japan and overseas, make sure they understand this policy and agree to it. These efforts are designed to promote understanding and ensure that this policy is implemented. As of the end of March 2015, consent to follow this policy had been obtained from a total of 3,871 companies (3,060 in Japan and 811 overseas).

As general interest, in corporate supply chain CSR initiatives increases, there is an increasing number of cases in which MIF has been requested by business partners to confirm the status of its supply chain CSR initiatives. In response to these changes in the external environment, MIF implemented the following supply chain CSR initiatives in the fiscal year ended March 31, 2015.

As part of the in-house efforts to increase understanding of supply chain CSR initiatives among managers and sales personnel, in July 2014 MIF held a CSR training seminar, inviting outside specialists. It was an opportunity for the participants to increase their understanding of changes in the external environment, accident case studies, important issues related to CSR procurement, and the importance of improving the initiatives.In February 2015, e-learning was implemented as a measure to understand regulations related to the Supply Chain CSR Policy, to stress the importance of the policiy, and to deal with issues when a conflict with related laws and regulations at a plant has been discovered, and all employees were educated through this e-learning. The following initiatives have been implemented for suppliers. First, the style of the consent form for the Supply Chain CSR Policy was revised from the previous version, which simply asked that signers agreed that they "understood MIF's policy." The new version, on the other hand, asks that they agree to "abide by the policy based on their understanding of the policy" and that they will "cooperate in efforts to determine compliance status." As of the end of March 2015, 562 of the above-mentioned 3,871 companies had agreed to the new version of the consent form, and the major suppliers among those companies have implemented compliance self-checks. In addition, interviews were held with major Japanese suppliers to determine the status of their usage of the Japanese government's "Technical Intern Training Program". If infringements of the Supply Chain CSR Policy or related laws and regulations are committed by suppliers, there is a system in place that requires that problems be identified after investigating the situation and that the situation is followed up until the supplier demonstrates improvements and changes.

By continuing in our efforts to increase awareness by communicating and providing feedback to suppliers on a regular basis, we aim to create an appropriate labor environment and create a sustainable supply chain environment.





Visit to the manufacturing plant of a Japanese supplier

### **Lumber Procurement**

# Improving Reliability Through Legal Compliance and the Forest Certification System

Significant deforestation and reduction and degradation of biodiversity and forest ecosystems caused by illegal logging have become major environmental issues. In 2006, as a countermeasure against illegal logging, the Japanese government enacted the Green Purchasing Law, which requires that government agencies only purchase lumber that is certified to have come from legal logging in sustainably managed forests.

As one of Mitsui's missions is to ensure the stable supply of building materials, paper resources, and other wood products, we cooperate with suppliers from around the world to ensure that our purchases contain no illegally logged lumber.

For example, in our tree plantations and woodchip production operations in Australia, Mitsui implements environmental management and operation procedures based on the two major forest certifications, the Forest Stewardship Council (FSC<sup>TM</sup>) and the Pan-European Forestry Council (PEFC), and we conduct regular checks to ensure that only reputable plantation operators are used, that operations do not result in environmental destruction, for example through chemical soil contamination, and that the obligation to replant logged areas is being fulfilled. In addition to Australian companies, in 2014 Trans Pacific Fibre, a woodchip marketing joint venture company in Chile, obtained both FSC and PEFC certification.

Increased awareness of environmental conservation has led to increased numbers of companies and consumers who choose products with forest certifications when they purchase wood and paper products. Mitsui & Co. cooperates with its partners and manufacturers to increase the use of FSC and PEFC certified products in the supply chain in order to create products that are in accordance with higher awareness of environmental conservation.



Woodchip processing plant (Bunbury Port in Western Australia)

## **Environment-Related Business**

Mitsui engages in a wide range of businesses in the world around us, and, under the action guidelines Environmental Policy Action Guidelines, it positions active participation in finding industrial solutions for environmental issues as one of its highest management priorities. Accordingly, we carry out a broad spectrum of environment-related business activities on a global Group basis. As issues like global warming and population growth have become more serious, society's concerns have increased regarding preserving the natural environment, sustaining biodiversity, making the low-carbon society a reality, and expanding the use of natural energy. Themes related to these concerns that should be addressed have mounted in number. Mitsui is taking initiatives through its business in many areas to help find solutions to respond to these concerns, and some of these are introduced here.

