



# CHALLENGE & INNOVATION

**mitsui** MITSUI & CO., LTD.  
**Annual Report 2012**

Year ended March 2012

# Contents

## 002 | Mitsui's History

## 004 | Overview of Results for the Year Ended March 31, 2012

## 006 | Operations that Realize Synergies across Product Lines



## 008 | Message from the CEO: To All of Our Stakeholders

President and CEO Masami Iijima provides an overview and explains the goals of the new Medium-term Management Plan "Challenge and Innovation 2014," as well as Mitsui's commitment to "high-quality work" and "high-quality profit," and discusses Mitsui's spirit of challenge with the aim of being a leading global business enabler.



## 018 | Message from the CFO

Chief Financial Officer Joji Okada discusses the investment and loan plan contained in the new Medium-term Management Plan and Mitsui's financial strategy in light of current financial conditions, as well as the introduction of International Financial Reporting Standards (IFRS).



## 021 | New Medium-term Management Plan

Special  
Feature

# CHALLENGE AND INNOVATION 2014

We have compiled an overview of the new Medium-term Management Plan "Challenge and Innovation 2014" that was formulated to guide us on our quest to realize Mitsui's "Long-term Management Vision—Dynamic Evolution as a 21st Century Global Business Enabler" announced in March 2009.

### Projects

## 026 | 01 Energy Segment

## 027 | 02 Lifestyle Segment

## 028 | 03 Chemicals Segment



©Anadarko Petroleum Corporation



### A Cautionary Note on Forward-Looking Statements

This Annual Report contains statements (including figures) regarding Mitsui & Co., Ltd. ("Mitsui," "Mitsui & Co.," "Company")'s corporate strategies, objectives and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui's management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to: (i) changes in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui's ability to fulfill its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

030 | Iron & Steel Products Segment

033 | Mineral & Metal Resources Segment

036 | Machinery & Infrastructure Segment

042 | Chemicals Segment

047 | Energy Segment

051 | Lifestyle Segment

057 | Innovation & Cross Function Segment

062 | Overseas:  
Americas Segment  
Europe, the Middle East and Africa Segment  
Asia Pacific Segment

066 | Major Subsidiaries and Associated Companies

#### 071 | Corporate Governance and Internal Controls

Mitsui strives to maintain a structure that increases the efficiency of management execution and strengthens the oversight function, with an emphasis on enhancing transparency and accountability and on clearly separating the functions of management oversight and execution. Mitsui's governance structure is explained through the Message from the Board of Corporate Auditors and Interview with the Chief Compliance Officer.



077 | Interview with  
the Chief Compliance Officer

#### 079 | Mitsui's CSR

Mitsui fulfills its CSR by creating value through its core businesses and delivering *Yoi-Shigoto* (good quality work) to contribute to the establishment of a sustainable society. This section outlines our social responsibilities and specific activities to address those responsibilities.



#### 094 | Directors and Corporate Auditors

#### 095 | Independent Directors / Auditors

#### 097 | Consolidated Financial Statements

#### 102 | Ten-Year Summary of Consolidated Financial Statements

#### 104 | Corporate Information

#### 105 | Investor Information

#### The status of the Company's inclusion in the SRI Index

Socially responsible investment (SRI) involves the selection of investment targets through the evaluation of corporations based on financial analyses and investment standards, as well as on how well they fulfill their social and environmental responsibilities. Mitsui has been selected for inclusion in two global SRI indexes—the FTSE4Good Global Index and the Dow Jones Sustainability World Index (DJSI World).



# Editorial Policy

Mitsui issues its *Annual Report* as a comprehensive report to convey messages from management, to report on management strategies, key initiatives, and business overviews, and to explain its activities in the area of corporate social responsibility (CSR) to all stakeholders. We hope this report will help explain the sustainable growth potential of our business activities, which are carried out with firm resolve and in the spirit of “Challenge and Innovation.”

Please refer to our *Annual Securities Report* for more detailed financial information about Mitsui.

## Detailed Reports Issued by Mitsui

### Financial Information

#### *Annual Securities Report*

The *Annual Securities Report* is prepared pursuant to Article 24, Section 1 of the Financial Instruments and Exchange Act and is required to be submitted to the Kanto Finance Bureau. Please refer to these reports for more detailed financial information. It is issued in late June of each year.



Download from <http://www.mitsui.com/jp/en/ir/library/securities/>



### CSR-related Information

#### *Sustainability Full Report*

“Mitsui’s CSR” of the *Annual Report* outlines the Company’s business activities and activities directed toward its corporate social responsibility. The *Sustainability Full Report* provides a comprehensive update on our latest activities and is issued in August of each year.



Website <http://www.mitsui.com/jp/en/csr/>



Download from <http://www.mitsui.com/jp/en/csr/csrreport/>



### Mineral & Metal Resources and Energy-related Information

#### *Production & Reserve Report*

This detailed document provides an overview of our mineral & metal resources and energy businesses, including production volumes and reserves, and contains supplemental information related to supply and demand. The *Production & Reserve Report* is issued in September of each year.



Download from <http://www.mitsui.com/jp/en/ir/library/supplementation/>



## Corporate Brochure

The corporate brochure provides an easy-to-understand overview of Mitsui and our businesses and is issued around August of each year in eight languages.\*

\* Japanese, English, Chinese, Spanish, Russian, French, Arabic, and Portuguese



e-book [http://www.mitsui.com/jp/en/company/ebook/brochure\\_main/](http://www.mitsui.com/jp/en/company/ebook/brochure_main/)



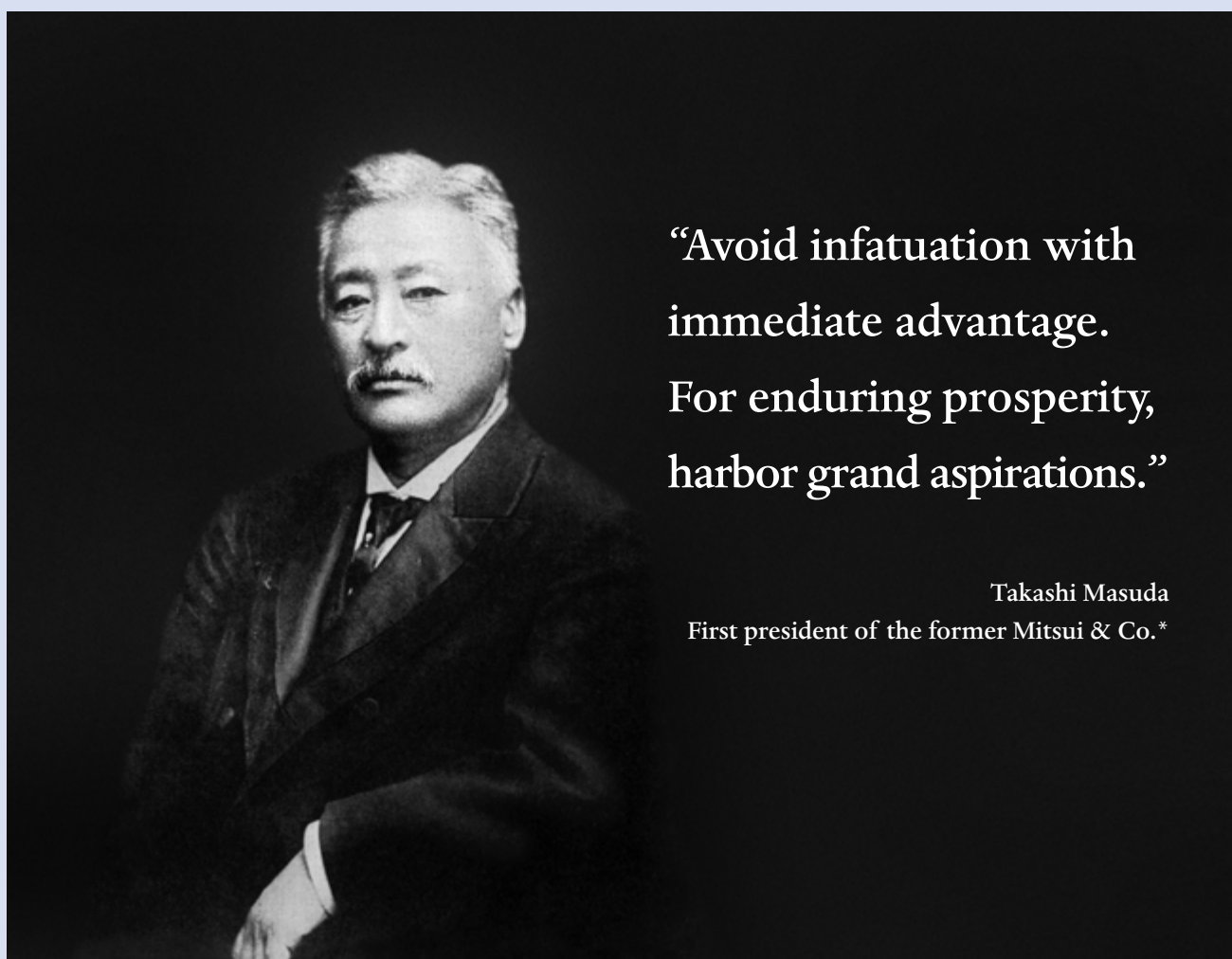
Download from <http://www.mitsui.com/jp/en/company/brochure/>





# ABOUT US

## Overview of Mitsui



The words of Takashi Masuda continue to represent a clear and valid starting point in any age and are regardless of changes in the global economy. As the industrial structure of Japan and the world has changed over time, the role sought of Mitsui continues to change as well; however, the three core principles of “Challenge and Innovation,” “Focus on Human Resources” and “Open-Mindedness” continue to be the foundation on which we base our activities.

\* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

# Mitsui's History

For more than 130 years, we have constantly reevaluated our own role and function in addressing the needs of the times and continuously and flexibly promoted the evolution of new business models.

## The period starting from 1876

### Japan's first general trading company (*sogo shosha*)— contributed to the modernization of the Japanese economy

In 1876, the former Mitsui & Co.\* was established as Japan's first general trading company (*sogo shosha*).

#### ■ Evolved from a governmental agency to a commercially independent trading company

- Exported rice as well as coal from the government-owned Miike coal mine
- Shifted from acting as a governmental agency to being a commercially independent trading company with the acquisition of ownership interest in the Miike coal mine



Takashi Masuda, the first president of the former Mitsui & Co.\*



A Platt spinning machinery

#### ■ Established Japan's cotton spinning industry

- Imported spinning machinery
- Imported raw cotton from China, India, and the United States
- Provided commercial support to Sakichi Toyoda, whose family is known as the founders of Toyota Motor Corporation

#### ■ Promoted expansion of export businesses

- Exported to frontier markets, such as Latin America, the Middle East, Africa, and Russia

#### ■ Helped establish and develop Japan's heavy industries

- Established and/or made investments at an early stage in companies including Toray Industries, Inc., Nippon Otis Elevator Company, Nippon Flour Mills Co., Ltd., and Taiheiyo Cement Corporation

## The post-World War II period and the 1950s

### Contributed to the recovery of the post-World War II Japanese economy

In 1947, along with the disbanding of the prewar *zaibatsu* (business conglomerates), the former Mitsui & Co.\* was dissolved into more than 200 companies, including Daiichi Bussan Co., Ltd., a predecessor of today's Mitsui.

#### ■ Daiichi Bussan imported daily necessities into postwar Japan and promoted exports as postwar controls were lifted.

In 1959, Daiichi Bussan integrated with other trading companies, changing its name to Mitsui & Co., Ltd.



The merger contract signing ceremony

\* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

## The period from the 1960s to the 1970s

### A driving force for high economic growth

- In view of Japan's high dependence on overseas sources of raw materials, Mitsui invested in the development of its own sources of raw materials and energy fuels with the aim of ensuring a stable supply of key materials to Japan.

In 1963, participated in the development of the Moura coal mine in Australia (currently the Dawson coal mine)

In 1965, participated in the Robe River iron ore development in Australia

In 1971, signed a basic contract for development of an LNG facility on Das Island in Abu Dhabi



The Abu Dhabi LNG project

- Further strengthened its capabilities and diversified its functions to meet the changing needs of the times

- Contributed to the computerization of Japan through Nippon Remington Univac Kaisha, Ltd. (currently Nihon Unisys, Ltd.), established with Remington Univac, Inc., the manufacturer of the first computer to be imported into Japan in the postwar period, the UNIVAC 120

## The period from the 1980s to the 1990s

### Challenge of responding to new trends, dealing with rapid structural change of society

- Entered high-value-added sectors, including semiconductors

- Moved ahead with investments in downstream industries, such as apparel and restaurant chains, as well as the implementation of new business models

- Provided supply chain management for the Ito-Yokado Group (currently Seven & i Holdings Co., Ltd.)

- Further strengthened functions, including IT (information technology), FT (financial technology), and LT (logistics technology), to respond to the rapid structural and social changes taking place

- Implemented major overseas projects and investments

In 1985, participated in the Western Australia LNG project

In 1989, participated in the Qatar LNG project

In 1994, established P.T. Paiton Energy, an electric power company in Indonesia

In 1994, signed development contracts for the Sakhalin II petroleum and natural gas projects



The Paiton coal-fired power plant (Indonesia)



Sakhalin II project (Russia)  
© Sakhalin Energy Investment Company Ltd.

## The 2000s

### Becoming a global business enabler

#### ■ Sharing common values: *Yoi-Shigoto* (good quality work)

#### ■ Developing a strategic business portfolio through new investments and strategic divestiture and recycling of assets

In 2003, purchased ownership interest in Valepar S.A., the holding company of Vale S.A., the Brazilian diversified resource development company

In 2007, sold stake in Sesa Goa Limited, India's iron ore company

In 2007, acquired Steel Technologies, Inc., a U.S. steel processing service center

#### ■ Implementing a global strategy

- Expanding global initiatives with strategic partners, such as Vale and Petroleo Brasileiro S.A. in Brazil, and Gazprom in Russia



Vale's Carajas iron ore mine (Brazil)

- Promoting globalization of human resources

## Today

### Dynamic evolution as a 21st century global business enabler

#### ■ Long-term Management Vision (announced in March 2009)

#### ■ Reinforcement of earnings base by demonstrating business engineering capabilities

- Further expansion into upstream businesses
- Accelerating initiatives in emerging markets
- Strengthening partner strategy

In 2010, decided to participate in the Marcellus shale gas production development project in the United States

In 2010, participated in the Caserones copper and molybdenum deposit development project in Chile

In 2010, participated in a phosphorus ore mine development project being promoted by Vale S.A. in Peru

In 2010, acquired an interest in natural-gas-fired power stations in Mexico

In 2010, formed a joint venture for chlor-alkali business in Texas (United States) with major U.S. chemical company The Dow Chemical Company

In 2011, made an equity investment in the Asian healthcare group Integrated Healthcare Holdings Sdn. Bhd (currently IHH Healthcare Bhd.)

In 2011, made Multigrain AG, the operator of a grain distribution and agricultural production business in Brazil, a wholly owned subsidiary

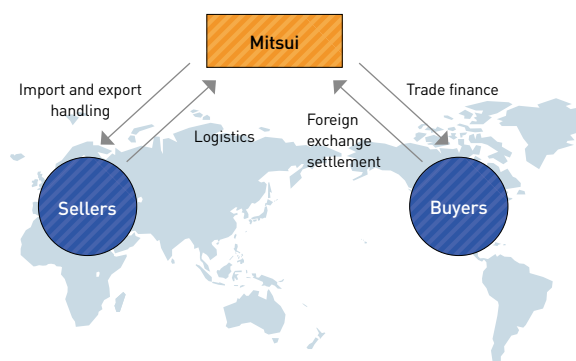
In 2012, discovered one of the world's largest gas resources at an offshore exploration project in Mozambique (participated in the project since 2008)

## Mitsui's Business Model

Operating on a global stage in a changing environment, we continue to constantly create new value. In the process of handling a range of different types of products and services in various industries, our business model has also been changing and developing.

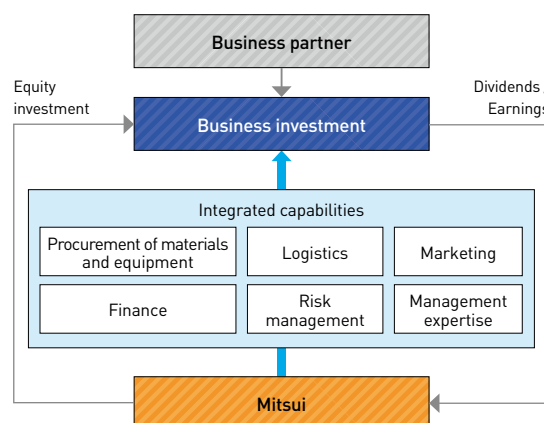
### Fundamental Business Model: Trading

Our fundamental role is as an intermediary for exports, imports, and domestic commercial transactions. We provide services required for smooth commercial transactions, including the gathering and dissemination of information, logistics (import and export procedures, building optimal logistics), and financial functions (credit management, foreign exchange).



### Another Business Model: Business Investment

Business investment has become an important business model for today's Mitsui. We contribute to the enhancement of business value by investing in business areas where future growth is expected, proposing solutions for business management, and through peripheral businesses and trading that utilize the integrated capabilities of Mitsui.



# Overview of Results for the Year Ended March 31, 2012

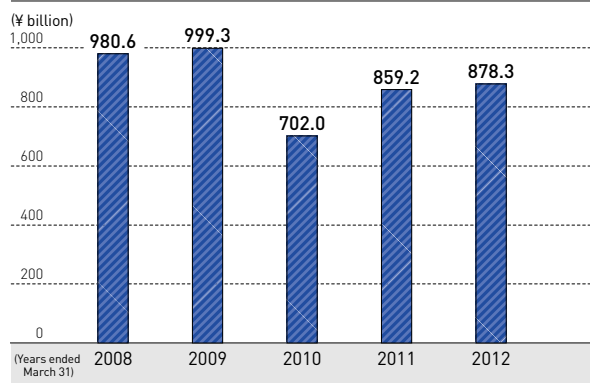
## Net income attributable to Mitsui & Co., Ltd.\*<sup>1</sup> of ¥434.5 billion exceeded our Medium-term Management Plan target

Net income for the fiscal year ended March 31, 2012 was ¥434.5 billion, an increase of ¥127.8 billion from the previous year. This result was significantly higher than the target of ¥370.0 billion set forth in our Medium-term Management Plan announced in May 2010. Major factors behind the significant increase in net income were the increases in commodity prices including crude oil, gas, iron ore and coal, as well as the reversal effect of the previous year's settlement payment related to the oil spill incident in the Gulf of Mexico.

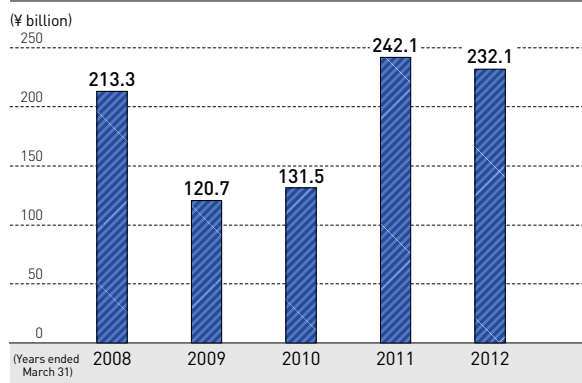
## Balance sheet maintaining solid financial position

Total assets increased by ¥0.4 trillion from March 31, 2011 to ¥9.0 trillion. Investments and other assets increased by ¥0.3 trillion, to ¥4.6 trillion, due to new investments as well as expansion of existing projects, partly offset by the appreciation of the Japanese yen. Net interest-bearing debt as of March 31, 2012 was ¥2.1 trillion, an increase of ¥0.2 trillion from March 31, 2011. Total shareholders' equity as of March 31, 2012 was ¥2.6 trillion, an increase of ¥0.2 trillion from March 31, 2011, reflecting an increase in retained earnings. As a result, the net debt-to-equity ratio ("net DER"),\*<sup>2</sup> which is one of the indicators of financial soundness, was 0.81 times, meaning we have maintained a solid financial position.

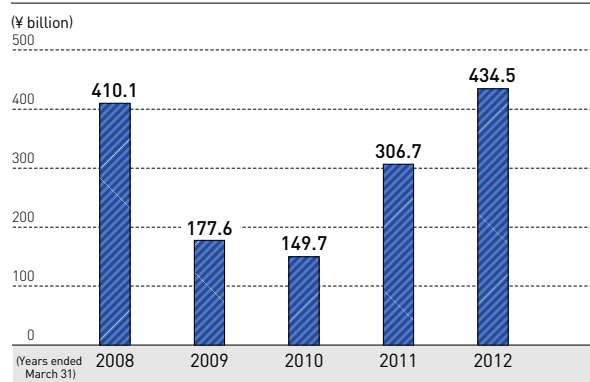
### Gross Profit



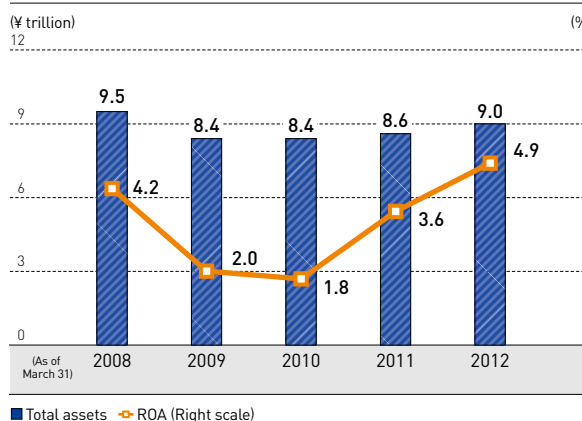
### Equity in Earnings of Associated Companies



### Net Income



### Total Assets / ROA





## Aggressive investment into growth projects

Free cash flow\*<sup>3</sup> was a net outflow of ¥57.2 billion. While we were able to secure a significant level of dividend income in addition to the steady accumulation of operating income, there were substantial outlays for a large number of investment and loan projects.

## Increase in dividend

According to our policy of a 23% dividend payout ratio, we paid an annual dividend of ¥55 per share for the fiscal year ended March 31, 2012, an increase of ¥8 per share from the corresponding previous year.

For details on our financial results, please refer to

# FINANCIAL DATA

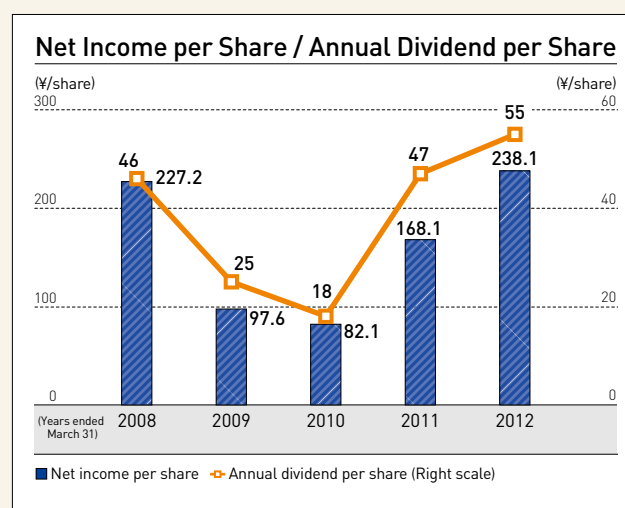
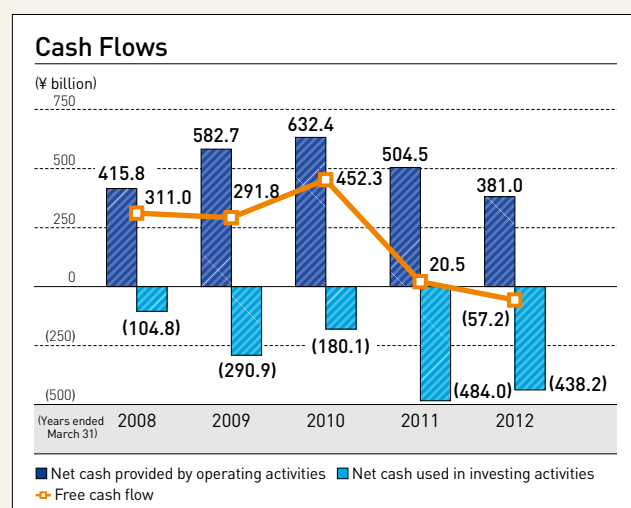
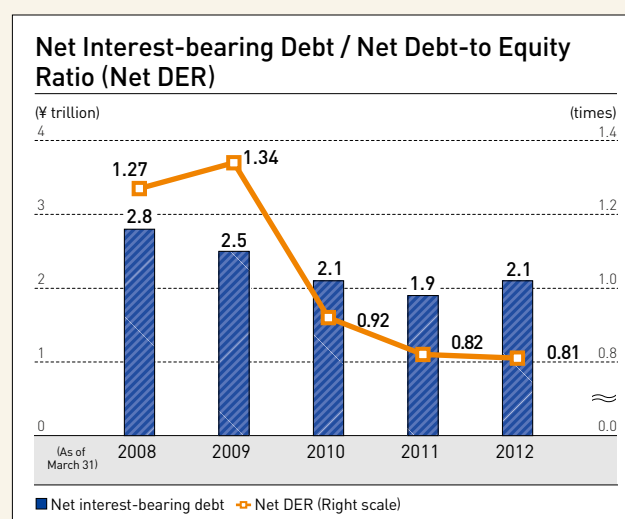
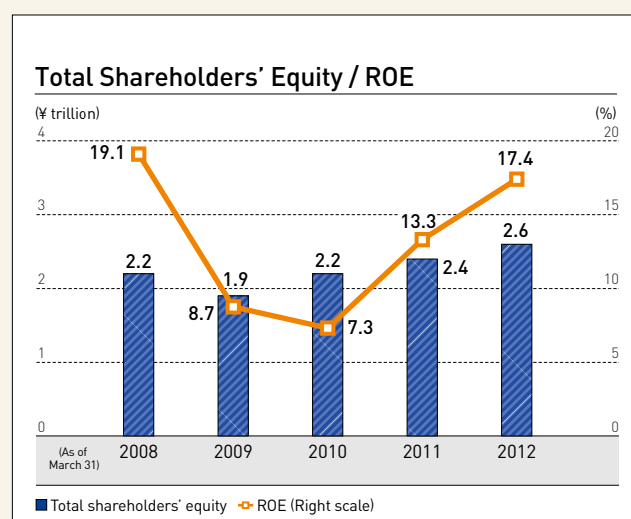
\*1. In this report, "net income" refers to consolidated net income attributable to Mitsui & Co., Ltd.

\*2. Net DER = Net Interest-bearing Debt ÷ Total Shareholders' Equity

Net Interest-bearing Debt = Interest-bearing Debt - (Cash and Cash Equivalents + Time Deposits)

\*3. Free Cash Flow = Cash Flows from Operating Activities + Net Cash Used in Investing Activities

\*4. In accordance with Accounting Standard Codification ("ASC") 205-20 and other changes in presentation, figures for prior years have been reclassified.

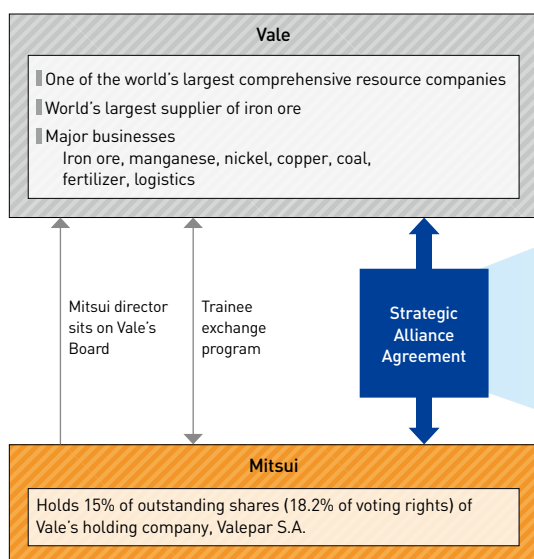


# Operations that Realize Synergies across Product Lines

## CASE Alliance with Vale S.A. ("Vale")

We have included the "Reinforcement of our earnings base by demonstrating business engineering capabilities" as one of the key initiatives in our Medium-term Management Plan. We aim to provide "value" to our business quickly and with a high-value-added component through activities that cut across the business unit organization.

We engage in a variety of multilayered activities with Vale, spanning management, business (business operations, logistics, and finance), and human resources (trainee exchange program). Touching on the history of our relationship with Vale, the following provides an example of our business engineering capabilities.



### Major joint businesses and projects

<b>Iron &amp; Steel Products Business Unit</b> Railways for mines	<b>Consumer Service Business Unit</b> Ultra-large off-the-road radial tires
<b>Mineral &amp; Metal Resources Business Unit</b> Goro nickel project	<b>Transportation Logistics Business Unit</b> Container transport business
<b>Motor Vehicles &amp; Construction Machinery Business Unit</b> Mining equipment	
<b>Performance Chemicals Business Unit</b> Phosphorus ore deposit development project	

Presently, 11 of our 15 headquarter business units have business contacts with Vale (as of June 30, 2012).

## Strategic Alliance Agreement with Vale, Demonstrating Our Business Engineering Capabilities

We are involved in the management of the world's largest supplier of iron ore, Vale, as one of their controlling shareholders. As a business partner, we form joint ventures, supply Vale with machinery, supplies and materials, and distribute products produced by Vale. This close relationship began in full in 2001 with the two companies' joint management of the Brazilian mineral resources company Caemi Mineração e Metalurgia S.A. Building on this, the two companies agreed to expand their cooperation to a variety of fields and concluded a Strategic Alliance Agreement. We have been working to "demonstrate our business engineering capabilities" through activities that cut across business units and have built a structure that aims to create integrated businesses for a variety of purposes.

Joint business projects to date have included aluminum business,\* the Goro nickel project, and a container transport business within Brazil, and trading businesses have included railways for mines, ore cars for iron ore transportation, mining equipment, and ultra-large off-the-road radial tires for mining vehicles. Today, 11 of our 15 headquarter business units have business contacts with Vale.

\* Vale divested its aluminum business in February 2011.

## Participating in Phosphorus Ore Business in Peru

We continue to deploy our full capabilities for the further growth of Vale, which is diversifying its businesses and expanding outside Brazil.

In March 2010, together with The Mosaic Company, one of the world's leading producers and marketers of concentrated phosphate and potash crop nutrients, we agreed to participate in a phosphorus ore mine development project being promoted by Vale in Peru, and this project is now making progress toward full operation. By participating in this business, our Performance Chemicals Business Unit, which has expertise in fertilizers, and our Mineral & Metal Resources Business Unit, which has extensive experience in mineral resource investment, worked as an integrated team. We will realize our synergy to increase the value of the business and also will be involved with sales of products utilizing our many years of experience and industry knowledge in the area of fertilizers.



Development of phosphorus ore mine at Compañía Minera Miski Mayo S.R.L. (Peru)

## Personnel Exchanges to Strengthen the Partnership

Together with Vale, we are working in the area of human resources to further strengthen our relationship of trust that has developed over many years. We consider personal interaction to be an important part of building a partnership and launched a trainee exchange program in 2003. Through June 2012, 104 employees from Vale and 99 from Mitsui have participated in this program. The 8–11 week course provides an ideal forum for the mutual understanding of the two companies' businesses as well as Japanese and Brazilian culture and business practices.



# STRATEGY

Message from the Management / Management and Financial Strategies

008 | Message from the CEO: To All of Our Stakeholders

018 | Message from the CFO

021 | Special Feature

New Medium-term Management Plan

## CHALLENGE AND INNOVATION 2014

## Message from the CEO: To All of Our Stakeholders





# Mitsui's Various Capabilities will Drive its Growth

Aiming to be a leading global business enabler, through “good quality work” with an emphasis on the quality of work and profit

With a large contribution from a rise in resource prices, we were able to achieve consolidated net income in the fiscal year ended March 31, 2012, that significantly exceeded the ¥370 billion final-year target set in the Medium-term Management Plan “Challenge and Innovation 2012” formulated in 2010.

Under the new Medium-term Management Plan “Challenge and Innovation 2014—Creating the future through dynamic evolution,” we will work to resolve issues around the world by taking a global, bird’s-eye view of our rapidly changing society, creating businesses for the next generation by applying our flexible imagination and abundant creativity, and demonstrating our various capabilities together with our partners around the world. Through these efforts, we will work to capture global economic dynamism and contribute to the vitalization of Japan’s domestic economy as a leading global business enabler.

*Yoi-Shigoto* (good quality work) is the cornerstone upon which we ensure that we are closely following the changing needs of customers and society and resolutely pursuing businesses that create new value. By constantly asking ourselves whether this work is useful for people, worth the effort, and will be accepted by the public, we emphasize “high-quality work” and “high-quality profit” as we continue to pursue “Challenge and Innovation” with a strong sense of ethics.

August 2012

Representative Director  
President and Chief Executive Officer  
**Masami Iijima**



## Overview of the Medium-term Management Plan “Challenge and Innovation 2012”


**Q1**


**Please summarize Mitsui's achievements under the Medium-term Management Plan “Challenge and Innovation 2012.”**

Looking back at the two years covered by the Medium-term Management Plan “Challenge and Innovation 2012” (the “Previous Plan”), net income for the first year under the plan (the fiscal year ended March 31, 2011), including the effect of the settlement for the oil spill incident in the Gulf of Mexico, was ¥306.7 billion versus a target of ¥320.0 billion, but in the final year (the fiscal year ended March 31, 2012) we significantly exceeded our target of ¥370.0 billion, with net income of ¥434.5 billion. During this time, we faced a number of unexpected developments, including the Great East Japan Earthquake and flooding in Thailand, but working together we overcame these difficulties and achieved results that can be considered worthwhile.

At the same time, investments and loans during the period covered by the Previous Plan amounted to ¥1,340.0 billion, against our initial plan of ¥1,200.0 billion. Taking into account ¥400.0 billion of recycled assets, net outlays were ¥940.0 billion, primarily in growth areas, and this result was roughly on plan. Our investments in the metal resources and energy area led to the acquisition of new interests and increased production volumes. For example, we worked to raise our iron ore production capacity, primarily in Australia, and we newly participated in the Caserones copper mining project, in Chile, and the Taganito nickel project, in the Philippines. In the energy area, in addition to boosting production capacity at existing projects, we acquired shale gas and oil assets in the United States and carried out exploration that led to the discovery of large gas fields in Mozambique.

Also, we made proactive investments and loans to reinforce our earnings base for future growth in areas other than metal resources and energy. These endeavors included taking an equity stake in Integrated Healthcare Holdings Sdn. Bhd (the present IHH Healthcare Bhd.), the largest hospital group in Asia; making Multigrain AG a consolidated subsidiary (operating grain origination and agricultural production business in Brazil); participation in phosphorus ore production in Peru (demand for which is expected to grow as a raw material for fertilizers that are indispensable for agricultural production); and participation in a water business in China.

With a net DER of 0.81 times achieved through the steady accumulation of profit, we are maintaining a strong financial base to support Mitsui's continued managerial



**We overcame unexpected developments to achieve earnings that exceeded our plan.**

### Three management issues and an appropriate awareness of risk

drive, and we believe this financial strength enables us to respond with flexibility if some unanticipated event were to occur going forward. In addition, the series of settlements related to the oil spill incident in the Gulf of Mexico has significantly reduced further risks that could impact our balance sheet. These developments put us in a very strong position for the launch of our new Medium-term Management Plan "Challenge and Innovation 2014" (the "New Plan").

Nevertheless, there are three issues that are being carried over from the Previous Plan to the New Plan: reaping benefits of investments, further reinforcing our earnings base in areas other than metal resources and energy, and the reinforcement of our investment discipline. We will be putting emphasis on these as Companywide issues in implementing our New Plan. Moreover, events such as the Great East Japan Earthquake, the flooding in Thailand and the financial turmoil triggered by the European financial crisis reminded us that we need to think how to cope with unanticipated risks.

## New Medium-term Management Plan "Challenge and Innovation 2014"

### Q2

What is your outlook for the business environment that forms the basis for the targets included in the new Medium-term Management Plan?

We expect the global economy will continue to show gradual growth going forward. The growth rate in emerging market economies is slowing, but there is no structural change that would prevent these markets from continuing to drive the global economy.

There are still risk factors to which we need to pay attention. In addition to the deepening of the financial crisis in Europe and volatility in crude oil prices resulting from increased geopolitical risk, a possibility exists that the yen will appreciate further. I believe it is important to manage our businesses so we can flexibly respond to changes in the environment while closely monitoring these risks.

**We see continued gradual growth for the global economy.**

### Q3

What is the basic policy behind the new Medium-term Management Plan?

Based on the position of the New Plan as a two-year period to work toward the realization of the Long-term Management Vision announced in March 2009, we are aiming as a Group to be a leading company in each of our respective business areas, with the aggregate goal of being a leading global business enabler. In addition, one of the cornerstones of the New Plan is to contribute to development both in Japan and globally, which includes carrying out useful *Yoi-Shigoto* (good quality work) by further differentiating our capabilities and emphasizing "high-quality work" and "high-quality profit."

In the past, Mitsui has been involved in incidents that raised questions about our credibility and inconvenienced others. Based on this bitter experience, we took a

fresh look at our company and determined we needed to reinstate our founding principle. Takashi Masuda, the first president of the former Mitsui's & Co.\* explained the importance of sincerely looking to the future and addressing the issues facing society when he said, "Avoid infatuation with immediate advantage. For enduring prosperity, harbor grand aspirations." This philosophy has been handed down as part of our core values and continues to guide our activities. We are not simply interested in generating profit but rather seek to be valued by our customers, partners, and society, and, by emphasizing work that gives us a sense of satisfaction and fulfillment, we strive to create "high-quality profit" that will form a bridge to the next generation.

**We are emphasizing  
"high-quality" profit  
through *Yoi-Shigoto*  
(good quality work)  
in aiming to be a  
leading global  
business enabler.**

## Q4

**What are the main points regarding investments and loans under the new Medium-term Management Plan?**

Under the Previous Plan, roughly 40% of investments and loans were allocated to the metal resources and energy area and roughly 60% to other areas. This allocation aimed at addressing the issue of strengthening our earnings base in areas other than metal resources and energy; however, during the first year under the New Plan, we intend to allocate a majority of our investments and loans to the metal resources and energy area. With global resource demand continuing to grow, we are planning to expand our supply volumes for the future. Metal resources and energy are essential for supporting the economic growth and quality of people's lives, and we will continue to strengthen our businesses in these areas in line with our intention to do useful *Yoi-Shigoto* (good quality work).

At the same time, we need to build up our portfolio by further expanding businesses in other areas, and we will work to further expand our earnings base by first focusing on steadily reaping the benefits of projects in which we invested under the Previous Plan. Also, we intend to invest in these areas during the two-year period covered by the New Plan with a view toward a next stage of growth, and although the portion of investments and loans allocated to these areas will be slightly less than half of the total, the absolute amount will not decline from the Previous Plan.

**We will continue to invest in metal resources and energy to meet the needs of the times.**

Please refer to the Special Feature for more information regarding Mitsui's investment and loan plan.



\* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

Q5

**Can metal resources and energy continue as the main support for Mitsui's earnings going forward?**

Market prices for resources fluctuate significantly, and there are concerns that these changes can have a negative impact on earnings, but we see global demand for metal resources and energy continuing to grow going forward.

Since resources and energy are finite and cannot be reproduced, continuous extraction leads to a decline in reserves. As a result, it is necessary to constantly direct funds to new development and the acquisition of reserves, but looking ahead I believe a decline in global demand for metal resources and energy is unlikely and steadily increasing our supply capacity will contribute to continuous earnings growth for Mitsui.

With the world's population expected to exceed nine billion in 2050, securing metal resources and energy is a common and important global issue. In addition, following the Fukushima Daiichi Nuclear Power Station accident in 2011, securing LNG and other energies and diversifying sources of supplies have become even more important in terms of ensuring Japan's energy security.

It is Mitsui's duty to address these international and domestic issues. Therefore, the New Plan emphasizes expanding our businesses and investing in new projects in the metal resources and energy area, and, looking beyond the period covered by the New Plan, we intend to increase our production and reserve volumes over the long term.

**Playing a part in ensuring a stable supply of energy, and maintaining supply capacity, will lead to earnings.**

Q6

**What is Mitsui's strategy for pursuing resource development?**

Recognizing that resources ultimately belong to the countries that possess them, our basic strategy for resource development is to build win-win relationships through which we can grow and develop together with the countries that possess resources. For example, it is very important to work with the governments of resource-rich countries in areas including infrastructure and human resource development to build good relationships. This commitment also creates new business opportunities. While resource development is a good starting point, we can expand our businesses in non-resource areas as we fully utilize our various capabilities.

In addition, barriers to participating in metal resources and energy projects have escalated in recent years, making it necessary to aggressively participate in projects from the exploration stage, even if the risks may be higher, to secure cost-competitive projects. Therefore, another important strategy is to partner with leading overseas and local companies and make full use of complementary strengths.

**We are emphasizing long-term relationships with resource-rich countries. Taking risk from the exploration stage is also essential.**

Q7

**What is your strategy for fortifying Mitsui's earnings base in areas other than metal resources and energy?**

Applying the same concept as in resource development with an eye on future growth in demand, we are accelerating our efforts to enhance our supply capacity in upstream areas in chemical raw materials, food resources, and raw materials for consumer products. In the area of food production and supply, for example, agrochemicals such as phosphates are essential for raising efficiency in food production, and we intend to strengthen our alliances and utilize our various capabilities across the value chain. Also, we are focusing on the area of medical and healthcare, a market that is expected to grow. In Asia in particular, the size of this market is currently ¥80 trillion and going forward it is expected to grow by 15% to 20% annually. Our 2011 equity investment in IHH Healthcare Bhd., Asia's largest hospital group, is gradually contributing to earnings.

We have many greenfield projects in areas other than metal resources and energy, and additional time will be required before these produce results, but we expect a steady earnings contribution in two to three years.

**We are aiming for steady results by expanding activities in upstream areas and emerging economies.**

Q8

**The new Medium-term Management Plan designates Mozambique and Myanmar as Companywide priority regions. What are your aims and what was the background behind this?**

In Mozambique, we are working on a large-scale gas field development project. This project is currently at the exploration stage, and we have already confirmed large quantities of resources. There are still areas to be explored, and if the quantity of resources increases further going forward, this area could become one of the world's largest gas fields. We have set up a Mozambique Projects Division and along with emphasizing such development, we are using gas field development as a starting point from which to contribute to Mozambique's development through businesses including electrical power and other infrastructure, agriculture, and petrochemicals. We have recently designated Mozambique as a priority region since deploying our various capabilities has the potential to lead to a range of new business opportunities.

In addition to its abundant gas, oil, and mineral resources, with a population of approximately 62 million, Myanmar is a market with significant potential for economic growth. Bordering China, India, and other ASEAN countries, Myanmar is in an advantageous geographic position. Going forward we will be closely watching

Myanmar's move to democracy and hope to contribute to its economic development. We are expanding the representative office we opened in the capital, Nay Pyi Taw, in June 2012, and are already engaging in a variety of projects in areas including water and electric power. Because of its advantageous geographic position, Myanmar could also play an important role as a food supply base for Asia, and we have begun studying this area as well.

**We are designating these emerging countries as priority regions to fully utilize our various capabilities.**



Q9

**What do you hope to achieve in the fiscal year ending March 31, 2013, the first year under the new Medium-term Management Plan?**

We are positioning the fiscal year ending March 31, 2013, as a year for establishing a solid foundation toward the achievement of our ¥450 billion net income target under the New Plan.

Existing projects in the metal resources and energy area are making a large contribution to earnings, indicating we are in the favorable position of being able to spend this time working toward the future, primarily through exploration. In other areas, as I mentioned previously, we have many greenfield projects and some more time will be needed for a full-scale earnings contribution, but by individually verifying projects from past investments, we will work to further enhance the earnings strength of these investments.

