



# Challenge & Innovation

## Financial Performance and Sustainability

ANNUAL REPORT 2014

Year ended March 2014





# Our Presence



# We provide essential products

## 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.





and services around 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.



Through iron ore businesses in Australia and Brazil, Mitsui develops mines and builds infrastructure while preserving and protecting local communities and the global environment. We contribute to global economic development by supporting the growth of resource-rich countries and providing a stable supply of iron ore to our customers.



Salt production

3.4 million tons / year





Equity share of iron ore sales

51.3 million tons / year



Shark Bay and Onslow, Mitsui's two large salt fields in Australia, cover a total of 155 square kilometers. Salt is an industrial raw material used to produce caustic soda, vinyl chloride and glass as well as the ingredient for table salt.



Equity share of crude oil and natural gas production

243,000 barrels / day



Mitsui participates in crude oil and natural gas upstream resource development projects in 11 countries. As of March 31, 2014, our equity share of production volume from these businesses was 243,000 barrels of oil equivalent per day, and we plan to increase this to 330,000 barrels by 2020.



Mitsui participates in eight operating LNG projects with a combined annual production capacity of 67 million tons. Our equity share of production capacity is 4.8 million tons per year, and we plan to roughly double this, to 9.4 million tons, by 2020.



Equity share of LNG production

4.8 million tons / year



Water treatment volume

9.2 million  
cubic meters / day<sup>\*</sup>

Mitsui has water businesses in seven countries, including Thailand, Mexico, China and the Czech Republic, engaged in water supply as well as wastewater treatment and seawater desalination. We are assisting with the resolution of global water issues by providing the infrastructure needed to make effective use of limited water resources.

<sup>\*</sup> Gross volume including consigned operations and maintenance businesses

IPP businesses' equity share of  
power generation capacity

8,480 MW

Mitsui has stakes in 67 electric power generation businesses in 20 countries around the world. Our balanced portfolio includes hydropower and renewable energy, in addition to gas- and coal-fired thermal power, and we provide the infrastructure needed for socioeconomic development and the creation of a more favorable social environment.





Healthcare

Over 6,000 beds  
across 10 countries

Total number publicly released by IHH Healthcare Bhd. as of May 2014



Mitsui has a stake in IHH Healthcare Bhd. ("IHH"), Asia's largest private hospital group. To meet increasing medical needs arising from lifestyle changes associated with population growth, aging societies and economic development, IHH is developing healthcare-related businesses in addition to hospitals, including medical educational facilities, across Asia, primarily in its home markets of Malaysia, Singapore and Turkey.



Global population growth and economic development are widening the gap between supply and demand for food resources like soybean, corn and wheat. Mitsui is addressing global grain demand with a cross-border, global procurement network.



Volume of food resources handled

**15** million tons / year

Mitsui is engaged in 33 renewable energy businesses in eight countries around the world. With calls for sustainability and reductions in CO<sub>2</sub> emissions increasing demand for electric power generation using renewable energy like wind and solar, Mitsui continues to contribute to the creation of a low-carbon social infrastructure.

Power generation using renewable energy

33 businesses in 8 countries







Mitsui's forests

Approximately

44,000 hectares

in 74 locations in Japan

Approximately

160,000 tons of  
CO<sub>2</sub> absorbed and fixed / year

Forests make up two-thirds of Japan's land area, and Mitsui owns approximately 44,000 hectares of forests in 74 locations nationwide. We aim to invigorate the domestic lumber industry and revitalize Japan's forests to be sustainable for the next 100 or even 200 years.





Grants provided over the past 9 years

# 463

—Creating a future-oriented society—

From a standpoint of the “environment” being “all aspects of the world around human beings,” Mitsui supports a variety of activities and research to help resolve global environmental issues and to contribute to the creation of a sustainable society, including earthquake restoration projects.



Human resources

6,097 employees  
(parent company)

48,090 employees  
(consolidated basis)

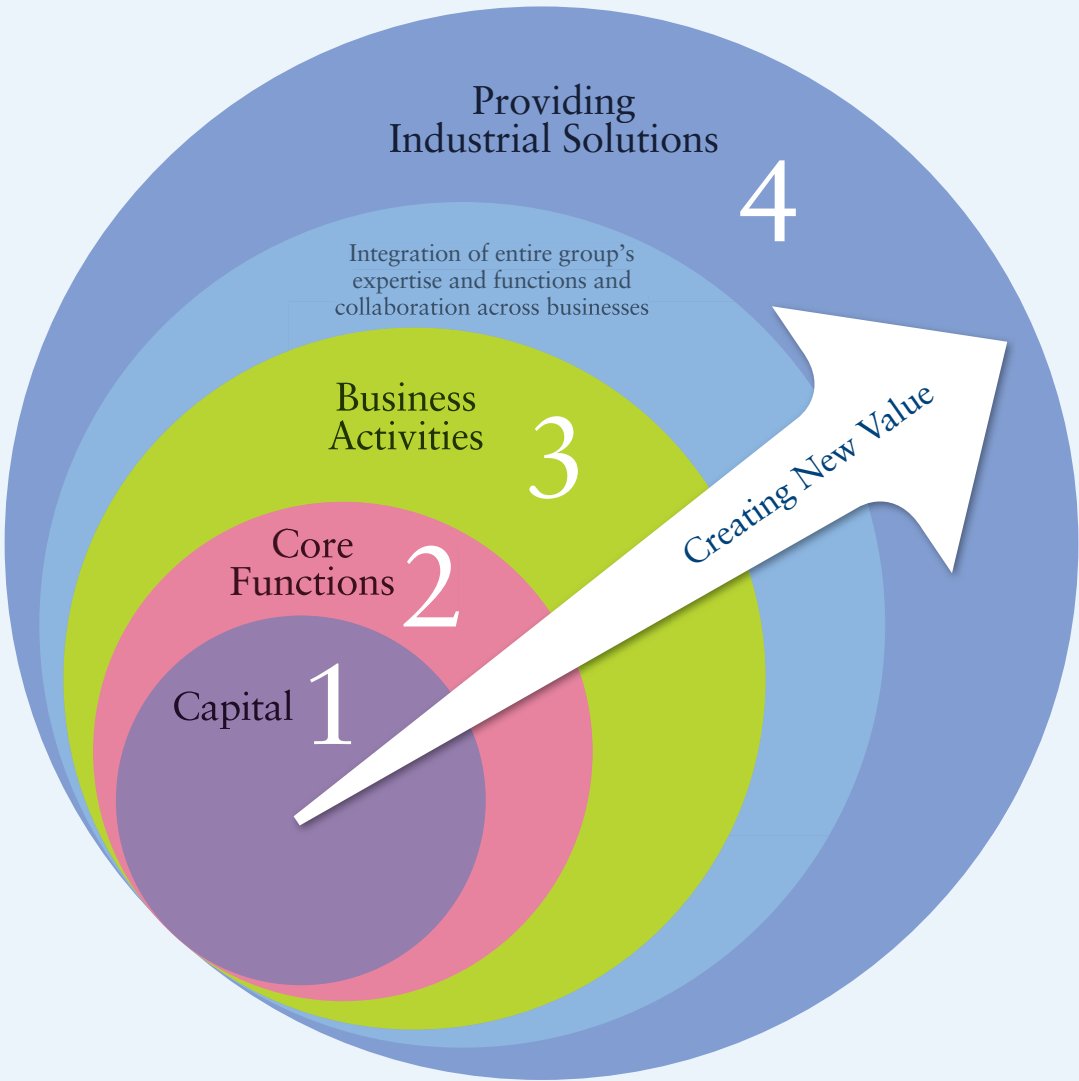
People are Mitsui's greatest asset. Mitsui has emphasized the cultivation of human resources with a global mind-set, including the introduction of Foreign Language and Business Culture Trainee courses, since the Company's establishment. By developing human resources and creating businesses that meet the needs of the times and the business environment, we are able to contribute to society.





# Business Model

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



Meeting the changing needs of the times:

- ☐ Supply and demand gaps and economic disparities between regions
- ☐ Changes in the global landscape from the growing clout of emerging economies
- ☐ Seismic shifts in the global market, such as sharp rises in commodity prices
- ☐ Obsolescence of existing business models and changes in industry structures
- ☐ Rise of new industries from technological innovation



# 1 Accumulation of strengths by flexibly evolving our business in response to the changing needs of the times

## Organizational Capital

- 12 industry-specific business units at the global headquarters
- 3 regional business units, covering overseas markets across all industries by region
- Corporate staff divisions, supporting business activities with professional knowledge

## Relational Capital

- Presence across a diverse range of industries
- Transactional relationships and partnerships with customers and suppliers
- Collaborations and alliances with global majors and local industrial capital

## Human Capital

- Expertise specialized in a diverse range of industries
- Regional expertise
- Business development capabilities
- On-site managerial excellence
- Versatility and flexibility to act globally

## Financial Capital

- Financial foundation with scale and stability
- Net DER: 0.83 times
- Shareholders' equity: ¥3.8 trillion

# 2/3 Combining core functions to carry out businesses in various stages of the value chain

## Core Functions

- Marketing
- Finance
- Logistics
- Risk management
- IT / Process development capabilities



## Businesses

- Resource development and production
- Infrastructure development
- Manufacturing and processing
- Global trading
- Logistics
- Wholesale, retail and trade finance
- Services



## Forms of Participation

- Greenfield project development and investment
- Strategic investment and management
- Sourcing and marketing
- Contracting
- ◇ Operatorship
- ◇ Strategic partnership

# 4 Integrating the Mitsui group's diverse expertise and functions and collaborating across businesses to provide customers and partners with effective industrial solutions

## Cross-organizational Integration of Expertise and Functions

- Collaboration across segments enables organizational flexibility to regroup businesses as needs change
- Strategic organizational design promotes companywide sharing of core functions as well as bring about innovation
- Corporate staff divisions integrate diverse expertise into the best practices that are applied to business development

## Providing Industry-based and Region-based Industrial Solutions

- Creation of economies of scale through business mergers and capacity expansion
- Creation of new business models through strategic combination of multiple operating companies
- Creation of businesses that transcend traditional industry groupings by taking a cross-industry approach
- Roll out of successful models into new markets
- Diversification of businesses in cooperation with local partners

Creating new value that is unique to Mitsui

# Strategic Business Development in Seven Key Strategic Domains

We have identified seven Key Strategic Domains as strategic areas that are closely aligned with our strengths and will lead us to create new added value. By collaborating among product segments, we will develop businesses and provide industrial solutions.