## **Renewable Energy**

Mitsui has set an objective of maintaining a constant ratio of renewable energy generation assets among its holdings of power generation assets as a policy for dealing with global warming and realizing global sustainability. Accordingly, Mitsui is pursuing and strengthening its initiatives related to renewable energy projects in the United States, Europe, Australia and so on.

Project	Company name	Country	Generating capacity/Scale
Solar power generation	Haneda Solar Power Co., Ltd.	Japan	2MW
business	Tottori Yonago Solar Park	Japan	42.9MW
	Izumiotsu Solar Park	Japan	19.6MW
	Tomatoh Abira Solar Park	Japan	111MW (Under
			Construction)
	Kumamoto Arao Solar Park	Japan	22.4MW
	Omuta Miike Port Solar Park	Japan	19.6MW
	Hamamatsu Solar Park	Japan	43MW (Under
			Construction)
	Tahara Solar-Wind Joint Project	Japan	50MW
	Brockville Solar	Canada	10MW
	Beckwith Solar	Canada	10MW
	IPM Eagle Desarrollos Espana	Spain	1.5MW
Solar thermal power generation business	Guzman Energia S.L.	Spain	50MW
Wind power generation	NS Wind Power Hibiki	Japan	15MW
business	Tahara Solar-Wind	Japan	6MW
	Wind Farm Hamada	Japan	48MW
	Norway Wind	Canada	9MW
	SOP Wind	Canada	40MW
	West Cape Wind	Canada	99MW
	Caribou Wind	Canada	99MW
	Harrow Wind	Canada	40MW
	PAR Wind	Canada	49MW
	Plateau Wind	Canada	27MW
	ELSC Wind	Canada	99MW
	Erieau Wind	Canada	99MW
	Cape Scott Wind	Canada	99MW
	Brazos Wind	U.S.A.	160MW
	Eoliatec del Istmo	Mexico	164MW
	Eoliatec del Pacifico	Mexico	160MW
	Zajaczkowo Windfarm	Poland	48MW
	Bald Hills Wind Farm	Australia	106.6MW (Under Construction)

Biomass power	Green Power Ichihara	Japan	50MW
generation business	Tomakomai Biomass Power, Co., Ltd.	Japan	5.9MW (Under Construction)
Run-of-river hydroelectric power	Energia Sustentavel do Brasil	Brasil	3,750MW (Under Construction)
generation business	Spanish Hydro	Spain	84MW

### Example: Mexico's Bii Stinu & Santo Domingo Wind Projects

Mitsui began participation in the Bii Stinu Wind Project (164MW) in February 2013 and in the Santo Domingo Wind Project (160MW) in December of that same year. Both projects are located in Oaxaca state in Mexico.



Bii Stinu Wind Project (Oaxaca, Mexico)

## **Modal Shift**

Building and improving the social infrastructure is a top-priority issue for the economic growth and promotion of global industrial development in countries and regions around the world. To respond to related needs, Mitsui is strengthening its functions and capabilities on a global group basis. We have identified the railway freight transportation and railway passenger transportation businesses as key fields, and leveraging in particular the achievements of our long-term railway lease business, we are promoting initiatives to develop and operate a wide variety of railway projects as part of our on-going modal shift.