Of the total ¥1,400 billion of investments and loans planned for the two-year period, we intend to invest ¥800 billion during the fiscal year ending March 31, 2013; however, if promising new projects emerge, we will respond with flexibility by utilizing our strong financial base.

Through these activities, by the second year under the New Plan, we expect to achieve a better balance in our business portfolio and hence a stronger earnings base. In addition to increasing our metal resources and energy equity interests, we are planning to start up projects in other areas, including our chlor-alkali and bioethanol businesses with The Dow Chemical Company of the United States, water and IPP businesses in China, a power generation business in Indonesia, and hospital and food businesses.

**We will establish a solid foundation toward achieving our second-year profit target of ¥450 billion.**

Q10

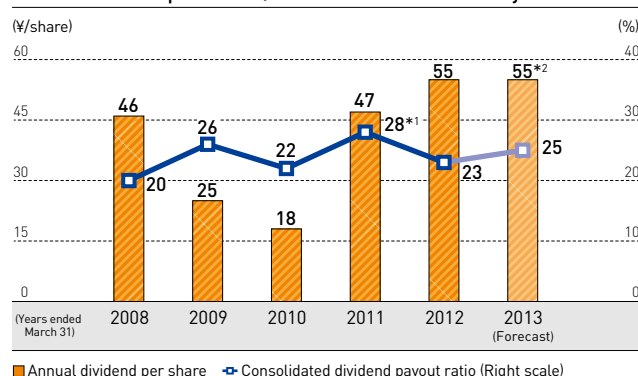
**What is the basic thinking regarding returns to shareholders under the new Medium-term Management Plan?**

Mitsui's basic policy for returns to shareholders is to enhance corporate value through investments for growth and directly return profit to shareholders through dividends. With the healthy financial base that we were able to achieve under the Previous Plan, we have raised the minimum dividend payout ratio under the New Plan from 20% to 25%. There is no particular upper limit, but we will flexibly consider the dividend payout ratio by comprehensively taking into account earnings, demand for investments and loans, and ROE as performance indicators.

Looking toward future growth, Mitsui has abundant demand for investments and loans. As long as there are many projects that can be expected to lead to earnings growth, we will give priority to investments and loans to meet the expectations of shareholders through increased corporate value.

**We are raising the minimum dividend payout ratio from 20% to 25%, while continuing investment in growth areas.**

**Annual Dividend per Share / Consolidated Dividend Payout Ratio**



\*1. Dividend payout ratio for FY2012 was 23% when calculated based on net income of ¥367.9 billion, which excludes the impact of recognized subsequent events related to the settlement regarding the oil spill incident in the Gulf of Mexico.

\*2. Dividend forecast for FY2013 is calculated based on our financial outlook for FY2013, with the target dividend payout ratio of a minimum of 25%.

## Mitsui's Corporate Social Responsibility

Q11

**Stakeholders are increasingly calling for companies to be socially responsible. How is Mitsui meeting its corporate social responsibility (CSR)?**



**Our mission is to endeavor to resolve issues facing society.**

In accordance with our founding principle, Mitsui's mission is to strive to resolve issues facing society, and I consider it our CSR to carry out *Yoi-Shigoto* (good quality work) through our main businesses. In recent years in particular, as the world's population has continued to grow, the stable supply of resources and food has become a pressing issue, and in our development businesses in upstream areas we are aware of our significant responsibility to society with regard to ensuring Japan's energy and food security. We will therefore work proactively to address the variety of social issues in areas in which Mitsui has a role to play. To this end, we intend to maintain a close dialogue with stakeholders and continue to strive to understand society's needs to manage the Company with a constant awareness of our CSR.

Also, we hope to revitalize Japan by capturing the world's dynamism. We are enjoying the benefits of the foundation built by our predecessors. Now it is our turn to leave a new foundation for the next generation. In addition to building new earnings sources, this is what we had in mind when we included "Creating businesses for the next generation" as a key initiative under the New Plan. After achieving rapid growth following World War II, Japan's industrial structure is entering a transition phase. We cannot simply rely on the vitality of the growing emerging markets in Asia—we must transition to a next stage of growth by creating new industries in Japan. To do this, I consider it important to use the profit generated by our business activities to effectively invest in businesses that will lead to the creation of new value. As one step in this process, we have set up a Domestic Business Development Department, with the aim of introducing measures to revitalize Japan's economy after the Great East Japan Earthquake. In addition, in April 2012 we established a Business Innovation Department to work with research institutions around the world to create next-generation business models.

At the same time, in order for Mitsui to make contributions to Japan and the world, our own management needs to be stable. A constant sense of crisis and continuous evolution are essential for maintaining management stability. As soon as the pace of evolution lags, the Company takes a step toward a path of decline. Ideally, we would like to be able to pursue businesses while continuously being able to foresee 5 or 10 years into the future; in reality the environment changes so

quickly and this is easier said than done. In this regard, the key factor is human resources. If we have ample human resources who are able to flexibly and accurately respond to any type of environmental change, the Company should be able to steadily evolve. I believe human resource development itself is the key to achieving continuous growth for Mitsui.

## Q12

**What are your policies and main activities in human resource development going forward?**

Mitsui's business model was originally based on intermediary trading operations but has gradually shifted to investments in companies and projects and seeking to enhance the value of those businesses. Therefore, going forward we will further strengthen our cultivation of human resources who are well versed in corporate and project management. At the same time, as the global market converges, we can no longer think primarily about Japan and are therefore cultivating global human resources who are able to compete in the global arena with a global perspective. This effort includes the Mitsui HBS Global Management Academy, which began operating as a joint project with the Harvard Business School in 2011. Going forward, we intend to continuously enhance the curriculum and will strive to develop a large group of capable staff.

**We will cultivate human resources who are well versed in corporate and project management.**

Message from the CEO

## Closing

## Q13

**Do you have any final thoughts to share with stakeholders?**

I am confident that if we are able to cultivate managers who are able to create added value on their own, with a global perspective, Mitsui will always be able to continue growing in any environment. Cultivating human resources also requires steadfast principles. By thoroughly instilling the "Challenge and Innovation," "Focus on Human Resources" and "Open-Mindedness" principles that are at the heart of our core values, along with *Yoi-Shigoto* (good quality work), I believe we will be able to grow in quality as well as quantity.

In other words, growth for simple profit's sake has no meaning for us. Through Mitsui's distinctive *Yoi-Shigoto*, our gains must come as a result of contributing to

society. One of my roles as CEO is to use various opportunities to convey this fundamental management philosophy to our employees in Japan and around the world. By doing this, I am determined to fully achieve the targets set in the New Plan.

I ask for the continued support of all of our stakeholders including our shareholders as we pursue these objectives.

**Guided by our management philosophy, we will achieve sustained growth.**

# Message from the CFO



Representative Director  
Senior Executive Managing Officer  
Chief Financial Officer

**Joji Okada**

## Overview of Results

### Strong results exceeded initial targets, but there are tasks we need to take on.

Net income for the fiscal year ended March 31, 2012, the final year under the Medium-term Management Plan “Challenge and Innovation 2012” (the “Previous Plan”), increased ¥127.8 billion from the previous year, to ¥434.5 billion. In the mineral and metal resources and energy area, higher prices for resources including iron ore, coal, crude oil, and gas, combined with increased production of these products, largely contributed to this growth. I consider this to be a very favorable result; not only did we achieve the second-year target of ¥370.0 billion under the Previous Plan, we also exceeded the projection we set at the beginning of the year, which was ¥430.0 billion.

Nevertheless, there still are issues that need to be taken care of. We recorded large impairment losses on equity holdings due to a decline in market prices of IT-related shares, including cases where impairment loss was recognized before the passage of one year from the investment. The corporate staff division is responsible for the examination of investment decisions, and we are aware that we need to re-emphasize the importance of more thorough investment discipline. Going forward, we will review past investment decisions, and in addition to working together with business units to further raise the earnings strength of the businesses in which we invest, we will seek higher discipline when considering new investments.

The recording of impairment losses does not mean we have given up on recovering the invested funds. For businesses that are not generating profits as planned, I consider it important to continuously strive to enhance corporate value by thoroughly identifying the causes for the weak performance and setting the business on a correct strategic course.

### Maintaining a strong balance sheet to support Mitsui’s “Challenge and Innovation”

Over the past few years, the number of projects that involve large investment risk, including those requiring substantial amounts of cash to be invested over a long period of time, is increasing. To support these business investments, we have put emphasis on maintaining and reinforcing a solid financial foundation. Specifically, we have pursued a financial strategy that focuses on two indexes—free cash flow (FCF), which indicates the cash that can be allocated to strategic investment and debt repayment, and the net debt-to-equity ratio (net DER), which indicates the degree of reliance on external borrowings.

FCF for the fiscal year ended March 31, 2012 was negative for the first time in five years, with a net outflow of ¥57.2 billion. However, this amount included a one-time outlay of ¥86.1 billion for the settlement related to the oil spill incident in the Gulf of Mexico, and aside from this, a positive FCF should have been maintained.

At the same time, net DER was reduced by 0.01 point from the end of the previous fiscal year, to 0.81 times. Net interest-bearing debt, representing interest-bearing debt less cash and deposits, increased by ¥208.9 billion from the end of the previous

#### Credit Ratings

Rating Agency	Rating (Outlook in Parentheses)	
Moody's	Short-term	P-1
	Long-term	A2 (Stable)
Standard & Poor's	Short-term	A-1
	Long-term	A+ (Stable)
Rating and Investment Information (R&I)	Short-term	a-1+
	Long-term	AA- (Stable)

(As of March 31, 2012)

fiscal year, but with the recording of profits, total shareholders' equity rose ¥275.1 billion, to ¥2,641.3 billion, and we believe that we continue to maintain a sound financial base.

The U.S. rating agency Standard & Poor's lowered its outlook for our long-term rating to "Negative" from "Stable" at the time of the oil spill incident in the Gulf of Mexico, but it restored its outlook to "Stable" when the settlement was reached with the subsidiaries of BP p.l.c. in May 2011. Going forward, we will strive to raise our ratings by aggressively pursuing growth opportunities while maintaining our strong financial position.

### Strategy for Investments and Loans under the New Medium-term Management Plan

#### Planning to invest ¥1,400 billion over two years, with the majority in metals and energy

Under the newly formulated Medium-term Management Plan "Challenge and Innovation 2014" (the "New Plan"), we are planning to make investments and loans totaling ¥1,400 billion over two years. The majority of investments during the fiscal year ending March 31, 2013 will be in the areas of metals and energy, but we will also invest to establish a firm foothold for future growth in other areas including machinery and infrastructure.

During the two years covered by the New Plan, we expect to generate profit solidly, resulting in a slight decline of net DER. Looking out three to five years ahead, we see a further reduction as numerically possible, but if our current projects including oil and gas development projects such as in Mozambique, which is currently at the exploration stage, move into a full-scale development stage, large amounts of capital expenditure will be required and there is a possibility that net DER could rise.

While we do hear voices suggesting we should increase our debt leverage and invest more aggressively, we expect global demand for resources to remain robust going forward and our thought is to steadily increase total shareholders' equity and keep the net DER at the current level for the time being to maintain a strong financial base in anticipation of future investment needs.

Also, we are endeavoring to raise Mitsui's ROE, with target levels of 14.5% for the final year under the New Plan, and 12% to 15% for the coming three to five years. The elevated profit levels required to bolster total shareholders' equity while maintaining this high ROE target represent a challenging hurdle, but I consider this achievable if we can generate profit by fully realizing returns from investments made to date. Moreover, we are aiming to further increase the dividend that is raised through increased earnings, with the New Plan calling for a minimum consolidated dividend payout ratio of 25%, compared with a minimum of 20% under the Previous Plan.

We expect FCF to remain negative in the fiscal year ending March 31, 2013, as a result of pursuing our ambitious investment plan. Nevertheless, our basic policy of aiming for a positive or break-even FCF is unchanged. To achieve this, the CFO Divisions

are working to further raise Companywide awareness of asset recycling and to realize the benefits of existing investment projects.

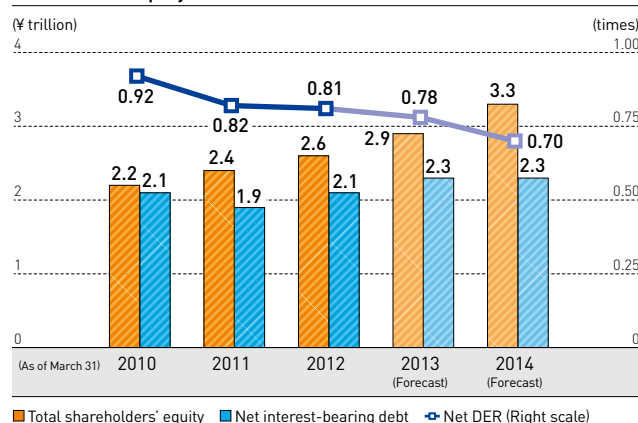
### Market Environment

#### Addressing uncertain market trends with careful attention

The European financial crisis has spread beyond the financial and capital markets and is affecting the real economy. For example, a possibility exists that huge trading losses or valuation losses on trading position, such as government bond holdings or derivatives at certain financial institutions, could impede inter-bank markets, having a negative effect on day-to-day fund management by corporations. We are concerned that the problems arising at financial institutions from this deteriorating market sentiment will have negative impacts on our customers' credit and on projects. There has been little change in Japanese financial institutions' stance toward project finance, but the position of European financial institutions that used to be aggressive is becoming somewhat more cautious.

Given this uncertain market environment, Mitsui is constantly striving to gather useful information through contact with the front lines of financial markets and is closely following the markets with meticulous attention to promptly respond to unforeseen developments. Divisions in charge of risk management are instructed to constantly have an accurate understanding of our own positions and risk exposure. We are also procuring long-term funds to reduce refinancing risk to the extent possible in the event further market turmoil were to impede fund procurement. In addition, we are procuring funds in foreign currencies other than Japanese yen (please refer to page 020 for more information) to reduce the risk from exchange rate fluctuations impacting our balance sheet. We will continue to maintain ample cash and deposits. Cash and deposits on hand as of March 31, 2012, totaled ¥1,435.2 billion, which is a level that we expect to cover loans repayments and bonds redemptions for the coming two years.

#### Total Shareholders' Equity / Net Interest-bearing Debt / Net Debt-to-Equity Ratio (Net DER)





## Areas of Focus for the CFO

### Accelerating the full-scale introduction of IFRS

With International Financial Reporting Standards (IFRS) to be adopted from the fiscal year ending March 31, 2014, we will be preparing financial statements using the actual IFRS along with reporting earnings under U.S. accounting standards for the fiscal year ending March 31, 2013, which would be the comparative period. We have therefore increased the member of staff in the department responsible for this introduction to roughly 20 people from the previous six and have established a CFO Unit Global Network to support the IFRS implementation project and the financial reporting under IFRS.

Also, we have compiled a *Global Accounting Manual* for the preparation of quarterly financial statements under IFRS, and affiliated companies are reporting their results based on this manual. While we expect to face a range of issues in terms of the actual operations of IFRS reporting, we are making steady progress in our preparations for full-scale implementation from the fiscal year ending March 31, 2014.

### Strengthening consolidated management through the introduction of IFRS

With a business model that invests in a variety of businesses through a large number of affiliated companies, Mitsui faces complex managerial tasks compared with companies in other industries. However, we do not see having many affiliates as a negative factor; in fact, although the number of Mitsui's consolidated subsidiaries decreased from 275 at the end of March 2011 to 263 at the end of March 2012, this does not indicate we simply intend to reduce the number of affiliates. While recognizing that "numerousness represents risk," I believe it is important to strengthen our consolidated management through appropriate operations and administration, even if we have numerous affiliates.

Based on this idea, Mitsui has put in place "hard" resources, including the global cash management system that enables Mitsui to centrally manage cash at its consolidated subsidiaries around the world, instead of through banks, in addition to the consolidated accounting system. The issue going forward is "soft" resources.

I would like to add depth to our consolidated management by ensuring that various consolidated subsidiaries understand our accounting policies and they are able to manage their own numbers based on those policies. The key to achieving this is to cultivate a large number of quality CFO staff and build a foundation upon which they can operate in their respective regions.

Nevertheless, Mitsui's large number of consolidated subsidiaries makes it difficult to always have headquarters-trained CFO staff at all consolidated subsidiaries. This is where the introduction of IFRS, which is unified international accounting standards, becomes key. With the introduction of IFRS, the accounting standards that used to vary by country and region is in the trend to integrate, and by adopting IFRS, we expect that the level of consolidated subsidiaries' understanding of Mitsui's accounting policies will rise significantly, leading to a more efficient consolidated management. In this way, in addition to making it easier to analyze Mitsui's earnings from the outside, I believe the introduction of IFRS offers a major opportunity for building a strong management foundation.

### Cultivating truly effective CFO staff

Mitsui regards human resource (HR) development as an important management issue, and the CFO Division conducts a training program entitled the "CFO HR Development Program." This program is unique because employees from headquarters business units, as well as from the CFO Division, are able to participate. Business unit employees spend two years studying and gaining experience in the actual operations of the CFO Division. Moreover, certain individuals are selected from within this group to participate in an advanced training program at the Wharton School of the University of Pennsylvania. By conducting these various programs year in and year out, I hope we can develop many personnel who are equipped with true managerial capabilities in addition to accounting and finance skills.

We have recently assigned a manager from a business unit who had participated in this program as CFO of an important overseas affiliate, and this can be seen as one of the successes of our HR development program. We are satisfied to be able to make the first posting earlier than anticipated.

#### COLUMN—Fund Procurement Highlight

#### First Chinese Yuan-denominated Unsecured Corporate Bond Issue



**mitsui & co., ltd.**

**CNH 500,000,000**

4.25% Senior Unsecured Notes due 2017

*Sole Lead Manager and Bookrunner*



February 23, 2012

In March 2012, Mitsui became the first Japanese non-financial company to issue Chinese yuan-denominated unsecured straight corporate bonds, in the amount of 500 million Chinese yuan with a maturity of five years. China is one of our priority geographic regions, and our investment and loan projects in China are growing. Procuring funds in offshore Chinese yuan allows us to limit the impact on our balance sheet and earnings from fluctuations in the Chinese yuan currency market. This bond issue has also given us an opportunity to raise our profile in the Chinese and other Asian financial markets. As China's financial deregulation accelerates, we will consider additional Chinese yuan-denominated fund procurement as necessary.

In addition, we procured funds in Singapore dollars for our 2011 investment in Asia's largest hospital group, Integrated Healthcare Holdings Sdn. Bhd (the present IHH Healthcare Bhd., Malaysia). Going forward, we will proactively consider procuring funds in currencies other than the Chinese yuan while closely watching market liquidity and funding costs.



Special  
Feature

## New Medium-term Management Plan

# CHALLENGE AND INNOVATION 2014

To achieve the “Long-term Management Vision – Dynamic Evolution as a 21st Century Global Business Enabler” announced in March 2009, the new Medium-term Management Plan represents Mitsui’s aspiration of becoming a leading company in each of its business fields and collectively a leading global business enabler. This section provides an overview of the new Medium-term Management Plan “Challenge and Innovation 2014 – Creating the future through dynamic evolution.”

### Reorganization of Business Areas

With the launch of the new Medium-term Management Plan, we have reorganized the previous four business areas into six business areas. We will strive to balance the expansion of upstream businesses with enhanced logistical and marketing capabilities within the value chain of each area’s products. Also, we have created a new Innovation & Cross Function business area to develop new businesses for the future, carry out upfront investment to develop those businesses, and strengthen the entire earnings base by providing various functional capabilities. Going forward, our aim is to promote new business development through collaboration among the six business units.

#### Previous Four Business Areas

<b>Mineral Resources &amp; Energy</b> Mineral & Metal Resources Energy I Energy II
<b>Lifestyle</b> Foods & Retail Consumer Service IT Financial & New Business
<b>Global Marketing Networks</b> Iron & Steel Products Motor Vehicles & Construction Machinery Basic Chemicals Performance Chemicals
<b>Infrastructure</b> Infrastructure Projects Marine & Aerospace Transportation Logistics

New  
Business  
Area

#### New Six Business Areas

	Reportable Operating Segment	Business Unit
<b>Metals</b>	Iron & Steel Products	Iron & Steel Products
	Mineral & Metal Resources	Mineral & Metal Resources
<b>Machinery &amp; Infrastructure</b>	Machinery & Infrastructure	Infrastructure Projects Motor Vehicles & Construction Machinery Marine & Aerospace
<b>Chemicals</b>	Chemicals	Basic Chemicals Performance Chemicals
<b>Energy</b>	Energy	Energy I Energy II
<b>Lifestyle</b>	Lifestyle	Food Resources Food Products & Services Consumer Service
<b>Innovation &amp; Cross Function</b>	Innovation & Cross Function	IT Financial & New Business Transportation Logistics

# CHALLENGE &

## CHALLENGE AND INNOVATION 2012

“A stronger Mitsui” and  
“a more distinctive and  
respected Mitsui”

Net Income  
(Years ended March 31)

2010 (Result)  
¥149.7 billion

2011 (Result)  
¥306.7 billion

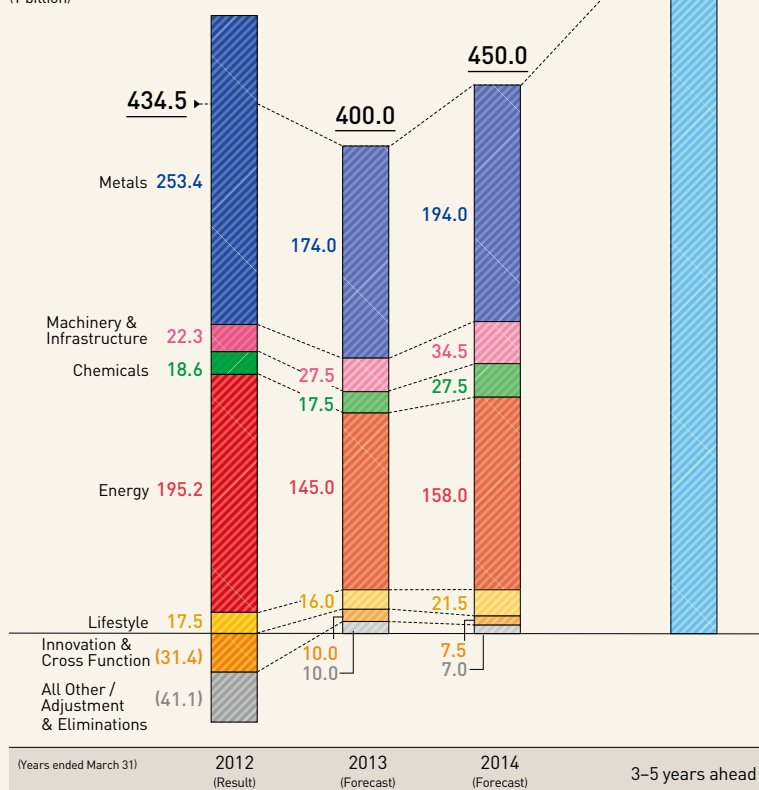
2012 (Result)  
¥434.5 billion

## Quantitative Summary

We are forecasting consolidated net income of ¥400 billion for the year ending March 31, 2013. By segment, we expect profit from the Mineral & Metal Resources Segment to decline due to lower prices for iron ore. In the Energy Segment, although we see equity production volumes increasing for crude oil, gas, and coal, we are forecasting a profit decline due to factors including lower coal prices. On the other hand, we expect profit to grow at the Innovation & Cross Function Segment following the reversal effect of impairment losses on listed and unlisted IT-related securities in the previous year.

Net Income Forecast by Business Area (reference\*)

(¥ billion)



\* Global result and plan by business area, allocating all overseas operations into corresponding business areas.

INNOVATION

2014 (Forecast)

¥450.0 billion

2013 (Forecast)

¥400.0 billion

# CHALLENGE AND INNOVATION 2014

Creating the Future through Dynamic Evolution

	Challenge and Innovation 2012		Challenge and Innovation 2014	
	FY11/3	FY12/3	FY13/3	FY14/3
Net income	¥306.7 billion	¥434.5 billion	¥400.0 billion	¥450.0 billion
ROE	13.3%	17.4%	14.3%	14.5%
Total assets	¥8.6 trillion	¥9.0 trillion	¥9.6 trillion	¥10.0 trillion
Total Shareholders' equity	¥2.4 trillion	¥2.6 trillion	¥2.9 trillion	¥3.3 trillion
Net interest-bearing debt	¥1.9 trillion	¥2.1 trillion	¥2.3 trillion	¥2.3 trillion
Net DER	0.82 times	0.81 times	0.78 times	0.70 times

# INNOVATION

2014 (Forecast)

¥450.0 billion

2013 (Forecast)

¥400.0 billion

## CHALLENGE AND INNOVATION 2014

Creating the Future through Dynamic Evolution

### Basic Policy

- Establish strong earnings base that enables sustainable and stable growth
- Create added value through distinctive capabilities and good, meaningful work
- Create new businesses for the next generation, aim to be a leading global business enabler

### Key Initiatives

- 1 Reinforcement of earnings base by demonstrating business engineering capabilities
- 2 Creating businesses for the next generation
- 3 Evolution of portfolio strategy
- 4 Acceleration of globalization initiatives
- 5 Reinforcement of group management infrastructure



Long-term Management Vision

For more  
information

2  
Investments  
and Loans

Our two-year plan for investments and loans is for total outlays of ¥1,400 billion. Of this amount, our plan for the year ending March 31, 2013, is for outlays of ¥800 billion, including ¥250 billion in the Energy business area mainly for shale gas and oil development in North America and the acquisition of interest in an LNG project in Australia, ¥200 billion in the Metals business area, mainly for the expansion of existing projects, and ¥200 billion in the Machinery & Infrastructure business area, primarily for the rolling stock lease and marine energy businesses. At the same time, we expect to recover roughly ¥160 billion from asset recycling. As a result, investment activities are set to use net cash of ¥640 billion in the fiscal year ending March 31, 2013, and despite the cash flow acquired from operating activities, we expect a negative free cash flow. Over the medium to long term, however, we continue to work on initiatives to achieve a stable, positive free cash flow trend.

Business Area	FY13/3	FY14/3	Main Projects
Metals	¥200 billion	¥600 billion	<b>Energy:</b> ■ Oil & gas projects ■ New LNG projects <b>Metals:</b> ■ Expansion projects <b>Machinery &amp; Infrastructure:</b> ■ Rolling stock lease ■ Marine energy
Machinery & Infrastructure	¥200 billion		
Chemicals	¥50 billion		
Energy	¥250 billion		
Lifestyle	¥50 billion		
Innovation & Cross Function	¥50 billion		
Gross Cash Outflow	¥800 billion	¥600 billion	
Divestiture	¥(160) billion	¥(140) billion	
Net Cash Outflow	¥640 billion	¥460 billion	

Challenge and Innovation 2012		Challenge and Innovation 2014
Results*		Forecast*
Gross Cash Outflow	¥1,340 billion	¥1,400 billion
Divestiture	¥(400) billion	¥(300) billion
Net Cash Outflow	¥940 billion	¥1,100 billion

\* These figures are two-year totals.

# 3

## Key Initiatives

### 1 Reinforcement of earnings base by demonstrating business engineering capabilities

- Further expansion into upstream businesses (metals, energy, chemicals, food and consumer products)
  - Expansion of existing projects, exploration, grain production and origination, basic raw materials, etc.
  - Seeking sustainable growth for both the host country and the business ▶ 01
- Reinforcement of initiatives in the natural gas value chain
  - Resource development – Supply and distribution infrastructure – Trading
  - Chemicals, power generation, transportation fuel and next-generation technology
- Enhancement of partnership strategy ▶ 03
  - Developing multifaceted business relations with strategic partners
- Capture the growth in emerging economies and global industrial requirement
  - Using our global marketing network as leverage for business development (iron & steel products, chemicals, motor vehicles) ▶ 03
  - Enhance collaboration between food and agricultural chemicals
  - Continuous development of infrastructure
  - Acceleration and expansion of medical and healthcare business development ▶ 02
- Provide distinctive functional capabilities and strengthen corporate development activities to create new businesses
  - Provide finance, logistics and IT capabilities for earnings base reinforcement

### 2 Creating businesses for the next generation

- Source new leads for innovation and implement corporate development activities
- Allocation of management resources to new technologies
- Environmental businesses and new energy
- Contribution to industrial transformation in Japan

### 3 Evolution of portfolio strategy

- Early realization of returns from past investments
- Continuous improvement of asset quality through strategic asset recycling
- Dynamic allocation of management resources to growth areas and emerging economies ▶ 02
- Enhance development of human resources (management and project managers)

### 4 Acceleration of globalization initiatives

- Allocating management resources to Mozambique (▶ 01) and Myanmar in addition to Brazil, Russia, India, China, Mexico and Indonesia
- Business development in frontier regions (Africa, etc.), Turkey and Middle East utilizing our various capabilities
- Cultivation of new businesses globally through collaboration between units
  - Amalgamation of global product strategies and local origination capabilities

### 5 Reinforcement of group management infrastructure

- Improvement in business processes, enhancement of internal control and risk management
- Management emphasis on “good, meaningful work” as a responsible corporate citizen

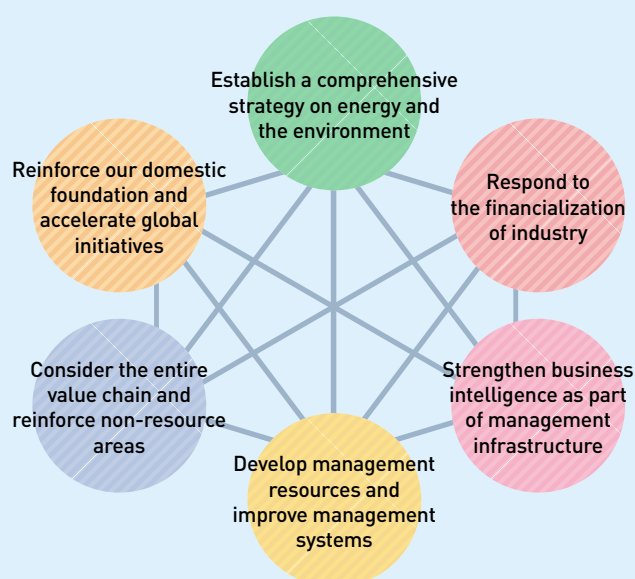
\* Nos. 01, 02, and 03 are key initiatives mainly related to the projects introduced from page 026.

**COLUMN Long-term Management Vision—Dynamic Evolution as a 21st Century Global Business Enabler—**

- The Long-term Management Vision announced in March 2009 was based on an awareness of the environment and the recognition of the issues of “A rapid structural change in the global economy amid a worldwide recession since the beginning of the 21st century,” “A long-term structural paradigm shift in the global economy to Asia,” “A focus on next-generation technological innovation” and “A careful and informed assessment of inflation in resource markets.”
- The key initiatives and priority areas under “Challenge and Innovation 2014” are closely related to the six business management concepts for dynamic evolution set out in the Long-term Management Vision.

**Mitsui's vision  
for the coming  
ten years**

- 1 | Providing industrial solutions to meet the changing needs of the times and continuously creating new value by drawing deeply from our experience in real business
- 2 | Contributing to the well-being of the world economy as a company with true global presence
- 3 | Ensuring an even greater commitment to *Yoi-Shigoto* (good quality work)
- 4 | Cultivating a corporate culture that facilitates dynamic and flexible evolution in response to changes in the business environment
  - **Business model evolution:** developing new business models with high added value
  - **Portfolio evolution:** flexibly and strategically adapting and optimizing our business portfolio
  - **Human resources evolution:** building a strong human resources base through globalization
- 5 | Enhancing operational efficiency by strengthening our earning power and financial structure

**Six business  
management  
concepts  
for dynamic  
evolution**


Please refer to our corporate website for detailed information regarding Mitsui's Long-term Management Vision.



Website

<http://www.mitsui.com/jp/en/company/vision/>

Major projects that are expected to move forward under the new Medium-term Management Plan are presented from the following page.

**01**
**Energy Segment**

Natural Gas Development  
Project in Mozambique

▶ P.026

**02**
**Lifestyle Segment**

Hospital Business with  
IHH Healthcare Bhd.

▶ P.027

**03**
**Chemicals Segment**

Initiatives with  
The Dow Chemical Company

▶ P.028

PROJECT  
01

Energy Segment



©Anadarko Petroleum Corporation

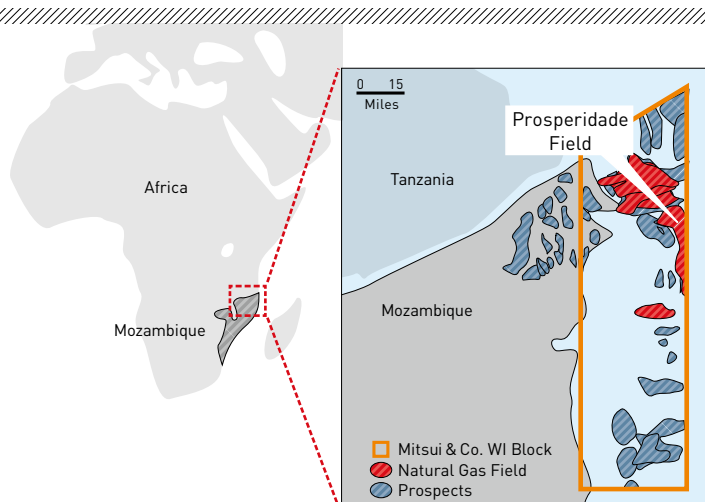
## Natural Gas Development Project in Mozambique

Mitsui is actively involved in several LNG projects in regions around the globe. To further expand its LNG portfolio, the Company is participating in various projects from the exploration stage and has recently discovered one of the world's largest gas resources off the coast of Mozambique. Mitsui is currently working with Anadarko Petroleum Corporation and other partners to realize the early development of a new large-scale LNG project.



©Anadarko Petroleum Corporation

Above: Mozambique gas field,  
natural gas flow test  
Below: Mozambique LNG onshore  
facilities design

Mitsui's Oil and Natural Gas Resources  
Development Strategy

In the business of developing oil and natural gas resources, it is Mitsui's basic policy to optimize its asset portfolio, focusing on a balance of regions, products, development phases, partners, etc. In addition to its existing businesses, the Company has been actively promoting initiatives to open up new regions and to participate in exploration projects. Particularly in light of recent rises in crude oil prices and fierce competition for energy resources, Mitsui is attempting to diversify its business risk by actively seeking participation in projects from the exploration stage and building an asset portfolio consisting of a healthy balance of exploration, development and production.

Importance of the Mozambique Offshore Natural Gas  
Development Project

In 2008, Mitsui acquired a 20% interest in Mozambique offshore Area 1 exploration block from Anadarko Petroleum Corporation, the operator. For its involvement in this project, Mitsui used a domestic facility to reduce the exploration risk, securing 75% of the funding from the Japan Oil, Gas and Metals National Corporation (JOGMEG).

Since 2010, nine deep-water exploration wells have been drilled, seven of which have confirmed the existence of gas, and the estimated

recoverable resources within the block (over 30 to 60 trillion cubic feet as of the end of July 2012) make it one of the largest gas finds in the world. Exploration work will continue at the block, which is believed to still hold enormous additional resources of oil and gas.

It is planned to produce 10 million tons/year of LNG in the first stage of commercial exploitation of the gas resources. The preliminary basic design for this stage is already complete, and the full-scale engineering and design will proceed with a view to making a final investment decision by the end of 2013 and commencing production of LNG in 2018. Marketing activities of the LNG to Japan, Asia and other regions has also begun and Mitsui views this project as a means of contributing to securing a stable supply of energy for Japan. Depending on the future demand for gas, it is anticipated that production can be increased gradually to 30 million tons/year.

Contributing to Sustainable Growth for the Host Country  
by Leveraging Mitsui's Business Engineering Capabilities

Mozambique is designated as one of the priority regions under Mitsui's new Medium-term Management Plan. Mozambique Projects Division was created in May 2012, with the aim to not only start up this project but also use the development of natural gas as a starting point for undertaking other businesses that will contribute to the development of Mozambique, including infrastructure projects and gas chemicals.

Mitsui is also engaged in a social contribution activity which aims to realize economic autonomy and sustainable development of the local community through increased agricultural productivity by providing a solar-powered irrigation facility to a farm in the Chibuto Millennium Village in Gaza Province. This activity is undertaken in cooperation with the United Nations Development Programme (UNDP) as a collaborative initiative to achieve the UN Millennium Development Goals.

Mitsui is continuing to move its resource development projects forward, constantly bearing in mind the importance of achieving sustainable growth both for the host countries and the resource development projects.

\* The above is based on information current as of July 2012.



# PROJECT 02

Lifestyle Segment



## Hospital Business with IHH Healthcare Bhd.

With increasing demand for medical and healthcare services in emerging countries, Mitsui has acquired a 30% stake\* in Asia's leading healthcare group, IHH Healthcare Bhd. ("IHH"). Mitsui will provide support to achieve a better healthcare environment to meet the growing demand for healthcare services, while at the same time capturing economic growth in emerging countries.



### Mitsui's Medical and Healthcare Business

Medical and healthcare business is one of Mitsui's key business fields. Emphasis is placed on two focus areas of "pharmaceuticals" and "healthcare." With over 40 years' experience serving the pharmaceutical industry in CMO (Contract Manufacturing Organization) business, Mitsui has now entered the Chinese pharmaceutical market through MicroBiopharm Japan Co., Ltd. (80% shareholding) and has also invested in India's Arch Pharmalabs Limited. The Company has also entered the hospital market in Asia through its relationship with Parkway Group in Singapore by providing support services for CSO (Contract Sales Organization) business.

### Achieving a Better Healthcare Environment and Capturing Growth in Emerging Markets

Asia's demand for medical and healthcare services is expected to grow due to population growth as well as changing lifestyles with economic development and the aging of the population. The development of hospital infrastructure and improvements in the quality of healthcare services are becoming pressing issues in the region. There has also been a sharp rise in medical tourism, with people travelling to other countries in search of higher quality healthcare services. The Asian private hospital market is expected to grow at an annual rate of more than 10%.

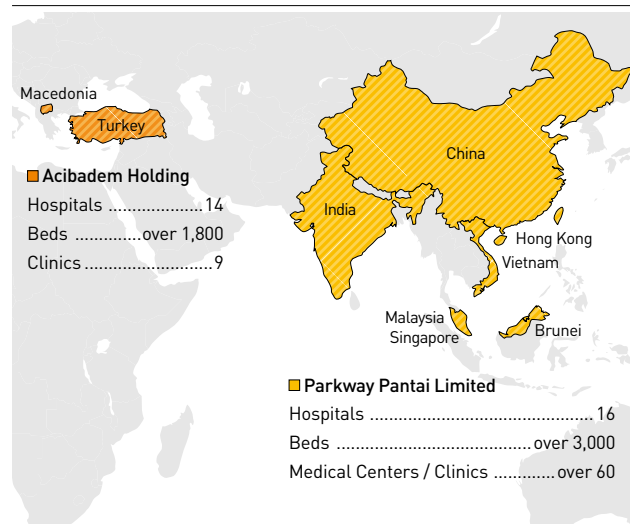
Mitsui has been sensitive to these changes in the healthcare environment, and, in May 2011, it acquired a 30% interest in IHH, Asia's largest hospital group. IHH owns Singapore's leading hospital

group and Malaysia's second-largest hospital group, and in January 2012, it acquired a 60% interest in Acibadem Saglik Yatirimlari Holding ("Acibadem"), the leading private healthcare group in Turkey, allowing the Company to expand its operating base into the Middle East. In July 2012, IHH was listed on the Malaysian and Singaporean stock exchanges with a view to continued growth and is planning to add a further 3,300 new beds over the next five years.

Mitsui's new Medium-term Management Plan cites "a reinforcement of the Company's earnings base by demonstrating its business engineering capabilities" and through that, "to proactively capture the momentum of growth in emerging economies and to meet the global industrial requirements." Mitsui's aim in the medical and healthcare business is to realize a better healthcare environment by supporting the growth strategy of the hospital business in emerging economies, where the demand for healthcare services is growing. By leveraging Mitsui's business engineering capabilities in peripheral hospital services, such as healthcare IT and hospital food services, Mitsui endeavors to raise the corporate value of IHH and capture economic growth in Asian and other emerging markets.

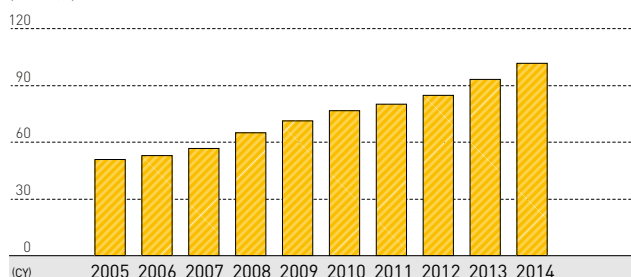
\* With the issuance of new shares, Mitsui's shareholding in IHH was diluted to 26.6% in January 2012 due to the acquisition of 60% of Acibadem and to 20.5% in July 2012 due to IHH's IPO.

### IHH's Business Area



### Total Medical Expenses in Asia

(¥ trillion)



Sources: Business Monitor International, Health Expenditure Indicators, Historical Data and Forecasts



PROJECT  
03

## Chemicals Segment



## Initiatives with The Dow Chemical Company

In addition to its traditionally strong marketing and trading, the Chemicals Segment is strengthening its investment businesses through its strategy of forming partnerships with customers with whom it has built good relationships in trading business. The two joint ventures with The Dow Chemical Company ("Dow") that were announced during the term of the previous Medium-term Management Plan will be good examples of this, and these projects are now progressing steadily towards start-up and realization of returns during the term of the new Medium-term Management Plan.



Above: Construction site of chlor-alkali plant  
Below: Harvest of sugarcane at related biochemical venture

## Chlor-alkali Joint Venture in Texas

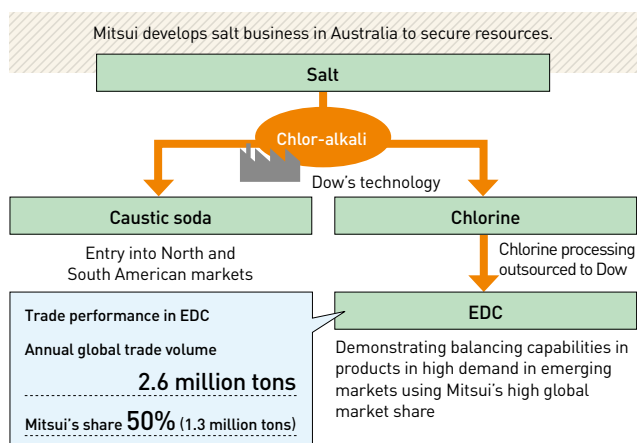
Ethylene dichloride (EDC) is the raw material used for making vinyl chloride (the material used for plastic pipes, etc.). Not only does Mitsui hold the top share in the EDC market, but it also enjoys a close relationship in EDC business with Dow, the world's largest chlor-alkali and chlorine derivatives producer.

The two companies have merged their respective strengths in sales and manufacturing to establish a joint venture company (50-50 shares, with each partner investing US\$140 million) to engage in chlor-alkali business\* in the United States.

The chlor-alkali plant slated to commence its operation in mid-2013 is expected to produce about 880,000 tons/year of caustic soda and about 800,000 tons/year of chlorine, making it among the world's largest chlor-alkali production facilities. The caustic soda produced at the plant will be sold, for a while, through Dow's existing sales network, mainly in the North and South American markets, and the chlorine will be converted into EDC by Dow under a contract for sale in the world market, contributing to providing a stable supply of basic raw materials for chemical products.