	Key Strategic Domains	Related Product Segments
<div>Hydrocarbon Chain</div> 	<b>Energy upstream to downstream and development of related businesses</b> <ul style="list-style-type: none"> <li>□ Upstream oil and gas projects, commercialization (LNG, chemicals manufacturing, power generation)</li> <li>□ Transportation and related businesses (ships, steel products, infrastructure development)</li> </ul>	
<div>Mineral Resources (Underground &amp; Urban) and Materials</div> 	<b>Mineral mining to material processing, building a recycling-oriented society</b> <ul style="list-style-type: none"> <li>□ Development and production of mineral resources, processing, distribution and recycling of products</li> <li>□ With focus on technical advancement, development of steel and chemical materials businesses</li> </ul>	
<div>Food and Agriculture</div> 	<b>Provide solutions for increasing and stabilizing food supply</b> <ul style="list-style-type: none"> <li>□ Fertilizer and food resources, food product materials</li> <li>□ Agricultural chemicals, food and nutrition chemicals</li> </ul>	
<div>Infrastructure</div> 	<b>Contribute to nation building and develop business derived from infrastructure</b> <ul style="list-style-type: none"> <li>□ Electric power generation, water treatment and supply, port development</li> <li>□ Next-generation urban development</li> </ul>	
<div>Mobility</div> 	<b>Services related to manufacturing, marketing and financing of transportation machinery</b> <ul style="list-style-type: none"> <li>□ Automobiles, industrial machinery, ships, aircraft, mass transit and rail transportation systems</li> <li>□ Logistics business and expansion to other Key Strategic Domains</li> </ul>	
<div>Medical / Healthcare</div> 	<b>Business development in healthcare and pharmaceutical value chain</b> <ul style="list-style-type: none"> <li>□ Hospital business and its ancillary services</li> <li>□ Pharmaceutical development, manufacturing and marketing</li> </ul>	
<div>Lifestyle Products and Value-added Services</div> 	<b>Consumer-linked businesses utilizing innovative functions (IT, finance, logistics)</b> <ul style="list-style-type: none"> <li>□ Clothing and food (distribution, data, e-commerce)</li> <li>□ Housing (real estate, financial and related services)</li> </ul>	

Business Development							
	Resource Development	Construction, Operation	Manufacturing, Processing	Global Trading	Logistics	Wholesale, Retail, Trade Finance	Services
	Crude oil Gas Coal	Crude oil and gas production facilities Pipelines Gas-fired power generation Tank terminals LNG terminals	Petroleum products Chemical products LNG	Energy steel products Sales of petroleum and chemical products Trading	Storage, logistics networks Oil and LNG carriers Gas distribution	Product sales	
	Iron ore Copper Coal Others	Collection facilities Port facilities	Steel products processing Green chemicals	Steel products Resins Scrap Electronic materials		Commodity derivatives	
	Grains Salt Phosphate rock	Collection facilities Port facilities	Edible oils Refined sugar	Grains Fertilizers and agrochemicals	Marine transport Rail transport	Fertilizers and agrochemicals	
		IPP Logistics infrastructure Water supply and wastewater treatment Various plants Smart city development		Infrastructure steel	Power transmission	Retail sales of power and gas Infrastructure funds	Port terminals Engineering Thermoelectric supplies
		Railways and ports	Automobiles Automotive parts Engine development	Automobiles Construction and mining machinery Ships Aircraft Rolling stock Parts and components	Automobiles Automotive parts	Distributors Dealers Sales finance Leasing and rental	Ship ownership and operation Freight and passenger transport Car sharing
			Pharmaceutical products Key raw materials for pharmaceuticals	Key raw materials for pharmaceuticals		Pharmaceutical products Pharmacies Funds for pharmaceutical development	Hospitals Ancillary service businesses Healthcare staffing services
	Paper-manufacturing resources Lumber	Office buildings Smart cities	Apparel OEM Housing materials	Paper materials Construction materials	Logistics facilities	TV shopping Fashion brands Housing materials Franchising Food distribution Retail support Electronic payment Fund business	Senior living Contract food services Facility management High-speed telecommunications

# Challenge and Innovation

## Mitsui's continuing evolution by meeting the changing needs of the times

Since its establishment, Mitsui Co., Ltd. has promoted its dynamic and flexible evolution through the reevaluation of its role and function in addressing the needs of the times. Moving forward, we will continue to strategically take on the “challenge” of creating new value through “innovation” as an industrial solutions provider to the problems of the times around the world.

### A driving force for high economic growth

□ In view of Japan's high dependence on overseas sources of key materials, invested in the development of our own sources of mineral resources and energy fuels with the aim of ensuring their stable supply to Japan

- In 1963, participated in the development of the Moura coal mine in Australia (currently the Dawson coal mine)
- In 1967, established an iron ore joint venture business with Anglo-Australian mining, metals and petroleum company BHP Billiton
- In 1969, established Mitsui Oil Exploration Co., Ltd.
- In 1970, established Mitsui Iron Ore Development (MIOD) in Australia (Robe River iron ore joint venture )
- In 1971, signed a basic contract for the development of an LNG facility on Das Island in Abu Dhabi



The Abu Dhabi LNG project (UAE)

□ Supported overseas business development of Japanese products

- Promoted export sales of iron and steel products, machinery and chemicals
- Invested in overseas production and sales operations of Japanese automotive and motorcycle makers (Toyota Motor Group, Hino Motor Group, Yamaha Motor Co., Ltd.) in such countries as Thailand, Canada, Peru and the United Kingdom

□ Introduced overseas technologies and business models to Japan

- In 1958, established Nippon Remington Univac Kaisha, Ltd. (currently Nihon Unisys, Ltd.) and shortly after helped lay the groundwork for the computerization of Japan
- In 1976, established AIM SERVICES CO., LTD. with major U.S. contract food service company ARA (currently Aramark Corporation)

The period from the 1960s to the 1970s

1950

1960

1970

1980

1990

2000

The period from 1947 to the 1950s

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

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

The period from the 1980s to the 1990s

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

□ Further strengthened functions, including IT (information technology), FT (financial technology) and LT (logistics technology)

- In 1989, Japan Communications Satellite, in which we invested, successfully launched a communications satellite
- Provided supply chain management for the Ito-Yokado Group (currently Seven & i Holdings Co., Ltd.)

□ Accelerated the planning and development of large-scale LNG projects in accordance with efforts to diversify Japan's energy supply sources

- In 1985, participated in the Western Australia LNG project
- In 1989, participated in the Qatar LNG project
- In 1994, signed development contracts for the Sakhalin II petroleum and natural gas projects

□ Acquired and developed large-scale businesses overseas

- In 1991, acquired feed additive business (currently Novus International, Inc.) from Monsanto Company, of the United States
- In 1994, established P.T. PAITON ENERGY, an electric power company in Indonesia

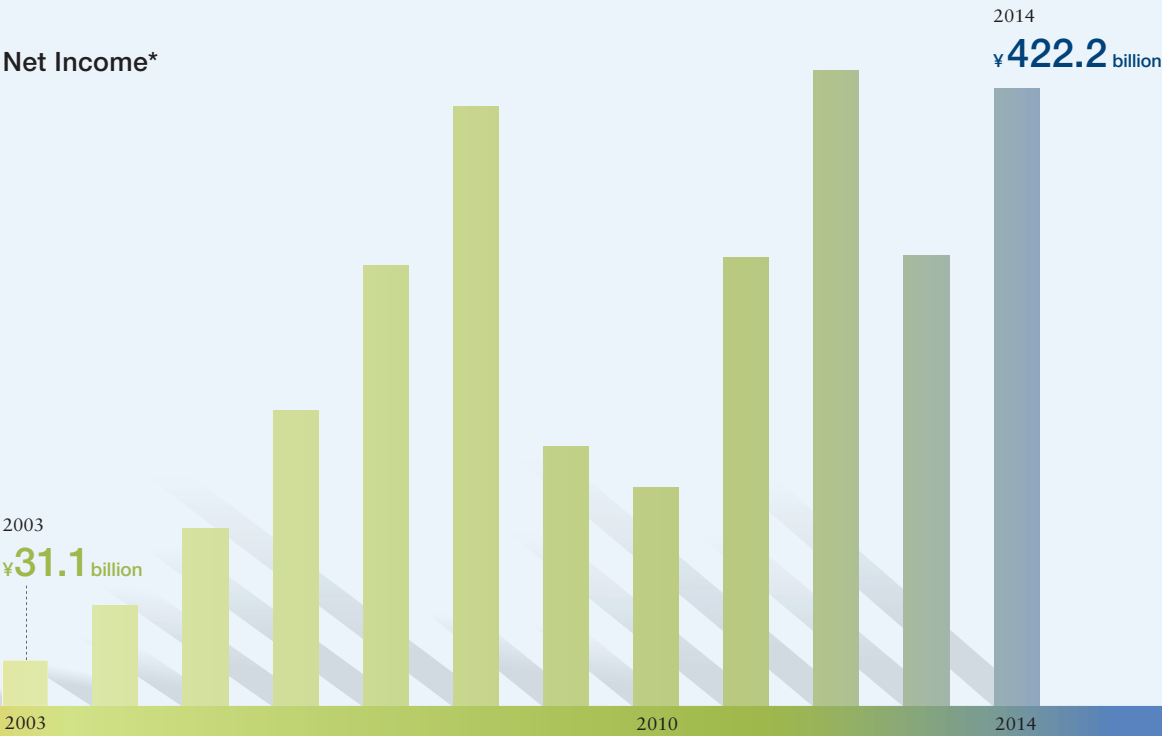


Sakhalin II projects (Russia)  
©Sakhalin Energy Investment Company Ltd.