Business investment (Company name)	Main business	Country	Quantitative effects/project size
Trinet Logistics Co., Ltd.	Tokyo Bay barge transportation (Ichihara to Yokohama)	Japan	92.3% reduction in CO <sub>2</sub> emissions compared to truck transportation
MRC (Mitsui Rail Capital, LLC)	Freight wagon leasing business	U.S.A.	Four global basis (US, Brazil, Europe, Russia)
MRC-LA (Mitsui Rail Capital Participacões)	Freight wagon rental business	Brasil	Freight wagons : approx.
MRCE (Mitsui Rail Capital Europe B.V.)	Locomotive leasing business	Europe	20 thousand
MRC1520 (MRC1520 LLC)	Freight wagon leasing business	Russia	Locomotives : approx. 3 hundred
VLI	Freight transportation business	Brasil	Operating a railway network of approx. 10,700 km and port terminals
SuperVia (Supervia Concessionária de Transporte Ferroviário S.A)	Passenger railway transportation business (Rio de Janeiro suburban railway)	Brasil	Transportation record: Approx. 670,000 passengers per day (December 2014)
Via Quatro (Concessionária da Linha 4 do Metrô de São Paulo S.A.)	Passenger railway transportation business (São Paulo subway line no. 4)	Brasil	Transportation record: Approx. 700,000 passengers per day (December 2014)

### **Example: Railway Rolling Stock Leasing**

Our rolling stock leasing business, in the United States, Brazil, Europe, and Russia, is supporting its customers enhance the efficiency of their operations by meeting their needs for leasing different types of rolling stock as well as drawing on Mitsui capabilities as a general trading company to offer added value by providing operation and maintenance management services. These business conforms to the modal shift promotion policies for railway transportation that are being worked out by countries and regions around the world from the perspective of reducing greenhouse gas emissions and other aspects of global environment conservation.

Siemens in Europe Electric locomotive



Suburban railway in Rio de Janeiro ("SuperVia")

### **Example: Passenger Railway Business**

In the urban transport concession and PPP field, we began funding Brazil's São Paulo metro line no. 4 in 2007 and began operating the line in 2011. In addition, we began participation in four projects in 2014: the Rio de Janeiro suburban railway, the Sao Paulo metro line no. 6, the Rio de Janeiro LRT (light rail transport), and the Goiania LRT. We effectively used the railway technology and know-how of Japanese railway companies and manufacturers to both increase the value of these projects and provide safe and secure transport to passengers by developing the urban transportation infrastructure in order to help alleviate the serious traffic congestion and air pollution problems in Brazilian cities.

## Recycling

In addition to development of underground resources, Mitsui has positioned the recycling of aboveground resources as an area for emphasis within its comprehensive energy and environmental strategy. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

Business investment (Company name)	Main business	Country	Business size
Metal One Mitsui Bussan Resources & Structural Steel Corporation	Metal scrap collection and sales business	Japan	Handles 8 million tons/year of metal scrap
Kyoei Recycling Co., Ltd.	Industrial waste processing and gas production	Japan	Processing capacity of 27,000 mt/year, 140,000 Nm <sup>3</sup> /day
E.R. Japan Corporation	Recycling and reuse of used compact home appliances	Japan	Recycling capacity of 24,000 mt/year
Mitsui Bussan Metals Co., Ltd.	Non-ferrous metal scrap and non-ferrous metal product trading business	Japan	Handles 100,000 tons/year of non-ferrous metal scrap
Sims Metal Management Ltd.	General recycling business (metal scrap, electronic device recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 1.2 million tons/year of metal scrap, etc.

## **Example: General Recycling Business for Metal Scrap, Electric Device etc**

Mitsui invested in Sims Metal Management Ltd., the world's largest recycler of ferrous and non-ferrous metal as well as electronics, in June 2007, and, as of March 31, 2015, Mitsui had become the largest shareholder with a 17.7% ownership. Today, Sims Metal Management has more than 270 locations on five continents with a focus on North America, and more than 6,000 employees. In addition to metal scrap business, the company also operates the world's largest electrical and electronics recovery and recycling business as well as New York City municipal waste processing business. Sims Metal Management is, therefore, continuing to grow as a total recycling enterprise



Sims scrap yard (U.S.)