\* Business of production (through electrolysis of salt) and sales of caustic soda (used in the manufacture of paper pulp, alumina, soap, etc.) and chlorine, which are basic raw materials used to manufacture chemical products.

## Expansion of Trading Operations through Cooperation with Dow



## Biochemical Venture in Brazil

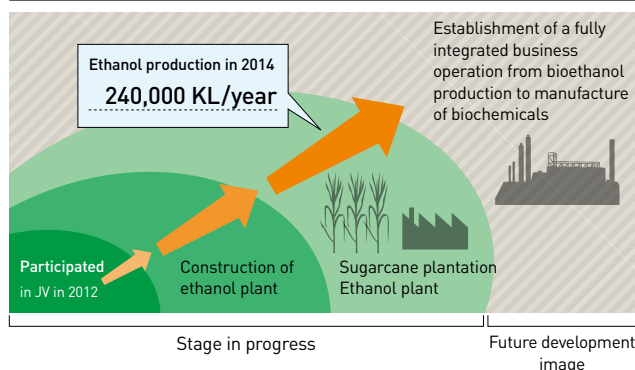
While fossil fuel resources, such as oil and gas, have been commonly used as raw materials for chemical products, Mitsui is actively working to establish a stable supply of raw materials by diversification through the introduction of raw materials derived from unconventional resources, including environmentally friendly materials and materials that are not affected by the fluctuation of oil prices. As one example, Mitsui is engaged in chemical business using biomass resources derived from renewable biological sources (green chemical business).

One year after reaching an agreement with Dow on the chlor-alkali project in the United States, the two companies have agreed to embark on their second joint venture, this time in the rapidly growing Brazilian market. The joint venture has come about as a result of shared interests, whereby Dow's intention to manufacture biochemicals from bioethanol coincides perfectly with Mitsui's strategy of developing its green chemical business.

A joint venture company was established (50-50 shares), with the aim of implementing a production process from the operation of sugarcane plantations to provide sugar, which is one of the sources of biomass, up to manufacturing biochemicals. Work is currently under way with a view to having a plant begin producing 240,000 KL/year of bioethanol by 2014.

It is Mitsui's intention to continue creating excellent joint venture projects by further strengthening its strategic partnership with Dow.

## Development Image of Biochemicals Project



# BUSINESS OVERVIEW

## Segment Information

Effective April 2012, the reportable operating segments were changed.

Previous Reportable Operating Segment	New Reportable Operating Segment	Business Unit	Page
Iron & Steel Products	Iron & Steel Products	Iron & Steel Products	▶ P.030
Mineral & Metal Resources	Mineral & Metal Resources	Mineral & Metal Resources	▶ P.033
Machinery & Infrastructure Projects	Machinery & Infrastructure <span>Name change</span>	Infrastructure Projects Motor Vehicles & Construction Machinery Marine & Aerospace	▶ P.036
Chemical	Chemicals	Basic Chemicals Performance Chemicals	▶ P.042
Energy	Energy	Energy I Energy II	▶ P.047
Foods & Retail	Lifestyle <span>Change</span>	Food Resources Food Products & Services Consumer Service	▶ P.051
Consumer Service & IT	Innovation & Cross Function <span>Change</span>	IT Financial & New Business Transportation Logistics	▶ P.057
Logistics & Financial Business	Americas	Americas	▶ P.062
Americas	Europe, the Middle East and Africa	Europe, the Middle East and Africa	
Europe, the Middle East and Africa	Asia Pacific	Asia Pacific	
Asia Pacific			

### Operating Results for the Year Ended March 31, 2012, and Total Assets as of March 31, 2012, by Reportable Operating Segment

(¥ billion)

Previous Reportable Operating Segment	Gross Profit	Operating Income (Loss)	Equity in Earnings (Losses) of Associated Companies	Net Income (Loss)	Total Assets as of Mar. 31, 2012
Iron & Steel Products	42.8	9.6	4.0	9.5	523.9
Mineral & Metal Resources	194.8	173.1	131.2	201.3	1,121.7
Machinery & Infrastructure Projects	94.0	(8.2)	38.0	17.7	1,340.7
Chemical	65.2	10.3	6.7	9.1	685.9
Energy	219.1	173.5	53.9	188.1	1,750.5
Foods & Retail	90.7	18.2	3.4	15.5	763.5
Consumer Service & IT	47.5	(17.0)	(20.3)	(35.5)	644.9
Logistics & Financial Business	27.2	(10.7)	5.8	4.8	404.2
Americas	75.6	24.3	4.3	16.4	428.4
Europe, the Middle East and Africa	18.2	(0.7)	0.5	1.2	106.1
Asia Pacific	11.7	(4.2)	4.7	49.2	275.8
All Other	0.7	(5.2)	0.0	2.2	2,923.8
Adjustments and Eliminations	(9.2)	(14.6)	(0.1)	(45.0)	(1,957.6)
Consolidated Total	878.3	348.4	232.1	434.5	9,011.8

### Net Income Forecast for the Fiscal Year Ending March 31, 2013

(¥ billion)

New Reportable Operating Segment	Net Income Forecast for the Fiscal Year Ending Mar. 31, 2013
Iron & Steel Products	9.0
Mineral & Metal Resources	135.0
Machinery & Infrastructure	22.0
Chemicals	10.0
Energy	140.0
Lifestyle	13.0
Innovation & Cross Function	9.0
Americas	15.0
Europe, the Middle East and Africa	3.0
Asia Pacific	34.0
All Other / Adjustments and Eliminations	10.0
Consolidated Total	400.0

# Iron & Steel Products Segment

Business Area:  
Metals

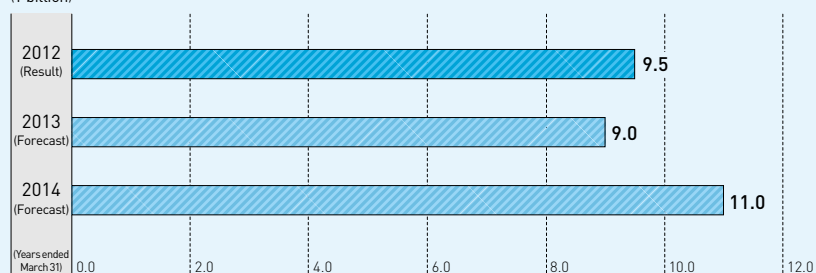


Steel service center of Steel Technologies Inc. (United States), which operates 26 facilities in North America (as of March 31, 2012).

As of or for the Years Ended March 31		2012	2011	2010
Operating Results (¥ billion)	Gross Profit	42.8	44.0	37.6
	Operating Income	9.6	10.8	3.1
	Equity in Earnings of Associated Companies	4.0	4.5	4.5
	Net Income	9.5	8.3	4.6
Financial Condition (¥ billion)	Total Assets	523.9	487.4	476.0
	Investments in and Advances to Associated Companies	26.1	25.5	24.8
	Property Leased to Others and Property and Equipment	13.6	18.3	22.6
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(5.6)	(1.8)	(0.5)
Number of Employees	Consolidated	1,881	2,128	2,257
	Mitsui	399	412	404

## Net Income

(¥ billion)



Net Income Forecast for 2013

**¥9.0 billion**

–¥0.5 billion from 2012

## Iron & Steel Products Business Unit

### Chief Operating Officer's Statement

Motomu Takahashi

Executive Managing Officer; Chief Operating  
Officer of Iron & Steel Products Business Unit

Our business unit operates global businesses in the areas of infrastructure, energy, and automobiles through alliances that we have built with leading domestic partners, such as Nippon Steel Corporation and other blast furnace steel mills, and overseas partners, including Nucor Corporation, the largest electric furnace steel mills in the United States, and the Chinese blast furnace manufacturer Baosteel Group.

Taking up the challenge of building a new earnings base, we are also pursuing businesses on our own in overseas growth markets, mainly in emerging markets, through a combination of trading and investment. In the mature domestic market, we will strengthen our sales capabilities, primarily through Mitsui & Co. Steel Ltd. (Japan), and make our presence felt by independently addressing the realignment of the industry.

By further strengthening our activities across the value chain in a variety of business areas and working together with other business units to demonstrate Mitsui's comprehensive strengths, we aim to be a leading company in the global materials market.



### Business Activities

- Procurement and supply of products for infrastructure and construction industries and investments in electrical furnace mills / rolling mills / processing / distribution businesses
- Trading of products for energy industries and investments in manufacturing / processing / distribution businesses
- Procurement and supply of products for automotive industries and related investments
- Distribution of and business investment in tinplate and magnetic steel sheet in the appliance and container area
- Trading and processing of steel products in the domestic market

### Market Outlook

While there is some concern for steel product demand in emerging countries with regard to the impacts of the sovereign debt crisis in Europe, this market is expected to be supported by the strong economic growth in these countries, and stable growth in demand is anticipated centered on areas such as infrastructure, automobiles, and energy over the medium to long term. In Japan, industry reorganization is progressing and the strong yen is resulting in intensified competition with steel makers from other parts of Asia, making for a harsher operating environment. Demand for products relating to earthquake resistance and disaster countermeasures is projected to rise.

### Strategy

#### ■ Infrastructure and Construction Area

In addition to the establishment of steel processing centers for construction-related products announced in 2011, we will continue to advance into local electrical furnace mill and rolling mill areas while focusing on capturing construction steel demand in China and Southeast Asia. Also, we will

continue to leverage our business engineering capabilities to expand sales of rail and other high-value-added materials, primarily to Russia, Brazil, Australia, and other emerging countries.

#### ■ Energy Area

In this area, we will develop our sales forces of oil country tubular goods in the rapidly growing area of energy in the Americas, Europe, and Asia. Moreover, we will enhance existing global marketing platforms, such as Regency Steel Asia Pte Ltd. (92.5% shareholding, Singapore) and Champions Pipe & Supply, Inc. (100% shareholding, United States), and, at the same time, focus on new business opportunities, such as those in the fields of shale gas and renewable energy.

#### ■ Automotive Area

We will work to establish a joint venture with Mahindra Ugine Steel Company ("MUSCO," India) for manufacturing and sales of specialty steel in India and forge ahead with planning for our components business while expanding steel service

centers in emerging countries and regions, including India, Russia, and Latin America. In China, we will strive to expand the Bao-Mit steel distribution network, a network of joint-venture steel service centers operated in partnership with Shanghai Baosteel, to meet a broad range of needs.

#### ■ Appliance and Container Area

By combining exports from Japan with local supplies through investments in local mills, we will establish a strong foothold in the growing markets for tinplate, which is used in food cans, and magnetic steel sheet, which is used in power plants and electric power substations, in Asia by optimizing sources.

#### ■ Domestic Area

We will aim to establish a leading position in the steel market through the enhancement of our sales force, together with domestic affiliate Mitsui & Co. Steel Ltd. (100% shareholding, Japan) and through an aggressive response to domestic industry realignment. We plan to capture additional business opportunities created by the accelerating shift of domestic manufacturers moving their operations to Asia.



Oil well castings used for production activities in oil and gas fields



## Iron &amp; Steel Products Segment

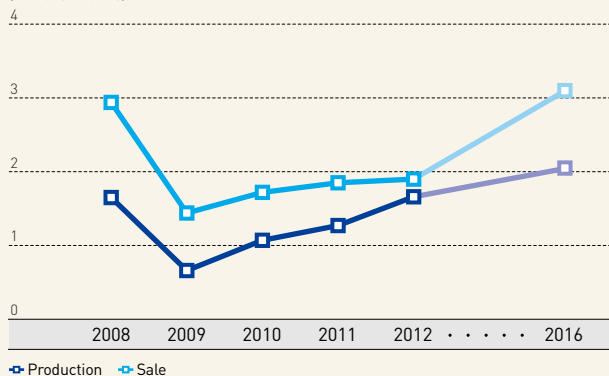
## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

## Automotive Area

- [1] Mitsui has concluded an agreement with the major Russian steel manufacturer OAO Severstal ("Severstal") to jointly set up an automotive steel service center (Mitsui 25%, Severstal 75%) with an annual processing capacity of 170,000 tons. Operations are targeted to commence in mid-2013. With solid growth in the number of cars sold, Russia is expected to become the world's seventh-largest automobile market by 2016. Mitsui aims to strengthen its steel service center base in the Russian market.

## Number of Cars Produced and Sold in Russia

(Millions of units)



- [2] Mitsui has concluded an agreement with the Indian special steel manufacturer Mahindra Ugine Steel Company ("MUSCO") and Sanyo Special Steel Co., Ltd. ("Sanyo," Japan), to establish a joint venture for the manufacture and sales of special steel (Mitsui 20%, MUSCO 51%, Sanyo 29%). Through this joint venture, Mitsui will endeavor to capture the increase in demand for special steel that is anticipated in connection with the growth of the automobile industry as well as develop new businesses with the Mahindra Group.

## Infrastructure and Construction Area

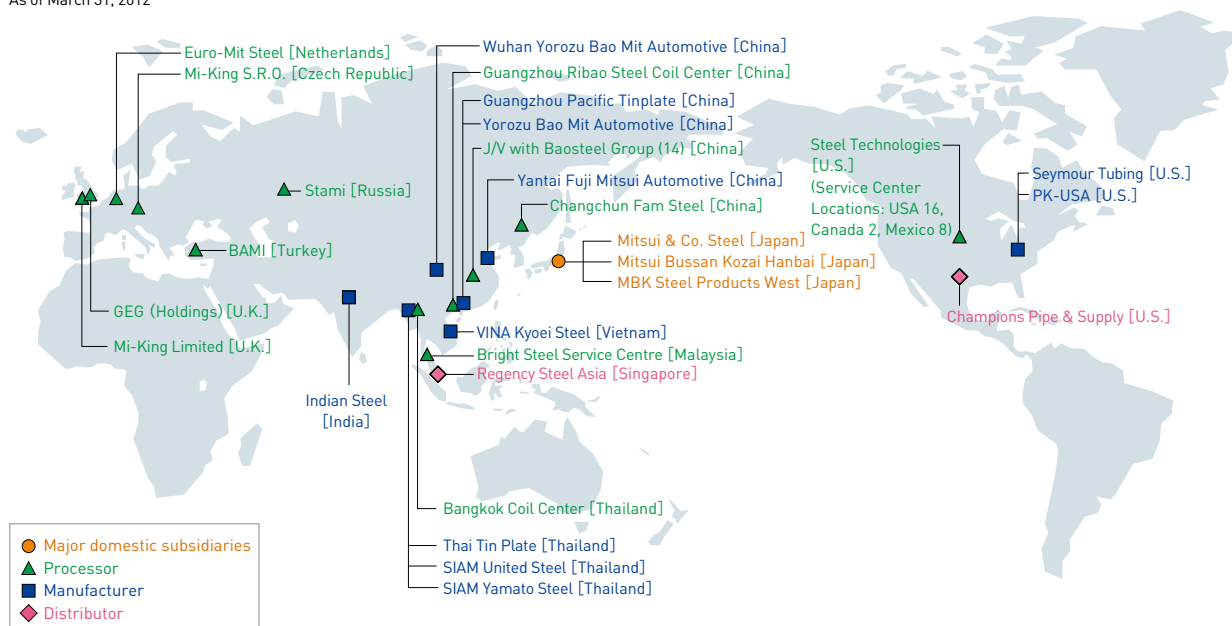
- [3] Together with Russia's largest independent steel trading company, Steel Industrial Company ("SIC"), Mitsui has established a steel processing center for construction-use products (Mitsui 49%, SIC 51%). In light of Russia's solid economic growth, further growth in processing demand for construction-use steel materials is forecast, and Mitsui aims to capture this demand.



MUSCO's special steel production line [2]

## Major Investments in Iron &amp; Steel Products Business

As of March 31, 2012





# Mineral & Metal Resources Segment

Business Area:  
Metals

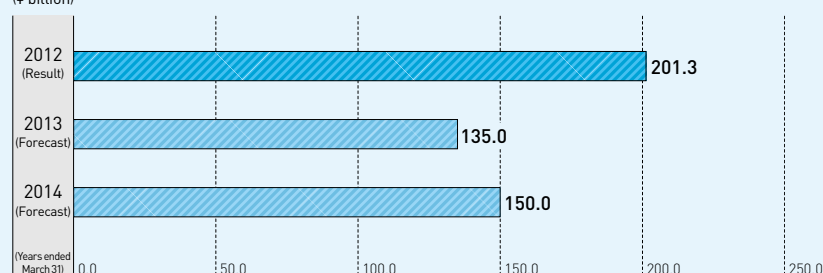


The expansion project for the Cape Lambert iron ore port facility in Western Australia, which is expected to increase its loading capacity from 2014.

As of or for the Years Ended March 31		2012	2011	2010
Operating Results (¥ billion)	Gross Profit	194.8	187.4	73.6
	Operating Income	173.1	169.2	57.0
	Equity in Earnings of Associated Companies	131.2	120.5	35.2
	Net Income	201.3	167.5	62.9
Financial Condition (¥ billion)	Total Assets	1,121.7	1,145.5	916.9
	Investments in and Advances to Associated Companies	553.2	534.0	455.3
	Property Leased to Others and Property and Equipment	238.4	191.0	158.9
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(44.8)	(63.2)	(36.3)
Number of Employees	Consolidated	475	548	559
	Mitsui	239	238	238

## Net Income

(¥ billion)



Net Income Forecast for 2013

**¥135.0 billion**

–¥66.3 billion from 2012

## Mineral & Metal Resources Business Unit

### Chief Operating Officer's Statement

Yasushi Takahashi

Managing Officer; Chief Operating Officer of Mineral & Metal Resources Business Unit

The greatest strengths of the Mineral & Metal Resources Business Unit are in the quality overseas interests it has acquired in resources, including iron ore, copper, nickel, and aluminum, and in the deep relationships of trust the unit has developed with the mineral and metal resources industry and user industries over many years.

Demand for minerals is expected to remain strong for the medium to long term, and we will work to increase our supply capacity by expanding our businesses and stepping up our development of competitive, quality resources. In addition to working to raise our production volumes for iron ore, copper, and nickel, we are developing such new resources as manganese, chromium, and rare earth metals. We are also striving to find industrial solutions to environmental issues by creating an environmental solutions business that offers metal recycling and the recycling of discarded electronic appliances in Japan and overseas and promoting further commercialization in such areas as rechargeable battery and solar power generation materials.

To achieve these objectives, we have established an organization in China from which to pursue a platform-oriented business strategy, and using our comprehensive strengths we aim to acquire new customers and fortify our relationships with existing partners. In terms of human resources, we will emphasize the development of global managers by expanding the number of postings to frontline locations and cultivating on-site capabilities. Through these activities, we will utilize Mitsui's comprehensive strengths to provide added value in the field of mineral and metal resources.



### Business Activities

- Trading and investments related to iron and steel raw materials, such as iron ore, metal scrap, ferroalloys, and other minerals
- Trading and investments of non-ferrous metal raw materials and ingots, such as copper, nickel, and other non-ferrous metals as well as sales and marketing of non-ferrous products
- Metal recycling and environmental solutions business

### Market Outlook

As economic growth in China began to decelerate, crude steel production growth in China also slowed, and the tight demand and supply balance of iron ore was loosened. However, in the medium to long term, demand for mineral and metal resources, including iron ore, is expected to remain strong for the most part due to the need for investment to advance the urbanization that drives to build new infrastructure in the inland regions of China and further growth in emerging countries.

### Strategy

In the resources development and recycling business, we will contribute to the realization of our vision of developing industries that grow in a sustainable manner as well as an affluent society by playing a leading role through the following action plans: "securing a stable supply of quality resources into the medium to long term" and "pursuing industrial solutions to environmental issues (e.g., global warming)."

### ■ Iron Ore

In addition to acquiring new assets, we will continue to invest in the expansion of our existing iron ore production units in Australia and Brazil.

### ■ Ferrous Raw Materials and Recycling Solutions

Through MITSUI BUSSAN METALS CO., LTD. (100% shareholding, Japan), and Sims Metal Management Ltd. ("Sims," 17.6% shareholding, Australia), we will pursue industrial solutions to environmental issues by expanding our metal recycling business. Further, we will create environmental solutions businesses, such as end-of-life home appliance recycling services, and establish high-value-added services and businesses through all areas of the value chain, spanning from raw materials development, metal processing, and sales to the collection of end-of-life products.

### ■ Chinese Projects

We will strive to capture demand created by growth in the Chinese market by leveraging our business engineering capabilities in conjunction with Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd. (25% shareholding, China), a diversified company operating coal mining, ferrous alloy production, power generation and chemical businesses, and Guangdong Dongyangguang Aluminum Co., Ltd. (China), a diversified company and a major shareholder of Ruyuan Dongyangguang Fine Foil Co., Ltd. (20% shareholding, China).

### ■ Base Metals

To increase copper resources, we will work to expand existing projects, such as the Colahuasi copper mine in Chile, which is the fourth largest in the world, and ensure the smooth start-up of the Caserones copper and molybdenum deposit development project in Chile, which is scheduled to start production in 2013, as well as deepen our relationships with key partners and acquire new resources.

### ■ Aluminum

To respond to growth in the market for aluminum, a key material used in industry, in addition to our existing assets—the Alunorte refinery and Albras smelter in Brazil and the Asahan smelter in Indonesia—we have been exploring bauxite deposits in alliance with Rio Tinto in Lao People's Democratic Republic to increase high-quality bauxite resources.

### ■ New Metals

Advance start-up preparations are required for the Goro nickel project (10% shareholding, New Caledonia) as well as the Taganito nickel project (15% shareholding, the Philippines), which is scheduled to start production in 2013. Moreover, we will further strengthen strategic alliances with such partners as Sumitomo Metal Mining Co., Ltd., and Vale S.A. to increase rights in high-quality nickel and cobalt resources. We will accelerate initiatives targeting the development of businesses in the field of rechargeable batteries related materials that are compatible with smart communities and work to create next-generation businesses.

## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

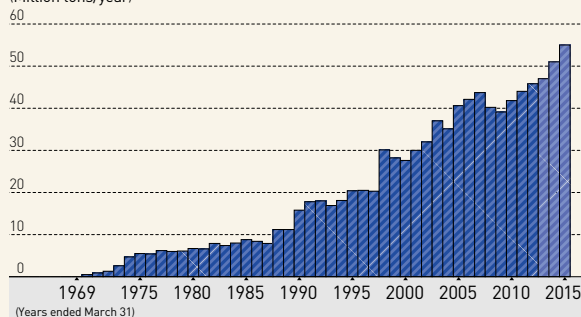
### Iron ore business

Mitsui has decided to make an upfront investment to expand port shipping capacity at the Western Australia iron ore business that is jointly operated (7% participation by Mitsui) with BHP Billiton (Australia and the United Kingdom) and ITOCHU Corporation (Japan). The investment amount is estimated at US\$917 million (approximately ¥70.6 billion), with Mitsui's share expected to be roughly ¥4.9 billion.

### Equity Share of Shipments

#### Iron Ore

(Million tons/year)



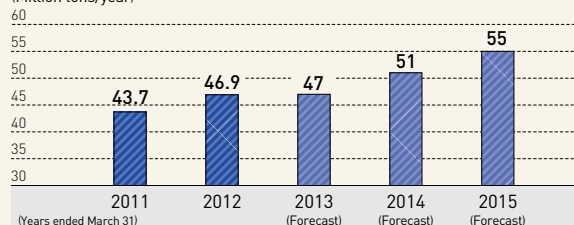
\* Figures for the fiscal year ending March 31, 2013, onward are based on Company forecasts announced in May 2012.

Over 40 years since the 1960s, we have been continuously working to enhance the value of our projects through acquiring interests, changing forms of participation in projects and recycling assets in locations such as Australia, Brazil, and India. Although there were times when the economics of the project made us struggle, we have continued to work together with our partners and succeeded in building up tier-1 iron ore assets. Along with the three major iron ore operators, today we contribute to the stable supply of iron ore globally.

### Forecasted Equity Share of Output (Announced in May 2012)

#### Iron Ore

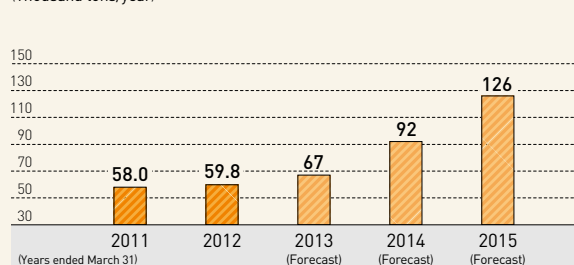
(Million tons/year)



\* Including 5% equity share of Vale S.A.

#### Copper

(Thousand tons/year)



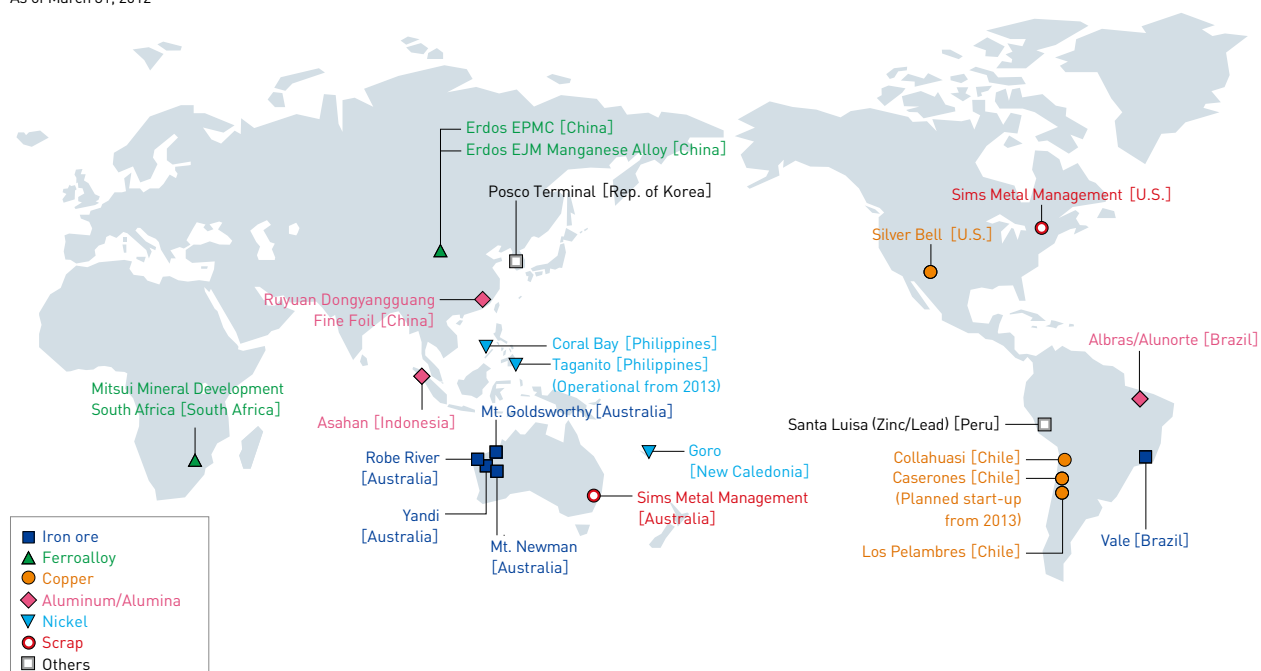
\* Including 5% equity share of Vale S.A.



Caserones copper mine in Chile, located at an elevation of approximately 4,000m

## Major Projects in Mineral & Metal Resources Business

As of March 31, 2012





# Machinery & Infrastructure Segment

Business Area:

Machinery &amp; Infrastructure



Above: LNG tanker for Angola LNG project  
Below: Patton 3 coal-fired power plant (Indonesia)

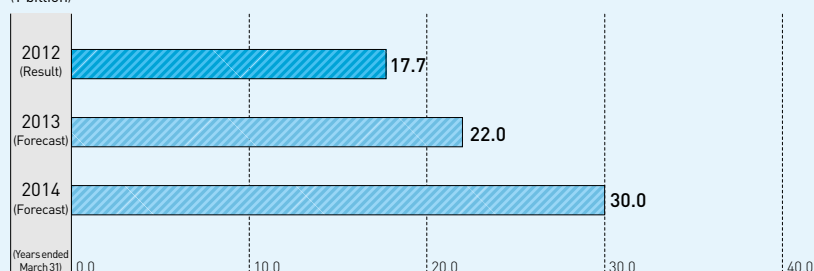


Toyota dealer in Peru

As of or for the Years Ended March 31		2012	2011	2010
Operating Results (¥ billion)	Gross Profit	94.0	93.9	91.6
	Operating Income (Loss)	(8.2)	7.2	10.6
	Equity in Earnings of Associated Companies	38.0	33.1	38.3
	Net Income	17.7	40.1	19.9
Financial Condition (¥ billion)	Total Assets	1,340.7	1,368.7	1,327.7
	Investments in and Advances to Associated Companies	344.0	355.4	339.5
	Property Leased to Others and Property and Equipment	151.0	129.3	137.1
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(53.9)	(210.1)	(50.3)
Number of Employees	Consolidated	14,791	11,952	10,489
	Mitsui	799	803	799

## Net Income

(¥ billion)



Net Income Forecast for 2013

# ¥22.0 billion

+¥4.3 billion from 2012

## Infrastructure Projects Business Unit

### Chief Operating Officer's Statement

Takeshi Kanamori

Managing Officer; Chief Operating Officer  
of Infrastructure Projects Business Unit

Since our mission is to build the infrastructure necessary for economic and social development and the creation of a global environment, we own and operate infrastructure business assets around the world. Our project development and management capabilities, which involve carefully examining and analyzing the risks involved in highly challenging projects and balancing the interests of all parties involved through negotiations with many diverse stakeholders—including customers, partners, government bodies, financial institutions, and local communities—constitute our strengths in achieving this mission.

By fortifying our structure for operating and maintaining the business assets we own, we make a steady contributions to earnings. At the same time, the expertise we gain in operations and maintenance creates synergies with the unit's project development capabilities and management capabilities to pursue new, unknown business areas in addition to existing business areas, which leads to our other mission of taking the lead in developing and realizing new projects.

The key to accomplishing these missions is, of course, "human resources." By developing and retaining human resources who are capable business managers and skilled in project management as a result of handling critical situations in frontline locations, we are capturing robust demand for infrastructure and acquiring quality assets, primarily in emerging markets.



### Business Activities

- Electric power projects, such as power plants, power transmission, and substation facilities
- Water supply projects, including water supply and sewerage facilities, seawater desalination plants, and wastewater processing facilities
- Energy and basic industries projects, such as oil and gas development, oil refineries, LNG receiving facilities and pipelines, and steel / non-ferrous metal / chemical plants
- Transportation projects, including rolling stock and railway facilities and systems
- Renewable energy projects, such as wind power, solar thermal power, and photovoltaic power generation facilities
- Such project development as airport, port, road, and other public facilities

### Market Outlook

Requirements for social infrastructure improvement projects, such as for electricity and water, are expected to rise in emerging countries in which population growth and economic development are significant. Concurrently, a gradual shift in energy sources has emerged toward renewable energy (RE) as well as an increase in demand for railway transport systems as movement toward the realization of a low-carbon society gathers pace.

### Strategy

We will continue to respond to the growing need for the development and enhancement of infrastructure necessary for economic development as well as implement measures to protect the environment on a global basis.

### ■ Electric Power Projects

We will continue to focus on the development of quality assets and the optimization of our portfolio to raise our total net capacity to 12GW. In consideration of the future progressive shift toward RE, we will accumulate quality RE assets, aiming to have 10% of our net capacity generated using RE. Specifically, we will maintain regional development systems in markets that are RE forerunners and initiate the development of centralized RE assets—such as those related to wind, solar photovoltaic, and solar thermal power—and strive to provide total solutions for the realization of a low-carbon society, including the development of smart grids.

### ■ Water Supply Projects

We remain committed to further strengthening the business foundations of Atlatec, S.A. de C.V., a water treatment engineering company situated in Mexico, and the 50-50

joint venture with Hyflux Ltd. (Singapore)—Galaxy NewSpring Pte. Ltd.—which owns 24 water treatment plants in China. Moreover, we will seek out new opportunities in the Americas, Asia, and the Middle East.

### ■ Energy and Basic Industries Projects

With solid demand for energy and the diversification of such sources of energy as deep-sea oil and gas, shale gas, and bio-energy, we will promote energy and basic industries related infrastructure projects, such as LNG terminals, and local gas distribution businesses, especially in the Americas and Asia.

### ■ Transportation-related Business

In this business area, we will further strengthen and enlarge our railway leasing business in the United States, Europe, and Brazil as well as expand operations into other countries, including Russia, and work on developing the rail transportation infrastructure business.



Metro Line No. 4 in Sao Paulo (Brazil)



## Motor Vehicles & Construction Machinery Business Unit

### Chief Operating Officer's Statement

Tatsuo Nakayama

Managing Officer; Chief Operating Officer of Motor Vehicles & Construction Machinery Business Unit

The Motor Vehicles & Construction Machinery Business Unit has drawn on Mitsui's comprehensive strengths to build upstream through downstream value chains around the world in the areas of logistics, assembly and production, importing and wholesale, retail sales, and financing services. Utilizing the strengths derived from this base, we participate in business management on our own or with strategic partners, with the aim of securing stable earnings.

In addition to growth in demand for mining machinery in resource-rich countries, we expect the markets for motor vehicles and mining and construction machinery to grow in line with increased demand for infrastructure in emerging markets. During the fiscal year ending March 31, 2013, we will further strengthen our value chain for automobiles and motorcycles, which encompasses manufacturing through sales finance, and further enhance our earnings strength by expanding the mining and construction machinery businesses. Moreover, we intend to build innovative business models and enter new fields in such areas as motorization and alternative fuels.

We are also placing particular emphasis on human resource development, which is a Companywide initiative. In addition to sending headquarters staff to serve as presidents and senior managers at overseas subsidiaries, which are mostly sales companies, we are appointing capable local staff to those positions to globalize our human resources.



### Business Activities

- Import and export; assembly and manufacturing; distribution and dealership of motor vehicles; motorcycles and their parts; and retail finance
- Trading and servicing of industrial machinery, including mining and construction equipment, production equipment, and machine tools

### Market Outlook

In the motor vehicle business, supply chain disruptions caused by the Great East Japan Earthquake and floods in Thailand inevitably resulted in temporary production cutbacks, which led to shortages of both vehicles and parts and affected sales in Central and South America and other markets. These severe market conditions were further aggravated by the high yen. However, production has recovered in the second half of the fiscal year, and problems regarding supply shortages are gradually being alleviated. In addition to strong demand for motor vehicles in emerging countries, encouraging signs are starting to appear in other markets, including a recovery in North America. In the mining and construction machinery business, demand for resources in emerging countries is reflected in expanding demand for mining machinery in resource-producing countries. The construction machinery market is meanwhile expected to benefit from the sustained expansion of infrastructure demand, especially in emerging countries.

### Strategy

We will strengthen value chains in our core business area, mainly with the Toyota Group, while developing our business activities with strategic partners, including the Penske Automotive Group, Inc. and taking in the growth of emerging countries to drive growth for Mitsui by building market-based business activities. We will also challenge new business areas in anticipation of changes in the industrial structure.

- We will fortify and expand our value chains based on our business with the Toyota Group, Yamaha Motor, Komatsu and other manufacturers. In the motor vehicle business,

we will build and strengthen value chains at all stages, from manufacturers to end users, including assembly and manufacturing, logistics, wholesaling, retailing and sales finance. In the mining and construction machinery business, we will strengthen our earnings power in the Americas, Australia and Russia, where there is expanding demand for mining machinery, especially for use in resource development. We will also strengthen our business base in the machine tool category in the Americas, Asia and Japan.

- We will develop joint business initiatives with the Penske Automotive Group, a U.S.-based dealership group operating in the United States and Europe, and with reliable partners in emerging countries.

- We will also challenge new business fields, such as those related to EVs and motor vehicles with alternative fuels as well as the area of next-generation service robots.



Mining machineries at iron ore mine in Australia

## Marine & Aerospace Business Unit

### Chief Operating Officer's Statement

Ichizo Kobayashi

Managing Officer; Chief Operating Officer  
of Marine & Aerospace Business Unit

In the shipping division's commercial vessel business, our strength lies in the strong relationships of trust we have built over many years with highly competitive domestic and overseas customers, including shipowners and shipyards. Our business stands out for the broad value chain that we have built, which encompasses new ships, used ships, chartered ships, technological consulting, and ship maintenance and repairs. Our business development in marine energy projects is primarily in owning and operating oil and gas Floating Production, Storage, and Offloading ("FPSO") facilities. The LNG tanker business is expanding its operations in shipowning and operations to further add to Mitsui's gas value chain. In the aerospace field, we possess specialist expertise and networks that we have built up over many years in businesses including aircraft engines and helicopter sales.

The business unit aims to "contribute to society through sustainable growth of the marine and aerospace industries while pursuing innovation and evolution," and, to achieve this, we innovate our business model from a broad viewpoint and keep on challenging to develop new business models. As a global company, we will pursue new business models in emerging markets where growth is expected while at the same time contribute to the global development of Japanese shipyards and shipowners.

Our business unit is working as a unified group to address issues head-on in the pursuit of further growth. I believe it is essential for our growth going forward to foster a workplace environment in which individuals pursue worthwhile challenges with energy and optimism to achieve outstanding results.



### Business Activities

- Sales, marketing, and intermediary service of general commercial vessels, LNG and LPG carriers, Floating Storage and Offloading ("FSO") and FPSO facilities and ultra-deepwater drill ships; owning and operating and leasing and financing for these vessels and facilities; ship management services; intermediary service for chartering vessels; sales of secondhand vessels; and marketing equipment for vessels
- Marketing and sales of aircraft, helicopters, aircraft engines, defense-related equipment, and aerospace systems; and leasing and financing of aircraft and aircraft engines

### Market Outlook

#### ■ Marine Area

The shipping market may require some more time to recover, primarily because of an oversupply of tonnages despite an increase in cargo volumes. In the LNG carrier market, supply and demand have remained in balance thanks to increased LNG production and trade diversification. Given the present strong trend in oil prices, demand for offshore petroleum development facilities, such as FPSO, is expected to remain firm.

#### ■ Aerospace Area

Lease opportunities may rise because of the reduced lending capacities of European banks. However, the financial performances of airlines remain a concern. In the domestic airline industry, Japan Airlines Co., Ltd.'s profitability is expected to recover, but the market entry of the three low-cost carriers will intensify competition. Demand for helicopters is expected to increase on account of the use of helicopters by government, media, and medical personnel.

### Strategy

#### ■ Marine Area

The commercial vessel trading business is this business unit's short- and medium-term core business. As a result, we intend to further solidify sales of new building vessels while at the same time expand investment in the vessel-owning business. In the medium to long term, we have identified the marine energy business, including FPSO, as our core business and seek to improve earnings in this area together with MODEC, INC., as our partner. We also expect our LNG vessel business to be a promising area in the long term. Consequently, we will build up the portfolio of competitive LNG vessel projects in which we are participating.

In addition, as a global company, we will seek out and take on projects in emerging markets where high market growth is expected. At the same time, we are willing to support Japanese shipbuilders and shipowners who are aiming to establish overseas operations.

### ■ Aerospace Area

We will resume aircraft operating leases at our own risk and account, aiming to further establish Mitsui's value chain in the aircraft industry, together with existing businesses such as arrangements related to the leasing and financing of aircraft as well as other aircraft-related businesses in Japan. In addition, we will promote marketing support for the Mitsubishi Regional Jet and further develop the aircraft conversion business for the cargo aircraft industry business. Demand for helicopters is also expected to grow due to increasing use by the media, hospitals, and government.



Aircraft leased to TUI Travel PLC

## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

## Infrastructure Projects Business Unit

## Electric Power Projects

- [1] Mitsui owns a 40.5% interest in P.T. Paiton Energy, which owns a coal-fired power plant in the Paiton region on the island of Java, in eastern Indonesia. In addition to the currently operating Paiton 1 power station (1,230MW), Paiton 3 (815MW) commenced commercial operations in March 2012 and has begun supplying power based on a long-term power purchase agreement for 30 years.
- [2] Together with the Electric Power Development Co., Ltd., and the Development Bank of Japan Inc., Mitsui is participating in a power plant project in Hezhou, China, that is under development with China Resources Power Holdings Co., Ltd. (Hong Kong). The project is an IPP business that will build the first ultra supercritical (USC) coal-fired thermal power plant (1 GW x 2 units) in Hezhou City, Guangxi Zhuang Autonomous Region. The first unit is expected to commence operations in August 2012, followed by the second unit in November 2012.



Rendering of coal-fired thermal power plant in Hezhou, China [2]

## Transportation-related Business

- [3] Mitsui and the Russian conglomerate ICT Group have agreed to a 50-50 participation in an operating lease business for railway freight cars in Russia. A joint venture agreement was concluded in December 2011, and the initial investment by the joint venture is expected to be US\$100 million (approximately ¥8 billion).

## Motor Vehicles &amp; Construction Machinery Business Unit

## Automotive Area

- [4] Mitsui acquired Veloce Logistica SA ("Veloce"), a Brazilian logistics service provider of automotive parts, for approximately ¥4.7 billion. Veloce provides comprehensive logistics services, including transportation management for assembly parts and the management of logistics transit points, mainly for motor vehicle manufacturers based in Brazil and Argentina.



Logistics center of Veloce [4]

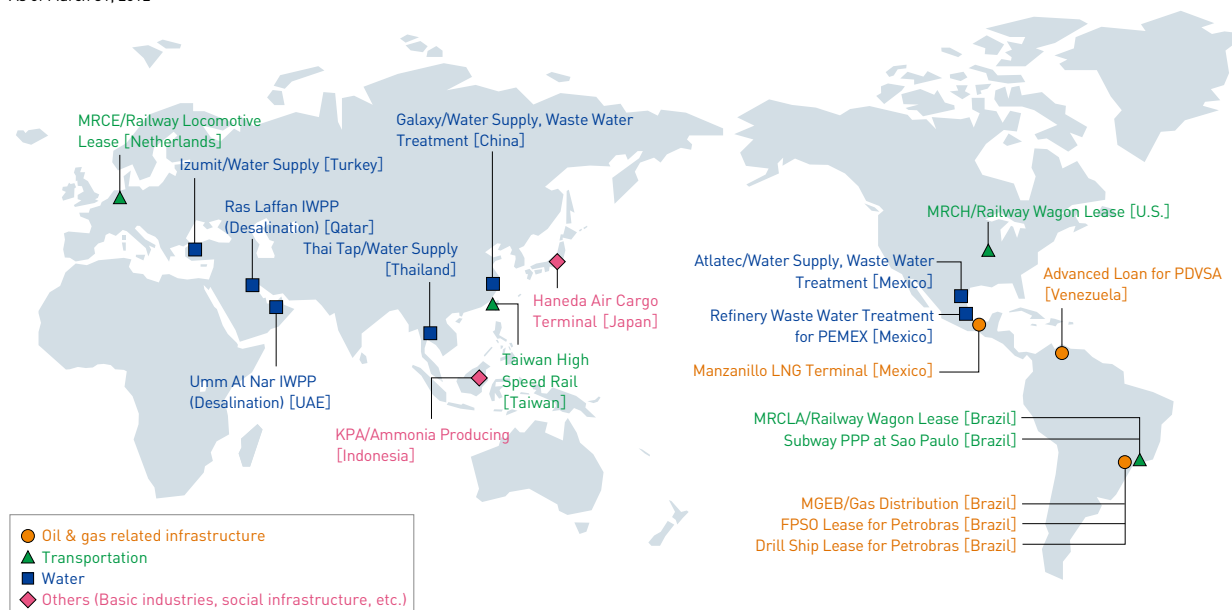
## Marine &amp; Aerospace Business Unit

## Marine Area

- [5] Mitsui is participating in the long-term FPSO chartering business operated by MODEC in the Sapinhoa and Cernambi Sul areas of a pre-salt oil field off the coast of Brazil, with stakes of 33.0% (Sapinhoa) and 27.5% (Cernambi Sul). Both contracts are for 20 years, with development to begin in the fourth quarter of 2012 at Sapinhoa and the third quarter of 2014 at Cernambi Sul.
- [6] Mitsui is participating with a 34.0% stake in a long-term chartering business for four LNG tankers for an LNG project in Angola being developed by NYK Bulkship (Europe) Ltd., a 100% subsidiary of NYK LINE, together with Teekay Corporation, Chevron Corporation, of the United States, and Sonangol EP, the Angolan national oil company. The four LNG tankers were successively completed between August 2011 and January 2012, and LNG shipments from Angola have begun, based on a 20-year charter contract with Angola LNG Supply Services LLC (Delaware, United States).