\* Net income (attributable to Mitsui & Co., Ltd.) is based on U.S. GAAP.

Net Income\*



The 2000s to Present

Proactive expansion of business scale to agilely grasp changing needs accompanying rapid growth of emerging economies and the evolving global industrial structure

□ Took steps to correct the imbalance between energy resource distribution and energy demand

- In 2003, purchased ownership interest in Valepar S.A., the holding company of Vale S.A., the Brazilian diversified resource development company
- In 2010, participated in a phosphate rock project being promoted by Vale S.A. in Peru
- In 2010, discovered one of the world's largest gas reservoirs at an offshore exploration project in Mozambique
- In 2012, established a strategic partnership with Corporación Nacional del Cobre de Chile, of Chile, and acquired copper interests
- In 2013, began the expansion of export capacity of the Robe River joint venture in Australia

□ Developed infrastructure businesses in accordance with global policies for the utilization of private capital

- In 2004, jointly acquired 13 power generating assets with International Power (currently GDF Suez S.A.)
- In 2004, entered the locomotive leasing business in Europe
- In 2006, acquired a gas distribution business in Brazil
- In 2008, acquired a water treatment and engineering company in Mexico

□ Pursued initiatives accompanying rapidly growing populations, primarily in Asia

- In 1999, made PT. Bussan Auto Finance ("BAF"), of Indonesia, a subsidiary and expanded the motorcycle retail finance business
- In 2000, concluded a contract for the construction of a high-speed rail system in Taiwan as part of a joint venture comprising seven Japanese companies
- In 2006, invested in Thai Tap Water Supply Public Company Limited, a water supply company in Thailand
- In 2007, invested in Multigrain Trading AG, a major grain company in Brazil, and expanded grain supply sources for Asia
- In 2007, established BUSSAN BEIJING LOGISTICS ENTERPRISE LTD. to provide services for 7-Eleven stores in Beijing
- In 2011, invested in Asia's largest private hospital group Integrated Healthcare Holdings (currently IHH Healthcare Bhd.)

Developed multifaceted businesses in response to opportunities presented by the U.S. shale revolution

▶ Please refer to P.026 for details.



Vale's Carajás iron ore mine (Brazil)



Multigrain Trading's soybean origination operations (Brazil)



Cape Scott wind power generation project (Canada)



# Vision and Strategy



## 004 Message from the CEO

By solidifying the Key Strategic Domains that are being built upon our strengths as a group and collaborating across business segments, we aim to create a unique value that we call Mitsui Premium.



## 010 Message from the CFO

By further strengthening our ability to generate cash and implementing disciplined financial strategies, we will strive to achieve EBITDA of ¥1 trillion and to raise ROE to 10% to 12% by the year ending March 31, 2017, the final year of the new Medium-term Management Plan.



## 014 Overview of Financial Results for the Year Ended March 31, 2014

# 016 Management Strategy

## 018 New Medium-term Management Plan

# Challenge & Innovation for 2020

## 026 SPECIAL FEATURE

# Mitsui Premium Created in the Hydrocarbon Chain

—Demonstrating the Premium from Shale Gas



## 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. We have been selected for inclusion in two global SRI indexes—the FTSE4Good Global Index and the Dow Jones Sustainability World Index (DJSI World). In addition, we are certified as one of the bronze class rated companies by RobecoSAM, which assesses and rates outstanding companies in terms of ESG (Environmental, Social and Governance) performance (as of March 31, 2014).



## United Nations Global Compact

In October 2004, we pledged our support for the Global Compact, which is a set of autonomous principles for action championed by the United Nations. Subsequently, we have been striving to implement and promote compliance with the principles in the four areas of human rights, labor standards, environment and anti-corruption.



## 034 Business Strategy

### Growth Strategy by Operating Segment

- 036 Results by Operating Segment
- 038 Iron & Steel Products Segment
- 040 Mineral & Metal Resources Segment
- 044 Machinery & Infrastructure Segment
- 050 Chemicals Segment
- 054 Energy Segment

- 058 Lifestyle Segment
- 064 Innovation & Corporate Development Segment
- 068 Americas Segment
- 070 EMEA (Europe, the Middle East and Africa) Segment
- 072 Asia Pacific Segment
- 074 Major Subsidiaries and Associated Companies

## 078 Sustainability for Growth

### Mitsui's ESG Supports Business Activities

- 080 ESG Topics
- 084 Mitsui's Business Activities and Corporate Social Responsibility
- 086 Mitsui's Environmental Initiatives
- 088 Mitsui Is People  
—Human Resources to Translate into Assets
- 090 Mitsui's Social Contributions

- 092 Corporate Governance and Internal Controls
- 100 Board of Directors and Independent Directors
- 102 Corporate Auditors
- 103 Managing Officers
- 104 Organization Chart

## 105 Fact Data

- 106 Consolidated Financial Statements (IFRS)
- 111 Consolidated Financial Statements (U.S. GAAP)
- 116 10-Year Financial Data (Including Sustainability Data)

### 118 Corporate Information / Investor Information

#### Editorial Policy

Mitsui issues its *Annual Report* as a comprehensive report to convey messages from management and to report on management strategies, key initiatives and business activities, as well as to explain how "Mitsui's corporate social responsibility (CSR)" provides value to society through the Company's core businesses, 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* and other Mitsui publications for more detailed financial and other information about Mitsui.

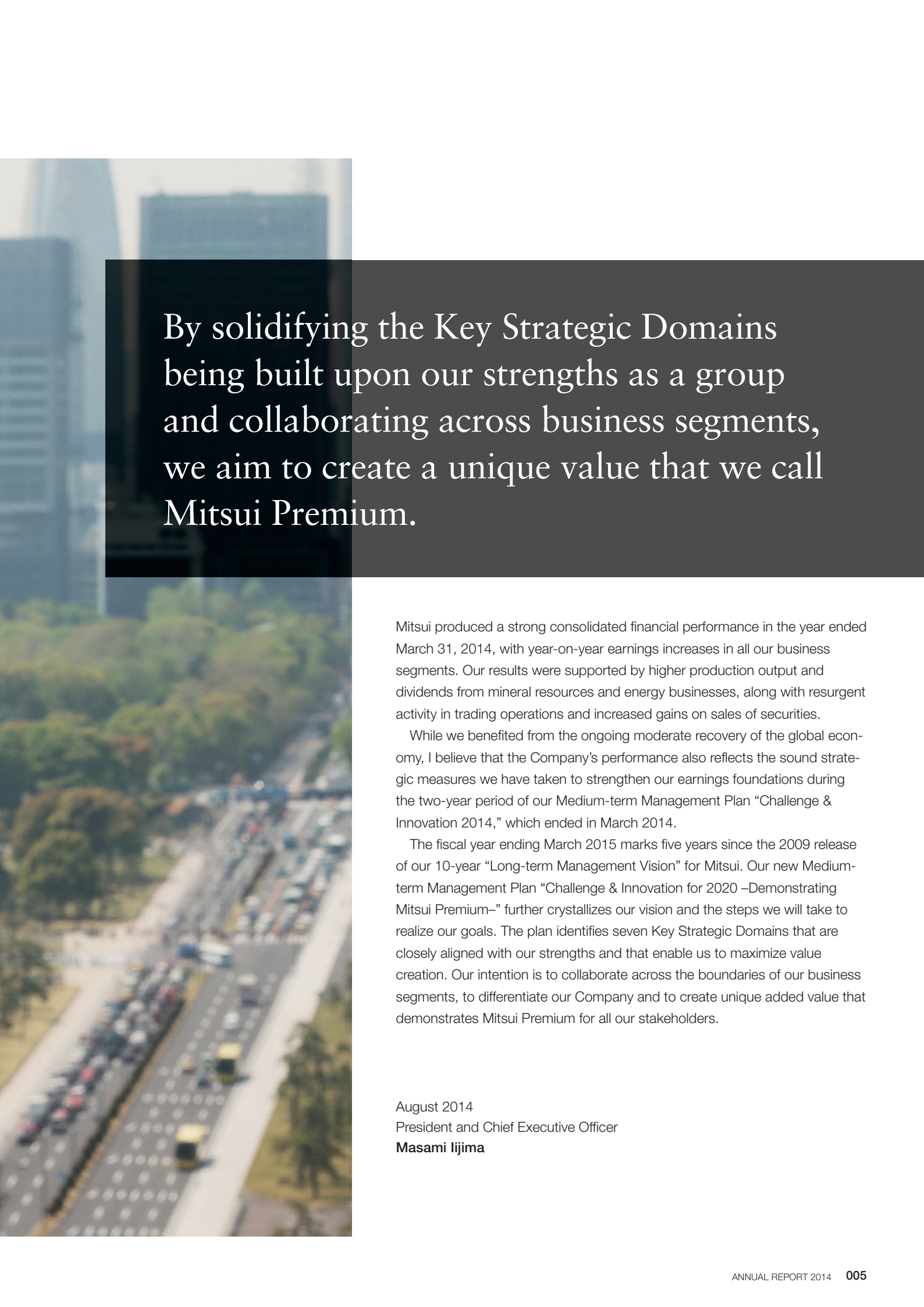
#### A Cautionary Note on Forward-Looking Statements

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.

## Message from the CEO







By solidifying the Key Strategic Domains being built upon our strengths as a group and collaborating across business segments, we aim to create a unique value that we call Mitsui Premium.

Mitsui produced a strong consolidated financial performance in the year ended March 31, 2014, with year-on-year earnings increases in all our business segments. Our results were supported by higher production output and dividends from mineral resources and energy businesses, along with resurgent activity in trading operations and increased gains on sales of securities.

While we benefited from the ongoing moderate recovery of the global economy, I believe that the Company's performance also reflects the sound strategic measures we have taken to strengthen our earnings foundations during the two-year period of our Medium-term Management Plan "Challenge & Innovation 2014," which ended in March 2014.