### **Tree Plantations**

Business investment (Company name)	Country	Business size (*target)
BTP (Bunbury Treefarm Project)	Australia	20,000 ha (*)
GTP (Green Triangle Treefarm Project)	Australia	10,000 ha (*)
AAP (Australian Afforestation Pty., Ltd.)	Australia	2,000 ha (*)
PTP (Portland Treefarm Project)	Australia	3,000 ha (*)
BFP (Bunbury Fibre Plantations Pty., Ltd.)	Australia	14,000 ha

### **Example: Tree Farming in Australia**

Mitsui has been engaged in two tree farming projects in Victoria and three in western Australia since 1996. By cultivating sustainable forests, these projects contribute to preserving valuable natural resources, absorbing and chemically immobilizing carbon dioxide, preserving biodiversity, and preventing soil erosion and salt pollution.



Tree Farming in Western Australia

### **Other Environment-Related Business**

Project	Main business
Photovoltaic modules, parts, and materials	Structuring systems for the stable production and supply of equipment for photovoltaic modules and their principal materials (including silicon materials and products)
Materials for secondary battery use	Structuring systems for the stable production and supply of secondary battery materials, including principally those used in lithium-ion batteries
Rooftop gardening, green wall building, and greening at educational institutions	Proposal sales of greening (landscape)-related materials and development of sales business for greenery to improve the environment through Mitsui Bussan Agro Business Co., Ltd. (Japan)
High-pressurized tank for NGVs and FCVs	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells
Car-sharing business	Operation of a car-sharing business that utilizes high fuel-efficiency, low-pollution vehicles

Water treatment business in Mexico	Through subsidiary Atlatec, S.A. de C.V. which is a water treatment engineering company headquartered in Mexico, Mitsui has participated jointly with Mitsui & Co. (U.S.A.) in the sewage processing business in the state of Queretaro de Arteaga in that country and in the effluent processing business for projects of PEMEX, Mexico's national oil company. In addition, in December 2008 and again in September 2009, an order was received for a sewage processing project from the water utility of the state of Jalisco in Mexico. Also, in January 2010, an order was obtained from Mexico's water utility for a sewage processing facility that, on completion, will be the largest single plant of its kind in the world. Two facilities were completed and commenced operation in May 2012 and November 2014 respectively, and the remaining facility is currently under construction
Water and sewer concession business in the Czech Republic	In September 2013, Mitsui and FCC Aqualia, a leading water management company in Spain, entered water concession business in Ostrava, Czech Republic. The business is currently supplying drinking water, including bulk water, and sewage water treatment service for approximately 1.3 million users
Water treatment business in China	In August 2010, Mitsui and Hyflux Ltd., a leading provider of integrated water management solutions based in Singapore, established Galaxy NewSpring Pte. Ltd, with each company investing an equal amount. Subsequently, Galaxy NewSpring completed acquisition of 22 assets of drinking water, sewage, and water recycling businesses in China by the end of December 2010 and commenced joint business operations. Two additional assets were acquired in December 2012, and, in the future, the two parent companies plan to expand Galaxy NewSpring's business operations to help mitigate China's water environmental problems
High-grade urea solution: AdBlue® business	See page p.54
Solar power generation monitoring service	See page p.54
Cloud-based energy-saving service	See page p.54
Investment for the development of microbe gas fermentation technology	See page p.54
Electric buses on routes demonstration project in the UK	See page p.55
Lithium ion secondary cell business in China	See page p.55
The Callide Oxyfuel Project – Demonstration for zero-emission electricity generation with coal	See page p.55

### **Example: High-grade urea solution AdBlue® business**

Mitsui Chemicals' AdBlue® is a detoxifying agent of water and nitrogen which works as a reduction agent for nitrogen oxides including gas emissions of trucks and buses. Mitsui is building and enhancing a nationwide sales and logistics locations and infrastructure as a sole agent of Mitsui Chemicals' AdBlue®. Mitsui contributes to the environment by steadily supplying AdBlue® for diesel vehicles supporting the gas emission regulations set down by the country. Demand for a stable supply of AdBlue® has been on the increase as automobile emissions regulations have been enhanced (Post New Long-Term Regulations).