## Major Infrastructure Projects (Excluding IPP)

As of March 31, 2012



Iron & Steel  
ProductsMineral & Metal  
ResourcesMachinery &  
Infrastructure

Chemicals

Energy

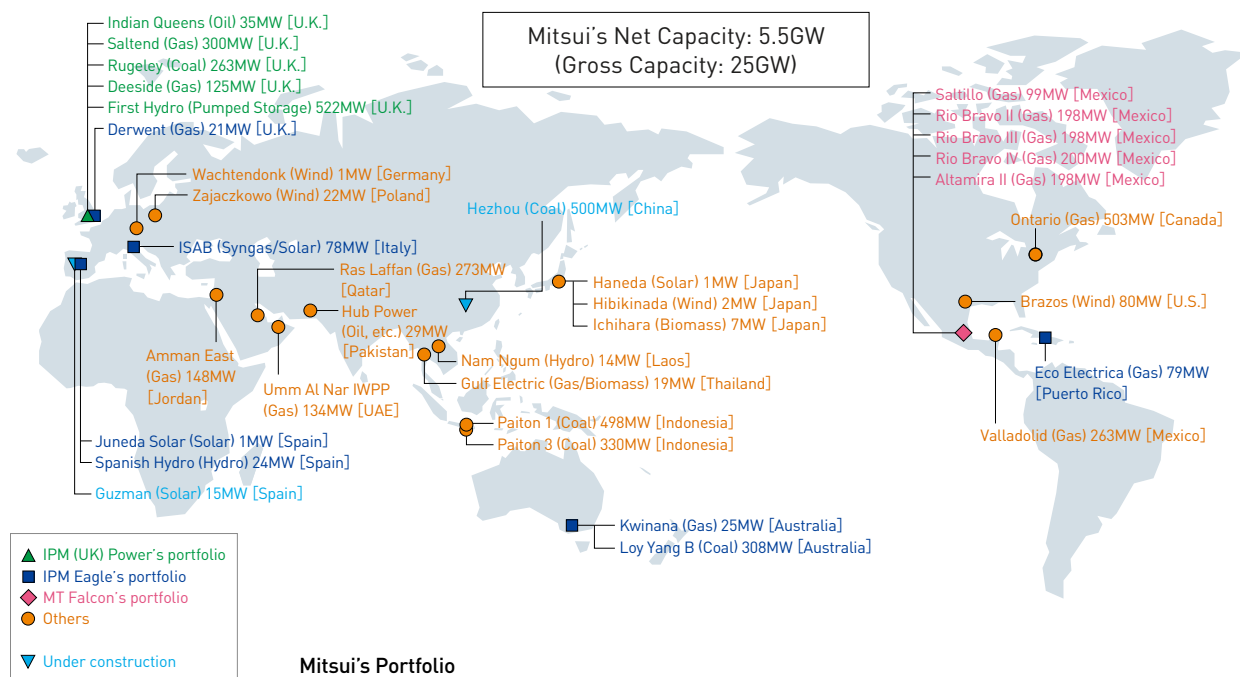
Lifestyle

Innovation & Cross  
Function

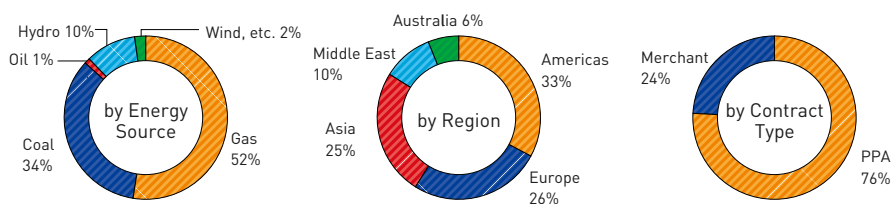
Overseas

## Portfolio of Independent Power Producer (IPP) Business

As of March 31, 2012

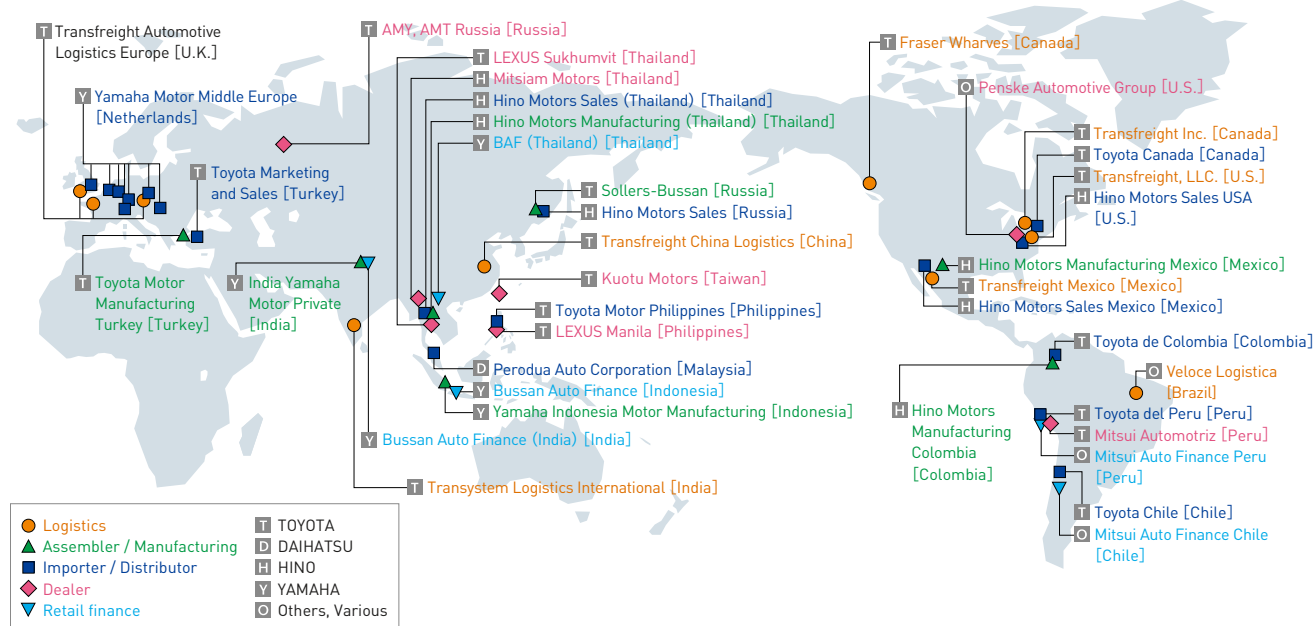


## Mitsui's Portfolio



## Portfolio of Automotive-related Business

As of March 31, 2012





# Chemicals Segment

Business Area:  
Chemicals



Salt business, Onslow Salt Pty Ltd. (Australia)

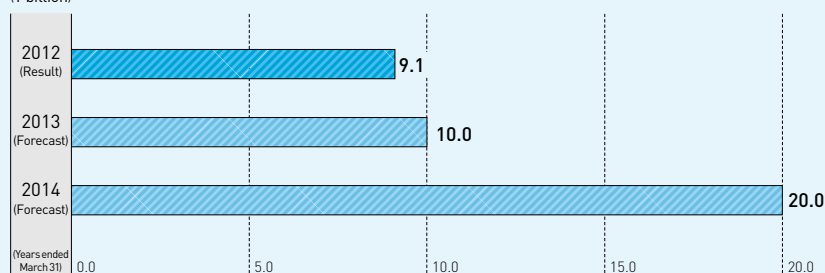


Production and sales of ammonia, P.T. Kaltim Pasifik Amoniak (Indonesia)

As of or for the Years Ended March 31		2012	2011	2010
Operating Results (¥ billion)	Gross Profit	65.2	71.6	71.2
	Operating Income	10.3	21.0	16.6
	Equity in Earnings of Associated Companies	6.7	3.7	2.7
	Net Income	9.1	12.8	13.2
Financial Condition (¥ billion)	Total Assets	685.9	699.4	629.9
	Investments in and Advances to Associated Companies	76.2	63.7	28.7
	Property Leased to Others and Property and Equipment	65.5	59.6	53.8
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(24.9)	(40.8)	(6.4)
Number of Employees	Consolidated	2,885	2,820	2,953
	Mitsui	714	705	734

## Net Income

(¥ billion)



Net Income Forecast for 2013

**¥10.0 billion**

+¥0.9 billion from 2012



## Basic Chemicals Business Unit

### Chief Operating Officer's Statement

Kazuya Okamura

Managing Officer; Chief Operating Officer  
of Basic Chemicals Business Unit

The Basic Chemicals Business Unit is organized around two core functions in the global chemicals market—trading and business investment. The trading business draws on our global sales network to precisely respond to constantly changing customer needs. While functioning as antennae to follow trends in the markets for various chemicals, this sales network delivers services with a high degree of customer satisfaction and adds strength to the unit's business investment.

The chemicals industry is closely connected to other industries; as global demand for chemicals is growing, this is an industry that is constantly evolving. Against this backdrop, we work in close cooperation with the Performance Chemicals Business Unit with commitments to a wide range of industries to contribute to the creation of future value that transcends the boundaries of the industries and the business areas of individual companies. Based on the strong partnerships we have built with customers through the trading business, we are proactively working to capture demand in emerging markets, especially in Asia, secure increasingly diverse chemical raw materials such as shale gas and biomass, and develop green chemical businesses to address the recent heightened interest in the global environment, renewable energies, and healthcare. In terms of business investment, we aim to establish a structure that will allow us to generate synergies leading to a further strengthening of our trading function.



## Performance Chemicals Business Unit

### Chief Operating Officer's Statement

Toru Suzuki

Managing Officer; Chief Operating Officer  
of Performance Chemicals Business Unit

The Performance Chemicals Business Unit seeks to draw on Mitsui's comprehensive capabilities to work with partners to address diverse industrial needs using the "power of chemicals."

Our strengths lie in the deep relationships of trust we have built with a large number of customers and partners over many years of business dealings and in our wide range of business fields with contact points with a variety of industries. Using these strengths, we continue to pursue the challenge of taking the lead in creating next-generation businesses.

Under the new Medium-term Management Plan, we are focusing on making steady progress in solutions for increased food production and food safety in the field of agricultural chemicals, creating a new business model as a global logistics base in the field of performance materials, developing new downstream business models and cultivating new upstream products in the environmental chemicals field, and using continuity and specialization to contribute to the electronics and peripheral industries in the field of advanced materials. At the same time, we will develop businesses to capture demand in China and other emerging markets, effectively allocate human resources, work closely with the Basic Chemicals Business Unit, and build up our collaborations with other business units to utilize Mitsui's comprehensive strengths to meet both our qualitative and quantitative objectives.



## Chemicals Segment

**Business Activities** //**Basic Chemicals Business Unit**

- Petrochemical/commodity resins business: Olefins, aromatics and its derivatives, including polyolefins, and industrial chemicals
- Chlor-alkali related business: Salt, caustic, PVC resins and its intermediates and urethane raw materials
- Methanol business: Methanol and its derivatives related business
- Green and specialty chemical related business: Green chemicals, detergent intermediate, specialty chemicals and pharmaceutical raw materials

**Performance Chemicals Business Unit**

- Agricultural chemicals business: Fertilizer resources, fertilizer materials, crop protection chemicals, and feed additives
- Environmental chemicals business: Project development for solar power generation plants and related components such as raw materials for solar cells, components for solar modules and rechargeable battery materials
- Performance materials business: Engineering and functional plastics, synthetic rubber, silicone resin, plastic additives, and inorganic chemicals
- Advanced materials business: Materials for flat panel displays, printed circuit boards, high purity chemicals for semiconductor manufacturing and procurement logistics services for electronic component manufacturers

**Market Outlook** //

The basic chemicals market is expected to show solid demand driven by the growth fundamentals of the emerging countries mainly in Asia, while the current market fluctuated due to the influence of the European debt crisis and a swing in Chinese demand. Also, there was a focus to shift the earnings base to the environment, health-care and renewable energy areas. In the agricultural chemicals market, demand for fertilizer raw materials, essential to increase productivity of farming, is expected to grow corresponding to global population growth.

**Strategy** //

Make a wide commitment to the continually evolving chemical industry and contribute to the creation of future value beyond the boundaries of the industry and the business territories of individual companies.

**Basic Chemicals Business Unit**

While reforming our trading business model to capture demand in emerging markets especially in Asia, invest in businesses in response to structural changes in the chemical industry—including higher oil

prices, the diversification of petrochemical feedstock and the tendency of a shift toward environment, healthcare and renewable energies—through a partnership with customers developed in the trading business. Furthermore, we will also strengthen to ensure realization of returns on existing investments.

**Petrochemicals**

Capture demand in Asia, including China, through our global trading network, which enables our strategic partners to achieve the optimum marketing and procurement of products by leveraging our in-house storage capabilities as well as designated vessels. In addition, promote investments by working with strategic partners in Japan as well as with Asian, European and U.S. companies.

**Chlor-Alkali**

Strengthen the chlor-alkali value chain by promoting investments that would enhance further integration of various businesses ranging from salt manufacturing and production of chlorine and caustic soda, to marketing of such products as caustic soda,

PVC resin and urethane raw materials.

In this fiscal year, focus to make strides in developing ethylene dichloride and the chlor-alkali production business with The Dow Chemical Company ("Dow," United States).

**Methanol**

Seek to become the major global player in this industry by securing access to competitive natural gas in Europe, the United States and Asia through investment.

**Green Specialty Chemicals**

Focus on the green chemical business to respond to the stream of biomass, and enhance investments in low environmental impact natural resources. In this fiscal year, focus to make strides in developing biomass derived chemicals and biopolymers businesses with Dow.

**Performance Chemicals Business Unit**

Allocate further management resources to strengthen our business platform in the agricultural chemicals business domain to secure fertilizer resources as well as develop new business models, such as mega solar in the environmental chemicals business domain.

At the same time, fortify our existing global trading platform in performance materials and advanced materials business domains.



Development of phosphorus ore mine (Peru)

**Agricultural Chemicals**

Expand the fertilizer business through investments in upstream natural resources; accelerate investment in ammonia, sulphur, and sulphuric acid business, strengthen global trading activities especially in Asia; and enhance the crop protection chemicals and feed additives businesses through business expansion including M&A transactions.

**Environmental Chemicals**

In the solar power-related business, strengthen our business base by securing upstream natural resources, such as poly-silicon, and by focusing on project

development of solar power generation plants, which is a downstream business of the value chain.

**Performance Materials**

Strengthen global trading activities together with domestic and overseas affiliated companies and our global network by providing a wide range of products centered on synthetic resin products.

**Advanced Materials**

Contribute to the electronics and flat panel display industries through the provision of specialized functions.



Production lines for liquid crystal modules in Dongguan, China. Mitsui provides procurement and logistics functions for them.

## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

**Basic Chemicals Business Unit****Green Specialty Chemicals Area**

- 1 Mitsui has acquired a 50% equity stake via a capital increase in Santa Vitória Açúcar e Álcool Ltda (Brazil), previously wholly owned by Dow, with the aim of working through a joint venture with Dow to establish an integrated business in Brazil encompassing sugarcane field management through biochemical production.
- 2 Mitsui has concluded an agreement with the Canadian biochemical venture business BioAmber, Inc. ("BioAmber"), to set up a joint venture to be the world's first manufacturer of biosuccinic acid. In the future, the joint venture plans to produce derivative products that use biosuccinic as a raw material.



Plant and laboratory in France, BioAmber 2

**Chlor-Alkali Area**

- 3 With a view toward accelerating the development of the chlorinated polyvinyl chloride ("CPVC") business in India, Mitsui has concluded an agreement with Meghmani Organic Limited (India) and Kaneka Corporation (Japan) to conduct a feasibility study for a CPVC manufacturing business and make preparations for the construction of production facilities.

**Performance Chemicals Business Unit****Environmental Chemicals Area**

- 4 Mitsui has reached an agreement to work with five leading companies in the field of renewable energy to jointly make a feasibility study on the project of one of the largest solar and wind power generation facilities in Japan.

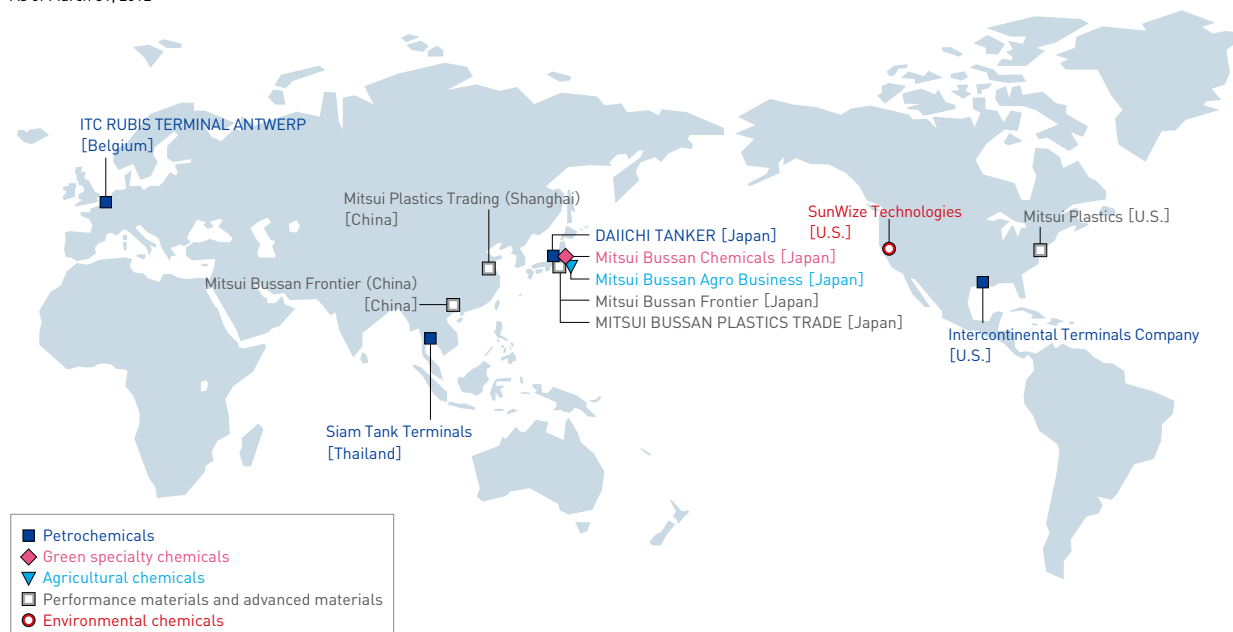
**Agricultural Chemicals Area**

- 5 Mitsui has concluded an agreement with Sumitomo Corporation to launch a detailed feasibility study on the integration of the two companies' domestic fertilizer businesses. In addition to strengthening raw material purchasing and fertilizer sales, the integration would aim to further enhance the competitiveness of both companies' businesses through the optimal overall management of an integrated manufacturing and sales structure.

Chemicals Segment

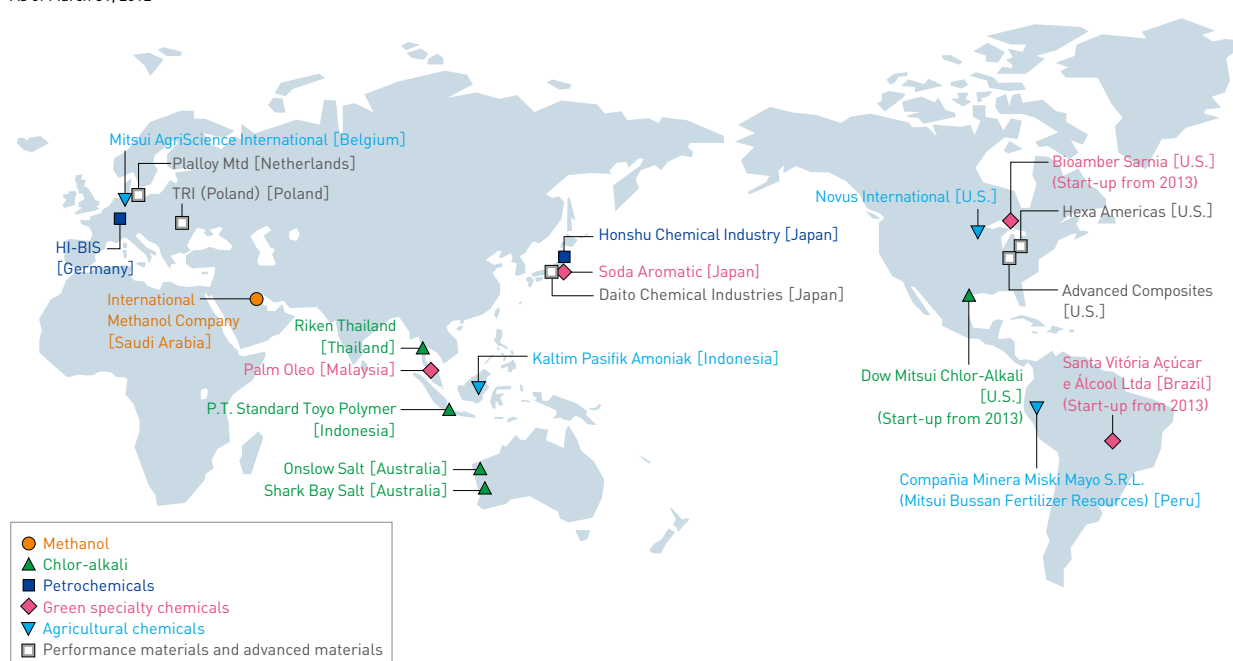
Major Investments in Trading Business in Chemical Business

As of March 31, 2012



Major Investments in Manufacturing Business in Chemical Business

As of March 31, 2012



# Energy Segment

Business Area:

Energy



Shale gas exploration (Poland)

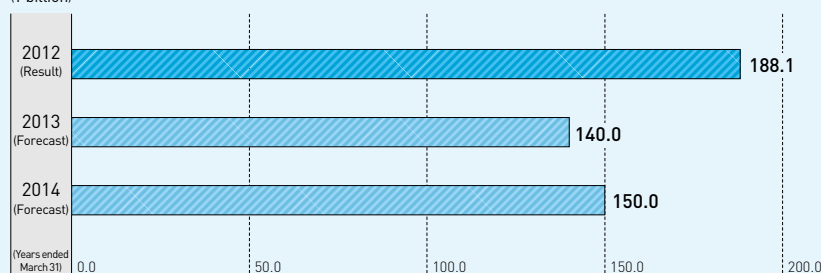


The Sakhalin II project (Russia) ©Sakhalin Energy Investment Company Ltd.

As of or for the Years Ended March 31		2012	2011	2010
Operating Results (¥ billion)	Gross Profit	219.1	196.7	150.3
	Operating Income	173.5	139.4	91.5
	Equity in Earnings of Associated Companies	53.9	52.4	35.3
	Net Income	188.1	56.6	83.9
Financial Condition (¥ billion)	Total Assets	1,750.5	1,564.1	1,519.2
	Investments in and Advances to Associated Companies	131.9	131.9	147.7
	Property Leased to Others and Property and Equipment	584.5	475.8	424.9
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(145.6)	(109.0)	3.6
Number of Employees	Consolidated	1,066	981	1,769
	Mitsui	408	392	391

## Net Income

(¥ billion)



Net Income Forecast for 2013

# ¥140.0 billion

-¥48.1 billion from 2012



## Energy Business Unit I

### Chief Operating Officer's Statement

Hiroyuki Kato

Executive Managing Officer; Chief  
Operating Officer of Energy Business Unit I

Because Japan is a resource-poor country, we are even more mindful that securing energy resources is an extremely important mission. We are striving to make contributions in this vital area.

Energy Business Unit I operations encompass energy resources, including oil, gas, coal and nuclear fuel, and participation in the value chain from such upstream businesses as exploration, development and production to downstream activities like distribution and trading.

We are engaged in upstream businesses on a global scale; however, the acquisition of resources is becoming increasingly competitive and involves new frontiers in terms of both technology and geography. In this environment, we will work to raise our reserves and production volumes while trying to maintain a good balance among our participation in exploration, development and production. I consider the most important aspect of our business to be sharing value and building relationships of trust with our business partners.

A significant function of downstream businesses is to adjust supply and demand to "provide optimal efficiency by moving energy resources from people with ample supplies to people with insufficient supplies." We have moved our downstream oil business center to Singapore, a global distribution hub, and hope to make maximum use of Mitsui's capabilities to address Asia's abundant demand. We consider upstream and downstream businesses as two wheels on a cart. The important thing is to maintain and continue to strengthen the capabilities required of us in each of these areas.



## Energy Business Unit II

### Chief Operating Officer's Statement

Yasushi Yoshikai

Managing Officer; Chief Operating  
Officer of Energy Business Unit II

Our first LNG development project was in Abu Dhabi, roughly 40 years ago in the same year as the first oil crisis. At that time, Japan was the only customer that would go through the trouble of liquefying natural gas, transporting it halfway around the world and returning it to a gaseous state for consumption, the simple reason for doing so being the lack of natural resources. Since that time, gas has established itself as an indispensable energy, and Mitsui has participated in eight such development projects. As a result of the development of unconventional gas such as shale gas in recent years, natural gas reserves today are said to stand at the equivalent of 150 years of use, and further growth in the use of natural gas as an energy with ample supply is expected. We are looking for new business opportunities in order to take advantage of these changes. These opportunities naturally include new LNG development, but we also view natural gas as a primary fuel and raw material for basic industry and are working to develop businesses that create value for Mitsui in a wide range of areas. Such businesses include our participation from the exploration stage to development of gas fields discovered off the coast of Mozambique. We have found these fields hold some of the world's largest gas resources and are promoting their development as an LNG project.

We are also focusing on increased liquidity in the gas market and would like to proactively address the downstream businesses of distribution and trading, including LNG exports from the United States, to expand our foundation for an even larger gas business.

At the same time, we will address such next-generation energies as biomass energy and hydrogen, which are required for a low-carbon society, as a longer-term issue.



Platong II project in the Gulf of Thailand (Thailand)

**Business Activities**

- Exploration and production of oil and gas, coal, uranium and other energy resources
- Trading of oil, gas, petroleum products, coal, uranium and other energy resources
- Petroleum refining and marketing of gasoline, LPG and other petroleum products in the Japanese domestic market
- Development and production of natural gas and LNG, trading of LNG and development of new gas commercialization technology (natural gas hydrate, etc.)
- Development of environmental energy businesses such as carbon credits, biomass ethanol, hydrogen and other next-generation energies

**Market Outlook**

Global energy demand is expected to increase in accordance with population growth and economic expansion in emerging countries in the medium to long term. Reflecting the continuous recovery of the global economy, oil and coal prices are anticipated to remain solid thanks to strong demand. While demand for LNG in the short term is rising as an alternative energy to nuclear power following the Great East Japan Earthquake as well as due to the recovery of the Asian economy, sufficient supply can be secured from sources such as Qatar. The medium-to-long-term outlook for the LNG market remains positive due to the healthy growth of demand in emerging markets, such as China and India, as well as the continued need for clean energy.

**Strategy**

We will promote comprehensive and global energy business in oil, natural gas, coal, and nuclear fuel in a broad range of business sectors that include resource development, energy logistics, and environmental businesses.

**■ Exploration, Development and Production of Oil and Natural Gas**

Our strategies in this area include the following: pursue the expansion of our sizable global business portfolio by considering the balance between regions, products, development phases, and partners through the expansion of existing businesses; participation in exploration activities; and acquire new upstream assets, including such unconventional energy resources as shale oil/gas projects.

**■ Natural Gas and LNG**

While maintaining a stable earnings base in existing core projects (Middle East, Western Australia, Sakhalin II, Equatorial Guinea, Indonesia, etc.), we will develop new LNG and natural gas projects—such as in Mozambique, where we found significant gas resources through exploration—by leveraging our business engineering capabilities.

Moreover, we will strengthen our global marketing capabilities of LNG and natural gas and develop methods of commercializing unconventional natural gas resources.

**■ Oil Trading & Marketing**

In this area, we will further strengthen our oil trading and marketing skills by strengthening activities in the growing Asian market and expanding to global trading.

**■ Coal**

With a focus on improving our earnings base by increasing production in our operating mines and commercializing undeveloped assets in Australia, we will diversify asset locations through global participation in new upstream businesses. In addition, we will strengthen marketing capabilities primarily in the Asian market.

**■ Nuclear Fuels**

We will pursue a stable supply of nuclear fuels through investments in upstream assets and continuous activities in logistics in view of the long-term need for nuclear power generation.

**■ Environmental Business**

We will continue to develop our environmental business, such as CO<sub>2</sub> emissions reduction as well as renewable energy, including biomass and hydrogen-related business, which contributes to the shift toward a low-carbon society.



Dawson coal mine (Australia) ©Anglo American

**Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012****■ Natural Gas and LNG**

- With ownership of a 20% interest in the Mozambique Offshore Area 1 exploration block, exploration activities are currently under way; already, gas fields with some of the world's largest gas resources have been discovered in this area. Evaluation studies are ongoing, with the aim of making a final investment decision by the end of 2013 and commencing production in 2018, for LNG development of 10 million tons annually.



Mozambique gas field, natural gas flow test (Mozambique) □  
© Anadarko Petroleum Corporation

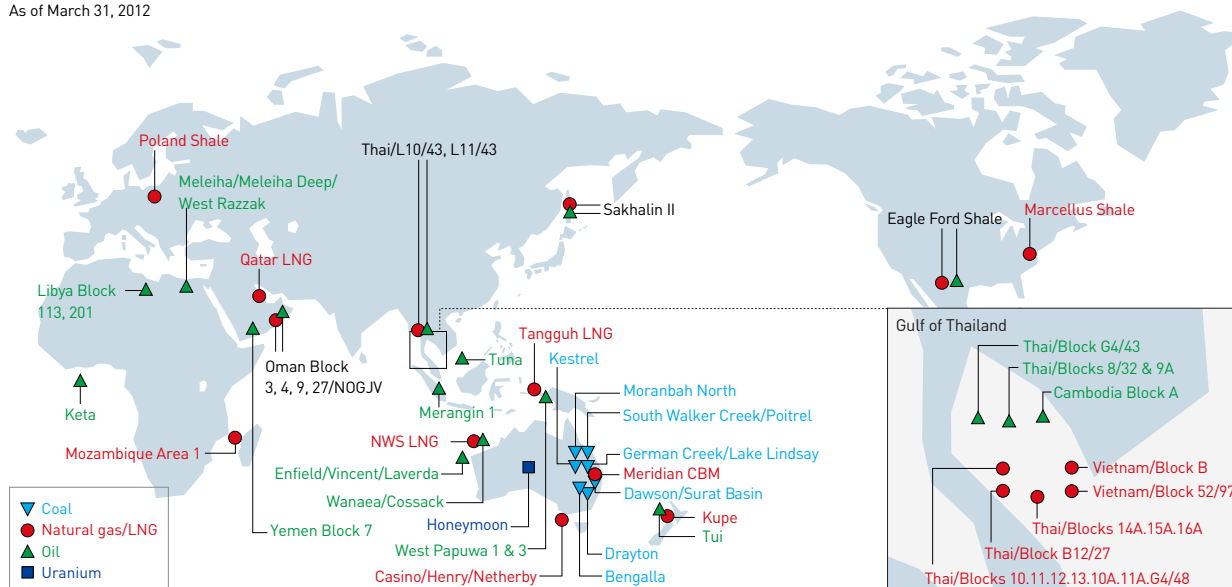
**■ Exploration, Development and Production of Oil and Natural Gas**

- In December 2012, Mitsui joined a shale oil/gas project currently in development and production in the Eagle Ford Shale area, in the U.S. state of Texas. Our ownership interest is equivalent to approximately 47,000 acres. As a significant part of the production is high-value-added light crude oil, we anticipate an early earnings contribution from this project.
- Also, Mitsui has acquired a 9% interest in 10 of U.S. oil and gas developer Marathon Oil Corporation's shale gas exploration blocks in Poland. This is the first time a Japanese company has participated in a shale gas project in Europe. Over roughly the next five years, we intend to carry out the geological analysis and drilling of exploratory wells to confirm the productivity and recovery potential for shale gas in these blocks.

## Energy Segment

## Major Upstream Assets in Energy Business

As of March 31, 2012



## Major Upstream Assets (Natural Gas/LNG/Oil)

As of March 31, 2012

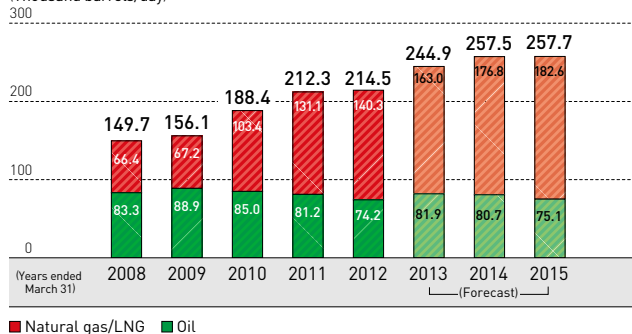
	Exploration					Development			Production
	Bid	Seismic	Processing	Drilling	Valuation	FEED	FID	Development	Production
<b>Natural Gas/LNG Project</b>	<b>Australia:</b> Laverda* <sup>1</sup> and 19 other permits (MEPAU) <b>New Zealand:</b> PEP50119 and 3 other permits (MEPAU) <b>Papua New Guinea:</b> PPL285 (MEPAU) <b>Thailand:</b> Blocks L10/43* <sup>2</sup> , L11/43* <sup>2</sup> and 4 other permits (MOECO) <b>Vietnam:</b> Blocks B, 52/97* <sup>1</sup> (MOECO) <b>Cambodia:</b> Block A (MOECO) <b>Indonesia:</b> Merangin 1, Tuna, West Papua 1 & 3 (MOECO) <b>Poland:</b> Poland Shale (MEPOL) <b>Oman:</b> Block 3, 4* <sup>1</sup> (MEPME) <b>Egypt:</b> Meleiha Deep (MEPME) <b>Yemen:</b> Block 7 (MEPME)					<b>USA:</b> Marcellus Shale (MEPUSA)* <sup>3</sup> Eagle Ford Shale (MEPTX)* <sup>3</sup> <b>Australia:</b> Meridian CBM (MEPAU)* <sup>3</sup>			<b>Russia:</b> Sakhalin II LNG (Sakhalin Energy) <b>Australia:</b> NWS LNG (JAL-MIMI), Casino/Henry/Netherby, Meridian CBM (MEPAU) <b>New Zealand:</b> Kupe (MEPAU) <b>Thailand:</b> Blocks 10.11.12.13.10A.11A.G4/48, Block B12/27, Blocks 14A.15A.16A, Blocks 8/32 & 9A, Block G4/43 (MOECO) <b>Indonesia:</b> Tangguh LNG (KG Berau/KG Wiriagar) <b>USA:</b> Marcellus Shale (MEPUSA) Eagle Ford Shale (MEPTX) <b>Qatar:</b> Qatargas 1 LNG (MILNED) Qatargas 3 LNG (Mitsui Qatargas 3) <b>Oman:</b> NOGVJ (MEPME)
<b>Oil Project</b>	<b>Libya:</b> Block 113, Block 201 (MOECO) <b>Mozambique:</b> Area 1 (MEPMOZ) <b>Ghana:</b> Keta (MEPGK)					<b>USA:</b> Eagle Ford Shale (MEPTX)* <sup>3</sup>			<b>Russia:</b> Sakhalin II (Sakhalin Energy) <b>Australia:</b> Wanaea Cossack (JAL-MIMI), Enfield, Vincent (MEPAU) <b>New Zealand:</b> Tui (MEPAU) <b>Thailand:</b> Blocks 10.11.12.13.10A.11A.GA/48, Blocks 8/32 & 9A, Block G4/43 (MOECO) <b>Oman:</b> Blocks 9, 27 (MEPME) <b>Egypt:</b> Meleiha/West Razzak (MEPME) <b>USA:</b> Eagle Ford Shale (MEPTX)

\*1. Proved undeveloped \*2. Partly in development \*3. Partly in production

## Equity Share of Output (Announced in May 2012)

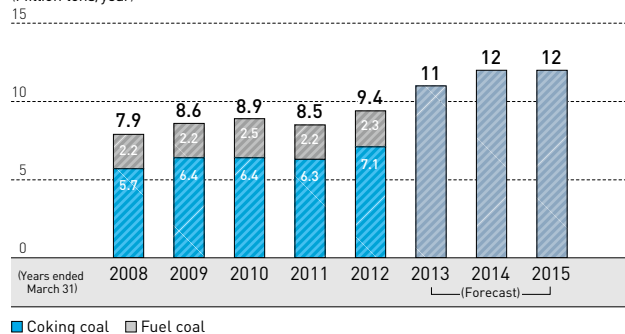
## Oil/Gas

(Thousand barrels/day)



## Coal

(Million tons/year)



■ Coking coal ■ Fuel coal  
 \* From FY2013, only the total of coking coal and fuel coal is shown.



# Lifestyle Segment

Business Area:

Lifestyle



Above: Soybean farm, Multigrain S.A. (Brazil)

Below: The Café Brasileiro brand, Mitsui Alimentos Ltda. (Brazil)



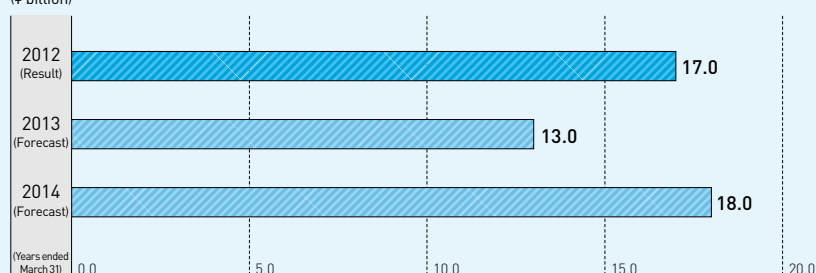
Operation management support of hospital network IHH Healthcare Bhd. (Malaysia)

As of or for the Years Ended March 31		Foods & Retail			Consumer Service & IT		
		2012	2011	2010	2012	2011	2010
Operating Results (¥ billion)	Gross Profit	90.7	77.4	84.4	47.5	46.8	53.1
	Operating Income (Loss)	18.2	11.2	20.6	(17.0)	(10.9)	(8.7)
	Equity in Earnings (Losses) of Associated Companies	3.4	1.3	7.8	(20.3)	7.9	(6.2)
	Net Income (Loss)	15.5	2.8	(0.8)	(35.5)	3.9	(9.8)
Financial Condition (¥ billion)	Total Assets	763.5	625.2	609.9	644.9	561.3	530.9
	Investments in and Advances to Associated Companies	66.5	81.4	90.3	200.2	139.0	101.6
	Property Leased to Others and Property and Equipment	1,13.4	58.1	56.8	87.7	84.2	53.1
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(30.0)	(5.7)	(11.3)	(95.1)	(70.5)	(6.5)
Number of Employees	Consolidated	7,046	5,568	5,163	4,336	4,351	4,630
	Mitsui	423	414	386	625	622	668

\* Previous reportable operating segment. For further information about the change in the reportable operating segments, please refer to page 029.

## Net Income \* Figures for the Lifestyle Segment

(¥ billion)



Net Income Forecast for 2013

# ¥13.0 billion

-¥4.0 billion from 2012

## Food Resources Business Unit

### Chief Operating Officer's Statement

Kazuo Nakayama

Managing Officer; Chief Operating Officer  
of Food Resources Business Unit

The world's population has already exceeded seven billion and is expected to grow to nine billion by 2050.\* The rapid population growth, combined with regional disparities in the capacity of food supply, is widening supply-demand gaps for food, making the securing of food resources and the establishment of a stable supply structure a critical issue for the people of the world. Our business begins in food-producing regions scattered across the globe, and we provide a stable, efficient supply of safe food to people in many areas. In the field of grain business, we handle such products as wheat, soybeans, and corn, which are used as food staples, cooking oil and ingredients, and livestock feed. Moreover, we operate a global grain collection business that includes a grain collection and export business on the west coast of the United States and a grain production, collection, and sales business in Brazil. Involvement in the production of agricultural products and their collection in producing regions enables us to quickly obtain information from producing regions and maintain traceability, thus contributing to efficient distribution and ensuring safety. In the field of sugar business, we secure a stable supply of resources by operating a sugar refinery in Thailand, and, in collaboration with Mitsui Sugar Co., Ltd., the business markets SPOON brand sugar, Japan's most popular brand. Working together with the Food Products & Services Business Unit, we aim to establish an even stronger food value chain by supporting both the supply and demand structures for food.



\* United Nations, World Population Prospects, "The 2010 Revision"

### Business Activities

- **Resources:** Investment in the overseas food resources business; import, domestic and offshore trade of grain, oilseeds and oils, raw sugar, etc.
- **Materials:** Investment in the overseas food materials business; trade of food materials, manufacture and sales of food materials in Japan

### Market Outlook

Due to the global population growth and the acceleration of mismatches between limited food supply areas and globalized demand areas, the need to secure food resources and guarantee a stable supply of food is expected to rise into the future.

### Strategy

We will secure renewable food resources and strengthen our supply capacity of food. At the same time, we will enhance our global marketing and purchasing capacities. Moreover, we will work to establish a solid food value chain through cooperation with reliable domestic and overseas partners.

### Resources

We aim to secure such essential food resources as grains, oilseeds, and sugar in response to the worldwide increase in demand for food. Through the operations of subsidiaries United Grain Corporation (100% shareholding, United States), which is engaged in grain origination and export, and Multigrain AG (100% shareholding, Switzerland), which is engaged in agricultural production and grain distribution in Brazil, we will enhance infrastructure in grain producing regions and boost our grain collection capabilities. In addition, we will fortify our grain sales targeting such regions of consumption as Asian countries, the Middle East, and Africa. The expansion of grain sales in Japan will also be pursued.

### Materials

In response to changes in the structure of industry and trade, we will reorganize our domestic earnings base and build up our material processing business overseas, aiming to become a competitive player in the Japanese and Asian markets.



Grain export elevator complex, United Grain Corporation (United States)



## Food Products & Services Business Unit

### Chief Operating Officer's Statement

Takashi Fukunaga

Executive Managing Officer; Chief Operating Officer  
of Food Products & Services Business Unit

The Food Products & Services Business Unit strives to offer a stable supply of safe food and add convenience to the daily lives of consumers at a global level. To achieve these goals, we operate a broad food value chain that encompasses agricultural production through sales to consumers and work together with the Food Resources Business Unit in many regions around the world. Our unit's strengths lie in the relationships of trust we have developed with leading partners over many years in Japan and around the world and in such functions as demand chain management that we have refined to constantly address demand-side needs.

With rising incomes leading to a growing middle class, especially in emerging markets, lifestyles around the world are transforming rapidly. At the same time, the aging of Japanese society is bringing about reduced demand and changes in consumption patterns over the long term. The issue for us to address going forward is to quickly respond to these quantitative and qualitative changes in consumption inside and outside Japan while identifying business opportunities that will usher in increased earnings.