The fiscal year ending March 2015 marks five years since the 2009 release of our 10-year "Long-term Management Vision" for Mitsui. Our new Medium-term Management Plan "Challenge & Innovation for 2020 –Demonstrating Mitsui Premium–" further crystallizes our vision and the steps we will take to realize our goals. The plan identifies seven Key Strategic Domains that are closely aligned with our strengths and that enable us to maximize value creation. Our intention is to collaborate across the boundaries of our business segments, to differentiate our Company and to create unique added value that demonstrates Mitsui Premium for all our stakeholders.

August 2014  
President and Chief Executive Officer  
**Masami Iijima**



## New Medium-term Management Plan: “Challenge & Innovation for 2020 –Demonstrating Mitsui Premium–”

# Making our “Long-term Management Vision” a reality

► Please refer to P.018 “New Medium-term Management Plan” for details.

The new Medium-term Management Plan “Challenge & Innovation for 2020 –Demonstrating Mitsui Premium–,” which we announced in May 2014, describes our business approach for the next three years as we work toward Mitsui’s 2020 Vision.

The year 2020 is a significant year for Japan, as we will be presenting our nation to the world as hosts of the Tokyo Olympics and Paralympics. The year has similar significance for Mitsui & Co., as it marks the arrival point of the “Long-term Management Vision” that we first presented in 2009, and it will be the starting point for a new Long-term Vision for the years beyond 2020. Accordingly, we have developed our new Medium-term Management Plan with a strong sense of our responsibility to create new value for the Mitsui of the future. Under the guidance of our current 2020 Management Vision, we have already completed two Medium-term Management Plans: “Challenge & Innovation 2012” and “Challenge &

Innovation 2014.” During the period of these two Plans, we invested aggressively for long-term growth while refining the quality and competitiveness of our asset portfolio. As a result, we have created a substantially stronger operating foundation for the Mitsui group—and the numbers tell the story. For example, we now own more than 50 million tons of annual iron ore equity share in production and have a globally competitive cost structure. We also have 240,000 barrels of daily oil and gas equity share in production, and in our IPP businesses we have 8.5GW of electric power generation capacity on an equity share basis.

These numbers have translated into strong earnings and cash generation. For the year ended March 31, 2014, we achieved net income of ¥422.2 billion<sup>\*1</sup>, EBITDA of ¥798.6 billion<sup>\*2</sup> and core operating cash flow of ¥596.4 billion<sup>\*3</sup>.

Of course, there have been a few twists and turns along the way since we first announced our 2020 Vision, but overall

I believe our progress has been tangible and positive. Our aim with our new Medium-term Management Plan, therefore, is to build on this progress with an even greater clarity of vision.

\*1. Based on U.S. GAAP, net income means net income attributable to Mitsui & Co., Ltd.

\*2. EBITDA = Gross profit + SG&A expenses + Dividend income + Equity in earnings of associated companies + Depreciation and amortization

\*3. Core operating cash flow = Operating cash flow – Cash flow from increase/decrease in working capital

## Demonstrating Mitsui Premium

To continue meeting the needs of our customers and partners, we will connect ideas and knowledge across our business segments and facilitate effective collaboration among various businesses in the Key Strategic Domains. Our aim as we work towards 2020 is to deliver a unique value that only Mitsui can create—what we call Mitsui Premium.

### Improving our “competitiveness,” “managerial excellence” and “business development capability”

For the new Medium-term Management Plan, we have grouped our initiatives into three policy themes: improving our “competitiveness,” “managerial excellence” and “business development capability.” By pursuing these themes, we can make best use of the strengths that are particular to Mitsui as a group.

Given the intense competition in the global marketplace, we have to increase the “competitiveness” of every aspect of our operations—from personnel and organization through to the business activities of each of our operating companies—and combine our initiatives intelligently so that our competitiveness increases as a group.

Similarly, because of the wide range of sectors and geographies we engage with around the world, we believe that effective management at the front line is the key to the success of each of our businesses. We are therefore keenly aware of the need to strengthen front-line “managerial excellence” through engagement in our business activities.

Also, through developing and implementing certain solution models for customers and partners, we plan to further sharpen our ability to create new business models and broaden business activities across a diversity of product lines, industrial value chains, countries and regions.

### Leveraging comprehensive capabilities in seven Key Strategic Domains

Based on our strengths that we have established, we have uniquely identified seven Key Strategic Domains in which to focus on maximizing new value creation: the “Hydrocarbon

Chain”; “Mineral Resources and Materials”; “Food and Agriculture”; “Infrastructure”; “Mobility”; “Medical / Healthcare”; and “Lifestyle Products and Value-added Services.”

Our intention with these Key Strategic Domains is to develop business at many points along the value chain—from resource development, procurement of raw materials and shipment through to manufacturing, sales, distribution, services and retail. By extending beyond the traditional boundaries of each product segment and collaborating among businesses, we aim to leverage our strengths in one business to develop new opportunities or facilitate the development of another. We also have the ability to hedge risk across different areas, enabling us to pursue projects that other companies cannot realize and providing us with opportunities to increase efficiency along the entire value chain. In this way, our seven Key Strategic Domains express our strategy for crossing organizational boundaries to create new value.

In the “Hydrocarbon Chain” Domain, for example, we have been closely following the U.S. shale gas revolution and have acquired high-quality upstream assets with which we are pursuing development and production projects. We are also taking advantage of our upstream shale gas activities for related chemical businesses and power generation opportunities while actively pursuing business development in peripheral areas, such as gas liquefaction, LNG distribution, and associated infrastructure construction and materials supply.

► For further information, –please see the Special Feature section.

In the “Food and Agriculture” Domain, an emerging key issue is the imbalance of food demand and supply as the global population increases. To help address this issue, we are pursuing specific business activities in a wide number of segments. For example, we have been securing primary food resources—such as grain, food oils, sugar and salt—in various regions of the world to facilitate stable supply. Building on these efforts in the field of agricultural science, we have acquired and developed mineral phosphate, and we are engaging globally in the manufacture and sale of agrochemicals and feed additives. We also have businesses in agricultural machinery sales, particularly in emerging economies.



Through engaging in our seven Key Strategic Domains in this way, we are making more effective use of our customer relationships, network and know-how in each segment, laying the groundwork for further collaboration

and partnership between businesses to create a strongly synergistic and capable business portfolio that can create new value.

► For further information, please see the Business Model section.

## Aiming for strong cash generation with sustainable growth in corporate value

In formulating our new Medium-term Management Plan, we closely examined the competitive positions of our key business assets and investments to date, and we determined that we could be confident of maintaining strong ongoing cash flow generation. By taking further measures to strengthen the earnings foundation of our existing businesses and assets, we envision reaching EBITDA of ¥1.0 trillion by March 2017.

A further key factor in achieving our Vision for Mitsui and boosting our corporate value is to execute on projects that are already in the pipeline—that is, projects for which we have completed the decision-making process and that are expected to begin contributing to our earnings within the next several years. Examples of principal pipeline projects include

expansion of our iron ore mining business in Western Australia, oil field development in Italy, gas field development and LNG production in Mozambique, LNG and chemical production in the United States, and integrated logistics in Brazil. A significant number of these projects are expected to begin generating earnings for Mitsui within the next four years, and in combination they have a present value in excess of ¥1.0 trillion.

During the three years of the new Medium-term Management Plan, we expect to generate total recurring free cash flow of between ¥1.0 trillion and ¥1.4 trillion, calculated as a balance of core operating cash flow from existing assets and proceeds from strategic divestitures, and investment to expand existing projects and implement projects in the pipeline.



# Balancing new investment for growth with returns to shareholders

---

Our plan for allocating this recurring free cash flow is to balance new investment for further growth with appropriate returns to shareholders. Our new Medium-term Management Plan is weighted toward optimizing existing assets and implementing projects already in the pipeline, but we will also seek opportunities to invest in new projects that can drive further growth. Our basic policy is to spread the allocation of investment across each of our Key Strategic Domains, with additional weighting in such areas as “Medical / Healthcare” and “Lifestyle Products and Value-added Services” where high growth rates can be expected.

We are determined to boost capital efficiency and strengthen returns to shareholders. As a result of aggressive investment in attractive projects that will expand our earnings foundation, our balance sheet has grown over the past two years from ¥9 trillion to ¥11 trillion. Our target is to achieve ROE of between 10% and 12% in the fiscal year to March 2017 by consistently generating positive free cash flow and ensuring an appropriate balance between the expansion of our assets and earnings growth.

There is no change to our basic policy of providing direct returns to shareholders through dividends. Based on the robust cash flow we expect to produce during the term of the new Medium-term Management Plan, we plan to boost returns to shareholders by increasing the consolidated payout ratio from 25% to 30%. During the year ended March 2014, we implemented a share buyback program with an upper limit of ¥50 billion as part of measures to improve capital efficiency. We intend to continue taking a dynamic approach to shareholder return, taking into consideration trends in investment demand, the level of free cash flow, total interest-bearing debt, ROE and other factors influencing the environment in which we manage our business.

By pursuing the two main initiatives of investment for growth in Key Strategic Domains and providing attractive returns to shareholders, our aim is to achieve the twin goals of sustainable earnings growth and strong capital efficiency.


## Making connections

Over the course of Mitsui's history, we have followed a mission of providing essential products and services around the world. In serving this mission, we have connected nations, people, businesses, technology and ideas to create new value. Our aim under the new Medium-term Management Plan is to make maximum use of this ability to make connections as a means of taking Mitsui's earnings to a higher level. In the years

ahead, we will continue to work on behalf of our stakeholders everywhere—creating a stronger Mitsui & Co. and contributing to economic vitality in Japan and prosperity around the world—and take on the challenge of creating new value through innovation.

Thank you for your interest in Mitsui. We look forward to your ongoing support.