### **Example: Solar Power Generation Monitoring Service**

Solar power facilities are said to be maintenance free, but in fact, panels can be damaged or contaminated, equipment failures can occur, and facilities deteriorate with age. Therefore, making systems to rapidly detect these irregularities is essential. Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, uses its abilities in integration of information and communication technologies to provide cloud services for remote monitoring of solar power generation facilities.

### **Example: Cloud-Based Energy Saving Services**

Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, uses information technology to provide energy saving services to commercial facilities, enabling customers to easily save energy while maintaining a comfortable environment.

#### Features of Energy Saving Services

- Automated remote control of air conditioning to eliminate wasteful energy consumption and cut costs.
- Effective use of existing air conditioning facilities without dependence on a specific manufacturer or energy source (electricity or gas).
- Fast and inexpensive installation.
- Real-time automated operation based on measured values.
- Control areas can be precisely divided for individual control of each area.
- Flexible control, even in environments susceptible to temperature changes, for efficient energy use without waste.

# **Example : Investment for the development of microbe gas fermentation technology**

Mitsui invested in the US venture company Lanza Tech New Zealand Limited that is developing microorganism gas fermentation technology which converts carbon monoxide (CO) and carbon dioxide (CO $_2$ ) into fuel and chemicals such as ethanol and butadiene. We aim to develop businesses that can tackle global warming by commercializing technology that converts emissions containing carbon dioxide into energy.



AdBlue® is a registered trademark of the German Association of the Automobile Industry (VDA)



Conceptual image of solar power generation facilities and a remote monitoring screen



System overview and control screen



Demonstration project with Shougang Steel in China

## Example: Demonstration project for the use of Electric buses on routes in the UK

Milton Keynes, a medium-sized city in the United Kingdom, is turning its attention to switching public transportation to electricity, which is expected to reduce urban greenhouse gas emissions. In particular, it focuses on electric buses on regularly-scheduled routes, which will likely be the first segment where electricity is widely used, and all eight buses used on one of its busiest routes were replaced with electric vehicles in January 2014. The bus can recharge its batteries at the start and the end of each trip (incremental charging). Recharging does not use a cable connection. Instead, it employs contactless recharging that can be started with the push of a button (inductive power transmission). Incremental charging makes it possible to reduce the battery capacity, and the project confirms whether the bus prices and capacity can reach economical levels. Data from operations on the actual bus route is collected and analyzed. Then, it is used in simulations for determining the optimal battery capacity and numbers of charging facilities when electric buses are deployed on other routes, with the aim of providing a one-stop solution from planning to application.



Inductive power transmission for contactless charging of electric vehicle buses

### **Example: Lithium ion secondary cell business in China**

Mitsui contributes to realizing a sustainable energy consumption society by providing solutions to save electricity through our business participation in Tianjin EV Energies Co., Ltd., which manufactures and sells lithium-ion secondary batteries for electric automobiles, hybrid automobiles, and plug-in hybrid automobiles, etc. in China.

## Example : The Callide Oxyfuel (carbon capture and storage) Verification Project

Mitsui is jointly advancing the Callide Oxyfuel Project in Australia which is a public-private collaborative initiative by Japan and Australia. The project has been demonstrating the new technology to capture carbon dioxide through coal-fired boiler operations for near zero-emission electricity generation at the Callide A coal-fired Power Station in Queensland. The world's first verification experiments were successfully completed in February 2015. As part of these experiments, the captured CO<sub>2</sub> was injected underground in Victoria to test the subsurface reaction. If no issue is found in the behavior tests of the underground CO<sub>2</sub>, this data will alleviate the concerns of the local residents regarding CCS (CO<sub>2</sub> capture and storage), which will contribute to the global diffusion of CCS. This project was funded by the national governments of both Japan and Australia as well as the state government of Queensland. We will continue our efforts to develop practical applications for near-zero emissions power generation using CO2 and  $SO_X/NO_{X/}$ mercury.



Tianjin EV Energies factory construction



Oxyfuel combustion boiler at the Australia Callide-A coal-fired power station in Queensland, Australia