Our unit's core business bases are in "materials," "distribution," and "retail," and we are creating a new business model through integrated "manufacturing," "intermediate distribution and wholesaling" and "retail sales." We are also strengthening our cooperation with reliable domestic and overseas partners and drawing on our expertise from Japan as we continue to pursue the challenges of developing global businesses.



### Business Activities

- **Materials:** Investment in the beverages and beverage materials business and food materials business; trade of beverage materials and food materials
- **Distribution:** Wholesale operations; trade of processed foods, pet foods and other products
- **Retail:** Trade of food products and food materials, containers, packaging materials, and miscellaneous daily goods; support services, such as demand chain management, including logistics management and product planning and development for retailers
- **Agri-food business**

### Market Outlook

In the Japanese market, we are seeing a gradual decrease in demand as well as qualitative changes in consumption, which can be attributed to such factors as declines in population and birthrates as well as the overall aging of the population. In addition, agriculture in Japan is becoming more industrialized and changing rapidly, largely in response to the possibility of Japan joining the Trans-Pacific Partnership (TPP) free trade agreement. Also, as the advancement of information technologies enables the provision of new services, we expect to see changes in consumption trends.

### Strategy

We will strengthen our business platform and improve profitability in consideration of the quantitative and qualitative changes in domestic consumption. At the same time, we will accelerate initiatives in growing overseas markets in conjunction with domestic and overseas partners. New

business models will also be developed in response to market changes.

#### ■ Materials

We will strive to become a major player on the global stage by entering new overseas businesses and bolstering sales capabilities in overseas markets. Moreover, by pursuing joint ventures with partners in Japan and overseas, we will develop beverage and dairy product businesses in overseas markets.

#### ■ Distribution

We will enhance the distribution network centered on MITSUI FOODS CO., LTD. (99.9% shareholding, Japan), as a mediator between manufacturers and retailers.

#### ■ Retail

In a comprehensive alliance with Seven & i Holdings Co., Ltd., we will reinforce our retail support platforms and apply Company functions to the overseas expansion and other new business ventures of Seven & i

Holdings. We will also expand the range of areas in which we are developing our retail support services, which include demand chain management services and distribution functions.

In addition to the above-mentioned initiatives, we will create new business models in consideration of possible changes to the market environment. For example, we are developing a business model that supports the industrialization of Japanese agriculture in light of Japan's potential participation in the TPP agreement.



Warehouse facility, MITSUI FOODS CO., LTD.

## Consumer Service Business Unit

### Chief Operating Officer's Statement

Satoshi Tanaka

Managing Officer; Chief Operating Officer  
of Consumer Service Business Unit

The Consumer Service Business Unit aims to evolve its business models to address changes around the world, utilizing its comprehensive strengths to enrich people's lives with high-value-added services. Over the years, we have built solid relationships of trust with quality business partners in a wide range of industries, including medical and healthcare, services, real estate, lifestyle materials, and fashion, and developed diverse businesses that meet the needs of customers.

During the fiscal year ended March 31, 2012, we made a major change in our direction regarding new business development with a focus on emerging markets and began work toward the building of new business models. To be able to flexibly address changes in the global environment as well as structural changes in the global economy, activities of the business unit have involved a capital participation in Asia's largest hospital group.

Under the new Medium-term Management Plan, during the fiscal year ending March 31, 2013, we will further accelerate the shift in our business portfolio and earnings base to emerging markets and steadily enhance the value of existing projects while continuing to pursue the challenge of creating new business models for the next generation.



### Business Activities

- Supporting pharmaceuticals manufacturing, distribution and sales, dispensing pharmacy operations, hospital operations and management support, healthcare-related information services and other long-term care related services
- Contract food service, uniform rental and facility management
- Real estate development, property management, real estate solutions and real estate-related services
- Housing materials, woodchips, pulp and paper products, packaging materials and off-the-road tires for mining equipment
- Global procurement of apparel and brand marketing business

### Market Outlook

The Japanese business-to-consumer ("B2C") market is mature due to an aging population and a declining birthrate, which has led to changes in the quality of services required, such as an emphasis on medical and healthcare services and the pursuit of safety, security and convenience.

The Asian B2C market, especially in China, is expected to expand in both quantitative and qualitative terms due to population growth and the improvements in lifestyle that accompany economic growth.

### Strategy

We will aim to accelerate a shift to meeting market needs in emerging countries and establish a stable earnings base by capturing consumer demand in such markets. By responding flexibly to changes in the business environment and developing global business platforms with reliable partners in each business field, including the key medical and healthcare business field, we will strive to meet new challenges and create next-generation businesses.

### Medical & Healthcare

In the healthcare service networks area, we will provide support to achieve a better medical care environment and local community by engaging in hospital operations and management support globally and developing businesses in peripheral areas of hospital operations mainly through IHH Healthcare Bhd. (the former Integrated Healthcare Holdings Sdn. Bhd, "IHH," 20.5% shareholding, Malaysia), which is the largest hospital group in Asia. In the pharmaceuticals value chain area, we will promote businesses to provide solutions at various stages in the pharmaceuticals value chain, including research and development, manufacturing, distribution and sales. In addition, we will offer contract outsourcing services for pharmaceutical companies, including the services of a contract research organization (CRO), contract manufacturing organization (CMO) and contract sales organization (CSO), as well as establish a pharmaceuticals sales network in emerging countries where demand is expected to grow and engage in restructuring the pharmaceuticals distribution network in Japan.

### Services

We will endeavor to expand outsourcing service and franchise service businesses in the global market in partnership with reliable partners as well as expand public-private partnership (PPP) business.

### Real Estate

We will seek opportunities to participate in developing logistics property in emerging countries, mainly in Asia. Moreover, we will expand senior property business in the United States and challenge the development of a smart city in Asia, with a view toward positive changes in the social environment. We will aim to optimize our global real estate portfolio through selective investments and strategic divestitures.

### Housing & Industrial Materials

We will secure a stable supply of sources for forestry resources and establish a supply chain of woodchips to meet growing demand for paper products and an increasing ecological awareness in the Asian market. We will also strive to expand the distribution channel for woodchips in the Asian market, mainly China. We will strengthen sales functions in housing materials, paper products, and industrial materials trading to emerging markets.

### Fashion

We will expand businesses in the growing Chinese consumer market by creating businesses with reliable local partners and introducing brands that meet local market needs. In addition, we will seek entry into global original equipment manufacturer (OEM) businesses with trustworthy partners.

## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

### Food Resources Business Unit

#### Resources

[1] In May 2011, Mitsui acquired the entire holding interest in Multigrain AG held by the wholly owned subsidiary of CHS Inc., an agricultural cooperative-based company in the United States, which is the equal partner with the same ownership, and also acquired the remaining ownership with the minority shareholder, PMG Trading AG. Consequently Multigrain AG became a wholly owned subsidiary of Mitsui. The total investment amounts to US\$508 million (approximately ¥47 billion). Mitsui strives to strengthen agricultural production and grain distribution businesses in Brazil so that Mitsui can secure a stable supply of grain mainly to the Asian market through Multigrain AG as a core subsidiary in its grain business.

[2] In February 2012, Mitsui and Heilongjiang Nongken Beidahuang Trade Group Co., Ltd. ("BDH Trade," China), and its wholly owned subsidiary Beidahuang Grain Logistics Co., Ltd. ("BDHGL," China), reached an agreement under which Mitsui will accept newly issued equity shares of BDHGL. This private placement will bring Mitsui's equity stake in BDHGL to 40%. By participating in a grain collection, sales, and distribution business for corn, soybeans and other grains in Heilongjiang, one of China's leading grain production regions, Mitsui is working to secure a competitive source of food resources and build an efficient, stable structure for delivering grain to users, primarily in China.

### Consumer Service Business Unit

#### Medical & Healthcare

[3] In May 2011, Mitsui acquired a 30% shareholding, for ¥90.7 billion, of IHH Healthcare Bhd. ("IHH," Malaysia), Asia's largest hospital group. In January 2012, IHH issued new shares in connection with its acquisition of a 60% stake in the Turkish private healthcare group Acibadem Saglik Yatirimlari Holdings A.S., reducing Mitsui's stake in IHH to 26.6%.\*

IHH's holdings include Parkway Holdings Ltd., Singapore's largest hospital group; Pantai Holdings Sdn. Bhd., Malaysia's second-largest hospital group; and the Acibadem Hospitals Group, Turkey's leading private healthcare group. IHH also has an investment in Apollo Hospitals Enterprise Limited, India's leading hospital group. In addition to the hospital business, IHH operates such healthcare-related businesses as medical education institutions and clinical trial and contract research business for new drug development, primarily in Asia.

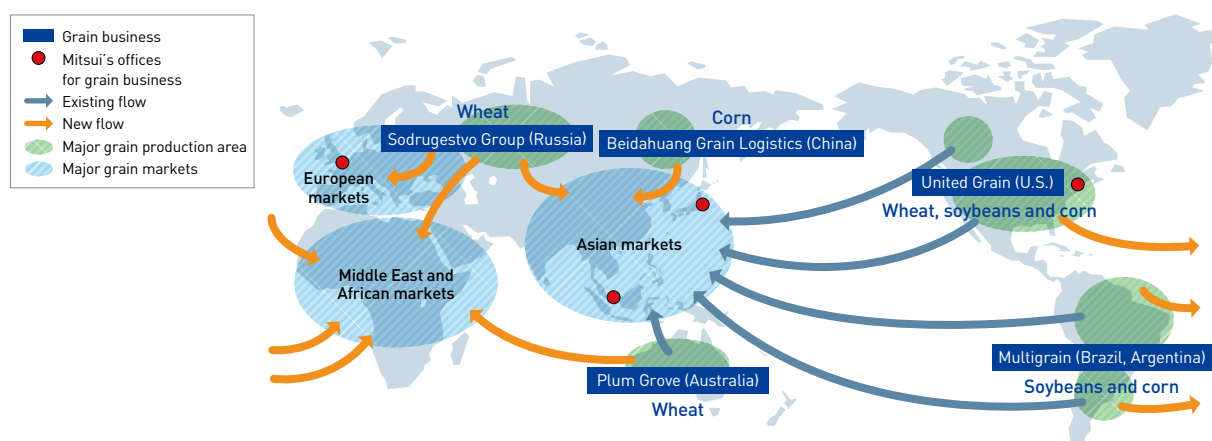
\* With the issuance of new shares, Mitsui's shareholding in IHH was diluted to 20.5% in July 2012 due to IHH's IPO.

[4] Mitsui acquired Mercian Corporation's pharmaceutical and chemical business in July 2011 and established the business as MicroBiopharm Japan Co., Ltd. ("MBJ"). In January 2012, Mitsui reduced its ownership stake in MBJ to 80% by selling a 20% interest to Toray Industries, Inc. MBJ draws on its expertise and proprietary manufacturing technologies that add biotechnology to fermentation technology to manufacture, manufacture under contract, and market pharmaceuticals—active pharmaceutical ingredients (API) and intermediates—including anticancer agents and antibiotics as well as manufacture and market specialty chemicals. In China, MBJ has a 34% stake in Shenzhen Main Luck Pharmaceuticals Inc., which manufactures and markets anticancer agents and other pharmaceuticals.

MBJ's high-performance fermentation equipment, which supports research of fermentation technology [4]



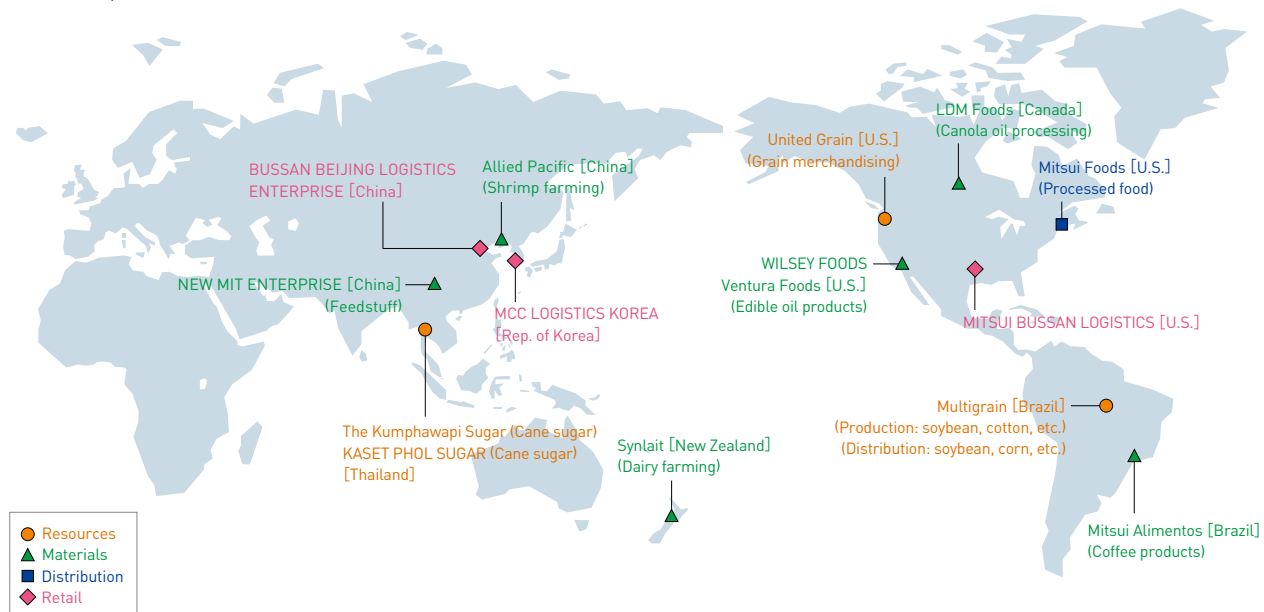
### Mitsui's Grain Business



Lifestyle Segment

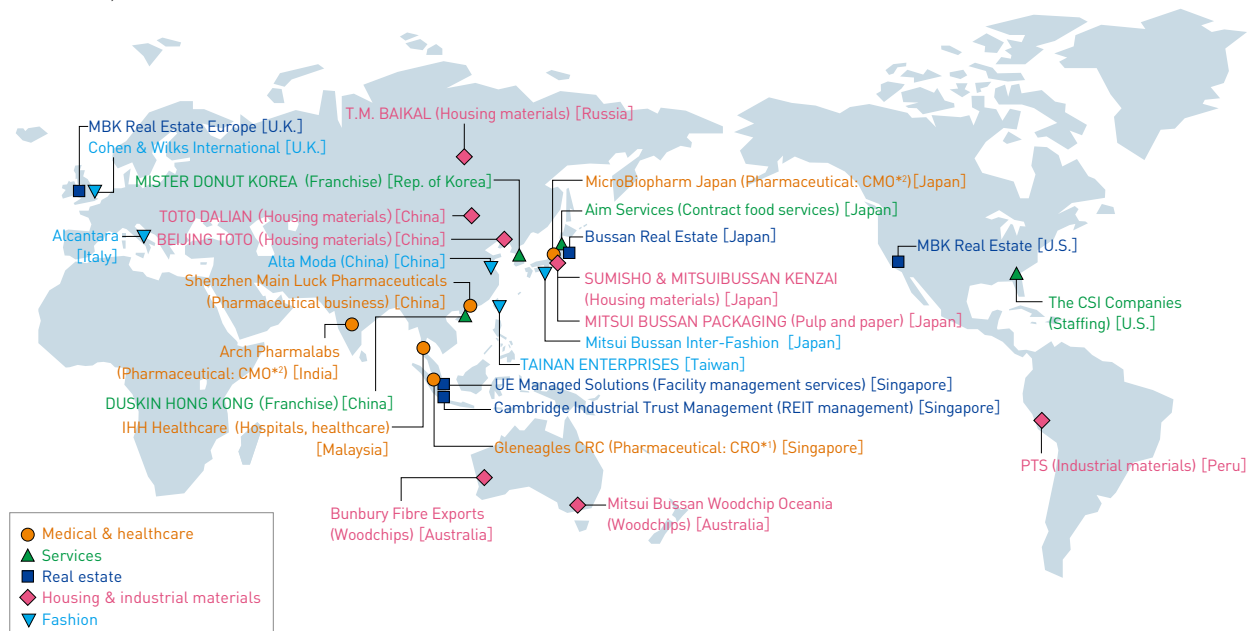
Major Overseas Investments in Food Resources and Food Products & Services Business

As of March 31, 2012



Major Investments in Consumer Service Business

As of March 31, 2012



\*1. Contract Research Organization

\*2. Contract Manufacturing Organization



# Innovation & Cross Function Segment

Business Area:  
Innovation & Cross Function



Above: Live broadcasting of TV shopping programs outdoors (QVC Japan, Inc.)  
Below: Investing in Kajitsudo Co., Ltd., an agricultural start-up company in Kumamoto, Japan



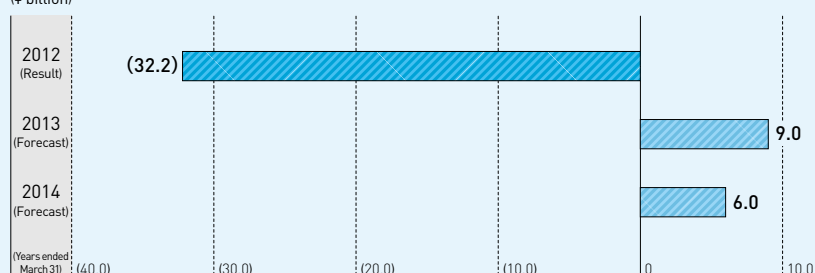
Port terminal of Portek International Private Limited (Singapore)

As of or for the Years Ended March 31		Consumer Services & IT			Logistics & Financial Business		
		2012	2011	2010	2012	2011	2010
Operating Results (¥ billion)	Gross Profit	47.5	46.8	53.1	27.2	29.8	31.5
	Operating Income (Loss)	(17.0)	(10.9)	(8.7)	(10.7)	0.2	1.4
	Equity in Earnings (Losses) of Associated Companies	(20.3)	7.9	(6.2)	5.8	7.0	5.1
	Net Income (Loss)	(35.5)	3.9	(9.8)	4.8	(0.7)	(0.9)
Financial Condition (¥ billion)	Total Assets	644.9	561.3	530.9	404.2	388.5	384.7
	Investments in and Advances to Associated Companies	200.2	139.0	101.6	77.4	72.0	60.8
	Property Leased to Others and Property and Equipment	87.7	84.2	53.1	66.6	64.7	62.9
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(95.1)	(70.5)	(6.5)	(11.6)	(10.8)	(27.8)
Number of Employees	Consolidated	4,336	4,351	4,630	2,516	1,506	1,515
	Mitsui	625	622	668	292	282	286

\* Previous reportable operating segment. For further information about the change in the reportable operating segments, please refer to page 029.

## Net Income (Loss) \* Figures for the Innovation & Cross Function Segment

(¥ billion)



Net Income Forecast for 2013

**¥9.0 billion**

+¥41.2 billion from 2012



## IT Business Unit

### Chief Operating Officer's Statement

Kenji Akikawa

Managing Officer; Chief Operating  
Officer of IT Business Unit



Recently, people, commodities, and social and industrial activities are constantly connected via the Internet, and vast amounts of data is generated, accumulated, and utilized. This change has occurred due to the spread of mobile information devices, such as smartphones and tablet devices, and the evolution of IT infrastructure, such as the cloud computing environment. We have entered an era in which IT has become a key driver of change in the fundamental nature of society and industry. In accordance with this change in its business environment, the IT Business Unit will take advantage of its knowledge and close relationships with prime customers in the IT industry, amassed over many years, to focus on creating new business that meets the needs of the age using information technology.

In our Medium-term Management Plan, we will address the following three key areas: "IT Innovation," which drives the transformation of real society through IT evolution; "Internet Devices & Services," which acts as a gateway connecting the real and online worlds and promotes the evolution of both worlds; and "Mobile Internet & Media," which responds to new industries and further developed services in the online world. In anticipation of the emergence of a next-generation society that offers greater convenience and comfort and where advanced IT technology helps to protect people and the environment, we will proactively work on the creation of new business that contributes to this end.

### Business Activities

- TV shopping channels and broadcasting businesses
- E-commerce businesses, online payment services and Internet-based marketing services
- Import, export, and domestic trade of semiconductor devices and equipment/materials for semiconductors and liquid crystal (LC), manufacture and sale of light-emitting diodes (LEDs), and export and offshore trade of liquid crystal displays (LCDs) and parts
- Document-process outsourcing services and call center services
- Energy IT businesses, including electric power distribution optimization business using IT, energy saving business and rechargeable batteries business
- Systems and network integration businesses and information security businesses

### Market Outlook

Due to the spread of mobile information devices, such as smartphones and tablet devices, and the evolution of IT infrastructure, such as the cloud computing environment, vast amounts of data are collected on the Internet and utilized on a daily basis. As a result, we are heading toward the realization of a next-generation society in which the advancement of information technologies, including those that utilize the above-mentioned data to optimally control infrastructure, is closely linked with the real economy. To prepare for the advent of such an age, the IT market is undergoing rapid changes, as technologies continue to be innovated and new services and business models constantly appear.

In addition, it is hoped that TV shopping channels and e-commerce will grow in the consumer markets of Asia, particularly in China, which are expected to continue to expand due to population growth and improved standards of living.

### Strategy

We will work on the creation of new business models utilizing information technologies

and new businesses targeting a next-generation society based on three areas: a real economy/world, such as society and industry; an online world; and a gateway connecting the real and online worlds.

In accordance with developments brought about by IT as a key driver of change in the fundamental nature of society and industry, we are proceeding into new fields and business areas, including the optimization of energy usage through creating smart grids by fusing IT control technologies with rechargeable batteries; an "industrial IT" field that applies information technologies to healthcare, public transport, and agriculture; and cloud computing or data center businesses that support such efforts. At the same time, we will work on the creation of next-generation businesses that combine the Internet with media or consumer activities.

### ■ Mobile Internet & Media

We will target the expansion of our earnings base by challenging to initiate the fusion of e-commerce and TV shopping businesses and the expansion of online payment

businesses in emerging countries to take advantage of consumer market growth.

In the field of content delivery business, we will develop next-generation business, such as e-book business and content delivery business to new media, in anticipation of the fusion of the Internet and media.

### ■ Internet Devices & Services

In order to strengthen our earnings base, we will support the continued growth of associated company TPV Technology Limited—the world's largest EMS company for PC monitors and LCD TVs in terms of production volume—to gain further access to the increasing number of outsourcing orders from Japanese manufacturers and TPV's overseas businesses. At the same time, we will explore new technologies and devices that embody the fusion of next-generation Internet devices and services and work on the development of supply chains.

### ■ IT Innovations

In the field of energy optimization, we will actively develop IT control business in smart grids, power storage business utilizing storage batteries, energy saving business for large-scale facilities and buildings, and electric power distribution optimization business using IT. In the field of industrial IT business, we will proactively work on supporting the advancement of IT technologies in the healthcare, public transport, and agricultural industries.

In the field of system/network integration and information security business, we strive to provide integral function and value in this cloud-growing environment.

## Financial & New Business Unit

### Chief Operating Officer's Statement

Atsushi Kume

Managing Officer; Chief Operating Officer  
of Financial & New Business Unit

This business unit utilizes its financial expertise to build a bridgehead for the creation of next-generation business and to contribute to the expansion and evolution of business domains of the Company. Its strength lies in its capability to generate growth opportunities for the Company by combining the expertise of business units. In addition to further enhancing this strength, the unit aims to build a stable earnings base from principal investment and commodity derivatives trading, in parallel to accumulating internal track records of joint projects, risk management services and fund arrangement services.

The major focuses of this business unit for the fiscal year ending March 31, 2013 are to expand its quality principal investment portfolio, enhance its hands-on management capabilities of portfolio companies, expand the customer base in commodity derivatives trading business while simultaneously strengthening its risk management capabilities and increase the size of assets in the asset management business. Also, continuous efforts will be made to cooperate internally with other business units, including overseas units for business development at the global level, and provide contribution in human resource development.



### Business Activities

- Principal investment business, including start-ups, growth, buyout and other investments
- Commodity derivative business, including precious metals, non-ferrous metals, energy and soft commodities
- Asset management business, including management of real estate and infrastructure funds
- Leasing business
- Internal advisory services to support and promote M&As and business reconstruction

### Market Outlook

While investment activities in global financial markets are declining in the short term, rapid growth is anticipated in areas in which new business opportunities are created through technological innovation—such as medical healthcare, environmental solutions and electric vehicle (EV)-related fields. In commodity derivatives, we anticipate further expansion of business horizons into new products, including iron ore, coal and electricity as well as from traditional products such as crude oil, natural gas, precious metals and non-ferrous metals.

### Strategy

We will endeavor to establish bridgeheads for the creation of next-generation businesses, which is one of the key initiatives of the Company, through promoting spearhead investments, initiating business development, providing risk management capabilities and introducing investors' capital, as we contribute to the continuous growth of the Company through providing

a variety of functions, including internal advisory services.

### Principal Investment Business

Utilizing our global investment network, we will promote promising investments in growing industries, such as environmental solutions and medical healthcare as well as in growing regions including emerging countries. By implementing spearhead investments in pioneer fields in which the Company has not yet entered, we will contribute to the creation and evolution of new businesses for the Company.

### Commodity Derivative Business

We will provide risk hedging services and risk management platforms in traditional business areas such as precious metals, non-ferrous metals, energy and soft commodities, while exploring service opportunities in new areas, such as iron ore, to fulfill customer needs and maintain sustainable profitability.

### Asset Management Business

We will accumulate quality assets in infrastructure and other funds by utilizing our expertise gained through first-hand experience and promote further introduction and development of fund businesses. In addition, we will contribute to the optimization of capital efficiency of the Company and the development of new businesses by providing investment opportunities and introducing funds from investors.

### M&A Advisory Function

We will strive to contribute to other business units by providing advisory services that will enhance business platforms and support the restructuring of our affiliate companies operating in various areas.



Managing infrastructure fund targeting emerging markets (Gas Valpo, an investee in Chile)

## Transportation Logistics Business Unit

### Chief Operating Officer's Statement

Katsunori Aikyo

Managing Officer; Chief Operating Officer  
of Transportation Logistics Business Unit

The strength of our unit has been accumulated through over 130 years of experience in trade and logistics operations and also through the strong partnerships with leading players in the logistics and insurance field. While Mitsui's business model is shifting from a trade and distribution oriented model to an investment oriented model, we firmly believe it is essential to upkeep and further build on the logistics and insurance expertise we have accumulated over the years.

Based on our determination as experts in the logistics business field to increase our profit in the same manner, we have positioned the year ending March 31, 2013 as the year to grow and stabilize our profitability. In order to do so, we plan to build port terminals in emerging markets and to strengthen and stabilize the operations at Tokyo International Air Cargo Terminal (TIACT), Japan's newest airport facility. Also, we will strengthen our integrated logistics business projects and insurance and risk management business through globalization and at the same time contribute to other business units throughout Mitsui by collaborating from the logistics expertise side. In the logistics infrastructure business, we will add new quality assets and realize returns from them through Portek International Private Limited, the port engineering specialty firm acquired newly last fiscal year. In the TIACT business, we will implement a variety of measures to reinforce its earning power. The integrated logistics business will seek to build a stable profit base by meeting logistics expectations from emerging markets while providing logistics expertise to the other business units within Mitsui. In insurance and risk management business, we aim to rebuild a stable profit base through enhancement of our insurance agency, insurance broker business and the captive insurance business.



### Business Activities

- Logistics infrastructure business, including port and terminal development projects
- Integrated logistics business, such as international transportation services, logistics solution services, and warehousing and delivery services
- International air cargo terminal as well as other air cargo-related businesses principally conducted by our wholly owned subsidiary TIACT, at the Tokyo International Airport
- Insurance agency and broker business and insurance-related risk management business

### Market Outlook

Domestic logistics-related sales are declining, and Japan's position as a hub is weakening; however, regional logistics and logistics infrastructure in the emerging countries are expected to expand, supported by strong economic growth in these countries. Further, from the perspective of future business expansion of the Company, it is clear that we must strengthen the logistics foundations that support the trading and logistics ventures of our global group.

### Strategy

By expanding the global presence of our logistics businesses, we will create new value and contribute to the continuous growth and development of our society.

### Logistics Infrastructure Business

We will work to accumulate quality assets through cooperation with superior business partners in emerging countries to support and take advantage of the economic growth of such countries. In addition, we will concentrate efforts on the expansion of business assets with and the realization of returns from consolidated subsidiary Portek International Private Limited ("Portek," 100% shareholding, Singapore).

### Integrated Logistics Business

By drawing fully on our expertise, we will develop a logistics base with a focus on newly emerging economies, particularly in Asia. Moreover, we will strengthen the competitiveness of our warehousing and delivery business as well as our international transportation business both inside and outside of Japan.

### TIACT Business

We aim to create an urban air-freight terminal that can provide high-value-added and efficient services based on a next-generation air cargo terminal model.

### Insurance & Risk Management

We will work to enhance the insurance agency and brokerage businesses as well as evaluate the risks associated with our business on a global basis and provide appropriate insurance-related risk management expertise by building our global insurance structure.



Tokyo International Air Cargo Terminal (TIACT) (Japan)

## Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

### IT Business Unit

#### Mobile Internet & Media

- 1 In October 2011, Mitsui acquired a stake in Suidhaa Infoserve Private Limited ("Suidhaa," India), which provides online payment collection services for settling public utility and other payments in India, by accepting a private placement of shares.  
Demand for online payment services is growing in India as a new and highly convenient method of making payments. Through Suidhaa, Mitsui is providing a payment collection method to Indian consumers, and we aim to make this a core business for our expansion into the field of electronic commerce and other consumer services.
- 2 Mitsui acquired a stake in the e-book distribution business BookLive Co., Ltd. ("BookLive," Japan), which is a company of the Toppan Group, in March 2012. Mitsui will contribute to the growth of BookLive utilizing its features. Furthermore, Mitsui will create new business in e-commerce and e-book distribution businesses in foreign countries utilizing the systems of BookLive and the contents of Japan in cooperation with e-commerce business operators overseas.



Suidhaa's hub where phone and utilities bills can be paid (53,000 hubs in India) 1

### IT Innovations

- 3 Mitsui acquired a stake in Tres Amigas, LLC in January 2012. The company is planning to be the first commercial-scale facility managed by IT to transfer and transact power between three separate grids (Eastern, Western and Texas interconnections) to meet the demand for power distribution resulting from the price differences among the three grids.

### Financial & New Business Unit

#### Asset Management Business

- 4 Mitsui has entered into a strategic business relationship with GE Capital Corporation ("GE Capital," United States), the financial division of the General Electric Company. Through this relationship, Mitsui intends to participate in GE Capital's investment business in the United States and identify joint business opportunities around the world.

#### Principal Investment Business

- 5 Mitsui has invested in Kajitsudo Co., Ltd., which is an agri-business start-up company based in Kumamoto, Japan. Mitsui will make continuous efforts in contributing to the industrialization of agriculture by accumulating investments in agriculture-related start-up companies, which seek to provide value-added products and realize food safety in developing countries.

### Transportation Logistics Business Unit

#### Logistics Infrastructure Business

- 6 Mitsui carried out a voluntary conditional cash offer for all the shares of Portek, which operates port infrastructure businesses, primarily in emerging markets, and made Portek a wholly owned subsidiary.

## Major Logistics Infrastructure Development Assets

As of March 31, 2012



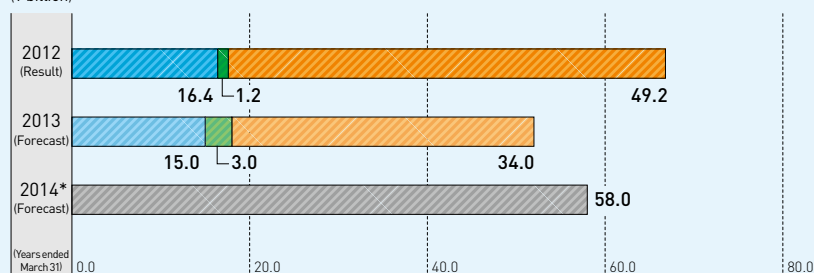
# Overseas

Americas Segment/Europe, the Middle East and Africa ("EMEA") Segment/Asia Pacific Segment

As of or for the Years Ended March 31		Americas			EMEA			Asia Pacific		
		2012	2011	2010	2012	2011	2010	2012	2011	2010
Operating Results (¥ billion)	Gross Profit	75.6	76.4	78.4	18.2	17.8	15.5	11.7	15.9	14.8
	Operating Income (Loss)	24.3	22.6	12.4	(0.7)	1.5	(3.7)	(4.2)	0.0	(1.4)
	Equity in Earnings of Associated Companies	4.3	6.6	3.4	0.5	0.0	1.2	4.7	3.9	3.9
	Net Income (Loss)	16.4	15.9	(9.6)	1.2	0.1	(3.4)	49.2	40.4	21.7
Financial Condition (¥ billion)	Total Assets	428.4	415.3	446.7	106.1	114.9	130.5	275.8	268.6	237.4
	Investments in and Advances to Associated Companies	40.6	40.5	18.4	8.9	3.4	6.7	136.3	113.7	100.0
	Property Leased to Others and Property and Equipment	69.9	65.4	83.5	10.9	14.6	14.9	3.1	3.2	3.5
Cash Flows (¥ billion)	Net Cash Used in Investing Activities	(17.3)	9.0	(9.6)	(0.2)	(1.2)	2.9	0.3	13.1	(4.7)
Number of Employees	Consolidated	4,278	4,391	6,265	1,074	1,489	1,527	1,451	2,349	2,371
	Mitsui	201	207	215	162	207	200	216	379	362

## Net Income

(¥ billion)



\* For 2014, only the total of three overseas segments is shown.

## Net Income Forecast for 2013

Americas Segment

**¥15.0 billion** –¥1.4 billion from 2012

Europe, the Middle East and Africa Segment

**¥3.0 billion** + ¥1.8 billion from 2012

Asia Pacific Segment

**¥34.0 billion** –¥15.2 billion from 2012



## Americas Business Unit

### Chief Operating Officer's Statement

Mitsuhiko Kawai

Executive Managing Officer; Chief Operating  
Officer of Americas Business Unit

The United States is experiencing low, stable energy prices from the shale oil and gas revolution and a rebound in industrial competitiveness led by the chemicals and automotive sectors, which has led to the industry's gradual relocation to North America. The United States continues to be thought of as a birthplace of innovation, and our view is unchanged that new technologies and business models from the United States will spread globally.

Central and South America have abundant iron ore, copper and other metal resources, and the region is a global export base for such foods as soybeans, sugar and coffee.

Although elements of uncertainty do exist, including the financial crisis in Europe, exchange rate volatility, and inflation as well as political developments, we believe overall solid economic growth will continue. Also, we expect further growth in direct trade and transfers of capital and technology between North America and Central and South America and between the Americas and Asia. Given these trends, we designated the fiscal year ended March 31, 2012, as a year of powerful drive, with an emphasis on creating and bringing to market new businesses launched in the Americas, as we build a solid operating base.



### Market Outlook

Although there remain negative elements such as the impact from the European financial crisis and high unemployment, conditions in the U.S. economy will remain stable due to the housing market bottoming out, a recovery in corporate earnings, the improvement of the financial and capital market environment, and the gradual recovery of retail consumption supported by financial authorities' zero-interest-rate policy aiming to provide liquidity to the market. In Central and South America, an overall growth trend is anticipated despite weak external demand stemming from conditions in the global economy. This growth will be supported by export of resources and rising domestic demand.

### Strategy

In the United States, the exploration of shale gas is the most advanced worldwide, and, as the increase of natural gas production lowers gas prices and electricity costs, we will be better positioned to make industrial

competitiveness rebound as we develop business operations. Our target is to expand into a vast range of business areas derived from shale gas production. These include infrastructure projects such as those related to pipelines and storage facilities, oil country tubular goods, chemical products and water treatment projects to respond to the need to treat large volumes of water resulted from shale gas excavation.

In the area of innovation, new technologies and business models have been recently created. Possible sourcing and execution areas include medical and healthcare to reduce expanding medical costs, the development of environmental technologies to improve the efficiency of energy consumption, robotics using military-civilian technology transfer, and new agricultural technologies to respond to growing food demand. Our focus will be on identifying and pursuing these future business opportunities.

In Central and South America, mineral and metal resources as well as food resources are abundant, and we expect the

region will increase its presence in the global market as an export base. In Brazil, we continue to develop operations in the following areas: metal resources, where we work with such strong partners as Vale S.A.; food resources, such as soybeans; and infrastructure, to support the export of those goods.

In Mexico, we aim to strengthen activities related to the processing, manufacturing and logistics sectors, primarily with regard to the automotive-related steel businesses that continue to grow within the country. Also, we are overcoming challenges to undertake consumer-driven businesses to gain economic growth, mainly in Brazil and Mexico.

Moreover, we remain focused on food businesses with high potential while continuing to strengthen the copper business, including exploration, development, and production, in Chile and Columbia and the phosphorus ore mine development project in Peru.

### Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

In the fiscal year ended March 31, 2012, Steel Technologies Inc. (50% shareholding, U.S.), a joint venture business with Nucor Corporation, of the United States, approved plans to construct a steel materials processing base in Monterrey, Mexico, which is scheduled to commence operations at the beginning of 2013. Through this joint venture, Mitsui will endeavor to strengthen the earnings base of its steel materials processing business, with a particular focus on the automotive-related field, where demand is expected to grow going forward.

New steel materials processing base of Steel Technologies, scheduled to commence operations at the beginning of 2013 (Monterrey, Mexico)



## EMEA (Europe, the Middle East, and Africa) Business Unit

### Chief Operating Officer's Statement

Noriaki Sakamoto

Executive Managing Officer; Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit

Operating in a region of rich diversity in terms of language, history, culture, religion, and government, the EMEA Business Unit is built upon a foundation of our reputation and strong networks with partners that we have developed over many years. As part of Mitsui's global strategy, we engage in business activities to further strengthen our ties to regions and customers by working with European partners to create next-generation businesses and as a partner contributing to development in the Middle East and Africa, as we establish a presence as a respected player in the region.

During the fiscal year ending March 31, 2013, the first year under our new Medium-term Management Plan, the entire business unit will work together to produce concrete results from the foothold we established for aggressive action during the previous year. We will give particular importance to creating a new business model that involves a logistics network form of business investment, adding depth to our strategy for Africa, and cultivating new operations that will lead the way to an environmental business.

I believe the key to achieving this model is to have a shared global vision and develop relationships with local partners through strong local origination. To support this, we will continue our activities in human resource development for local overseas staff and further localize our organizational base to develop stronger marketing capabilities that are closely tied to local markets.



### Market Outlook

In Europe, economic conditions were sluggish due to the intensification of the government finance crisis; nevertheless, new business opportunities are emerging thanks to changes in social and industrial structures as well as from efforts to strengthen environmental measures.

In the Middle East, there is a growing need for improving social and public infrastructure, developing new industrial foundations based on the utilization of energy resources, and training human resources to support future national development.

Meanwhile, Africa has recently been attracting considerable interest as the final

frontier for resource development; however, economies remain fragile, and an urgent need has evolved for the development of infrastructure to support the utilization of the region's rich resources and respond to burgeoning demand for food that is rising in conjunction with population growth in the region.

### Strategy

We aim to establish local origination function through strategies founded on close relationships with local partners as well as continue to contribute to regional communities by working to create new operating foundations.

In Africa, we will contribute to the development of the countries in which the

Company operates through education and agricultural development and enhance activities in Mozambique, one of the focus countries of the Company.

By utilizing expertise to develop new businesses centered on steel products and chemicals areas in cooperation with global partners, we will endeavor to improve earnings.

In Europe, we will contribute to the realization of a low-carbon society through involvement in environment-related initiatives in such areas as renewable energy, smart grid systems, and electric vehicle-related devices.

### Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

Mitsui and the founding family of Global Energy Holdings Limited ("Global Energy," United Kingdom) have established GEG (Holdings) Limited (Mitsui 25%, Global Energy 75%; United Kingdom) as a joint venture holding company for energy and resource industries related businesses owned by Global Energy. The company provides a variety of value-added services to the energy industry through the fabrication and assembly of large welded structures, inspection and repair, and technical support services while aiming to support the offshore wind power generation sector.



Nigg yard of Global Energy, which has one of the largest dry docks in Europe (United Kingdom)

## Asia Pacific Business Unit

### Chief Operating Officer's Statement

Takashi Yamauchi

Executive Managing Officer; Chief Operating  
Officer of Asia Pacific Business Unit

The Asia Pacific region is becoming increasingly important as a driver of the global economy, and along with continued economic growth and an expanding middle class going forward, we expect the ASEAN economic integration slated to take place in 2015 to further enhance trade and investment activity within the region. Drawing on strengths stemming from our global network, local expertise and close relationships with leading partners, the Asia Pacific Business Unit will work toward growth in the region while playing a central role in Mitsui's global strategy.

The new Medium-term Management Plan aims to build a stronger earnings base and emphasizes stepped up efforts in steel products, machinery and infrastructure, chemicals and consumer goods and services in addition to our activities in metal resources and energy. Our unit will strive to raise our earnings strength through increased trading of major products within and outside the region and by proactively addressing the infrastructure business in emerging markets.

The Asia Pacific region comprises countries with unique characteristics, with Singapore, Thailand and Malaysia maintaining solid economic growth in ASEAN; robust demand supported by large populations in India and Indonesia; such emerging market countries as Myanmar, where rapid development is expected; and resource-rich countries as Australia. We intend to contribute to the region's economic development and pursue the challenge of innovation to create new businesses for the next generation.



### Market Outlook

The Chinese economy will continue to be a leading force in the Asian economy, while India, Indonesia and Myanmar—markets that we place a strategic focus on along with emerging Asian economies—are expected to keep growing, thereby expanding domestic demand and creating more opportunities for investment in local industries.

### Strategy

We will expand businesses through establishing strategic alliances with leading players in the region. In resource areas, we will strive to reinforce ties with resource and energy giants, while in non-resource areas we will develop locally originated businesses to speed up efforts to expand operations in those areas. Also, through active involvement in social infrastructure projects, we aim to contribute to the region's development.

With regard to countries with a strategic focus, in India, we will establish an earnings base centered on basic industries, such as iron and steel products as well as chemicals, and expand logistics infrastructure

businesses through strengthening ties with major local partners. In Indonesia, our activities comprise the following: work on the acquisition of natural resources, the development of regional trading, the development of businesses in consumer markets within the food and consumer services industries, the expansion of operations in such basic industries as iron and steel products as well as chemicals, and the enhancement of infrastructure-related businesses in a bid to capture demand in the country. Myanmar, which has been recently nominated as a strategic focus country under our new Medium-term Management Plan, is not only rich in natural resources but also boasts a population of more than 60 million, thus having high growth potential as a market. In this country, we are striving to develop businesses in various areas, including metal resources, energy, infrastructure, chemicals and lifestyle.

As markets in the Asia Pacific region continue to grow, infrastructure projects in such fields as electricity, water and logistics are increasing rapidly. We will endeavor to

participate actively in those projects and expand the projects' operations. Our eyes are on not only locally managed projects—such as those we are currently pursuing in Thailand, India and Indonesia, with local partners—but also projects involving cross-country collaboration, for example, working with a Singaporean company in a project outside Singapore.

In addition to our efforts in the pharmaceuticals business, through a close relationship with excellent partners, we aim to gain ground in hospitals and hospital-related services markets in Asia, focusing on emerging countries, where the demand for medical services is expected to expand due to rapid population growth and aging. In resource-related businesses, we will intensify efforts to expand our investments and improve their profitability. Through these efforts, we continue to secure supplies of resources in Oceania, such as iron ore and coal, while also developing operations pertaining to botanical resources, such as woodchip and palm plantations, taking a particular focus toward Asia.