# Message from the CFO



Representative Director, Executive Vice President,  
Chief Financial Officer

**Joji Okada**

August 2014

By further strengthening our ability to generate cash and implementing disciplined financial strategies, we will strive to achieve EBITDA of ¥1 trillion and to raise ROE to 10% to 12% by the year ending March 31, 2017, the final year of the new Medium-term Management Plan.

## Summary of business results for the year ended March 31, 2014

Looking at the operating environment during the year ended March 31, 2014, the global economy maintained an overall gradual recovery due to the effects of aggressive monetary easing in developed markets. Nevertheless, clear differences emerged in the economic conditions between developed and emerging market economies, resulting in varied stages of recovery by region and country. Although the U.S. economy was adversely affected during the second half of 2013 by the tapering of the third round of quantitative easing (“QE3”) and cold weather, the economy held firm on a steady improvement in employment and strong corporate earnings. The Japanese economy saw the yen weaken and share prices rise as a result of the large-scale monetary easing of the government’s “Abenomics” policies, leading to improved corporate earnings and increased consumer spending. On the other hand,

economic growth slowed in emerging countries, including China, resulting in softer markets for commodities, such as iron ore, and the effect on Mitsui was not insignificant.

Under U.S. GAAP, net income (attributable to Mitsui & Co., Ltd.) was ¥422.2 billion, far exceeding our target of ¥370.0 billion, with healthy production and sales leading to strong results in the Mineral & Metal Resources and Energy segments, along with strong results from other segments and gains from share sales.

Core operating cash flow\*<sup>1</sup> was positive inflow in the amount of ¥596.4 billion, demonstrating strong cash generating capability of our existing businesses. Total cash outlay for investing activities exceeded ¥1 trillion, which achieved the strengthening of our earnings base through such measures as expanded upstream activities, while ¥305.0 billion was recovered through strategic asset recycling.

\*1. Operating cash flow – Cash flow from increase/decrease in working capital

## Effects on financial results from shifting to IFRS

We have adopted International Financial Reporting Standards (IFRS) in place of U.S. accounting standards (U.S. GAAP) from our *Annual Securities Report* for the year ended March 31, 2014.

Profit (attributable to owners of the parent) for the year ended March 31, 2014 based on IFRS was ¥350.1 billion. The main differences from U.S. GAAP are that sales and valuation gains and losses on investments other than equity method investments are recognized in other comprehensive income and therefore are not included in profit for the period under IFRS. Also, the methods for determining impairment loss on property and equipment are different. In addition, fair value measurement on unlisted equity investments, primarily those in LNG projects, increased total assets by approximately ¥500.0 billion and shareholders' equity\*<sup>2</sup> by roughly ¥200.0 billion.

\*2. Shareholders' equity means equity attributable to owners of the parent.

## Strengthening our capability to generate cash

The new Medium-term Management Plan aims to establish continuous profit growth toward 2020, with an emphasis on further strengthening the Company's cash generation capability.

We have thus begun using EBITDA as a new performance indicator, as it demonstrates our underlying earning power and also correlates to our capability to generate cash. EBITDA for the year ended March 31, 2014 was ¥819.6 billion\*<sup>3</sup>, and we plan to reach ¥850.0 billion in the year ending March 31, 2015 and ¥1 trillion in the year ending March 31, 2017. Our definition of EBITDA includes profit of equity method investments, and, although this is not linked to cash, in recent years

we have recovered approximately 75% of our profit of equity method investments as dividends, and we will continue to strive to raise this rate of recovery.

Core operating cash flow is growing steadily, now exceeding ¥500.0 billion annually, and we are forecasting a total of ¥1.8 trillion to ¥2.0 trillion for the three years covered by the new Medium-term Management Plan.

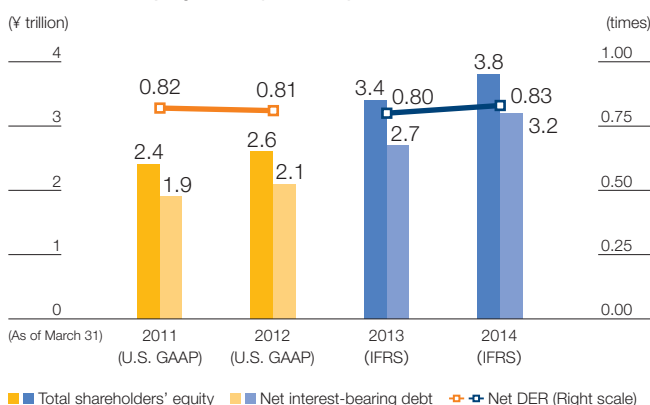
We have been recovering more than ¥200.0 billion of cash annually through strategic asset recycling, and we are forecasting a total of ¥700.0 billion to ¥900.0 billion of cash recovery for the three years under the new management plan. A large part of this total will consist of recovering funds deployed to development of resource and energy projects that are now in the production stage, and shifting to project financing for infrastructure businesses, as well as dilution of equity stakes. We expect significant amounts not only from the Machinery & Infrastructure Segment, the Mineral & Metal Resources Segment and the Energy Segment, but from the Lifestyle Segment and the Innovation & Corporate Development Segment as well.

\*3. Calculated based on IFRS figures.

## Enhancing the quality of our business portfolio

Asset recycling is an important tool for improving capital efficiency. We are attempting to maximize the return on investments overall by disposing assets after reviewing each of them on the strategic value and rationale for holding them, as well as for any remaining potential opportunity to increase value through our own efforts, even for those assets and projects that are currently profitable. By doing this, we will recycle our existing investments for new growth opportunities and raise our return on investments.

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



### 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, 2014)



To further promote our efforts to enhance the quality of our projects and businesses, we established the Business Supporting Unit in April 2013 and introduced a framework in which corporate staff divisions cooperate and work in unison with the business units.

Under the framework, corporate staff divisions responsible for finance, accounting and risk management work with the business units from an early incubation stage of new projects and businesses to ensure that those opportunities have the structures and economic requirements that are consistent with the Company's financial and accounting policies as well as the strategic targets of those business units. Also, we expect our internal knowledge and expertise to be organically utilized by having these supporting units remain actively involved in the project's management after the investment is made.

### Achieving positive free cash flow

Achieving positive free cash flow through strict adherence to investment discipline is an important issue in the new Medium-term Management Plan. We will aim for double digit ROE by achieving positive free cash flow and maintain the balance between asset expansion and profit growth.

For this purpose, we are reinforcing our investment and loan position management process. Previously, investment positions were managed by confirming the investment plans of each business unit and by assessing individual investment opportunities when they arise. When the new Medium-term Management Plan was being formulated, each business unit carefully selected investments and potential assets for divestiture and reconciled its plans with management based on the companywide cash flow position. The determined net investment and divestment amounts as a result are set as guidelines, and any unplanned investments are considered from a companywide viewpoint. Free cash flow will be managed through various measures, including generating cash through increased asset divestitures to match the cash required for new unplanned investments.

### Improving capital efficiency while maintaining financial stability

We have maintained a strong financial base, with total assets of ¥11.5 trillion, total equity of ¥3.8 trillion and a net DER of 0.83 times under IFRS as of March 31, 2014.

Our target with regard to capital efficiency is to raise ROE to 10% to 12% by the year ending March 31, 2017. To achieve this, we will make every effort to raise return on investments by strengthening our earnings base, but we will also flexibly consider share buybacks while taking into account free cash flow levels, anticipated future investment demands and other business environment factors. At the same time, in order to maintain a strong financial base to enable stable funding and maintain a buffer against business risks, we intend to maintain a net DER of roughly 0.80 times under the new Medium-term Management Plan.

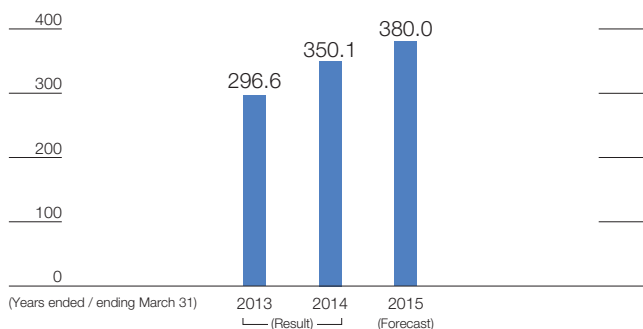
### Forecasting consolidated profits for the year ending March 31, 2015 and earnings growth under the new Medium-term Management Plan

We are forecasting profit (attributable to owners of the parent) of ¥380.0 billion for the year ending March 31, 2015, an approximate ¥30.0 billion increase from the previous year. Although we see profit being depressed by lower prices for iron ore, crude oil, gas and other commodities, as well as from increased resource related costs including exploration expenses, we are forecasting profit growth based on the reversal effect of the previous year's impairment losses and other one-time factors and from increased energy production volumes. We are projecting roughly a ¥30.0 billion increase in EBITDA, to ¥850.0 billion.

Under the new Medium-term Management Plan, we will focus on strengthening the earnings base of existing businesses and steadily implementing projects in the pipeline, and aim to achieve the EBITDA target of ¥1 trillion by the year ending March 31, 2017, the final year under the Medium-term Management Plan.