### Initiatives to Expand the Earnings Base for the Fiscal Year Ended March 31, 2012

Thai Tap Water Supply Public Company Limited ("Thai Tap Water Supply," a company that supplies water to the Bangkok suburbs (26% shareholding, listed on the Stock Exchange of Thailand), acquired a 30% stake in CK Power Limited ("CK Power"), a power generation-related holdings company, in September 2011. This acquisition marked the entry of Thai Tap Water Supply into the power generation business. CK Power holds a 41% stake in the Nam Ngum 2 hydropower generation project in Laos, which boasts a production capacity of 615MW.

Water supply, Thai Tap Water Supply (Thailand)



# Major Subsidiaries and Associated Companies

As of March 31, 2012

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
<b>Iron &amp; Steel Products</b>			
<b>Subsidiaries</b>			
Mitsui & Co. Steel Ltd.	Domestic sales, export, import of steel products for construction and other steel products	Japan	100.0
Bangkok Coil Center Co., Ltd.	Steel processing	Thailand	98.9
Regency Steel Asia Pte Ltd.	Wholesale and retail of steel products	Singapore	92.5
<b>Associated Companies</b>			
Nippon Steel Trading Co., Ltd.	Trading of iron and steel products, non-ferrous metals, machinery	Japan	25.2
Shanghai Bao-Mit Steel Distribution Co., Ltd.	Processing and sales of steel products	China	35.0

<b>Mineral &amp; Metal Resources</b>			
<b>Subsidiaries</b>			
Mitsui-Itochu Iron Pty. Ltd.	Mining and sales of Australian iron ore	Australia	70.0
Mitsui Iron Ore Development Pty. Ltd.	Mining and sales of Australian iron ore	Australia	100.0
MITSUI BUSSAN METALS CO., LTD.	Sales and trading of scrap, ferroalloys and non-ferrous material products	Japan	100.0
Mitsui Raw Materials Development Pty. Limited	Investment in Sims Metal Management Ltd., a scrap metal recycler	Australia	100.0
Japan Collahuasi Resources B.V.	Investments in a copper mine in Chile	Netherlands	61.9
Mitsui Bussan Copper Investment & Co., Ltd.	Investments in a copper mine in Chile	Japan	100.0
MBAPR Holdings Corp.	Investments in nickel and cobalt smelting business in Philippines	Philippines	100.0
<b>Associated Companies</b>			
Valepar S.A.	Holding company of Vale S.A.	Brazil	18.2
Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.	Coal mining, power generation, ferrous alloy and chemical production and water pumping	China	25.0
NIPPON AMAZON ALUMINIUM CO., LTD.	Investments in aluminium smelting business in Brazil	Japan	20.9
SUMIC Nickel Netherlands B.V.	Investments in nickel producing business in New Caledonia and sales of products	Netherlands	47.6

<b>Machinery &amp; Infrastructure Projects</b>			
<b>Subsidiaries</b>			
Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation	Japan	100.0
ATLATEC, S.A. de C.V.	Designing, building and operation of water treatment plants	Mexico	85.0
MITSUI GAS E ENERGIA DO BRASIL LTDA.	Investments in gas distribution companies	Brazil	100.0
Drillship Investment B.V.	Investment in deepwater drilling service business	Netherlands	100.0
Mit Investment Manzanillo B.V.	Investment in LNG terminal in Mexico	Netherlands	100.0
MIT POWER CANADA LP INC.	Investment in Greenfield Power Generation Project in Ontario	Canada	100.0
Mitsui Rail Capital Holdings, Inc.	Freight car leasing and management in North America	U.S.A.	100.0
Mitsui Rail Capital Europe B.V.	Locomotive leasing and management in Europe	Netherlands	100.0
Mitsui Rail Capital Participacoes Ltda.	Freight car leasing and management in Brazil	Brazil	100.0
Mitsui Renewable Energy Europe Limited	Investment for renewable energy in Europe	United Kingdom	100.0
Toyota Chile S.A.	Import and sales of automobiles and auto parts in Chile	Chile	100.0
TF USA Inc.	Investment in auto parts logistics business	U.S.A.	100.0
Veloce Logistica SA	Auto parts logistics	Brazil	100.0
Mitsui Bussan Automotive (Thailand) Co., Ltd.	Sales, leasing and service of automobiles	Thailand	100.0
Mitsui Automotive CIS Investment B.V.	Investment in automotive-related companies in Russia	Netherlands	100.0
PT. Bussan Auto Finance	Motorcycle retail finance	Indonesia	90.0
BAF (Thailand) Co., Ltd.	Motorcycle retail finance	Thailand	100.0
Komatsu-Mitsui Maquinarias Peru S.A.	Sales of construction and mining equipment	Peru	60.0
Road Machinery, LLC	Sales of construction and mining equipment	U.S.A.	100.0
Mitsui Automotriz S.A.	Retail sales of automobiles and auto parts	Peru	100.0
Orient Marine Co., Ltd.	Shipping business	Japan	100.0
OMC SHIPPING PTE. LTD.	Shipping business	Singapore	100.0
GOG Drillship Investment Inc.	Investment in deepwater drilling service business	U.S.A.	100.0
Mitsui Bussan Aerospace Co., Ltd.	Import and sales of helicopters and defense and aerospace products	Japan	100.0

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
<b>Associated Companies</b>			
Toyo Engineering Corporation	Engineering and construction for industrial facilities	Japan	22.9
AES JORDAN HOLDCO, LTD.	Investment in power producing business in Jordan	Cayman Islands	40.0
P.T. Paiton Energy	Power generation in Indonesia	Indonesia	40.5
IPM Eagle LLP	Investments in power generation business	United Kingdom	30.0
IPM (UK) Power Holdings Limited	Investments in power generation business	Gibraltar	26.3
Compania de Generacion Valladolid S. de R.L. de C.V.	Power generation in Mexico	Mexico	50.0
MT Falcon Holdings Company, S.A.P.I. de C.V.	Investment in power generation business in Mexico	Mexico	40.0
Galaxy NewSpring Pte. Ltd.	Investments in water business in China	Singapore	50.0
Toyota Canada Inc.	Import and sales of Toyota automobiles and parts	Canada	50.0
Penske Automotive Group, Inc.	Automotive retailer	U.S.A.	17.2
KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD	Sales of construction and mining equipment	Australia	40.0
PT. Yamaha Indonesia Motor Manufacturing	Manufacture and sales of motorcycles	Indonesia	15.0

<b>Chemical</b>			
<b>Subsidiaries</b>			
DAIICHI TANKER CO., LTD.	Operation of chemical tankers	Japan	100.0
Japan-Arabia Methanol Company Ltd.	Investments in methanol producing business in Saudi Arabia and sales of products	Japan	55.0
Shark Bay Salt Pty. Ltd.	Production of salt	Australia	100.0
Mitsui & Co. Texas Chlor-Alkali, Inc.	Investments in chlor-alkali producing business in U.S.	U.S.A.	100.0
Mitsui Bussan Chemicals Co., Ltd.	Sales and trading of solvents and coating materials	Japan	100.0
Mitsui Bussan Frontier Co., Ltd.	Export of electronics devices and management of SCM businesses	Japan	100.0
Daito Chemical Co., Ltd.	Manufacture and sales of industrial chemicals	Japan	70.0
P.T. Kaltim Pasifik Amoniak	Production and sales of anhydrous ammonia	Indonesia	75.0
Mitsui AgriScience International SA/NV	Investments in crop protection businesses in Europe	Belgium	100.0
MITSUI BUSSAN PLASTICS TRADE CO., LTD.	Sales of plastics and chemicals	Japan	100.0
Mitsui Bussan Agro Business Co., Ltd.	Development and sales of fertilizers and agricultural products	Japan	100.0
Mitsui Bussan Fertilizer Resources B.V.	Investment in phosphorus ore mining in Peru and global marketing business	Netherlands	100.0
<b>Associated Company</b>			
Santa Vitoria Acucar e Alcool Ltda	Production and sales of bioethanol	Brazil	50.0

<b>Energy</b>			
<b>Subsidiaries</b>			
Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	Japan	70.5
Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas	Netherlands	100.0
Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas	Australia	100.0
Mitsui E&P USA LLC	Exploration, development and production of oil and gas	U.S.A.	100.0
Mitsui E&P Texas LP	Exploration, development and production of oil and gas	U.S.A.	100.0
Mitsui Oil Co., Ltd.	Sales of petroleum products in Japan	Japan	89.9
Mitsui Coal Holdings Pty. Ltd.	Investments in Australian coal business	Australia	100.0
Westport Petroleum, Inc.	International trading of petroleum products and crude oil	U.S.A.	100.0
Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	Singapore	100.0
Mitsui Sakhalin Holdings B.V.	Investments in Sakhalin Energy Investment Company Ltd.	Netherlands	100.0
Mitsui Gas Development Qatar B.V.	Exploration, development and production of oil and natural gas	Netherlands	100.0
MITSUI & CO. LNG INVESTMENT LIMITED	Investment in LNG projects	United Kingdom	100.0
Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of oil and natural gas in Mozambique	United Kingdom	50.0
<b>Associated Companies</b>			
BHP Billiton Mitsui Coal Pty. Ltd.	Mining and sales of Australian coal	Australia	16.8
ENEOS GLOBE Corporation	LPG imports and marketing, fuel cell and photovoltaic systems marketing	Japan	30.0
Japan Australia LNG (MIMI) Pty. Ltd.	Exploration, development and sales of crude oil and natural gas	Australia	50.0



Major Subsidiaries and Associated Companies

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
<b>Foods &amp; Retail</b>			
<b>Subsidiaries</b>			
TOHO BUSSAN KAISHA, LTD.	Import and sales of agricultural and marine products	Japan	96.3
WILSEY FOODS, INC.	Investments in processed oil food company	U.S.A.	90.0
PRIFOODS CO., LTD	Production, processing and sales of broilers	Japan	46.4
San-ei Sucrochemical Co., Ltd.	Manufacture and sales of sugars, pharmaceuticals, feedstuffs and other products	Japan	70.0
Mitsui Norin Co., Ltd.	Manufacture and sales of food products	Japan	91.7
Mitsui Alimentos Ltda.	Export of coffee beans and domestic sales of roasted coffee	Brazil	100.0
MITSUI FOODS CO., LTD.	Wholesale of foods and beverages	Japan	99.9
Bussan Logistics Solutions Co., Ltd.	Operation and management of logistics centers	Japan	100.0
VENDOR SERVICE CO., LTD.	Sales and distribution of food and packaging materials	Japan	100.0
Multigrain AG	Production, origination, logistics and merchandising of agriproducts	Switzerland	100.0
<b>Associated Companies</b>			
Nippon Formula Feed Manufacturing Company Limited	Manufacturing and sales of compound feedstuffs	Japan	42.9
Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	Japan	32.5
The Kumphawapi Sugar Co., Ltd.	Production and sales of sugar	Thailand	44.7
MIKUNI COCA-COLA BOTTLING CO., LTD.	Manufacturing and sales of soft drinks	Japan	35.7

<b>Consumer Service &amp; IT</b>			
<b>Subsidiaries</b>			
BUSSAN REAL ESTATE CO., LTD.	Real estate sales, leasing and management	Japan	100.0
MITSUI BUSSAN INTER-FASHION LTD.	Planning and management of production and distribution of apparel	Japan	100.0
Mitsui Bussan Woodchip Oceania Pty. Ltd.	Plantation, processing and sales of woodchips	Australia	100.0
MicroBiopharm Japan Co., Ltd.	Manufacture and sales of medicines and chemicals	Japan	80.0
MBK Healthcare Partners Limited	Investment in overseas healthcare related business	United Kingdom	100.0
ShopNet Co., Ltd.	TV shopping in Taiwan	British Virgin Islands	87.2
J-SCube Inc.	Outsourcing services for data entry and other back-office tasks	Japan	100.0
Mitsui Knowledge Industry Co., Ltd.	Planning, development and sales of information and communication systems	Japan	58.4
Mitsui Electronics Inc.	Sales of electronics device and equipment	Japan	100.0
<b>Associated Companies</b>			
AIM SERVICES CO., LTD.	Contract food services	Japan	50.0
Sumisho & Mitsuibussan Kenzai Co., Ltd.	Sales of building materials and contract construction work	Japan	50.0
QVC Japan Inc.	TV shopping using a 24-hour dedicated channel	Japan	40.0
CCTV Shopping Co., Ltd.	Service for TV shopping business in China	China	25.0
Moshi Moshi Hotline, Inc.	Comprehensive telemarketing and direct marketing operations	Japan	34.4
Nihon Unisys, Ltd.	Development and sales of information systems	Japan	32.5
TPV Technology Limited	Design, manufacturing and sales of display related products	Bermuda	20.2

<b>Logistics &amp; Financial Business</b>			
<b>Subsidiaries</b>			
Mitsui & Co. Global Investment Ltd.	Investment in venture businesses	Japan	100.0
Mitsui & Co., Principal Investments Ltd.	Investment in private equity	Japan	100.0
Mitsui Bussan Commodities Ltd.	Trading of non-ferrous metals	United Kingdom	100.0
Mitsui & Co. Precious Metals, Inc.	Trading of precious metals	U.S.A.	100.0
Mitsui & Co. Commodity Risk Management Ltd.	Trading of energy derivatives	United Kingdom	100.0
TRI-NET (JAPAN) INC.	International integrated transportation services	Japan	100.0
Trinet Logistics Co., Ltd.	Domestic warehousing business	Japan	100.0
Tokyo International Air Cargo Terminal Ltd.	Operation of air cargo terminal at Tokyo International Airport	Japan	100.0
Portek International Private Limited	Development and operation of container terminal	Singapore	100.0
Mitsuibussan Insurance Co., Ltd.	Non-life and life insurance agency services	Japan	100.0
<b>Associated Company</b>			
JA Mitsui Leasing, Ltd.	Leasing and financing business	Japan	33.4

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
<b>Americas</b>			
<b>Subsidiaries</b>			
Mitsui Foods, Inc.	Trading canned foods, chilled foods, juice ingredients and coffee	U.S.A.	100.0
United Grain Corporation of Oregon	Grain merchandising	U.S.A.	100.0
Champions Pipe & Supply, Inc.	Sales of OCTG (steel pipe for oil & gas production) and other steel products for energy industry	U.S.A.	100.0
MBK Real Estate LLC	Real estate-related business	U.S.A.	100.0
Mit Wind Power Inc.	Investment in wind power generation company	U.S.A.	100.0
Intercontinental Terminals Company LLC	Chemical tank leasing	U.S.A.	100.0
SunWize Technologies, Inc.	Sales and installation of photovoltaic systems	U.S.A.	100.0
Ellison Technologies Inc.	Sales of machine tools	U.S.A.	88.8
Game Changer Holdings Inc.	Investment in steel processing company	U.S.A.	100.0
Novus International, Inc.	Manufacturing and sales of feed additives	U.S.A.	65.0
Argo Sales Ltd.	Sales and manufacturing of oil and gas process equipment	Canada	100.0
Mitsui & Co. (U.S.A.), Inc.	Trading	U.S.A.	100.0
Mitsui & Co. (Canada) Ltd.	Trading	Canada	100.0
Mitsui & Co. (Brasil) S.A.	Trading	Brazil	100.0
<b>Associated Company</b>			
MED3000 Group, Inc.	Managerial and data-based services for physicians	U.S.A.	46.0

<b>Europe, the Middle East and Africa</b>			
<b>Subsidiaries</b>			
MBK Real Estate Europe Limited	Real estate-related business	United Kingdom	100.0
Plalloy MTD B.V.	Compounding of plastic raw materials	Netherlands	60.0
Mitsui & Co. Europe Holdings PLC	Management of business in Europe, the Middle East and Africa	United Kingdom	100.0
Mitsui & Co. Europe PLC	Trading	United Kingdom	100.0
Mitsui & Co. Deutschland GmbH	Trading	Germany	100.0
Mitsui & Co. Benelux S.A./N.V.	Trading	Belgium	100.0
Mitsui & Co. Italia S.p.A.	Trading	Italy	100.0
Mitsui & Co., Middle East Ltd.	Trading	United Arab Emirates	100.0
<b>Associated Companies</b>			
ITC RUBIS TERMINAL ANTWERP NV	Chemical tank leasing	Belgium	50.0
GEG (Holdings) Limited	Fabrication, upgrading, inspection and maintenance of welded structures	United Kingdom	25.0

<b>Asia Pacific</b>			
<b>Subsidiaries</b>			
Mitsui Water Holdings (Thailand) Ltd.	Investment in water supply business	Thailand	100.0
Mitsui & Co. (Asia Pacific) Pte. Ltd.	Trading	Singapore	100.0
Mitsui & Co. (Thailand) Ltd.	Trading	Thailand	100.0
Mitsiam International Ltd.	Trading	Thailand	55.0
Mitsui & Co. (Australia) Ltd.	Trading	Australia	100.0

<b>All Other</b>			
<b>Subsidiaries</b>			
Mitsui & Co. (Hong Kong) Ltd.	Trading	China	100.0
Mitsui & Co. (China) Ltd.	Trading	China	100.0
Mitsui & Co. (Shanghai) Ltd.	Trading	China	100.0
Mitsui & Co. (Taiwan) Ltd.	Trading	Taiwan	100.0
Mitsui & Co. Korea Ltd.	Trading	Korea	100.0
MITSUI BUSSAN BUSINESS PARTNERS CO., LTD.	Provision of HR & GA services to Mitsui and its subsidiaries	Japan	100.0
Mitsui & Co. Financial Services Ltd.	Financing services within the Group	Japan	100.0
Mitsui & Co. Financial Services (Asia) Ltd.	Financing services within the Group	Singapore	100.0
Mitsui & Co. Financial Services (Europe) B.V.	Financing services within the Group	Netherlands	100.0
Mitsui & Co. Financial Services (U.S.A.) Inc.	Financing services within the Group	U.S.A.	100.0
Mitsui Bussan Trade Services Ltd.	Provision of logistics-related services to Mitsui and its subsidiaries	Japan	100.0
Mitsui Bussan Financial Management Ltd.	Provision of accounting and treasury-related services to Mitsui	Japan	100.0



# SUSTAINABILITY

Management Base to Support Mitsui's Sustainable Growth

## 071 | Corporate Governance and Internal Controls

### 072 | Corporate Governance

Message from the Board of Corporate Auditors

### 076 | Internal Controls

Interview with the Chief Compliance Officer

## 079 | Mitsui's CSR

### 079 | CSR Policy and the CSR Promotion Framework

### 080 | Mitsui's Business Activities and Corporate Social Responsibility

### 082 | Mitsui's Business Activities

### 090 | Mitsui's Social Contributions

### 092 | Our Response to the Great East Japan Earthquake

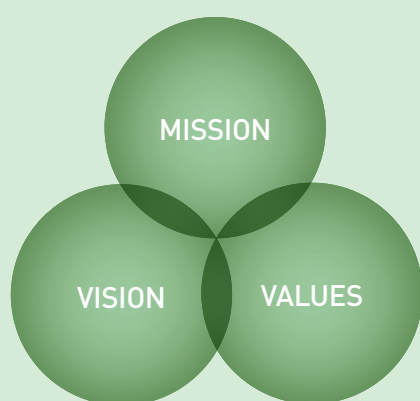
## 094 | Directors and Corporate Auditors

## 095 | Independent Directors / Auditors

# Corporate Governance and Internal Controls

Mitsui has formulated its management philosophy of “Mission, Vision and Values” based on values and ideals such as “Challenge and Innovation,” “Focus on Human Resources” and “Open-Mindedness” built up through its long history and tradition. Mitsui’s management objective is to increase corporate value in a sustainable manner by meeting the expectations and trust of all of its stakeholders, including shareholders, business partners, employees, consumers and regional communities, through officers and employees sharing the management principle, and by pursuing corporate social responsibility oriented management.

## Mitsui’s Management Philosophy



### MISSION | Mitsui’s Mission

Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

### VISION | Mitsui’s Vision

Aim to become a global business enabler that can meet the needs of our customers throughout the world.

### VALUES | Mitsui’s Values

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

As the company structure to achieve its management objectives, Mitsui employs a structure with a Board of Corporate Auditors.

The Board of Directors, composed of 13 Directors, including 4 External Directors, and 38 Managing Officers, of whom 8 also serve as Directors, is responsible for the management and operation. Managing Officers are appointed by the Board of Directors and serve also as Chief Operating Officers (COOs) of the Headquarter business units or overseas regional units and directly supervise the business team. Led by the Directors with extensive knowledge of Mitsui’s operations, these members execute their duties in a responsive and flexible manner.

In order to ensure that the operation, including the execution of business by the Board of Directors and Managing Officers, is fully in line with Mitsui’s management objectives, Mitsui has developed and operates the systems of:

(1) Corporate Governance, which serves mainly as a framework for the monitoring and auditing of management by the Board of Directors and the Corporate Auditors, and (2) Internal Controls, which serves as a framework for control and supervision of its operation by Mitsui’s management (see page 076).

Mitsui has enacted the “Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles,” which are disclosed on Mitsui’s website.



<http://www.mitsui.com/jp/en/company/governance/system/>

## Corporate Governance

Mitsui has established a Board of Corporate Auditors in addition to the Board of Directors, the highest management monitoring body at Mitsui, and has built a corporate governance structure for execution and monitoring of management by the Board of Directors and the Corporate Auditors. In addition to development of monitoring through the Board of Directors, with the monitoring function provided by the highly independent Board of Corporate Auditors and Independent Auditors, Mitsui is implementing a strengthened auditing structure.

In structuring and operating the corporate governance framework, Mitsui places emphasis on “improved transparency and accountability” and “clarification of the division of roles between management oversight and execution” aiming for a more efficient management and strengthened monitoring function.

### Board of Directors

The Board of Directors is the highest management monitoring body at Mitsui. Each Director, as member of the Board of Directors, oversees the execution of duties of the Representative Directors, Directors, and Managing Officers, who are responsible to run the business of Mitsui.

Although the Board of Directors is the highest body for execution of business as well, to achieve the prioritized value of “clarification of the division of roles between management oversight and execution,” Mitsui introduced the Managing Officer System in April 2002 and transferred significant authority on the execution of business to the Managing Officers. By such division of roles, Mitsui is achieving effective management monitoring by the Board of Directors, which also carries out management.

### External Directors

The External Directors are responsible for supervising the Board of Directors, which oversees management execution, from a neutral third-party perspective. Mitsui has been appointing External Directors since 2003, aiming for better corporate governance, and currently has four External Directors specializing in the fields of labor, international corporate strategy, diplomacy and fiscal and monetary affairs.

### Selection Criteria

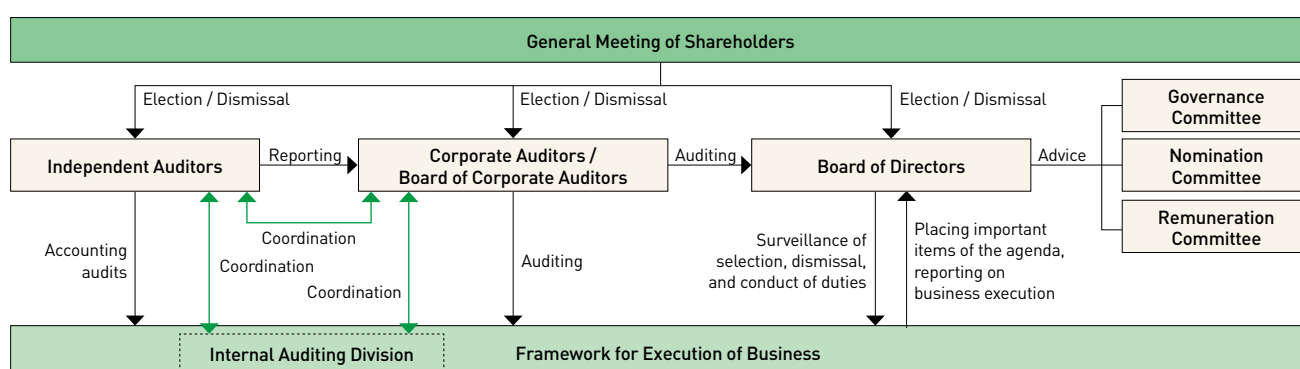
The following are considered when selecting External Directors at Mitsui.

- External Directors must possess extensive knowledge and experience required to deliberate on the resolutions by the Board of Directors, or experience or knowledge of his or her field as necessary to monitor the management.
- The independence of External Directors from Mitsui is valued to secure the management monitoring function.
- Diversity in terms of background, gender, etc. of External Directors is considered so that the perspectives of diverse stakeholders will be incorporated into the monitoring of business activities.
- There is a possibility of problems arising in individual transactions, such as conflict of interests between the External Director and Mitsui, but such issues shall be addressed through appropriate operation and procedures at the meeting of the Board of Directors.

### Reasons for Appointment

Name	Reasons for Appointment
Nobuko Matsubara	Ms. Matsubara is appointed so that the management may benefit from her knowledge and experience in labor issues gained over the years within the public sector, as well as for her independent oversight.
Ikujiro Nonaka	Mr. Nonaka is appointed so that the management may benefit from his deep insight and supervisory capabilities related to management acquired over the years as an expert in international corporate strategy as well as for his independent oversight.
Hiroshi Hirabayashi	Mr. Hirabayashi is appointed so that the management may benefit from his wealth of international experience and knowledge gained as a diplomat as well as for his independent oversight.
Toshiro Mutoh	Mr. Mutoh is appointed so that the management may benefit from his deep insight into fiscal and monetary affairs and economics in general, gained at the Ministry of Finance and the Bank of Japan, as well as for his independent oversight.

### The Corporate Governance Framework





## Support System

In preparation for both regular and extraordinary meetings of the Board of Directors, prior explanations are given to External Directors by the Board of Directors' office (Legal Division and Secretariat) along with referential materials for the agenda.

Reports are given on a regular basis to the External Directors via the Board of Directors in relation to internal audit results and internal audit plans, the results and plans of audits by the Board of Corporate Auditors, as well as summaries of the management letters of the Independent Auditors, results of internal controls-related assessments carried out under the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and the development and operation of other systems related to internal controls.

## Advisory Bodies to the Board of Directors

Mitsui has established the Governance Committee, Nomination Committee and Remuneration Committee as advisory bodies to the Board of Directors in which the External Directors and External Corporate Auditors are included as members.

### Advisory Bodies

#### Governance Committee

Composition	Role
Committee chair: Chairman of the Board of Directors	This committee is tasked with studying the state and direction of Mitsui's corporate governance, while taking into consideration the viewpoint of External Directors and Corporate Auditors.
President and CEO, 2 External Directors (Nobuko Matsubara and Ikujiro Nonaka), 3 Internal Directors and 1 External Corporate Auditor	

#### Nomination Committee

Composition	Role
Committee chair: President and CEO	This committee is tasked with establishing the selection criteria and processes used in nominating Directors and Managing Officers, and evaluating Director nomination proposals.
2 External Directors (Ikujiro Nonaka and Hiroshi Hirabayashi) and 2 Internal Directors	

#### Remuneration Committee

Composition	Role
Committee chair: External Director (Toshiro Mutoh)	This committee is tasked with studying the system and decision-making process related to remuneration and bonuses—including the evaluation of remuneration proposals—for Directors and Managing Officers.
President and CEO and 2 Internal Directors	

## Board of Corporate Auditors

As a company with a Board of Corporate Auditors, Mitsui's Corporate Auditors have a mandate from the shareholders to monitor the execution of duties by the Directors. While each of the five currently appointed Corporate Auditors carries out auditing as an independent body, the Board of Corporate Auditors is in place to serve as the sole and exclusive consultative body forming opinions related to audits, and to ensure the auditing activities by the Corporate Auditors are conducted in an effective manner.

### Appointment

The Board of Corporate Auditors deliberates on whether the candidate for the Corporate Auditors is agreeable or not, prior to the submission by the Board of Directors to the General Meeting of Shareholders. The Board of Corporate Auditors holds prior discussion with the Directors on procedures for deciding Corporate Auditor candidates and determining proposals regarding candidates.

Mitsui appoints External Corporate Auditors with the objective of further heightening the neutrality and independence of the auditing system, and in particular it is expected that the External Corporate Auditors will give objective voice to their auditing opinion from the standpoint of neutrality, building on such factors as independence and ability to influence people. When selecting candidates for External Corporate Auditors, the Board of Corporate Auditors takes into consideration such factors as relations with Mitsui, its management and important staff members and confirms that no issues with independence arise.

The reasons for appointment of each External Corporate Auditor are as follows.

### Reasons for Appointment

Name	Reasons for Appointment
Naoto Nakamura	Mr. Nakamura has been appointed in expectation of the expression of his objective audit opinions from an independent and neutral standpoint and from the experience and perspective he has gained mainly as an attorney at law, particularly in the field of corporate law.
Kunihiro Matsuo	Mr. Matsuo has been appointed in expectation of the expression of his objective audit opinions from an independent and neutral standpoint and from the many years of experience and perspective he has gained, mainly as a prosecutor and as an attorney at law.
Hiroyasu Watanabe	Mr. Watanabe has been appointed in expectation of the expression of his objective audit opinions from an independent and neutral standpoint and from the experience and perspective he has gained, mainly at the Ministry of Finance and also as a graduate school professor.

## Support Systems

### Cooperation with Internal Audits

Full-time Corporate Auditors frequently exchange information with the Internal Auditing Division, which is an organization responsible for internal controls and risk management under the direct control of the President and CEO, in addition to in principle attending all of the feedback sessions on regular internal audits by the Internal Auditing Division. The General Manager of the Internal Auditing Division periodically reports on the plans and results of internal audits to the Board of Corporate Auditors. The Corporate Auditors, as necessary, request reports on the internal control system, risk evaluation and other matters from the Internal Auditing Division and other divisions responsible for internal controls, and also ask for their cooperation on matters related to audits.

At meetings such as meetings of the Board of Corporate Auditors, the External Corporate Auditors coordinate with Independent Auditors and the Internal Auditing Division by periodically receiving reports regarding the status and results of their audit activities and exchanging information and opinions.

### Corporate Auditor Division

The Corporate Auditor Division is an organization to assist the Corporate Auditors, with at least three dedicated staff members with the necessary and appropriate knowledge and skills to carry out this role.

In addition to the timely provision of corporate information by the Full-time Corporate Auditors and staff at the Corporate Auditor Division, the essence of the meetings between Full-time Corporate Auditors and staff members of the Corporate Auditor Division are provided to External Corporate Auditors periodically. When necessary, advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Board of Corporate Auditors and of the Board of Directors.

### Independent Auditors

At the end of the fiscal year, the Independent Auditors report to the Board of Corporate Auditors the audit procedures and results of audits on accounting and internal controls and exchange opinions on these. During a fiscal year, the Corporate



## Message from the Board of Corporate Auditors

We, Corporate Auditors, play an important role in corporate governance by monitoring from an independent standpoint whether the Directors are carrying out appropriate decision-making process in accordance with the business judgment rule and, as necessary, giving advice and recommendations to the Directors.

To appropriately execute duties as a Corporate Auditor, it is necessary for us to have in advance sufficient understanding of the company and its business. Since Mitsui as a *sogo shosha* (general trading company) participates in a wide business area, two Full-time Corporate Auditors with long experience at Mitsui update information and knowledge of such various businesses through routine auditing practice including attendance at important internal meetings held on a daily basis. By sharing with the other Corporate Auditors information and knowledge obtained through such activities, Corporate Auditors endeavor to deepen and widen their understanding of what is “now” taking place at Mitsui, its business strategies and the issues it faces and to build diversified opinions. Especially, equipped with the activities above and based on the knowledge and expertise they have built up in their respective fields, the External Corporate Auditors express their opinion at the meetings of Board of Directors and other situations from more independent and neutral standpoint as External Corporate Auditors.

Also we make efforts towards improvement of our own auditing environment with the assistance of the Corporate Auditor Division for effective and efficient auditing. In addition to the meeting of the Board of Directors, we keep regular discussions with the Directors and Managing Officers, make visits to important business locations in Japan and overseas, and promote communication and information exchange with the Corporate Auditors of affiliated companies at many occasions. Furthermore we continue active exchange of opinions and information with the Independent Auditors including receiving their reports on important auditing items and regular auditing updates, and closely coordinate with the Internal Auditing Division.

Aiming to contribute to the further strengthening of corporate governance at Mitsui, we as the member of Board of Corporate Auditors are determined to continue these day-to-day auditing activities.

Auditors hold monthly meetings with the Independent Auditors and receive reports from the Independent Auditors about their audit plans, the items of focus in audits, the status of audits and other matters. In the meetings, the participants exchange information and have discussions on the execution of effective and efficient accounting audits and internal control audits.

### Activities

Auditing by the Corporate Auditors covers a variety of areas, among which are execution of duties by Directors, decision-making processes at the meetings of the Board of Directors and others, status of construction and operation of the internal control system, independence of the Independent Auditors, effectiveness of the internal control systems, system of financial reporting, accounting policies and processing of financial information, audit of financial statements, reports from the Independent Auditors, and the system of disclosure.

Meetings of the Board of Corporate Auditors are held once per month as a general rule in order to receive reports, hold discussions and make decisions on important audit-related matters. Extraordinary meetings are also held as necessary. A total of 14 meetings were held in the fiscal year ended March 31, 2011, and a total of 16 meetings were held in the fiscal year ended March 31, 2012.

Full-time Corporate Auditors attend important internal meetings and committees, including the Corporate Management Committee. In addition to periodical meetings between the Corporate Auditors and the Chairman and the President and CEO, Full-time Corporate Auditors also receive reports and exchange opinions during individual meetings with Directors and Managing Officers and hold regular meetings with the Officers and general managers in charge of the corporate staff divisions.

### Directors' Remuneration

Pursuant to the deliberations by the Remuneration Committee which is chaired by an External Director, remuneration of Directors (excluding External Directors) is a sum of fixed basic salary and a performance-linked bonus based on Mitsui's consolidated net income.

As for the calculation of the performance-linked bonuses, the formula that is advised as being appropriate by the Remuneration Committee and subsequently resolved at the Board of Directors' meeting is applied.

The total amount of performance-linked bonuses to be delivered to the Internal Directors is 0.1% of the consolidated net income (¥500 million if the consolidated net income is greater than ¥500 billion). Individual amounts to be paid out will be calculated based on the category of position of each Director.

In order to align the interest of the Internal Directors with that of the shareholders, each Director is required to purchase Mitsui's shares in an amount equivalent to at least 10% of his or her monthly remuneration through the Mitsui Executives' Shareholding Association.

As for the External Directors, in order to maintain the position of a neutral third party, the remuneration is limited to a fixed salary with no link to Mitsui's performance, and there is no obligation of share purchasing for the External Directors.

Remuneration of the Corporate Auditors is determined through deliberation among the Corporate Auditors, the total of which should not exceed the amount determined at the General Meeting of the Shareholders. Corporate Auditors receive only monthly fixed salaries which are not linked to the performance of Mitsui.

The remuneration of Directors and Corporate Auditors paid out during the fiscal year ended March 31, 2012 was as follows (retirement compensation program has been abolished, and except for those payments that were approved prior to the abolition of the program, no retirement compensation is paid):

### Remuneration

Category of Position	Number of Recipients	¥ million		
		Basic Remuneration	Bonus	Total Remuneration
Directors (Excluding External Directors)	12	652	435	1,087
Corporate Auditors (Excluding External Corporate Auditors)	2	113	—	113
External Directors and External Corporate Auditors	8	96	—	96
Total	22	861	435	1,296

### Independent Auditors

Mitsui appoints Independent Auditors to carry out auditing under the Companies Act of Japan and Financial Instruments and Exchange Act of Japan as well as auditing of consolidated financial statements in English.

Mitsui has certified public accountants carrying out its accounting auditing, who belong to Deloitte Touche Tohmatsu LLC. In order to secure prompt financial closing and reliability, the auditing work of Mitsui and its consolidated subsidiaries are in principle entrusted solely to Deloitte Touche Tohmatsu, a member of the same network as Deloitte Touche Tohmatsu LLC.

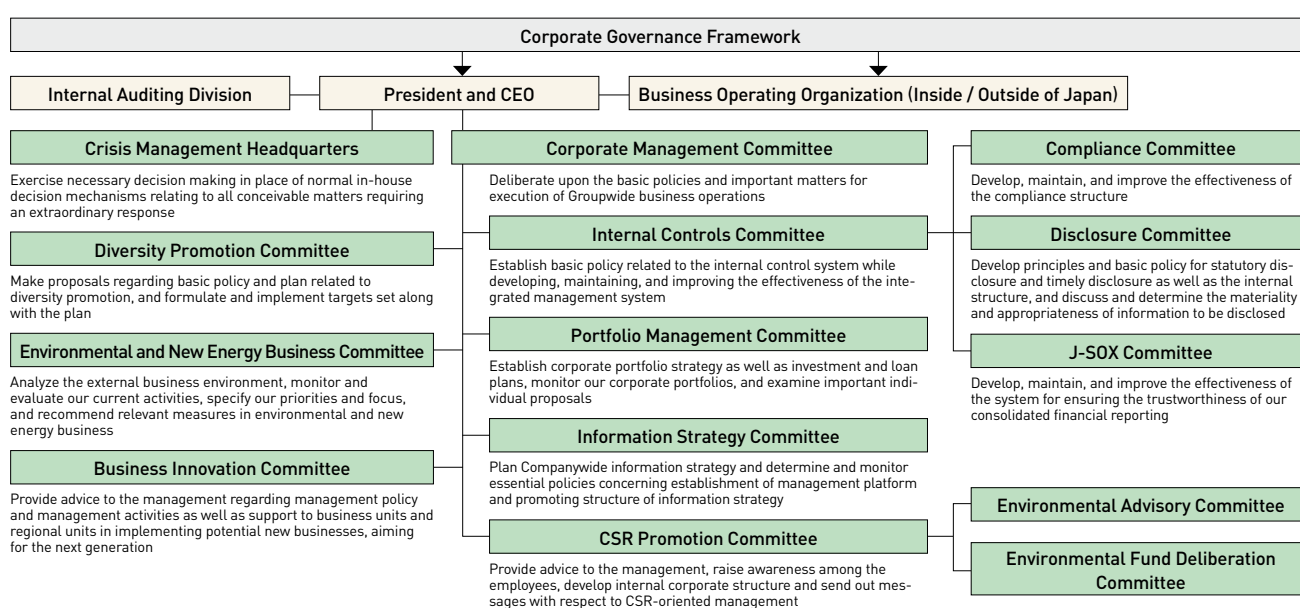
## Internal Controls

At Mitsui, we define internal controls as a system for the control and supervision of our operations by the management team. In building and operating this system, we aim to achieve the following four objectives.

- 1 Improvement of effectiveness and efficiency of operations;
- 2 Ensuring compliance with generally accepted accounting principles and the reliability of financial reporting;
- 3 Compliance with applicable laws and regulations, along with management principles and internal rules including various codes of conduct reflecting management principles ("Laws"); and
- 4 Safeguarding of Company assets.

In order to achieve these objectives, Mitsui has in place the following structure and works to ensure its maintenance and proper operation.

### Framework for Internal Controls and Execution of Business Activities



To achieve the above four objectives as well as the management objective of Mitsui, these organizations play their role within the following structure.

### Basic Design of Internal Controls

The Board of Directors has the role of and responsibility for providing the basic design of internal controls on a Company-wide consolidated basis based on the Companies Act, related laws, the Articles of Incorporation and other internal rules, and of overseeing the design, operation and assessment of internal controls. Representative Directors, Directors and Managing Officers have the role of and responsibility for maintaining, operating and assessing internal controls at Mitsui and its affiliated companies based on the basic design for internal controls set out by the Board of Directors, and the role of and responsibility for establishing an internal control environment that facilitates awareness of internal controls among the officers and the employees of the Company. Basic design is drafted by the Internal Controls Committee, an organization under the Corporate Management Committee, which is also responsible for the development, maintenance and improvement of effectiveness of the integrated management system for internal controls.

### Compliance

Under the recognition of "without compliance, we would have no work and ultimately no company," Mitsui carries out corporate management with emphasis on compliance. Mitsui has established the Compliance Committee with the Chief Compliance Officer at its head and with an external lawyer as a member. The Compliance Committee works to develop, maintain and improve the effectiveness of Mitsui's compliance system.

Various forms of compliance training are also implemented in order to improve awareness and knowledge regarding compliance issues by the officers and employees. For the development and operation of compliance programs at our affiliated companies, support is provided to the compliance officers at affiliated companies, by ways such as individual visits to major affiliated companies within Japan. We are continuously working to develop a compliance system for the entire consolidated Group.

## Interview with the Chief Compliance Officer (“CCO”)



Representative Director, Executive Managing Officer  
Chief Compliance Officer

**Koichi Tanaka**

**Q** It seems that the term “compliance”—in connection to internal controls—is now widely acknowledged by the public. How does Mitsui perceive “compliance”?

The important issue when designing a compliance framework is the determination of *what* we should comply with.

We have a strong belief that sound reputation is the foundation of our business, and that, unless we comply with corporate ethics and social norms in addition to laws, regulations and internal rules of the company, such reputation would be easily lost.

Thus, by the word “compliance,” we require our staff and managers to act in accordance with our corporate ethics, built based on our management principles, and society norms, in addition to the laws and regulations as well as internal rules of the Company.

**Q** What is your role as CCO in enhancing compliance at Mitsui?

The CCO is designated as the director and supervisor for the maintenance of our compliance structure. Chairing the Compliance Committee, I also work to get hold of how the compliance issues are managed within the Company, pointing out issues that need further assessment or attention. I will be in charge of internal coordination when compliance issues that are linked to more than one division arise, as well as determining the initial measures if such case calls for urgent action.

**Q** How are compliance and internal controls linked?

Our compliance structure aims to accomplish one of the four objectives of internal controls, namely, “compliance with Laws.” If our compliance system functions as originally designed, it should lead to the accomplishment of this objective of the internal control system, so we can say that our compliance structure is one of the important pieces in the implementation of internal controls.

**Q** What are your specific actions for the enhancement of compliance?

We regard continuous education and training to be of utmost importance in the enhancement of compliance. While the business units themselves are updating and understanding the changes in laws and regulations, as a company, we hold various training sessions to raise awareness among staff, thereby preventing misconducts.

We also believe in the importance of the rules on how to deal with conduct that is against our compliance policy. At Mitsui, we have eight channels for raising compliance concerns, and we are trying to grasp closely the various issues that could take place within the Company. We also believe that it is important to strictly deal with misconducts, if and when such cases are found.

**Q** Finally, please let us know your views on the importance of compliance.

Compliance is the foundation of the reputation of a company and thus is indivisible with management. Although trust gained through compliance may be limited, we regard it as an indispensable part of our business.

“Challenge and Innovation” continues to be one of the key values in our new Medium-term Management Plan, as with our previous plan. For our staff to actively engage in their business activities and to “challenge” and to “innovate,” it is important that all of our staff members are sure that they are complying with what they should comply with, through the natural exercise of compliance. In our view, compliance is a minimum requirement in earning trust as well as a prerequisite for a company to proactively conduct business.



### Risk Management

Mitsui's business operation risks include quantitative risks such as credit risks and qualitative risks such as compliance risks. These risks are managed within the scope of authority granted to the COOs of the Headquarter business units and overseas regional business units, but when risks greater than such scope are taken, it becomes necessary to obtain approval of the Corporate Management Committee, the relevant Representative Director or the relevant Executive Managing Officer in accordance with the internal approval system. In business fields considered typically to have higher levels of risks, including environment-related business and business with a high public profile, a particularly careful investigation is carried out through the Specially Designated Business Management System.

Construction and maintenance of the risk management systems and response to significant risks on a Companywide level are handled by organizations such as the Portfolio Management Committee, the Internal Controls Committee, the CSR Promotion Committee and the Crisis Management Headquarters. The corporate staff divisions are responsible in their respective fields for surveillance of the risk position of the Company as a whole, risk control within the prescribed range of their authority, and assistance of the relevant Representative Directors and Managing Officers.