#### Profit (attributable to owners of the parent) (IFRS)

(¥ billion)

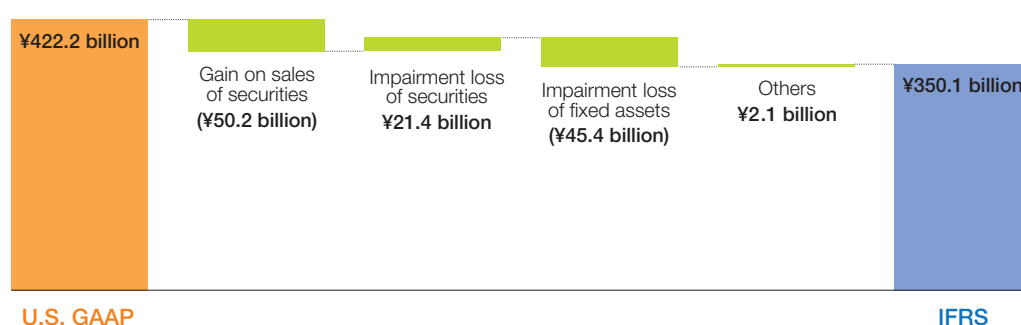


# Financial Statements for the Year Ended March 31, 2014: Differences between U.S. GAAP and IFRS

## Operating Results

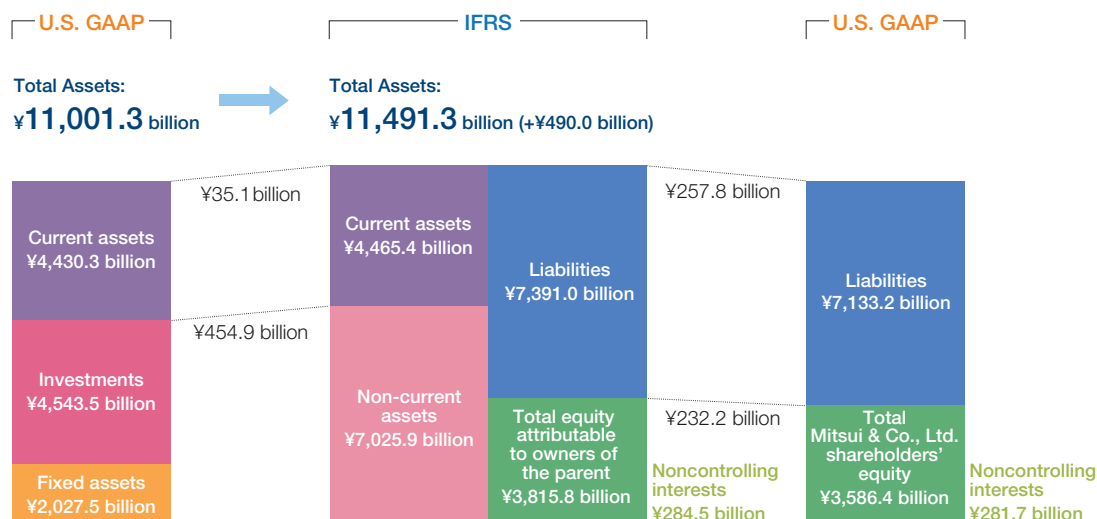
Under IFRS, profit for the year attributable to owners of the parent was ¥350.1 billion, a decrease of ¥72.1 billion compared with net income attributable to Mitsui & Co., Ltd. of ¥422.2 billion based on U.S. GAAP.

Due to one-time losses recognized under IFRS attributable to differences in methods for recognizing impairment loss of fixed assets under IFRS, a decrease of ¥45.4 billion was recorded. Also, a ¥28.8 billion decrease was recorded due to the absence of gain on sales and impairment loss of securities other than equity method investments, which are not recognized in profit under IFRS.



## Financial Position

Under IFRS, total assets amounted to ¥11.5 trillion, an increase of ¥0.5 trillion compared with ¥11.0 trillion in total assets based on U.S. GAAP. Total equity attributable to owners of the parent was ¥3.8 trillion under IFRS, an increase of ¥0.2 trillion compared with total Mitsui & Co., Ltd. shareholders' equity of ¥3.6 trillion based on U.S. GAAP. Both increases were primarily due to the recognition of non-listed shares, such as investments in LNG projects, at fair value under IFRS.

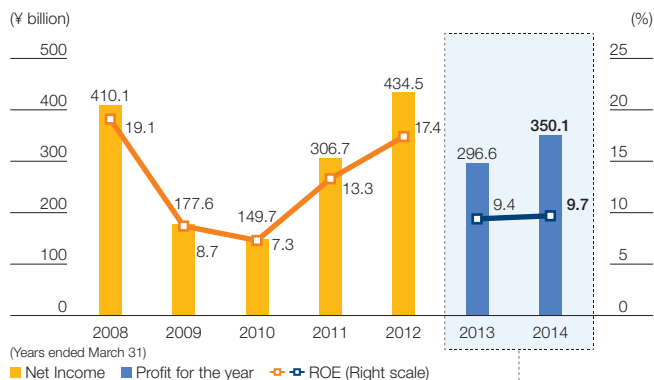


# Overview of Financial Results for the Year Ended March 31, 2014

(Since the year ended March 31, 2013, financial results are based on IFRS. Results for previous years are based on U.S. GAAP.)

## Substantial Increases in Dividend Income from LNG Projects and Iron Ore Shipments

### Profit for the Year Attributable to Owners of the Parent\* / ROE

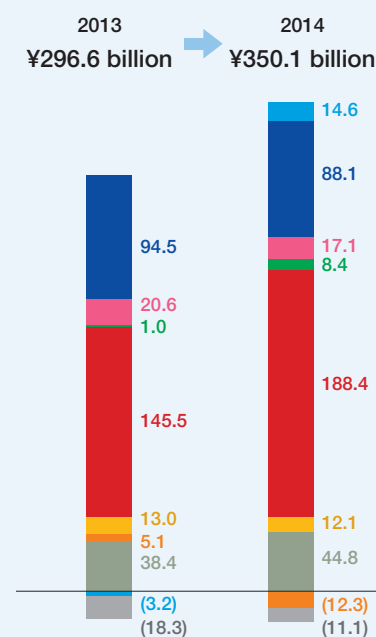


Profit for the year attributable to owners of the parent for the year ended March 31, 2014 was ¥350.1 billion, an increase of ¥53.5 billion from the previous year. Although one-time losses were recorded, such as impairment losses on coal mines, higher dividend income from LNG projects, recoveries in trading of chemicals and steel products, and increased iron ore shipments, as well as the effects of the yen's depreciation, helped contribute to the rise in profit for the year. In addition, return on equity (ROE) was 9.7%, a 0.3-percentage-point rise compared with the previous year's 9.4%.

\* Under U.S. GAAP, equivalent to "Net Income attributable to Mitsui & Co., Ltd."

### Profit for the Year Attributable to Owners of the Parent by Operating Segment

(¥ billion)



#### Major Factors in Year-on-Year Changes

<b>Iron &amp; Steel Products</b> +¥17.8 billion	In addition to a solid performance from the steel pipe business, foreign exchange losses related to trade transactions declined, resulting in increased profit.
<b>Mineral &amp; Metal Resources</b> (¥6.4 billion)	Valuation losses on coal mines in Australia and a copper mine in Chile, as well as tax-related losses at Vale S.A., offset an increase in iron ore shipments and the effects of the yen's depreciation, and profit declined.
<b>Machinery &amp; Infrastructure</b> (¥3.5 billion)	Despite solid performances from automobile-related businesses in South America and overseas IPP businesses, the increased burden of R&D costs related to aircraft engine development resulted in a decline in profit.
<b>Chemicals</b> +¥7.4 billion	The effects of the yen's depreciation, combined with a recovery in trading of petrochemical materials and strong agrochemicals sales, led to increased profit.
<b>Energy</b> +¥42.9 billion	Although the U.S. shale gas business recorded impairment losses, increased dividend income from LNG projects and gains on sales of shares of Mitsui Oil Co., Ltd. and of interests in oil fields resulted in higher profit.
<b>Lifestyle</b> (¥0.9 billion)	Despite a gain on sales of domestic office buildings, the reversal effect of gains recorded in the previous year on sales of shares of Mikuni Coca-Cola Bottling Co., Ltd. and higher selling, general and administrative expenses led to a decline in profit.
<b>Innovation &amp; Corporate Development</b> (¥17.4 billion)	Due to a valuation loss on shares of TPV Technology Limited and the reversal effect of gains recorded in the previous year on sales and valuation of Nihon Unisys, Ltd. shares, a loss was recorded.
<b>Overseas*</b> +¥6.4 billion	Gains on sales of senior living facilities in the United States and expanded profits from the segment's minority interest in iron ore mining operations in Australia contributed to increased profit.

\* Includes the three overseas segments: the Americas; Europe, the Middle East and Africa; and Asia Pacific.

■ All Other / Adjustment & Eliminations

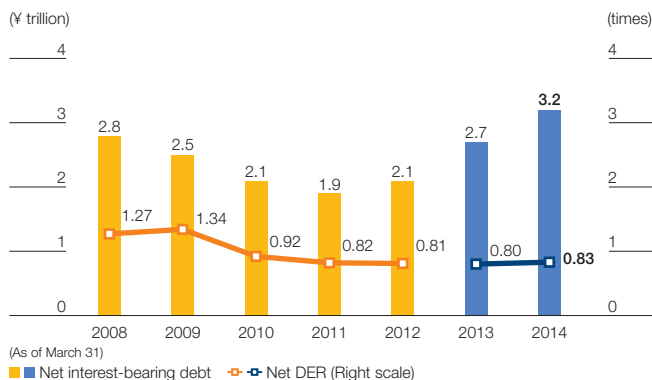
### Investments and Loans by Business Area

(¥ billion)

Business Area	2013	2014	Major Projects in 2014
<b>Metals</b>	370.0	255.0	Expansion of iron ore capacity (Australia), Iron ore mines (Australia), Automotive components (Americas), Caserones copper mine development (Chile)
<b>Machinery &amp; Infrastructure</b>	145.0	290.0	Hydropower generation (Brazil), Power generation and power / gas retail (Australia), Rolling stock for leasing, Company-owned ships, Water supply business (Czech Republic)
<b>Chemicals</b>	20.0	40.0	Expansion of tank terminal business (U.S.A.), Methanol manufacturing (U.S.A.)
<b>Energy</b>	335.0	340.0	Development of onshore oil fields (Italy), Expansion of oil and gas operations, Development of shale gas and oil
<b>Lifestyle</b>	65.0	60.0	Healthcare staffing services (U.S.A.), Intravenous products manufacturing (India), Senior living facilities (U.S.A.)
<b>Innovation &amp; Corporate Development</b>	25.0	25.0	High-speed mobile service (Indonesia)
Gross Investments and Loans	960.0	1,010.0	
Divestitures	(220.0)	(305.0)	FPSP refinancing (Brazil), Interests in oil fields (Egypt, New Zealand), Rolling stock for leasing, Mitsui Oil Co., Ltd. shares, QIWI plc shares
Net Cash Outflow	740.0	705.0	