### Internal Controls over Financial Reporting

Mitsui implements the internal controls framework as stipulated in the Financial Instruments and Exchange Act of Japan. In addition to Companywide discipline, Mitsui has been conducting self-assessment by units subject to evaluation and testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls and business process level controls.

### Management of Information Assets

Mitsui has formulated various internal rules to appropriately manage its information assets and built a system to control in an appropriate manner the risks associated with information assets by planning and proposing appropriate IT strategies, procuring and introducing information systems, providing services and support, and carrying out monitoring.

In order to respond to the information related risks including risk of information leaks, Mitsui promotes appropriate treatment of its various information assets, integrated development of internal classifications and life-cycle management to protect important information assets from a variety of threats, and clarification of systematic risk management systems.

### Internal Audits

The Internal Auditing Division verifies the status of development and management of internal controls, evaluates the suitability and effectiveness of risk management, and gives advice and suggestions for improvements.

During the regular audits that cover Mitsui, overseas branches, overseas trading subsidiaries, and Japanese and overseas affiliated companies, particularly subsidiaries, Internal Auditors carry out independent and objective evaluations, pursuant to the internal auditing guidelines, with an emphasis on risk management, effectiveness of management and operations, compliance and appropriate financial reporting. In addition, the following audits are implemented as internal audits: cross-organizational and cross-functional audits by target and item and extraordinary audits to get a whole picture of such events that caused or could cause irregular economic losses or that jeopardized or could jeopardize the corporate trust, in order to identify the responsibility, recommend measures to clarify causes and methods to prevent recurrence.

### Corporate Group

While the formulation of the basic design of internal controls is the responsibility of the management, its construction, development and operation involves all members. Mitsui has set out the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles," and as far as is rational in the light of laws and other considerations, it requests all subsidiaries to develop and operate internal control systems based on these principles. As for its associated companies, Mitsui coordinates with other equity participants and encourages the associated companies to develop and operate equivalent internal controls. An affiliated company supervising officer is appointed for each affiliated company from among Mitsui officers and employees, and these officers are required to oversee management based on the "Rules on Delegation of Authority for Supervising Officers of Affiliated Companies."

# Mitsui's CSR

## CSR Policy and the CSR Promotion Framework

### Basic CSR Policy

- 1 We will fulfill our role in the economy and continually strive to improve our corporate value by engaging in conscientious activities giving full consideration to the social significance of Mitsui & Co.'s presence and a strong awareness of our ties with the environment.
- 2 We will raise the awareness of each employee with regard to CSR and solidify our management base for practicing CSR through strengthening corporate governance and fully reinforcing internal controls. We will also make efforts towards actively contributing to society.
- 3 We will place importance on interactive communication with our stakeholders. We will fulfill our accountability with respect to CSR and continually work to improve our CSR activities based on the responses of our stakeholders.

### Developing the CSR Promotion Framework

In 2004, Mitsui formed the CSR Promotion Committee as an advisory body to the Corporate Management Committee to develop Mitsui's internal framework with respect to CSR and work to raise CSR awareness among employees. Mitsui also promotes CSR-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to the Company's social values and initiatives.

Furthermore, with the objective of inculcating the importance of CSR-oriented management and *Yoi-Shigoto* throughout the Company and planning and promoting activities in an integrated manner with our business locations in the field, we have appointed CSR Promotion Officers in each of the corporate staff divisions, business units, overseas regional business units, and domestic offices, and are building our internal CSR network.

### CSR Promotion Framework



### CSR Promotion Committee

The CSR Promotion Committee submits proposals to the Corporate Management Committee on CSR-related management policies and business activities, inculcates the importance of CSR-oriented management throughout the Company, makes recommendations with respect to "Specially Designated Businesses," and conducts other related activities.

The committee's chairman is the executive officer in charge of corporate staff divisions (oversees the Corporate Planning & Strategy Division), and its deputy-chairman is the executive officer in charge of corporate staff divisions, including the Human Resources & General Affairs Division and the Legal Division. The general managers of each corporate staff division—the Corporate Planning & Strategy Division (secretariat), the Investor Relations Division, the Corporate Communications Division, the Human Resources & General Affairs Division, the Legal Division, the Investment Administration Division, and the Environmental•Social Contribution Division—serve as its

members. The committee has the following duties:

1. Develop fundamental policies on the management of the Company's CSR and fundamental plans for activities promoting CSR
2. Configure and establish an internal corporate structure for the management of the Company's CSR
3. Determine the key issues to focus on each year for activities to promote the CSR measures of the Company and ensure progress on these
4. Respond to issues related to CSR, both within and external to the Company
5. Decide whether to support individual proposals qualified as Specially Designated Businesses, and determine necessary precautions for projects that will be supported

Furthermore, the Environmental Advisory Committee has been established under the CSR Promotion Committee, with the objective of responding to various CSR-related issues.

## Mitsui's Business Activities and Corporate Social Responsibility

### Contributing to Society through Our Core Business

---

In 2006, the year marking the 130th anniversary of the former Mitsui & Co.'s\* founding, we embarked on a Companywide initiative called "*Yoi-Shigoto!* Our Origins, Your Future." This initiative encouraged each employee to look back on our history since the founding of the former Mitsui & Co. and ask him or herself the questions, "What "*Yoi-Shigoto*" (good quality work) must Mitsui do for the future?" and "Can the work we are doing now really be considered good quality work?"

"*Yoi-Shigoto*" expresses the sense of the values that should be shared with every employee at Mitsui as it expands a broad range of businesses globally. These values are (1) beneficial to society, (2) useful to and creating added value for our customers and partners, and (3) a worthwhile challenge for each employee. Mitsui's social responsibility, and the core of CSR at Mitsui, is to continually deliver value to society—that is, to practice *Yoi-Shigoto* day after day, year after year—through our core business.

As the requirements and expectations of society change rapidly with the times and as various issues grow more serious, relations between society and companies will also change. What roles should companies play, not just now but in the future? What is a company's purpose in being as far as society is concerned? And what does society require of its companies? People working in companies must understand and be sensitive to these changing relationships between companies and society and continue to rethink their roles.

A vital process in striving to make *Yoi-Shigoto* a reality is the personal process of heightening one's sensitivity to social and environmental issues, going beyond the minimum obligations that companies have of complying with laws and social ethics to ask the questions, "What significance does my work have in society?" and "How can I benefit society?" Of course, there is not one business or project that, in and of itself, represents *Yoi-Shigoto* or Mitsui's CSR. Our social responsibility, rather, is to ensure that we do good quality work that delivers value to our customers and to society at large.

### Mitsui's CSR and Corporate Sustainability

---

If society is not sustainable, the companies in society will not be sustainable. Also, if a company is not sustainable, it cannot fulfill its social responsibilities. We believe that *Yoi-Shigoto*, the core of our CSR approach, creates value in society, and profits will follow as a result of fulfilling our responsibilities to society. Our view is that it is important to think of these issues in this order and that practicing *Yoi-Shigoto* will lead to the sustainability of Mitsui's activities.

Through Mitsui's many years of development as a company, we have constantly sought to anticipate what the future will bring, how society and the nation will evolve, and understand how Mitsui should change. In parallel with this, we have also been constantly concerned about how Mitsui should wield its potential and best draw on its resources, and how it should further advance its functions and capabilities.

To help create a better world, we now need to look ahead to understand what Japan and the world will be like in the future, to think of what Mitsui can do to best contribute to this future by identifying impending issues as well as formulating a sound vision, and to plan steps to take in our day-to-day work to best contribute to this future. As we work toward making this vision a reality, creating new value through *Yoi-Shigoto* will enable us to contribute to the creation of a sustainable society as we put Mitsui's CSR into practice.

\* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

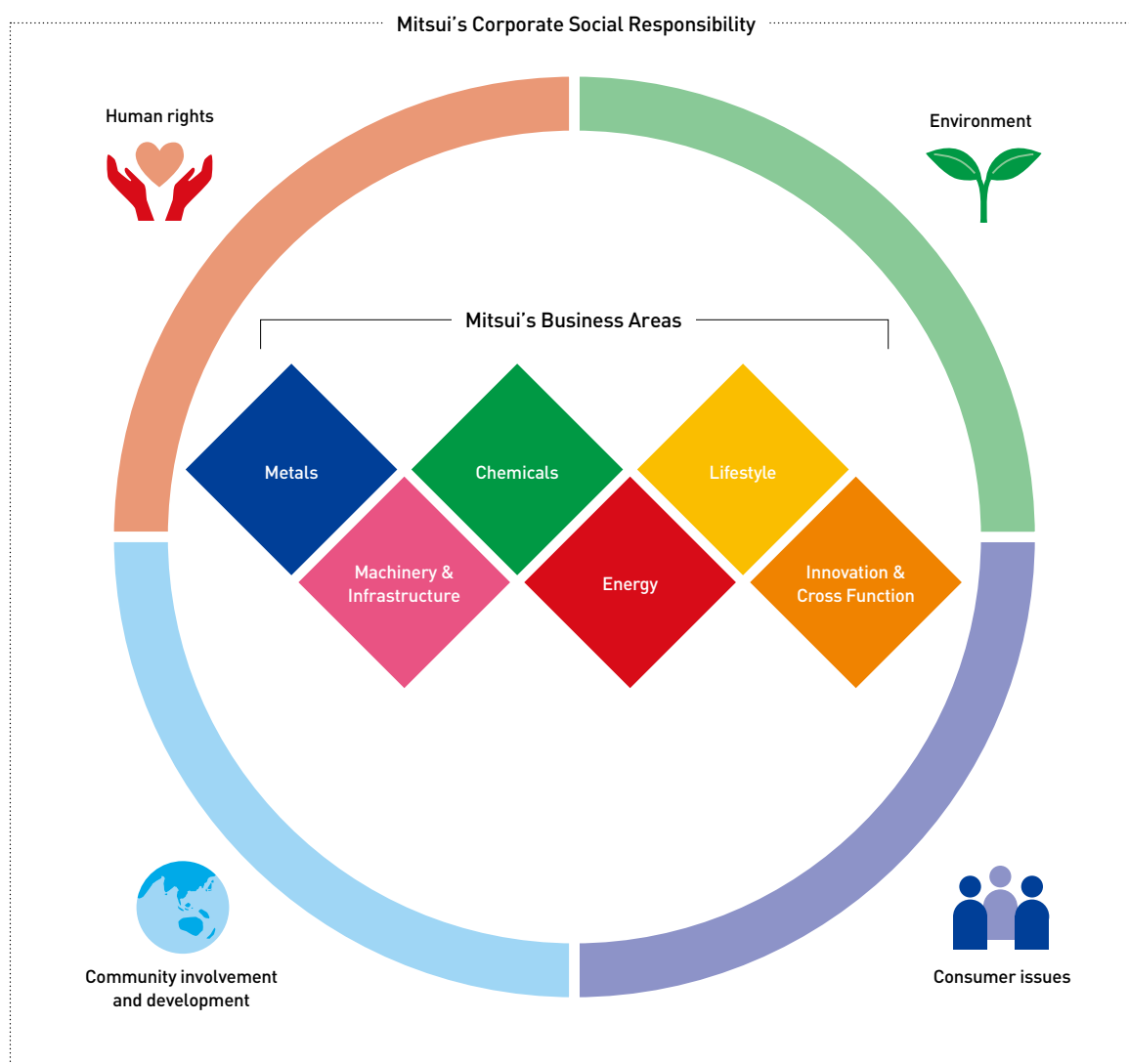
## Business Activities and Corporate Social Responsibility

Mitsui's business activities include the following six areas: Metals, Machinery & Infrastructure, Chemicals, Energy, Lifestyle, and Innovation & Cross Function.

To fulfill our corporate social responsibility through our business activities, we are particularly focusing on four areas (human rights, the environment, consumer issues, and community involvement and development) out of the core subjects specified in ISO 26000.\* To see "CSR Management Accomplishments and Goals," which describe the CSR management activities for Mitsui, as well as "CSR Objectives and Accomplishments for Fiscal Year Ended March 31, 2012 by Business Area," please visit our website.

\* ISO 26000: An international standard related to social responsibility, established by the International Organization for Standardization, to encourage organizations in helping to achieve sustainable development. It consists of the following seven core subjects: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development.

### Mitsui's Business Area and Corporate Social Responsibility





## Meeting World Demand for Scarce Water Resources with Versatile Water Engineering

The earth is a planet full of water, which is estimated to be approximately 1.386 billion km<sup>3</sup>. However, only 2.5% is fresh water, and the remaining 97.5% is sea water. The fresh water that can be obtained easily in daily life, such as water from rivers, lakes and underground sources close to the surface, only makes up 0.01% of all global water resources. Issues of uneven distribution of water resources and water contamination are becoming more serious on a global scale with increasing population and urbanization. Recycling and re-use of these limited water resources are going to become even more important day by day. Mitsui is presently contributing to solving these global water problems by utilizing its capabilities accumulated through infrastructure business, project development, financing, and the knowledge and experience obtained from its global water business and its global network.



### Initiatives for Consumer Issues

## Constructing Wastewater Treatment Plants Desired by Citizens

Water problems are a common issue worldwide. However, each water project is an industrial solution closely coupled to the localized aspects of the region and is normally a long-term infrastructure service for 20 to 30 years. The water solution management truly needed by these areas cannot even be started without having a thorough knowledge of each country and each region. A strategic partner who is well acquainted with these regions is indispensable for the development of Mitsui's global water business.

Atlatec, S.A. de C.V. ("Atlatec") is the largest water engineering company in Mexico. It has been involved in more than 80 water treatment projects in Mexico for nearly 60 years. Mitsui acquired Atlatec in 2008 and established a platform for full customer satisfaction by providing plant

design, financing such as investments/loans, system procurement, plant construction, and operation and maintenance.

The development and maintenance of sewerage systems throughout all of Mexico is a pressing issue for the country and a long-standing desire of its citizens. Atlatec won the bid for the El Ahogado wastewater treatment plant in Guadalajara City in 2008 and, in 2009, the Agua Prieta wastewater treatment plant (capacity of 700,000 tons per day), which was the largest water treatment plant in Latin America at that time. Atlatec also won the bid for the Atotonilco wastewater treatment plant, the world's largest wastewater treatment facility and only facility in Atotonilco, Hidalgo, a city northeast of Mexico City. The processing capacity boasts an amazing 3.6 million tons per day. After the start of operations, the

sewerage system coverage will increase from barely 40% to over 60%. Mexican citizens have extremely high expectations for this wastewater treatment plant, and regardless of the fact that the plant is still under construction, Mexican President Felipe Calderón visited the site to extend his encouragement and appreciation.



Atotonilco wastewater treatment plant (under construction)





## Environmental Initiatives

### Protecting the Environment through Wastewater Recycling

In protecting the environment, we try to provide as much clean water as we can. In parallel, we will treat all types of wastewater and return them as clean water. Without a doubt, the water business itself is contributing to environmental issues. Based on such understanding, we are looking to the future by recycling our limited global water resources.

PEMEX, a Mexican state-owned petroleum company, owns petroleum-related plants, such as refineries and tank facilities, throughout Mexico. Mitsui and Atlatec are striving for and succeeding in what is called "zero liquid discharge," which means 100% recycling of water for PEMEX by processing every drop of wastewater produced in each

area, including industrial wastewater received from those plants as well as wastewater derived from the daily life of the neighboring community. The wastewater is separated and processed at the appropriate level for each purpose, and we are even purifying black murky water from smelly crude oil to water where fish can live, through advanced water treatment technology.

The importance of wastewater recycling does not vary between Eastern and Western cultures. River pollution caused by industrial wastewater has become a social issue with the rapid industrialization of China. Mitsui established Galaxy NewSpring Pte. Ltd. with Hyflux Ltd. (headquarters in Singapore),

a major water business company versed in China, and starting from 2010, we have added 24 water assets in the areas of water treatment and supply, wastewater treatment, and wastewater treatment and recycling.



Mexican state-owned petroleum company PEMEX Cadereyta refinery wastewater treatment plant



## Initiatives for Community Involvement and Development

### Providing Clean and Safe Water to Communities

Mitsui is developing its business in collaboration with CH. Karnchang Public Company Limited, one of Thailand's leading general contractors and basic infrastructure developers, as well as the Thai Tap Water Supply Public Company Limited, a tap water supply company, currently supplying clean and safe water to more than one million people every day through the Provincial Waterworks Authority. The major flooding that struck in September 2011 caused extensive damage throughout Thailand, and one of the most serious problems, oddly enough, was a lack of water. Groundwater, which was still utilized by many people, could not be used as drinking water as a result of the muddy rivers and contaminated water filling the city. Mineral water instantly disappeared from shelves in large supermarkets and shop storefronts as people scrambled to

grab hold of bottles of drinking water. The regions surrounding Bangkok, whose water was supplied by Thai Tap Water Supply, was no exception. The clean and safe water supplied from water treatment facilities was a "lifeline" throughout this flooding.

Employees commuted by boat every day and kept an eye on the water treatment facilities, even during when 2m of flood water surged upon the facilities during the peak of the flooding. These employees protected the facilities, building levees with sandbags, and also brought drinking water as well as other provisions to neighboring residents almost every day using boats and jeeps. We once again felt the weight of our responsibility as well as fulfillment through this experience of stably supplying clean water and providing a sanitary environment to the community.



Employees going to check the status of the buildings during the flood



A levee built to prevent flood water from reaching the water treatment facility



## Human Rights Initiatives

### Providing Clean Water and a Sanitary Environment

We believe foresight on human rights, following international standards, is fundamental to CSR management as our business grows in countries and communities around the world. Water business providing clean water and a sanitary environment is

capable of improving health issues in communities that do not have tap water or sewerage systems, and it is also linked to protecting human rights. Based on these beliefs, we supported efforts of a Thai financial group to construct a mountain water

supply system for Arunothai Village in Chiang Rai Province in 2011. This system currently provides water for use in daily life to a mountain tribe of approximately 20,000 people living a traditional lifestyle.



## Next-Generation Transportation Infrastructure Services that Support Our Affluent Lifestyle

Car sharing is available for multiple club members to use collaboratively. Car sharing, which is prevalent in Switzerland, the EU and the U.S., is a new transportation system allowing easy 24-hour-a-day access to a vehicle instead of owning a personal or corporate vehicle. Mitsui established the wholly owned subsidiary Car Sharing Japan Co., Ltd. ("CSJ") in Japan in August 2008, positioning its response to motorized society trends for a car sharing business that is moving away from "ownership" to "usage" as the next generation of regional transportation infrastructure. CSJ is expanding the membership of its car sharing service so that it is more convenient than rentals or personal cars, focusing on Tokyo, Kanagawa, Chiba and Saitama with the brand "Careco Car Sharing Club" (441 stations and 516 vehicles as of April 2012).



### Initiatives for Consumer Issues

#### Contributing to Sustainable Consumer Behavior

The shift from car ownership to car sharing is showing rapid growth in Japan. In data from 2012, the number of people using the service was approximately 2.3 times higher than the previous year, reaching about 168,000. The number of vehicles is expected to reach 25,000, with 375,000 people using those vehicles in Japan by 2014. This accelerating growth is due to concern about increase in carbon emissions and oil prices, as well as a shift in the Japanese social perspective away from a generation feeling

satisfaction from car ownership to a life of affluence based on individual values. CSJ aims, as its corporate mission, to create a fun and smart lifestyle through establishing next-generation transportation services in response to the need for environmentally friendly social infrastructures. CSJ wants to create a service that makes car sharing as convenient to use as a mobile phone and as close to daily life as a convenience store in the hopes of realizing a life of affluence in a generation with diversifying values about

living standards. Careco Car Sharing Club can offer every person using the service more fun and a smarter daily lifestyle which contributes to environmental issues through sustainable consumer behavior by providing a new style of automotive use. This connects to maximizing customer satisfaction, which is one of the corporate values of CSJ.



**careco**  
car sharing club

#### Mission Statement of Car Sharing Japan

##### Mission

Creating a fun, smart lifestyle

##### Vision

Aiming for a service as convenient to use as a mobile phone and as close to daily life as a convenience store



## Initiatives for Community Involvement and Development

### Listening Closely to the Voices of Communities

Each community has its own local personality and different requirements that need to be fulfilled. CSJ works to reflect these needs correctly in its services by listening closely to the voices of car users. Specific examples of activities demonstrating this belief are Careco member surveys and member roundtable talks. CSJ is able to receive the candid opinions of members in a friendly atmosphere at these member roundtable talks, which are held twice each year. The need for car sharing services has been changing, as the Careco membership that began with individuals and double-income-no-kids families (DINKS) has expanded to families raising children.

We have received comments such as, "We want to go on drives not only with our children in a regular 5-seat vehicle, but also with our parents" and "A larger car for leisure would be convenient." Among the major car sharing companies, CSJ was the first to introduce minivans for 7 to 8 people to respond such requirements. At the same time, CSJ equipped some of the minivans with child seats for children up to 3 years old (junior car seats for 4 to 6-year olds are standard equipment in all vehicles) to meet the needs of our membership. In the same manner, CSJ introduced vehicles suitable for winter use, based on the requests for leisure driving in winter time.

Environmentally friendly electric vehicles (EVs) have also been introduced. In addition to our own operations, we are also assisting EV sharing by both local public and private entities, such as Chiyoda and Shinagawa wards as well as Fussa city in Tokyo and Saitama city in Saitama Prefecture.



From vehicle reservations to locking and unlocking doors. Specialized smartphone screen also developed based on member feedback.



## Environmental Initiatives

### Offsetting Carbon by Planting Trees in Proportion to Kilometers Driven

Car sharing aims to contribute to reducing CO<sub>2</sub> emissions through efficient use of vehicles in line with the shift from car ownership to car sharing. The Foundation for Promoting Personal Mobility and Ecological Transpiration of the Ministry of Land, Infrastructure, Transportation, and Tourism has confirmed through research a drastic reduction in driving distance and a decrease in the number of owned vehicles through using car sharing in combination with public mass transportation as well as walking and bicycling, and car sharing is perceived as an environmentally friendly transportation

service. As a further environmental contribution, CSJ has also started an initiative to plant a tree, such as Quercus serrata, or Japanese Cypress, for every 10,000km driven per year by each of its car sharing vehicles. CSJ initiated this project in forests maintained as "Mitsui's Forests" in Japan. Furthermore, CSJ purchases J-VER\* as carbon offsetting credits to balance out a portion of CO<sub>2</sub> emitted by its service vehicles.

\*J-VER: "Offset Credits (J-VER)," promoted by the Ministry of the Environment, can be used for carbon offset as well as distributed in the market and have monetary value.



Planting initiative held in the mountain forests of Kameyama, Chiba (Mitsui's Forests)



## Human Rights Initiatives

### Car Sharing Supporting Disaster Recovery

The large earthquake and tsunami that struck eastern Japan on March 11, 2011 left deep and lasting scars on the lives and hearts of the Japanese people. CSJ started a car sharing project in Ishinomaki, Miyagi, in October 2011 in the hopes of restoring transportation infrastructure in the affected areas more quickly. The number of vehicles destroyed in the Great East Japan Earthquake is said to be between 300,000 to 400,000, which means many people lost

their mode of personal transportation. This project has four locations and a total of 9 vehicles near Ishinomaki and provisional housing facilities with approximately 1,200 units. Aiming to support the restoration, this recovery car sharing has set usage fees at one-fourth the standard rate, and people affected by the disaster as well as those who are working toward restoration can use these vehicles.



Car sharing supporting disaster recovery in Ishinomaki, Miyagi



©Sakhalin Energy Investment Company Ltd.

## Realizing Diversity in the Procurement of Energy

Oil is considered the blood of industry, but 90% of Japan's oil is dependent on oil imports from the Middle East. Diversifying the suppliers of energy resources, including oil, is obviously connected to the stability of the Japanese economy and national life. Sakhalin is across from Hokkaido tucked in the La Pérouse Strait. A drastic amount of crude oil and natural gas is known to be hidden in the land and coastal areas of the island. The establishment in 1994 of Sakhalin Energy Investment Company Ltd. ("Sakhalin Energy"), a consortium of companies from Japan, the United States, England and Holland that was formulated to focus on natural gas and crude oil development in Sakhalin, gave Mitsui the greatest possible strategic advantage in the stable supply of energy. Since then, Mitsui has consistently promoted projects for over a quarter of a century, while many of the participating companies have changed.



### Environmental Initiatives

#### Striving for the Highest Level of Environmental Preservation on Land and Sea

Sakhalin Energy is striving to be the best even in environmental preservation initiatives. The crude oil and natural gas uncovered offshore in the northeastern area of the island is supplied over land using a pipeline to the southern harbor 800km away, and every precaution is taken to ensure the natural environment of the island, including coastal areas, is not affected. For example, the Company is

ensuring zero emissions of sediment or muddy water produced when drilling oil wells. The environmental burden is eliminated by re-injecting this waste into a well dug specifically for waste. Precious marine life, including devilfish, which are small whales, thrive in the ocean around the island. Sakhalin Energy is continuing to implement a marine environmental monitoring program for the areas which could be

affected by its plant on the coast. Sakhalin Energy is responding in every way possible to sustain biodiversity. Sakhalin is also the breeding ground for sea eagles, which are specified as a rare endangered species in Japan. In a workshop with 30 participants held in April 2011, the fact that the manufacturing facilities of Sakhalin Energy have had no negative effect on biodiversity or the protection of bird life was clearly shown.



### Human Rights Initiatives

#### Pursuing a Perspective of Trust and Harmony with Indigenous People

Sakhalin Energy strives to have the utmost communication with the few indigenous people who are living in Sakhalin and takes various measures to coexist with them. At the heart of these measures is the Sakhalin Indigenous Minorities Development Plan

(SIMDP). Sakhalin Energy listens sincerely to the indigenous people and formulates plans which will generate the best results based on trust and harmony. For example, a specialized board for notices, including Sakhalin Energy job postings, is available in

all villages in which indigenous people are living. Regular information related to the SIMDP is disclosed through various media, pamphlets, booklets, etc. Further communication is further reinforced through meetings held two to three times each year.



Disclosure meetings were held in the fiscal year ended March 31, 2012, in over 20 villages where indigenous people were living, with more than 100 people participating. In addition to facilitating employment, Sakhalin Energy supports people hoping to start their own business through contributions from funds set aside in the budget. Sakhalin Energy makes sure to always gain the understanding of the indigenous people whenever starting something new.



The opening ceremony of the events devoted to the International Day of Indigenous People (Sakhalin Oblast)



## Initiatives for Community Involvement and Development

### Interacting Deeply with Communities on Multiple Levels

All information and records related to our business activities are disclosed. This is the pledge of Sakhalin Energy to society, especially the local communities, and at the heart of this pledge are the information centers. Information conveying an overall picture of projects to the progression of construction and messages from society is provided through a wide range of media, such as local newspapers, posters, fliers and message boards. They encourage independent participation in island projects by deepening awareness and understanding of projects. In 2011, local community disclosure meetings were held ten times near the head office. More than 100 local residents

joined in actively exchanging opinions. Having a dialogue with employees is also vital. As in the past, a discussion entitled "100 Workshop" is held to discuss activities mainly related to improving corporate value for the following year. The corporate executives all gather and discuss a wealth of visions. Public relations representatives visit Japan for meetings that are held to listen to the opinions of stakeholders, such as those related to the fishing industry in Hokkaido, which is surrounded by La Pérouse Strait. Sakhalin Energy takes action as a member in good standing of local communities and international society and participates in the United Nations Global Compact to create a

framework for realizing sustainable growth. Sakhalin Energy undertakes business as a member of the LEAD program of the United Nations Global Compact, in which 56 companies worldwide are participating.



A meeting with related persons from the Hokkaido fishing industry



## Initiatives for Consumer Issues

### Earnestly Working to Supply Stable Energy

Natural gas is environmentally friendly energy with minimal CO<sub>2</sub> and NO<sub>x</sub> emissions and no SO<sub>x</sub> emissions. In Japan, natural gas is primarily used for power generation and urban gas, and the amount imported, which is currently 80 million tons, is expected to increase. Crude oil imports from the Middle East, which currently exceed 90% of the oil used in Japan, can be considered a problem from a risk management perspective for a country where securing stable energy resources that support industry as well as

people's lives is most vital. The Middle East and Japan are separated by 13,000km, and a journey by ship takes 15 to 20 days. In comparison, shipments from Sakhalin only take 2 to 4 days. The stable supply of crude oil and natural gas in the long term to Japan and Far East Asian countries is possible through the Sakhalin II project. Efforts to build energy infrastructure are taking hold based on a long-term vision, which is contributing to comfortable lifestyles. This is the mission of Mitsui.



Sakhalin II offshore platform





## Realizing What Customers Desire

Mitsui is expanding its service business through private finance initiatives (PFIs). Its affiliated company AIM SERVICES CO., LTD. ("Aim Services") utilizes commercial know-how in social business projects.

Aim Services, which started in Mitsui's staff cafeteria, has a 36-year history of providing premium-quality food that is safe, affords peace of mind and is healthy and delicious in places that serve the public, such as companies, schools, hospitals and welfare institutions. In recent years, Aim Services has provided 1.2 million meals per day at about 3,400 locations in Japan. After the Great East Japan Earthquake, a large amount of food was secured with the help of suppliers throughout Japan. Food services were offered in the eastern regions of Japan, without missing a meal, by arranging land and air routes different from the normal ones, which were in disarray.



### Initiatives for Consumer Issues

#### Furthering Local Production for Local Consumption through Self-Production for Self-Consumption

Food provided to the community uses ingredients from the community as much as possible. The self-production and self-consumption project, which started through contracts with farms in Kanagawa Prefecture and Chiba Prefecture, was formulated to advance this philosophy even further. This project, with Aim Services employees at its core, assists vegetable production using facilities provided by neighborhood farms by inspecting the crops at least once a week. Differing from contracts that leave cultivation up to farms, this involves project staff participating in on-site vegetable production, and such quality management improves

awareness of ingredients through experiencing the cultivation process. The harvested vegetables are called Smile Vegetables, and explanations about them are displayed at service locations, such as employee cafeterias, which have made Smile Vegetables quite popular.

Self-produced and self-consumed vegetables are only a small portion of the vegetables that Aim Services provides. However, they symbolize the company's goal to provide premium-quality food that is safe, affords peace of mind, and is healthy and delicious, and Aim Services plans to establish one self-production and self-consumption farm

in a city in each prefecture in the future. Quality management includes thorough traceability, including knowing the faces of the farmers who grow the vegetables, as well as educating Aim Services employees on manners and quality service.



Smile Vegetable menu at employee cafeteria



### Environmental Initiatives

#### Creating the First Food Recycling Loop in the Food Service Industry

Japan's Food Recycling Law was formulated with the aim of building a closed-loop economy. The closed-loop model, which is part

of the recycling business plan, is called the food recycling loop. Aim Services acquired the first certification in the food service

industry in 2011 by completing this model with the cooperation of associated companies. Roughly 170 tons of food waste

produced by 11 locations in Tokyo and Kanagawa each year was made into animal feed, and upwards of 60% of the eggs from hens raised on that feed were then used as ingredients at Aim Services locations throughout Japan. The range of the food recycling loop needs to be expanded in the future to realize sustainable use of

resources. The recycling rate, which was 28% in the fiscal year ended March 31, 2011, increased to 30% in the fiscal year ended March 31, 2012. In the future, Aim Services aims to reach 40%, which is the goal the food service industry is striving to reach. Recycling of waste edible oil also started in 2010. The waste edible oil produced in

service locations in Nagoya City in Aichi Prefecture is reused as soap powder for laundry and fuel for diesel engines by businesses in the city. Some of the soap powder for laundry is used for laundering dish towels and other items used primarily in kitchens at businesses throughout Japan.



## Initiatives for Community Involvement and Development

### Bringing Our Strengths in Public Facilities and in Service Close to Communities

The Private Finance Initiative (PFI) Act, enacted in Japan in 1999, is aimed at utilizing private funds and know-how for formation, operation and maintenance of public institutions and other facilities as well as services needed there. In 2007, Mitsui established a special purpose company (SPC), Kitsuregawa Rehabilitation Program Center, with SECOM CO., LTD., TOKYO BISO KOGYO CORP., Shogakukan-Shueisha Production Co., Ltd., and since then has been performing its operational responsibilities there in cooperation with Mitsui & Co. Facilities Ltd. and Aim Services. We also have been in charge of partial operation of three existing corrective facilities, Kurobane Prison, Shizuoka Prison and Kasamatsu Prison, since 2010. We thus contribute to preventing second offenses and creating a safe society by providing job training programs and employment support matching the real vocational needs of societies within those prisons under the conditions of the PFI Act and other related acts.

As an example of business that directly serves the public, Aim Services has been

responsible for comprehensive food service operations at the New Hiroshima Municipal Stadium since it opened in April 2009. We provide food services that fit the community based on the know-how of ARAMARK Corporation,\* which has a proven track record of food service operations at 13 Major League Baseball stadiums in the U.S. Everyone who visits the stadium in Hiroshima praises the enhanced facilities and services, which had never been seen in a Japanese stadium before. There is a wide range of spectator seats, from sports bars where the game can be watched right next to the field, to party rooms for friends to get together in, to seats from which you can enjoy meat and vegetables cooking right in front of you, as well as many more. The shops in the stadium that have been loved for a long time remain, while we furnish the stadium with easy-to-view menus and locations that are easy for customers to access. The fresh vegetables used in the restaurants and bento boxes at the stadium are produced locally.



Kitsuregawa Rehabilitation Program Center



Food service at the New Hiroshima Municipal Stadium

\* ARAMARK CORPORATION: Our business partner since its the establishment of Aim Services 36 years ago and America's largest service management company



## Human Rights Initiatives

### Promoting Independence of Persons with Disabilities

Aim Services actively employs people with disabilities at locations throughout Japan to promote their independence. There are already more than 300 people with disabilities working for us, and Aim Services was ranked second in Japan in the employment ranking of persons with disabilities announced by the Ministry of Health, Labour

and Welfare (from over 5,000 employers in 2008; not announced after 2009). Furthermore, to support the independence of persons with disabilities through means other than offering employment, suppliers of starch to a business we outsource in Japan started in 2010 to standardize their workplaces to accommodate persons with mental

disabilities. These employment support services involve separating large bags of starch into smaller ones, enhancing commercial value. As a result, Aim Services bulk purchases a large amount of starch, and the increase in income from these services supports the independence of persons with mental disabilities through stable wages.

## Mitsui's Social Contributions

Mitsui shall give full consideration to its economic role and social raison d'être. Moreover, Mitsui is expected to create value for society through not only its business activities but also exploration beyond its main business activities and by addressing some of the many issues that society confronts. In particular, Mitsui has defined three areas of focus based on its strengths, expertise, and understanding: namely international exchange, education, and the environment.

### Social Contributions **Guiding Principles**

We will build a congenial relationship with our stakeholders by striving to develop harmony with the global community and local communities in accordance with the Mitsui's management philosophy (Mission, Vision, and Values), and we will actively contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable earth can be fulfilled.

#### Mitsui & Co., Ltd. Environment Fund

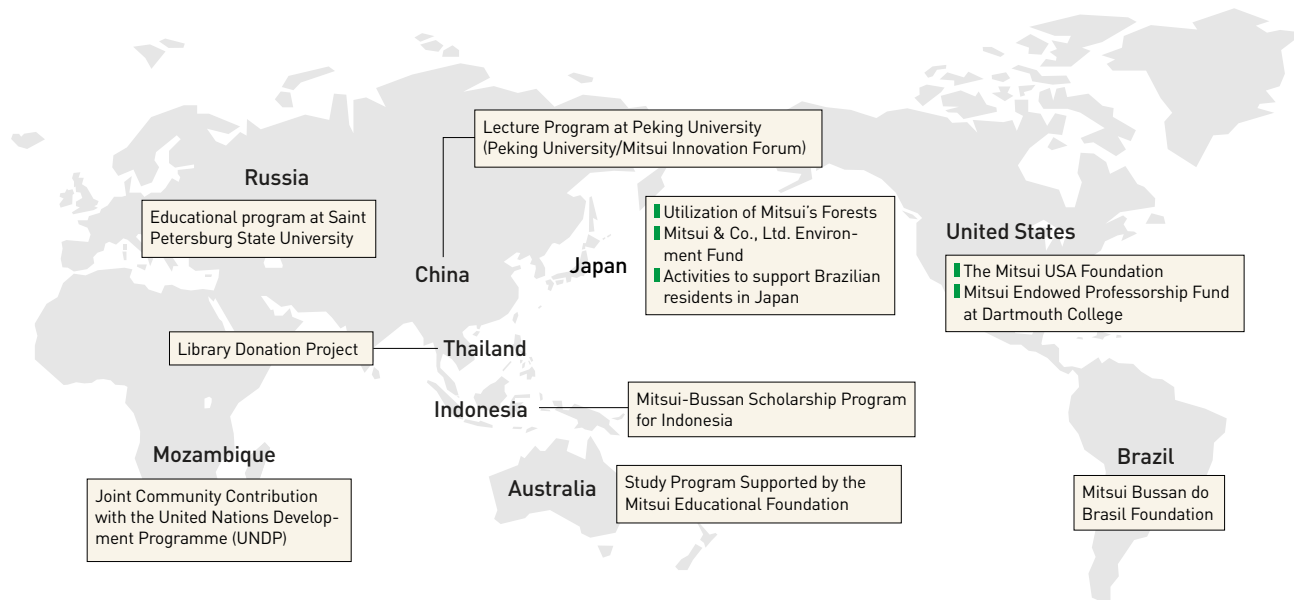
In 2005, Mitsui launched the Mitsui & Co., Ltd. Environment Fund, with the aim of supporting activities and research to contribute to solving global environmental problems.

#### Mitsui's Forests

Mitsui has been carefully preserving and nurturing forests for more than a century. Recognizing the blessing that forests provide to humankind, Mitsui cultivates sustainable forestry to ensure forests that are rich in natural benefit for the next generation.

## Social Contributions **Activities in the Fiscal Year Ended March 31, 2012**

### Mitsui's Social Contribution Activities in Progress



### Aiming to Achieve U.N. Millennium Development Goals (MDGs)

In cooperation with the United Nations Development Programme (UNDP), Mitsui is donating a solar power operated pumping facility to provide irrigation water to a farming community in Mozambique, Africa. Providing the Chibuto Millennium Village in Gaza Province with the infrastructure to supply irrigation water will enable the community to achieve economic independence and sustainable

development. We are working toward the earliest start of irrigation in the village with a total budget of approximately US\$2 million.

### International Exchange and Education Activities

In order to foster international exchange and to help resolve various social issues, Mitsui is also actively involved in multicultural coexistence and collaboration activities. For example, since 2005 Mitsui has been assisting the Brazilian children of Japanese descent, and



has provided scholarships to approximately 300 children. Mitsui is also supporting distance learning courses for Brazilian educators working at Brazilian schools in Japan and the NPOs that assist the Brazilian residents of Japan. Furthermore, through the Mitsui Bussan do Brasil Foundation, Mitsui is implementing initiatives to expand education and exchange programs in Brazil. Meanwhile, as

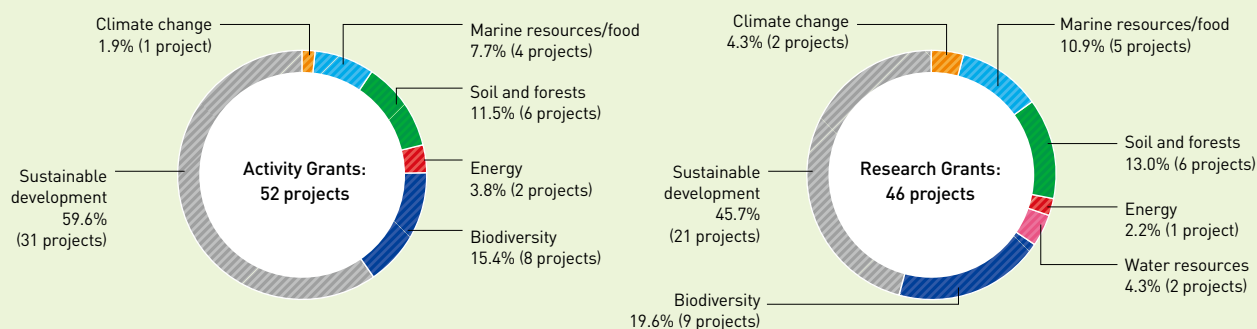
part of its initiative to develop human resources with international perspectives, Mitsui has set up a fund to endow a professorship at Dartmouth College in the United States. In addition to other endowment courses at Peking University and Saint Petersburg State University, we contribute to student exchange via the ongoing Mitsui-Bussan Scholarship Program for Indonesia.

### Mitsui & Co., Ltd. Environment Fund

In July 2005, we launched the Mitsui & Co., Ltd. Environment Fund to support activities and research conducted by NPOs and universities which address global environmental problems. Financial resources are provided primarily by the Company, and in addition, we accept contributions from our executives, employees and retirees. We also encourage these people to participate as volunteers in projects that the fund has decided to support.

In the fiscal year ended March 31, 2012, Mitsui started to provide "Restoration Grants" to support activities for the restoration of the region that was devastated by the earthquake in March 2011 as well as "General Grants" that we have been providing since 2005. (For details on Restoration Grants, please refer to the section titled "Our Response to the Great East Japan Earthquake.")

#### Grant Projects by Category in the Fiscal Year Ended March 31, 2012



### Mitsui's Forests Activities in the Fiscal Year Ended March 31, 2012

#### Mitsui's Forests

Mitsui owns forests in 74 locations throughout Japan, from Hokkaido to Kyushu, covering a total area of approximately 440km<sup>2</sup> (44,000 hectares) and accounting for around 0.1% of Japan's land-mass. Through involvement in forestry that goes back more than 100 years, Mitsui strives to achieve the joint goals of environmental preservation and forestry business. All the forests that are managed by Mitsui have received the Forest Stewardship Council (FSC™) certification for compliance with the international standard for forest management.

#### New Approaches to Forestry

Forests cover approximately 70% of Japan's land, making the country third in the world in terms of forest coverage. Around 40% of these are artificially planted forests, and we recognize that in order to continuously enjoy the blessing from the forests, we must practice sustainable forestry in a virtuous "plant, cultivate, thin, use" cycle. Accordingly, in addition to protecting and cultivating these forests, Mitsui plays an active role in promoting the use of these resources. We distribute domestic forestry products broadly throughout Japan and employ woodchips and other pieces that are not used in lumber in order to produce wood-based biomass fuel, some of which is used to fire thermal power stations, as well as boilers and stoves. In these ways, we work to ensure the effective use of the entire tree.

#### Environmental Education through the Forests

In order to promote environmental education among the children who will become the next generation of stewards for these forestry resources, we have launched a "Forest Classroom" on our website which contains information on forestry and environmental studies. At Mitsui's Forests, we also host forest experience and environment observation outings for elementary schools nationwide and proactively sponsor an environmental education project hosted by the newspaper publishers.



## Our Response to the Great East Japan Earthquake

Having experienced the Great East Japan Earthquake, which struck on March 11, 2011, Mitsui formulated a basic policy on disaster recovery, comprising a host of activities through which the Company is providing necessary support to the affected region.

### Basic Policy on Disaster Recovery

To ensure effective and swift assistance for the stricken region, we recognized the importance of understanding how the needs of the region would change over time as the situation evolved. We also understood the need to put in place a Companywide organization to consider and implement concrete support measures. Plotting our activities along a time axis, we segmented them into “emergency response” and “medium to long term response” efforts, the former focused on assisting restoration and the latter on supporting via sustainable businesses implemented by leveraging Mitsui's capabilities. With the aim of administering effective support, we created plans and proposals for responses in each category, centered on Companywide organizations.

### Emergency Response

Immediately following the disaster, a quick response was needed to procure relief supplies, fuel, and other items. Based on the Guidelines for Disaster Relief, on the day following the disaster—March 12—we resolved to contribute monetary donations. On March 23, we established the Disaster Relief Study Group and the Great East Japan Earthquake Recovery Support Team, operating under the council's supervision. These bodies promptly decided to organize volunteer and support activities extending beyond the scope of our core business activities. We backed up this assistance by simultaneously conducting aid that falls within the realm of our core business, such as providing urgent imports of fuel and offering support to devastated companies.

### Support Projects

#### 1 | Responses Implemented during the Year after the Disaster

On March 12, immediately after the earthquake struck, we earmarked ¥400 million in support funding and promptly launched efforts to restore the stricken region and offer emergency assistance to the people affected. We sent solar LED lanterns, food supplies, disinfectants, and other items to evacuation centers and contributed monetary donations to aid other quick-response efforts to assist the affected region. We extended our support efforts to include Mitsui operations throughout Japan and overseas, calling for donations to the stricken region from affiliated companies and overseas subsidiaries.

(Photo 1 Distributing food in Higashi-Matsushima City)



In August, we raised the amount earmarked for support funding to ¥800 million, based on the support needs of the stricken region. In addition, we contributed lumber from our Company-owned forests for the construction of a temporary library in the city of Rikuzentakata, in Iwate Prefecture, a move designed to foster communication among children and provide books for them to read.

(Photo 2 Children using the library)



Employees and directors took part in voluntary support activities. A donation drive raised ¥52 million in monetary donations, and some 600 people participated in volunteer activities, which are ongoing.

(Photo 3 Clearing rubble in Ishinomaki City)



In addition to stepping up our efforts to supply the Tokyo and Tohoku electric power companies with crude oil and low-sulphur heavy oil, we increased our supply of LNG, chiefly from projects in which we participate.



### Medium- to Long-Term Response

To achieve reconstruction of the stricken area, Mitsui considered it necessary to create a business that dovetails with its core business and takes community needs into consideration. In June 2011, we set up a Domestic Business Development Department within our Corporate Planning & Strategy Division, which will utilize the Tohoku Office as its response center when striving to provide sustainable support and pursuing coordination with relevant headquarter business units.

Proposals and support will be offered to the municipal governments in affected regions working to revive agriculture or processed marine product industries or stimulate community development and tourism.

Smart community proposals will be offered to cities looking to make themselves more earthquake resilient, more elderly friendly, or more environmentally sound.

Biomass, mega solar, and other renewable energy ventures will be pursued.

Initiatives such as constructing temporary housing or developing car sharing programs will be conducted in conjunction with municipal governments, regional companies, and NPOs.

With the aim of supporting the post-earthquake reconstruction effort through our business, we will conduct the following region-based, region-invigorating ventures into the medium to long term.

## 2 | Medium to Long Term Response

### Mitsui & Co., Ltd. Environment Fund

Following the disaster, this fund quickly ramped up its Restoration Grants, which fund restoration activities and research for three years at the longest that address global environmental issues. Including general assistance efforts, the fund made four solicitations for assistance projects. Selection criteria for Restoration Grants emphasized donations targeting restoration for disaster victims and prioritized residents and organizations from the stricken region, particularly organizations in Tohoku. As a result, out of 910 applications we decided to fund 98 restoration activities and research projects totaling ¥1,131 million. (Of this amount, Restoration Grants of ¥943 million were provided, spanning 77 projects.) In these ways, we contributed to a broad range of post-disaster restoration activities, spanning community restoration, temporary housing, radiation countermeasures, and restoration of the agricultural, forestry, and fisheries industries. Each year, Mitsui holds a networking event for organizations to which the fund has provided assistance. In the fiscal year ended March 31, 2012, this event was held in Sendai and themed "Creation and Cooperation," in keeping with the Restoration Grant.



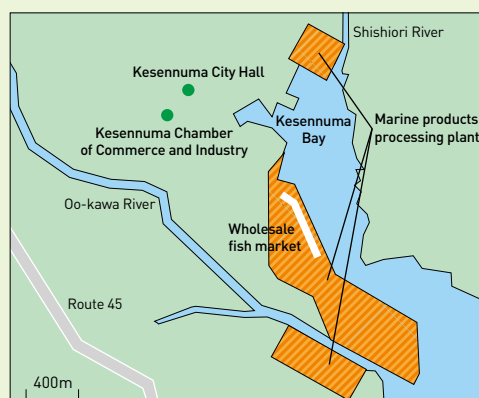
Tohoku University staff members checking for chemical contamination resulting from the tsunami at Kesennuma, in Miyagi Prefecture

### Car Sharing Business

Many vehicles were damaged by the disaster, affecting the mobility of people in the affected region. Mitsui supported reconstruction efforts by providing a car sharing service in the city of Ishinomaki, Miyagi Prefecture, to disaster victims as well as companies and NPOs involved in reconstruction activities.

### Kesennuma Seafood Processing Region

Seafood processing is a core industry in the city of Kesennuma, Miyagi Prefecture, much of which was devastated by tsunami and fires. In cooperation with Sumitomo Corporation, Mitsui formed a cooperative organization including the Miyagi prefectural government, the city of Kesennuma, and local chambers of commerce to help reconstruct the industry through swift and creative initiatives. Local businesses formed a new cooperative and pooled their resources to provide the sophisticated functions necessary for the industry's success. These efforts were aimed at creating new businesses and new employment in the seafood processing region.



# Directors and Corporate Auditors

As of June 21, 2012

## Directors



Back row, from left:

**Koichi Tanaka**Representative Director,  
Executive Managing Officer,  
Chief Compliance Officer**Joji Okada**Representative Director,  
Senior Executive  
Managing Officer,  
Chief Financial Officer**Daisuke Saiga**Representative Director,  
Senior Executive  
Managing Officer**Masayuki Kinoshita**Representative Director,  
Senior Executive  
Managing Officer,  
Chief Information Officer,  
Chief Privacy Officer**Shintaro Ambe**Representative Director,  
Executive Managing Officer

Front row, from left:

**Fuminobu Kawashima**Representative Director,  
Executive Vice President**Shoei Utsuda**Director,  
Chairman of the Board**Masami Iijima**Representative Director,  
President and Chief  
Executive Officer**Seiichi Tanaka**Representative Director,  
Executive Vice President

## Corporate Auditors

**Satoru Miura****Motonori Murakami**

# Independent Directors / Auditors

As of June 21, 2012

## External Directors



### Nobuko Matsubara

**Date of Birth:** January 9, 1941

**Current Position:**  
Director (since June 23, 2006)

**Principal Position at Business Organization Outside Mitsui:**

- Director, Daiwa Securities Group Inc.

### Prior Positions:

1987 Director of International Labor Division, Minister's Secretariat, the Ministry of Labor

1991 Director-General of Women's Bureau, the Ministry of Labor

1997 Vice Minister of the Ministry of Labor

1999 President, Japan Association for Employment of Persons with Disabilities

Sep. 2002 Ambassador of Japan to Italy

Nov. 2002 Ambassador of Japan to Albania, to San Marino and to Malta

Jan. 2006 Advisor to Japan Institute of Workers' Evolution

Jul. 2006 Chairman of Japan Institute of Workers' Evolution



### Ikujiro Nonaka

**Date of Birth:** May 10, 1935

**Current Position:**  
Director (since June 22, 2007)

**Principal Positions at Business Organizations Outside Mitsui:**

- Director, Seven & i Holdings Co., Ltd.
- Director, Trend Micro Incorporated

### Prior Positions:

1977 Professor, Management Faculty, Nanzan University

1979 Professor, National Defense Academy of Japan

1982 Professor, Institute of Business Research, Hitotsubashi University

1995 Professor, Graduate School of Knowledge Science, JAIST

Apr. 1997 Dean, Center of Knowledge Science, Graduate School of Knowledge Science, JAIST

May 1997 Xerox Distinguished Professor in Knowledge, Walter A. Haas School of Business, University of California, Berkeley

2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University

2006 Professor Emeritus, Hitotsubashi University

2007 First Distinguished Drucker Scholar in Residence, Drucker School of Claremont Graduate University

2012 Specially Appointed Professor, Waseda University



### Hiroshi Hirabayashi

**Date of Birth:** May 5, 1940

**Current Position:**  
Director (since June 22, 2007)

**Principal Positions at Business Organizations Outside Mitsui:**

- Director, TOSHIBA CORPORATION (Resigned on June 22, 2012)
- Director, DAIICHI SANKYO COMPANY, LIMITED

### Prior Positions:

1988 Director, Management and Coordination Division, Minister's Secretariat, the Ministry of Foreign Affairs

1990 Minister, Japanese Embassy in the United States

1992 Envoy, Japanese Embassy in the United States

1993 Director-General, Economic Cooperation Bureau, the Ministry of Foreign Affairs

1995 Chief Cabinet Counselor's Office on External Affairs, Cabinet Secretariat

1997 Secretary-General, Indo-China Refugees Measures Coordination Conference

1998 Ambassador Extraordinary and Plenipotentiary to India and to Bhutan

2002 Ambassador Extraordinary and Plenipotentiary to France and to Andorra

2003 Ambassador to Djibouti

2006 Ambassador in charge of Inspection, the Ministry of Foreign Affairs

Mar. 2007 Councilor, The Japan Forum on International Relations, Inc.

Jun. 2007 President, The Japan-India Association

2008 Visiting Professor, Waseda University, Graduate School of Asia-Pacific Studies

2009 Vice President, The Japan Forum on International Relations, Inc.

2010 President, The Japan-India Association

2011 President, The Japan Forum on International Relations, Inc.



### Toshiro Mutoh

**Date of Birth:** July 2, 1943

**Current Position:**  
Director (since June 23, 2010)

**Principal Position at Business Organization Outside Mitsui:**

- Corporate Auditor, Sumitomo Metal Industries, Ltd.

### Prior Positions:

1999 Director-General of the Budget Bureau, the Ministry of Finance

2000 Administrative Vice Minister, the Ministry of Finance

Jan. 2003 Special Advisor to the Ministry of Finance

Mar. 2003 Deputy Governor, Bank of Japan

Jun. 2008 Visiting Professor, Research Center for Advanced Science and Technology, The University of Tokyo

Jul. 2008 Chairman, Daiwa Institute of Research Ltd.

2009 Director, Principal, Kaisei Academy

## External Corporate Auditors



### Naoto Nakamura

**Date of Birth:** January 25, 1960

**Current Position:**  
Corporate Auditor (since June 23, 2006)

**Principal Position at Business Organization Outside Mitsui:**

- Corporate Auditor, Asahi Group Holdings, Ltd.

### Prior Positions:

Apr. 1985 Admitted to the member of Daini Tokyo Bar Association

Apr. 1985 Joined Mori Sogo Law Office

1998 Founded HIBIYA PARK LAW OFFICES and became a partner

2003 Founded Law Firm of Naoto Nakamura (currently Law Firm of Nakamura, Tsunoda & Matsumoto) and became a partner



### Kunihiro Matsuo

**Date of Birth:** September 13, 1942

**Current Position:**  
Corporate Auditor (since June 24, 2008)

**Principal Positions at Business Organizations Outside Mitsui:**

- Director, ASAHI GLASS CO., LTD.
- Director, Tokyo Stock Exchange Group, Inc.

- Corporate Auditor, TOYOTA MOTOR CORPORATION
- Corporate Auditor, Sompō Japan Insurance Inc. (Resigned on June 25, 2012)
- Corporate Auditor, Komatsu Ltd.
- Corporate Auditor, BROTHER INDUSTRIES, LTD.

### Prior Positions:

1968 Appointment as Public Prosecutor

1999 Vice Minister of Justice

2004 Attorney General

2006 Admission as Attorney at Law



### Hiroyasu Watanabe

**Date of Birth:** April 11, 1945

**Current Position:**  
Corporate Auditor (since June 23, 2009)

**Principal Positions at Business Organizations Outside Mitsui:**

- Corporate Auditor, NOMURA Co., Ltd.
- Corporate Auditor, JX Holdings, Inc.

### Prior Positions:

1994 Director-General, Nagoya Taxation Bureau, National Tax Agency, the Ministry of Finance

1995 Director-General, Kinki Finance Bureau, the Ministry of Finance

1996 Deputy Director-General, Tax Bureau, the Ministry of Finance

1997 Director-General, Tokyo Taxation Bureau, National Tax Agency, the Ministry of Finance

1998 Director-General, Customs and Tariff Bureau, the Ministry of Finance

2000 President, Policy Research Institute, the Ministry of Finance

2002 Commissioner, National Tax Agency, the Ministry of Finance

2003 Visiting Professor, The University of Tokyo, Graduate Schools for Law and Politics

2004 Professor, Waseda University, Graduate School of Finance, Accounting & Law



# FINANCIAL DATA

The consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States.

097 | **Consolidated Balance Sheets**

099 | **Statements of Consolidated Income / Statements of Consolidated Comprehensive Income**

100 | **Statements of Changes in Consolidated Equity**

101 | **Statements of Consolidated Cash Flows**

102 | **Ten-Year Summary of Consolidated Financial Statements**

Please make use of the *Annual Securities Report*.

Please refer to the *Annual Securities Report* for more detailed financial information.

The *Annual Securities Report* can be downloaded using the link below.



Download from <http://www.mitsui.com/jp/en/ir/library/securities/>



# Consolidated Balance Sheets

Mitsui & Co., Ltd. and Subsidiaries  
As of March 31, 2012 and 2011

Millions of Yen

	2012	2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	1,431,112	1,441,059
Time deposits	4,130	2,574
Marketable securities	1,087	5,602
<b>Trade receivables:</b>		
Notes and loans, less unearned interest	322,585	297,552
Accounts	1,616,191	1,463,601
Associated companies	116,885	160,133
Allowance for doubtful receivables	(17,860)	(16,368)
Inventories	515,758	467,355
Advance payments to suppliers	129,987	124,634
Deferred tax assets—current	37,513	41,372
Derivative assets	53,664	95,619
Other current assets	215,271	234,509
<b>Total current assets</b>	<b>4,426,323</b>	<b>4,317,642</b>
<b>Investments and Non-current Receivables:</b>		
Investments in and advances to associated companies	1,709,082	1,600,818
Other investments	792,492	859,843
Non-current receivables, less unearned interest	454,191	457,495
Allowance for doubtful receivables	(36,840)	(42,414)
Property leased to others—at cost, less accumulated depreciation	272,746	259,682
<b>Total investments and non-current receivables</b>	<b>3,191,671</b>	<b>3,135,424</b>
<b>Property and Equipment—at Cost:</b>		
Land, land improvements and timberlands	202,834	148,716
Buildings, including leasehold improvements	401,451	360,648
Equipment and fixtures	1,306,754	1,077,930
Mineral rights	158,967	161,840
Vessels	42,539	38,900
Projects in progress	152,789	142,960
<b>Total</b>	<b>2,265,334</b>	<b>1,930,994</b>
<b>Accumulated depreciation</b>	<b>(1,009,451)</b>	<b>(900,246)</b>
<b>Net property and equipment</b>	<b>1,255,883</b>	<b>1,030,748</b>
<b>Intangible Assets, less Accumulated Amortization</b>	<b>110,307</b>	<b>87,525</b>
<b>Deferred Tax Assets—Non-current</b>	<b>15,626</b>	<b>14,522</b>
<b>Other Assets</b>	<b>12,013</b>	<b>12,263</b>
<b>Total</b>	<b>9,011,823</b>	<b>8,598,124</b>

## Consolidated Balance Sheets

Millions of Yen

	2012	2011
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term debt	307,132	250,062
Current maturities of long-term debt	372,657	308,883
Trade payables:		
Notes and acceptances	53,308	41,049
Accounts	1,342,343	1,316,772
Associated companies	110,289	87,185
Accrued expenses:		
Income taxes	73,111	67,946
Interest	16,619	17,530
Other	93,266	72,273
Advances from customers	106,787	127,960
Derivative liabilities	65,262	88,198
Other current liabilities	83,256	165,091
Total current liabilities	2,624,030	2,542,949
Long-term Debt, less Current Maturities	2,898,218	2,818,529
Accrued Pension Costs and Liability for Severance Indemnities	55,799	37,054
Deferred Tax Liabilities—Non-current	283,614	316,031
Other Long-term Liabilities	289,352	330,227
Contingent Liabilities		
Equity		
Mitsui & Co., Ltd. Shareholders' equity:		
Common stock—no par value	341,482	341,482
Authorized, 2,500,000,000 shares;		
Issued, 1,829,153,527 shares in 2012 and 1,829,153,527 shares in 2011		
Capital surplus	430,491	430,152
Retained earnings:		
Appropriated for legal reserve	65,500	61,763
Unappropriated	2,192,494	1,860,271
Accumulated other comprehensive income (loss):		
Unrealized holding gains and losses on available-for-sale securities	90,476	96,657
Foreign currency translation adjustments	(380,457)	(344,878)
Defined benefit pension plans	(68,163)	(58,544)
Net unrealized gains and losses on derivatives	(24,302)	(14,370)
Total accumulated other comprehensive loss	(382,446)	(321,135)
Treasury stock, at cost: 4,204,441 shares in 2012 and 4,324,067 shares in 2011	(6,203)	(6,341)
Total Mitsui & Co., Ltd. Shareholders' equity	2,641,318	2,366,192
Noncontrolling interests	219,492	187,142
Total equity	2,860,810	2,553,334
Total	9,011,823	8,598,124

# Statements of Consolidated Income

Mitsui & Co., Ltd. and Subsidiaries  
Years Ended March 31, 2012 and 2011

Millions of Yen

	2012	2011
Revenues:		
Sales of products	4,753,167	4,154,833
Sales of services	377,033	371,352
Other sales	121,402	153,258
Total revenues	5,251,602	4,679,443
Cost of Revenues:		
Cost of products sold	4,166,337	3,589,147
Cost of services sold	147,561	137,384
Cost of other sales	59,425	93,689
Total cost of revenues	4,373,323	3,820,220
Gross Profit	878,279	859,223
Other Expenses (Income):		
Selling, general and administrative	514,798	532,990
Provision for doubtful receivables	15,097	9,230
Interest income	(37,172)	(39,970)
Interest expense	42,612	40,667
Dividend income	(86,461)	(51,000)
Gain on sales of securities—net	(21,937)	(39,517)
Loss on write-down of securities	33,481	19,464
Gain on disposal or sales of property and equipment—net	(5,697)	(229)
Impairment loss of long-lived assets	14,049	18,297
Impairment loss of goodwill	4,209	596
Settlement of the oil spill incident in the Gulf of Mexico	—	88,555
Other (income) expense—net	(7,911)	7,443
Total other expenses (income)	465,068	586,526
Income from Continuing Operations before Income Taxes and Equity in Earnings	413,211	272,697
Income Taxes:		
Current	186,815	156,899
Deferred	(14,193)	47,002
Total income taxes	172,622	203,901
Income from Continuing Operations before Equity in Earnings	240,589	68,796
Equity in Earnings of Associated Companies—Net	232,090	242,144
Net Income before Attribution of Noncontrolling Interests	472,679	310,940
Net Income Attributable to Noncontrolling Interests	(38,182)	(4,281)
Net Income Attributable to Mitsui & Co., Ltd.	434,497	306,659

# Statements of Consolidated Comprehensive Income

Mitsui & Co., Ltd. and Subsidiaries  
Years Ended March 31, 2012 and 2011

Millions of Yen

	2012	2011
Comprehensive Income (Loss):		
Net income before attribution of noncontrolling interests	472,679	310,940
Other comprehensive (loss) income (after income tax effect):		
Unrealized holding (losses) gains on available-for-sale securities	(9,897)	(29,154)
Foreign currency translation adjustments	(37,127)	(79,319)
Defined benefit pension plans:		
Net prior service credit (cost)	25	164
Net actuarial (loss) gain	(9,670)	(9,508)
Net unrealized (losses) gains on derivatives	(9,899)	(6,845)
Comprehensive income (loss) before attribution of noncontrolling interests	406,111	186,278
Comprehensive (income) loss attributable to noncontrolling interests	(33,082)	5,067
Comprehensive income attributable to Mitsui & Co., Ltd.	373,029	191,345

# Statements of Changes in Consolidated Equity

Mitsui & Co., Ltd. and Subsidiaries  
Years Ended March 31, 2012 and 2011

Millions of Yen

	2012	2011
Common Stock:		
Balance at beginning of year	341,482	341,482
Balance at end of year	341,482	341,482
Capital Surplus:		
Balance at beginning of year	430,152	428,848
Equity transactions with noncontrolling interest shareholders	339	1,304
Balance at end of year	430,491	430,152
Retained Earnings:		
Appropriated for Legal Reserve:		
Balance at beginning of year	61,763	53,844
Transfer from unappropriated retained earnings	3,737	7,919
Balance at end of year	65,500	61,763
Common Stock:		
Balance at beginning of year	341,482	341,482
Shares issued: 2012—1,829,153,527 shares; 2011—1,829,153,527 shares		
Balance at end of year	341,482	341,482
Shares issued: 2012—1,829,153,527 shares; 2011—1,829,153,527 shares		
Capital Surplus:		
Balance at beginning of year	430,152	428,848
Equity transactions with noncontrolling interest shareholders	339	1,304
Balance at end of year	430,491	430,152
Retained Earnings:		
Appropriated for Legal Reserve:		
Balance at beginning of year	61,763	53,844
Transfer from unappropriated retained earnings	3,737	7,919
Balance at end of year	65,500	61,763
Unappropriated:		
Balance at beginning of year	1,860,271	1,618,101
Net income attributable to Mitsui & Co., Ltd.	434,497	306,659
Cash dividends paid to Mitsui & Co., Ltd. shareholders	(98,537)	(56,567)
Transfer to retained earnings appropriated for legal reserve	(3,737)	(7,919)
Losses on sales of treasury stock	(0)	(3)
Balance at end of year	2,192,494	1,860,271
Accumulated Other Comprehensive Income (Loss) (After Income Tax Effect):		
Balance at beginning of year	(321,135)	(205,826)
Unrealized holding (losses) gains on available-for-sale securities	(6,293)	(27,238)
Foreign currency translation adjustments	(35,622)	(72,212)
Defined benefit pension plans:		
Net prior service credit (cost)	25	138
Net actuarial (loss) gain	(9,644)	(9,550)
Net unrealized (losses) gains on derivatives	(9,934)	(6,452)
Equity transactions with noncontrolling interest shareholders	157	5
Balance at end of year	(382,446)	(321,135)
Treasury Stock, at Cost:		
Balance at beginning of year	(6,341)	(6,321)
Purchases of treasury stock	(16)	(263)
Sales of treasury stock	154	243
Shares sold: 2012—131,400 shares; 2011—201,984 shares		
Balance at end of year	(6,203)	(6,341)
Shares in treasury: 2012—4,204,441 shares; 2011—4,324,067 shares		
Total Mitsui & Co., Ltd. Shareholders' equity	2,641,318	2,366,192
Noncontrolling Interests:		
Balance at beginning of year	187,142	199,678
Dividends paid to noncontrolling interest shareholders	(14,712)	(12,623)
Net income attributable to noncontrolling interests	38,182	4,281
Unrealized holding (losses) gains on available-for-sale securities (after income tax effect)	(3,604)	(1,916)
Foreign currency translation adjustments (after income tax effect)	(1,505)	(7,107)
Defined benefit pension plans (after income tax effect):		
Net prior service credit (cost)	—	26
Net actuarial gain	(26)	42
Net unrealized (losses) gains on derivatives (after income tax effect)	35	(393)
Equity transactions with noncontrolling interest shareholders and other	13,980	5,154
Balance at end of year	219,492	187,142
Total Equity:		
Balance at beginning of year	2,553,334	2,429,806
Losses on sales of treasury stock	(0)	(3)
Net income before attribution of noncontrolling interests	472,679	310,940
Cash dividends paid to Mitsui & Co., Ltd. shareholders	(98,537)	(56,567)
Dividends paid to noncontrolling interest shareholders	(14,712)	(12,623)
Unrealized holding (losses) gains on available-for-sale securities (after income tax effect)	(9,897)	(29,154)
Foreign currency translation adjustments (after income tax effect)	(37,127)	(79,319)
Defined benefit pension plans (after income tax effect):		
Net prior service credit (cost)	25	164
Net actuarial (loss) gain	(9,670)	(9,508)
Net unrealized (losses) gains on derivatives (after income tax effect)	(9,899)	(6,845)
Sales and purchases of treasury stock	138	(20)
Equity transactions with noncontrolling interest shareholders and other	14,476	6,463
Balance at end of year	2,860,810	2,553,334



# Statements of Consolidated Cash Flows

Mitsui & Co., Ltd. and Subsidiaries  
Years Ended March 31, 2012 and 2011

Millions of Yen

	2012	2011
<b>Operating Activities:</b>		
Net income before attribution of noncontrolling interests	472,679	310,940
Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	153,475	147,388
Pension and severance costs, less payments	9,243	10,375
Provision for doubtful receivables	15,097	9,230
Gain on sales of securities—net	(21,937)	(39,517)
Loss on write-down of securities	33,481	19,464
Gain on disposal or sales of property and equipment—net	(5,697)	(229)
Impairment loss of long-lived assets	14,049	18,297
Impairment loss of goodwill	4,209	596
Settlement of the oil spill incident in the Gulf of Mexico	—	88,555
Deferred income taxes	(14,193)	47,002
Equity in earnings of associated companies, less dividends received	(72,804)	(92,398)
Changes in operating assets and liabilities:		
(Increase) decrease in trade receivables	(134,283)	(104,471)
(Increase) decrease in inventories	(33,045)	(49,027)
Increase (decrease) in trade payables	39,397	74,082
Increase (decrease) in accrued expenses	19,737	31,928
(Increase) decrease in advance payments to suppliers	(297)	(5,723)
(Decrease) increase in advances from customers	(44,226)	17,831
Change in derivative assets and liabilities—net	1,779	30,142
Payment for settlement of the oil spill incident in the Gulf of Mexico	(86,105)	—
Other—net	30,425	(9,991)
Net cash provided by operating activities	380,984	504,474
<b>Investing Activities:</b>		
Net decrease (increase) in time deposits	253	10,983
Investments in and advances to associated companies	(181,163)	(111,085)
Sales of investments in and collection of advances to associated companies	82,267	39,763
Acquisitions of available-for-sale securities	(2,682)	(24,424)
Proceeds from sales of available-for-sale securities	25,605	21,073
Proceeds from maturities of available-for-sale securities	4,276	4,247
Acquisitions of held-to-maturity debt securities	(236)	(1,579)
Proceeds from maturities of held-to-maturity debt securities	—	10
Acquisitions of other investments	(49,933)	(81,859)
Proceeds from sales and maturities of other investments	67,632	86,234
Increase in long-term loan receivables	(110,250)	(127,535)
Collection of long-term loan receivables	108,848	97,056
Additions to property leased to others and property and equipment	(364,337)	(330,682)
Proceeds from sales of property leased to others and property and equipment	23,473	17,184
Acquisitions of subsidiaries, net of cash acquired	(48,482)	(106,797)
Proceeds from sales of subsidiaries, net of cash held by subsidiaries	6,538	23,390
Net cash used in investing activities	(438,191)	(484,021)
<b>Financing Activities:</b>		
Net increase (decrease) in short-term debt	41,420	50,202
Proceeds from long-term debt	486,714	377,526
Repayments of long-term debt	(367,774)	(345,710)
Transactions with noncontrolling interests shareholders	(4,533)	8,427
Sales (purchases) of treasury stock—net	138	(36)
Payments of cash dividends	(98,571)	(56,589)
Net cash provided by financing activities	57,394	33,820
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(10,134)	(14,613)
Net (Decrease) Increase in Cash and Cash Equivalents	(9,947)	39,660
Cash and Cash Equivalents at Beginning of Year	1,441,059	1,401,399
Cash and Cash Equivalents at End of Year	1,431,112	1,441,059

# Ten-Year Summary of Consolidated Financial Statements

Mitsui & Co., Ltd. and Subsidiaries  
Years Ended March 31

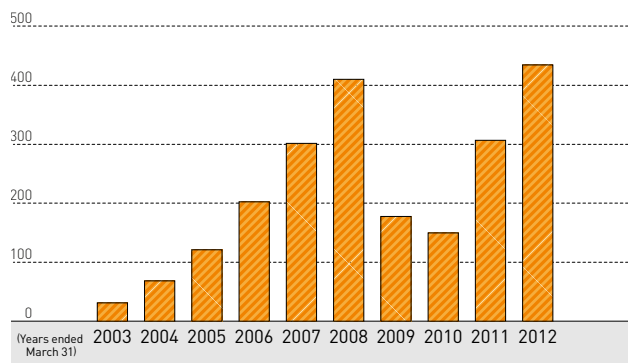
	2003	2004	2005	2006
<b>For the Year:</b>				
Revenues	¥2,788.2	¥2,980.3	¥3,525.7	¥4,115.5
Gross Profit	¥ 569.8	¥ 609.9	¥ 725.8	¥ 816.6
Operating Income	¥ 97.7	¥ 120.6	¥ 198.0	¥ 265.8
Equity in Earnings of Associated Companies	¥ 13.4	¥ 40.1	¥ 65.9	¥ 94.2
Net Income Attributable to Mitsui & Co., Ltd.	¥ 31.1	¥ 68.4	¥ 121.1	¥ 202.4
Net Cash Provided by Operating Activities	¥ 52.1	¥ 100.1	¥ 200.1	¥ 146.4
Net Cash Used in Investing Activities	¥ (13.2)	¥ (134.2)	¥ (224.0)	¥ (347.3)
Net Cash Provided by (Used in) Financing Activities	¥ 17.8	¥ (12.2)	¥ 171.3	¥ 92.3
Free Cash Flow	¥ 38.9	¥ (34.1)	¥ (23.9)	¥ (200.9)
Return on Equity (ROE)	3.5%	7.5%	11.6%	14.5%
Investments and Loans	—	—	—	—
Divestiture	—	—	—	—
<b>At Year-End:</b>				
Total Assets	¥6,540.5	¥6,716.0	¥7,593.4	¥8,573.6
Total Mitsui & Co., Ltd. Shareholders' Equity	¥ 862.1	¥ 963.3	¥1,122.9	¥1,677.9
Cash and Cash Equivalents	¥ 697.9	¥ 685.0	¥ 819.9	¥ 734.1
Interest-bearing Debt	¥3,351.8	¥3,360.5	¥3,539.8	¥3,564.7
Net Interest-bearing Debt	¥2,653.9	¥2,675.5	¥2,719.9	¥2,830.6
Net Debt-to-Equity Ratio (Net DER) (times)	3.08	2.78	2.42	1.69

<b>Amounts per Share:</b>				
Net Income Attributable to Mitsui & Co., Ltd.				
Basic	¥ 19.68	¥ 43.25	¥ 76.55	¥126.26
Diluted	¥ 18.69	¥ 40.89	¥ 72.12	¥118.85
Cash Dividends Declared	¥ 8	¥ 8	¥ 15	¥ 24
Consolidated Dividend Payout Ratio	41%	18%	19%	20%
Shareholders' Equity	¥545.19	¥609.28	¥709.66	¥973.85

- Notes: 1. Figures for prior years have not been reclassified in accordance with Accounting Standard Codification ("ASC") 205-20, "Presentation of Financial Statements - Discontinued Operations."
2. Operating income is comprised of (a) gross profit, (b) selling, general and administrative expenses, and (c) provision for doubtful receivables.
3. Tax effects on investments in associated companies which were formerly included in "Equity in Earnings" are included in "Income Taxes" from the year ended March 2010. Figures for prior years have not been reclassified.
4. Interest-bearing debt was calculated deducting capital lease obligations and ASC815 fair value adjustment until the year ended March 31, 2006.
5. "Investments and Loans" and "Divestiture" were disclosed from the year ended March 31, 2007.
6. Diluted net income attributable to Mitsui & Co., Ltd. per share for the year ended March 31, 2012, is not disclosed because there are no dilutive potential shares.
7. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate of ¥82.00=U.S.\$1, the approximate rate of exchange on March 31, 2012.
8. The U.S. dollar amounts represent translations of the Japanese yen amounts at the rate in effect on the payment date.

## Net Income Attributable to Mitsui & Co., Ltd.

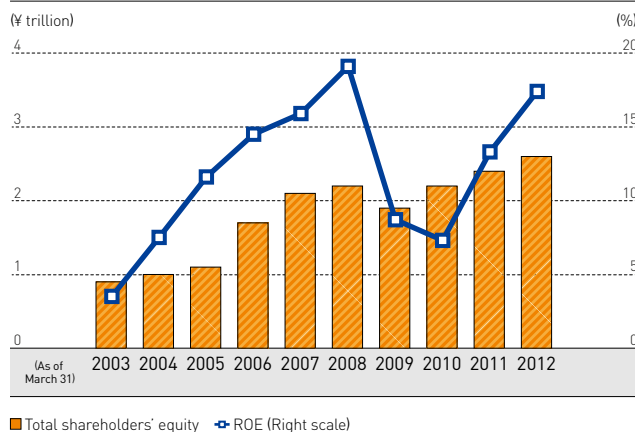
(¥ billion)



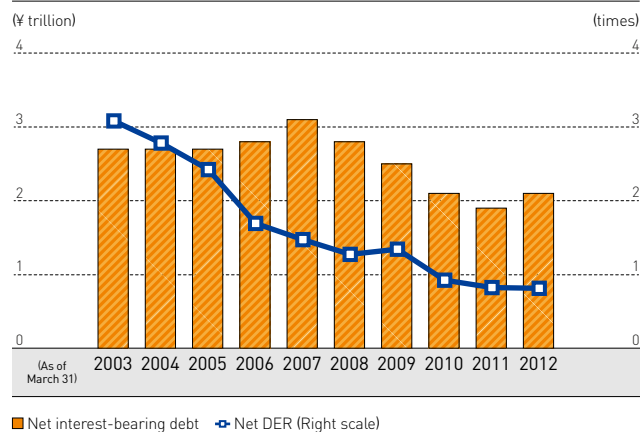
					Billions of Yen	Millions of U.S. Dollars
2007	2008	2009	2010	2011	2012	2012
¥4,880.7	¥5,738.9	¥5,535.2	¥4,096.4	¥4,679.4	¥5,251.6	\$ 64,044
¥ 903.7	¥ 988.1	¥1,016.3	¥ 702.0	¥ 859.2	¥ 878.3	\$ 10,711
¥ 308.9	¥ 374.8	¥ 394.7	¥ 144.5	¥ 317.0	¥ 348.4	\$ 4,249
¥ 153.1	¥ 154.3	¥ 84.8	¥ 131.5	¥ 242.1	¥ 232.1	\$ 2,830
¥ 301.5	¥ 410.1	¥ 177.6	¥ 149.7	¥ 306.7	¥ 434.5	\$ 5,299
¥ 239.3	¥ 415.8	¥ 582.7	¥ 632.4	¥ 504.5	¥ 381.0	\$ 4,646
¥ (418.0)	¥ (104.8)	¥ (290.9)	¥ (180.1)	¥ (484.0)	¥ (438.2)	\$ (5,344)
¥ 272.3	¥ (185.1)	¥ (9.8)	¥ (214.4)	¥ 33.8	¥ 57.4	\$ 700
¥ (178.7)	¥ 311.0	¥ 291.8	¥ 452.3	¥ 20.5	¥ (57.2)	\$ (698)
15.9%	19.1%	8.7%	7.3%	13.3%	17.4%	17.4%
¥ (770.0)	¥ (710.0)	¥ (520.0)	¥ (360.0)	¥ (690.0)	¥ (650.0)	\$ (7,927)
¥ 240.0	¥ 610.0	¥ 190.0	¥ 210.0	¥ 190.0	¥ 210.0	\$ 2,561
¥9,813.3	¥9,690.9	¥8,364.2	¥8,369.0	¥8,598.1	¥9,011.8	\$109,900
¥2,110.3	¥2,183.7	¥1,881.7	¥2,230.1	¥2,366.2	¥2,641.3	\$ 32,211
¥ 806.6	¥ 911.6	¥1,153.5	¥1,416.0	¥1,443.6	¥1,435.2	\$ 17,503
¥3,918.1	¥3,685.6	¥3,668.6	¥3,471.7	¥3,377.5	¥3,578.0	\$ 43,634
¥3,111.5	¥2,774.0	¥2,515.1	¥2,055.7	¥1,933.9	¥2,142.8	\$ 26,131
1.47	1.27	1.34	0.92	0.82	0.81	0.81

					Yen	U.S. Dollars
¥ 174.26	¥ 227.20	¥ 97.59	¥ 82.12	¥ 168.05	¥ 238.10	\$ 2.90
¥ 165.32	¥ 224.82	¥ 97.32	¥ 82.11	¥ 168.05	—	—
¥ 34	¥ 46	¥ 25	¥ 18	¥ 47	¥ 55	\$ 0.69
20%	20%	26%	22%	28%	23%	23%
¥1,182.48	¥1,202.03	¥1,033.22	¥1,222.11	¥1,296.66	¥1,447.34	\$ 17.65

## Total Shareholders' Equity / ROE



## Net Interest-bearing Debt / Net DER



# Corporate Information

As of March 31, 2012

## Trade Name

MITSUI & CO., LTD.

## Date of Establishment

July 25, 1947

## Common Stock

¥341,481,648,946

## Number of Employees

Consolidated: 44,805

Mitsui: 6,136

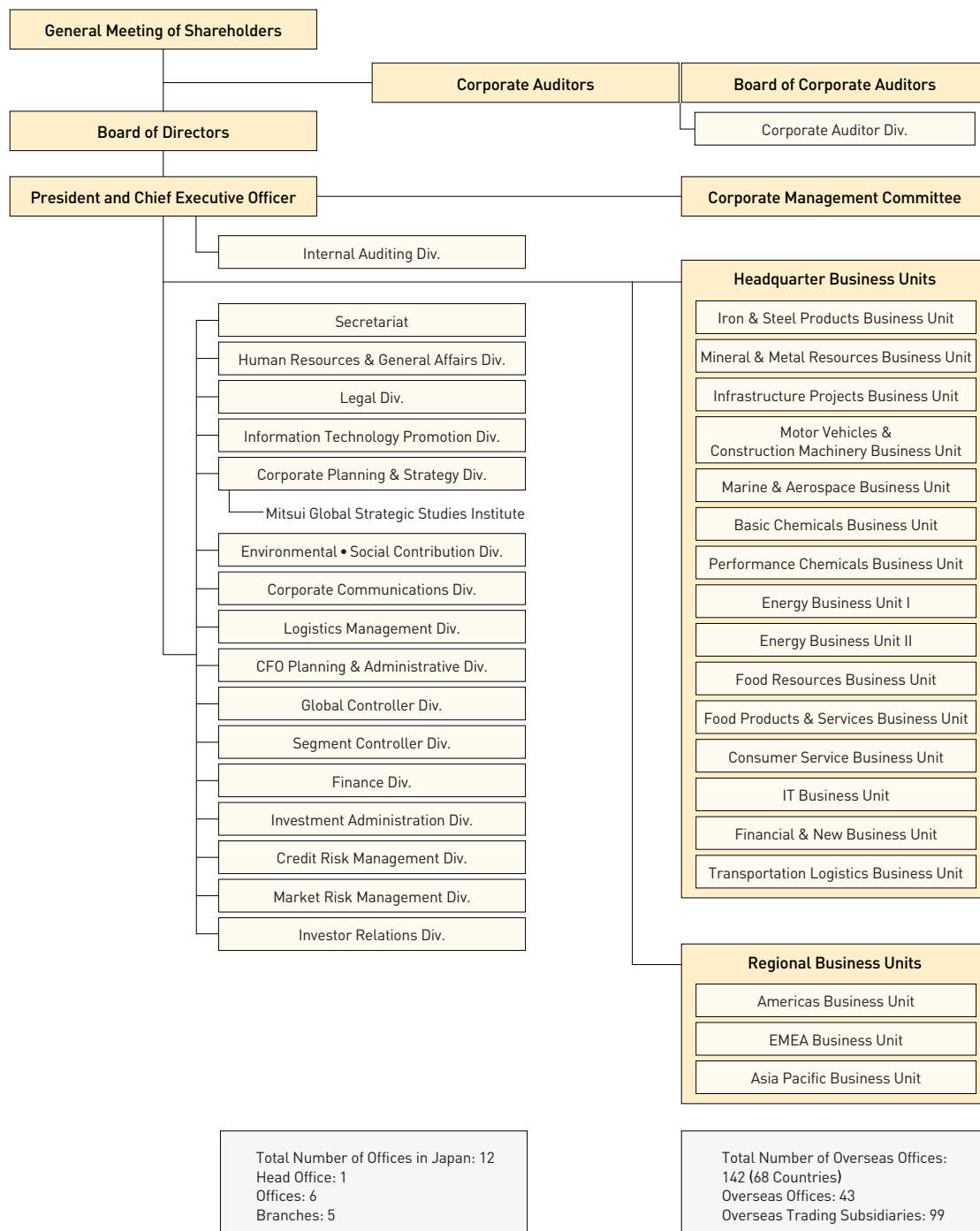
## Number of Affiliated Companies for Consolidation

Subsidiaries: 263

Associated companies: 150

## Organization Chart

As of April 1, 2012



# Investor Information

As of April 1, 2012

## Securities Identification Code

8031

## Stock Exchange Listings

Tokyo, Osaka, Nagoya, Sapporo, Fukuoka

## Fiscal Year

From April 1 to March 31

## General Shareholders' Meeting

June

## Administrator of the Register of Shareholders

Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005

## Contact Information for Above

Sumitomo Mitsui Trust Bank, Limited  
Stock Transfer Agency Business Planning Department  
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063

## American Depositary Receipts

Ratio: 1ADR = 20 common shares

Exchange: OTC (Over-the-Counter)

Symbol: MITSY

CUSIP Number: 606827202

## Depository and Registrar

Citibank, N.A. Shareholder Services

P.O. Box 43077, Providence,

Rhode Island 02940-3077 U.S.A.

Tel: 1-877-248-4237 (Toll free in the U.S.)

1-781-575-4555 (Overseas Dial-In)

E-mail: [citibank@shareholders-online.com](mailto:citibank@shareholders-online.com)

URL: [www.citi.com/adr](http://www.citi.com/adr)

As of March 31, 2012

## Unit Share

100 shares

## Number of Shareholders

210,164 shareholders

## Number of Shares Issued

1,829,153,527 shares  
(including 3,762,241 treasury shares)

## Number of Shares Authorized

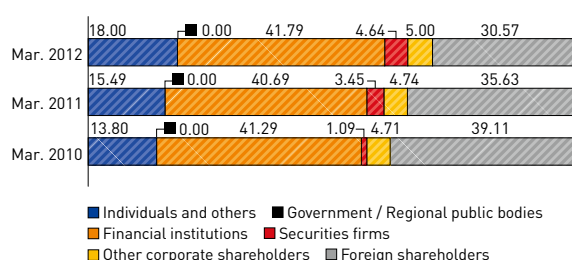
2,500,000,000 shares

## Major Shareholders

The Master Trust Bank of Japan, Ltd. (Trust account)  
Japan Trustee Services Bank, Ltd. (Trust account)  
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS  
Japan Trustee Services Bank, Ltd. (Trust account 9)  
Sumitomo Mitsui Banking Corporation  
Nippon Life Insurance Company  
The Chuo Mitsui Trust and Banking Co., Ltd.

## Composition of Shareholders

(%)



\* The figures in the above graph reflect all shareholders and shares held but exclude shareholders who own less than one trading unit.

Investor Relations Division, Mitsui & Co., Ltd.

2-1, Ohtemachi 1-chome, Chiyoda-ku,

Tokyo 100-0004, Japan

Telephone: 81 (3) 3285-1111

Facsimile: 81 (3) 3285-9821

Email: [infoTKADZ@mitsui.com](mailto:infoTKADZ@mitsui.com)



Website

Investor Relations: <http://www.mitsui.com/jp/en/ir/>