## Despite Higher Net Interest-Bearing Debt, Strong Financial Base Maintained

### Net Interest-bearing Debt / Net Debt-to-Equity Ratio (Net DER)\*



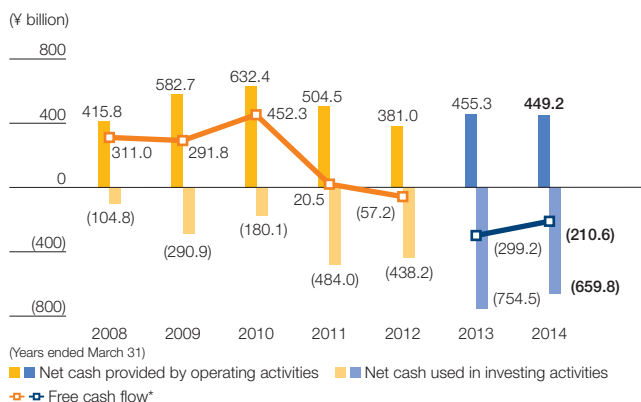
As a result of expanded investment in existing projects and new business investments during the year, total assets as of March 31, 2014, were ¥11.5 trillion, a ¥0.7 trillion increase from March 31, 2013. Net interest-bearing debt was ¥3.2 trillion, a rise of ¥0.5 trillion, attributable to increased investment. Shareholders' equity (total equity attributable to owners of the parent) was ¥3.8 trillion, an increase of ¥0.4 trillion, reflecting an increase in retained earnings and higher stock prices as well as the yen's depreciation.

As a result, the net debt-to-equity ratio (net DER) was virtually unchanged from the previous year-end, at 0.83 times, indicating a continued strong financial position. Moving forward, our basic policy will be to ensure a necessary level of liquidity for the smooth execution of business activities and to maintain sound and stable finances. We will procure funds, primarily with a maturity of about 10 years, and reduce rollover risk by avoiding yearly maturity concentrations of long-term funds.

\* Net DER = Net interest-bearing debt ÷ Shareholders' equity  
 Net interest-bearing debt = Interest-bearing debt – (Cash and cash equivalents + Time deposits)

## Implementation of Solid Investments Contribute to Strengthening of the Earnings Base on the Back of Strong Cash Generation

### Cash Flows



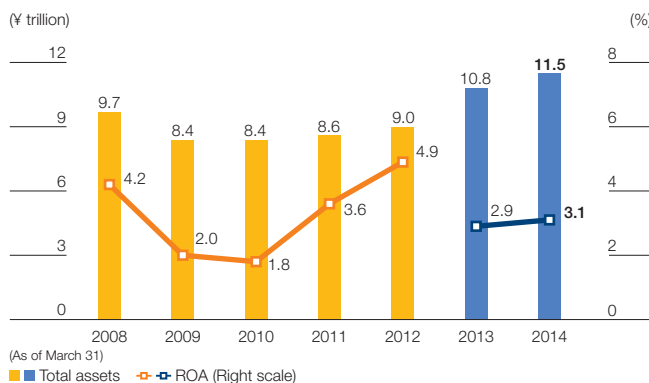
Net cash provided by operating activities during the year ended March 31, 2014, was ¥449.2 billion, reflecting operating income of ¥305.2 billion and dividend income of ¥277.3 billion as well as a ¥148.3 billion cash outflow related to increases and decreases in working capital.

Net cash used in investing activities was ¥659.8 billion, reflecting steady investments in quality projects and aggressive asset recycling to strengthen our earnings base.

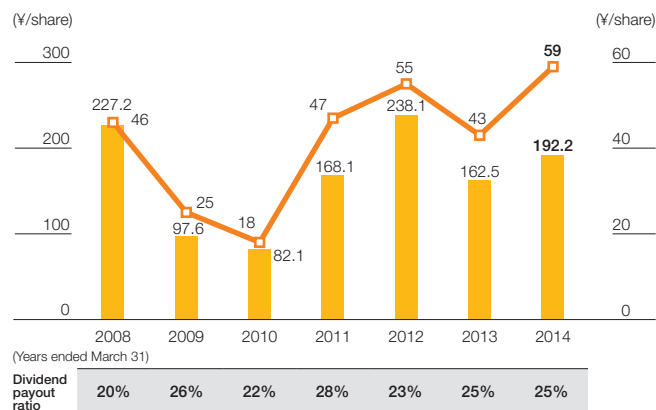
As a result, free cash flow was a net outflow of ¥210.6 billion.

\* Free cash flow = Net cash provided by operating activities + Net cash used in investing activities

### Total Assets / ROA



### Net Income per Share / Dividend Payout Ratio



► Information on other financial data begins from page 105.  
 Please refer to pages 116 and 117


\*1. The dividend payout ratio of 25% was based on net income under U.S. GAAP in 2013 and 2014.

\*2. Net Income\* refers to "Net Income attributable to Mitsui & Co., Ltd."





# Management Strategy



018 New Medium-term Management Plan

## Challenge & Innovation for 2020

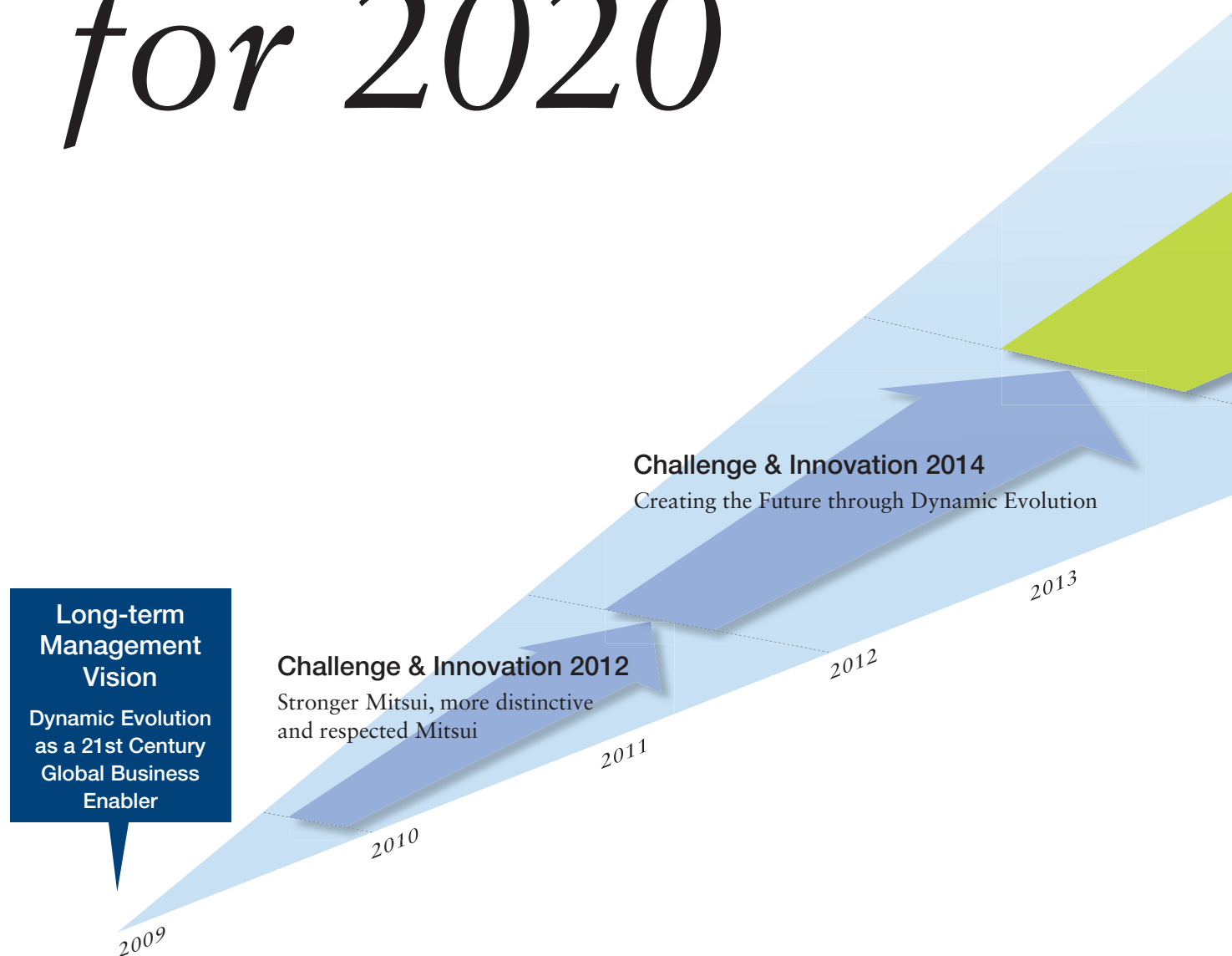
026 SPECIAL FEATURE

### Mitsui Premium Created in the Hydrocarbon Chain —Demonstrating the Premium from Shale Gas

nt

New Medium-term Management Plan

# Challenge & Innovation *for 2020*



## Our Target Position for 2020

- Create new value through the effective collaboration of businesses in accordance with Key Strategic Domains
- Balanced allocation to growth investments and shareholder return
- EBITDA: Constantly over ¥1 trillion
- Achieve sustained profit growth and double-digit ROE



## Demonstrating Mitsui Premium

2020

2017

2016

2015

2014

### New Medium-term Management Plan

Demonstrating Mitsui Premium

In 2009, we released our “Long-term Management Vision Dynamic Evolution as a 21st Century Global Business Enabler,” indicating our vision and the direction of our evolution over a 10-year time horizon. Under the guidance of this vision, we have already completed two medium-term plans: “Challenge & Innovation 2012” and “Challenge & Innovation 2014.” During the period of these two plans, we have created a substantially stronger operating foundation through the execution of growth strategies.

It has been five years since the 2009 release of our Long-term Management Vision. At this critical “middle point” toward the realization of our vision, our new Medium-term Management Plan “Challenge & Innovation 2020 –Demonstrating Mitsui Premium–” is very important to further crystallize our vision and the steps we will take to realize that vision.

Looking to the future, we will create new value for Mitsui and demonstrate Mitsui Premium for all our stakeholders.

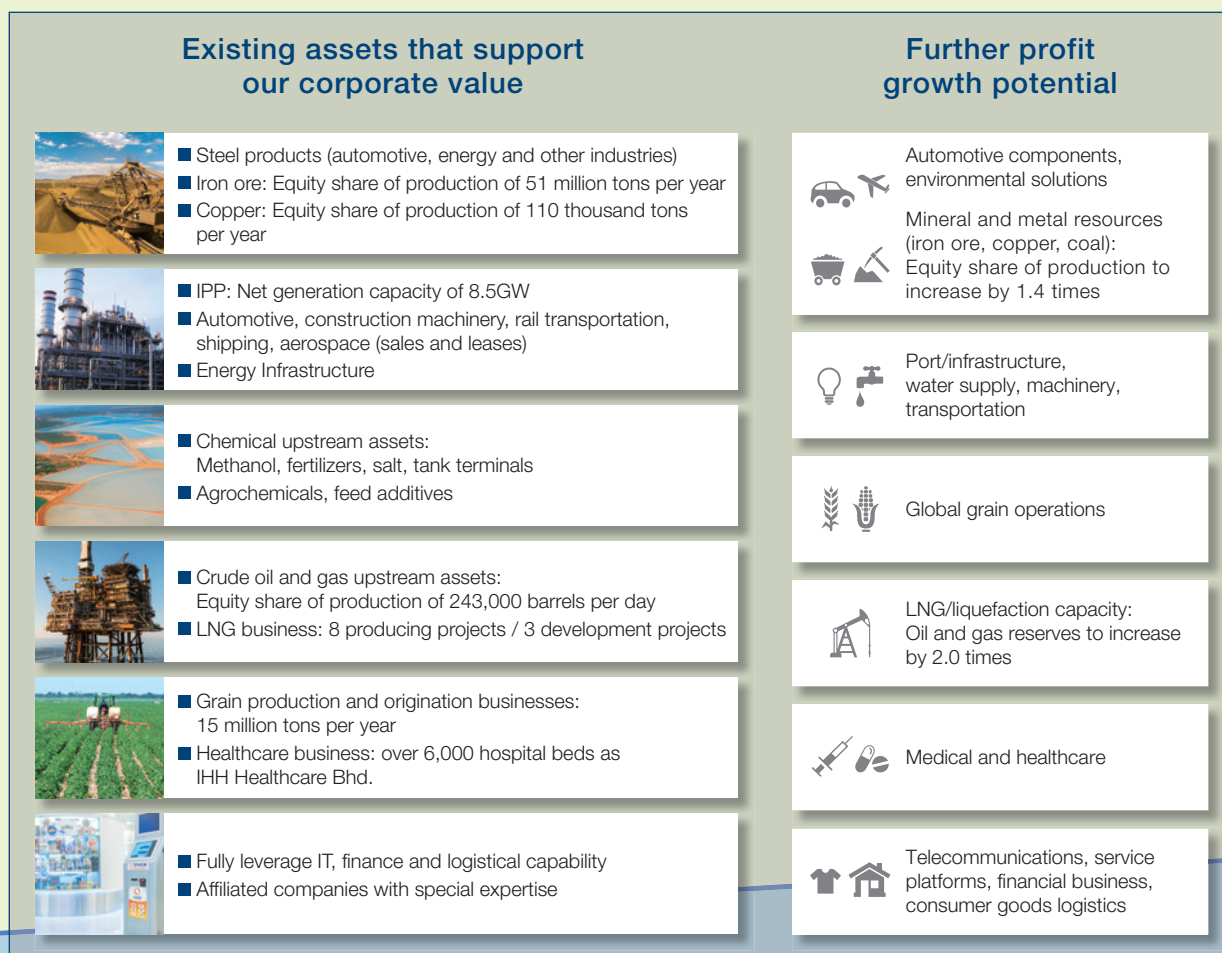


## Basic Policy

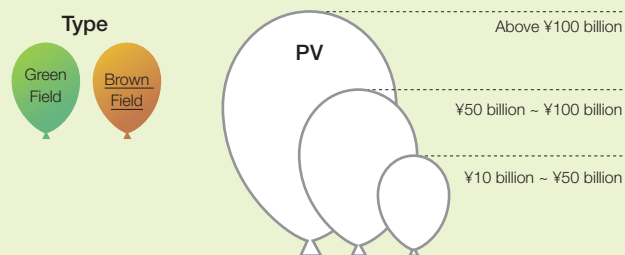
### 1 Improve competitiveness, managerial excellence, and business innovation and development

- We will reinforce competitiveness of every aspect of our operation—from personnel and organization through to the business activities of each of our operating companies—and combine our intelligence so that our **competitiveness** increases as a group.
- We will reinforce front-line **managerial excellence** by engaging with day-to-day business issues.
- We will sharpen our abilities to **innovate business models** and to **develop businesses** in multifaceted directions.

### 2 Achieve sustainable growth in our corporate value by fully enhancing the earnings base of Existing Businesses and executing Projects in the Pipeline



Strengthening the earnings base by improving and expanding Existing Businesses

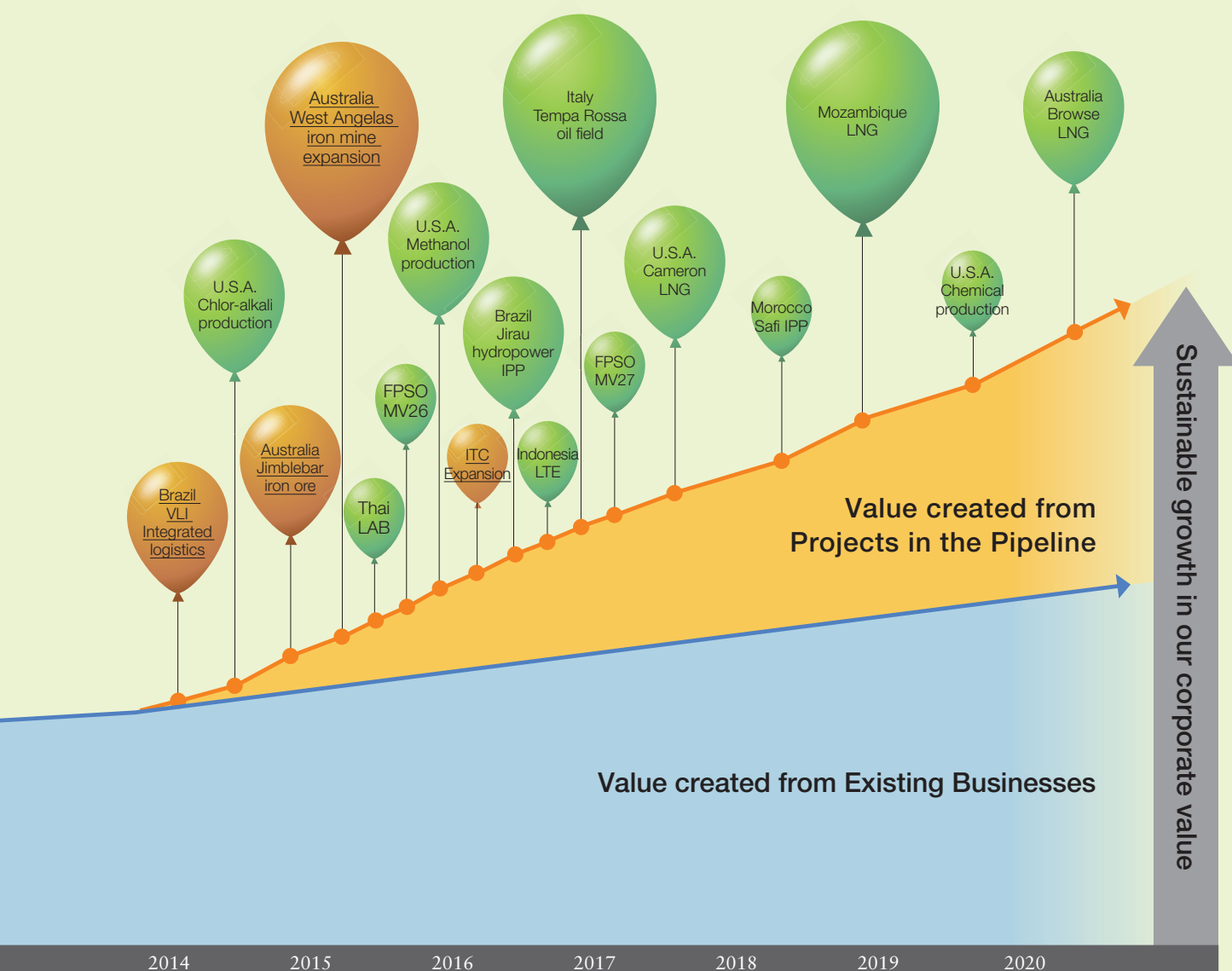


Execution of Projects in the Pipeline<sup>\*1</sup> that leads to sustained increases in corporate value

Total present value<sup>\*2</sup> of Projects in the Pipeline in excess of ¥1 trillion

<sup>\*1</sup>. Projects in which our participation has been decided and announced as of May 2014 and profit contribution is expected within several years

<sup>\*2</sup>. Present value of future cash flows (for expansion projects, expanded portion only)



## Basic Policy

### 3 Pursue both growth investments and returns to shareholders based on strong cash generation and a disciplined investment strategy

#### Recurring Free Cash Flow\*<sup>1</sup>: ¥1.0 trillion ~ ¥1.4 trillion during 3 years

1

- ☐ Core operating cash flow\*<sup>2</sup>: +¥1.8 trillion ~ ¥2.0 trillion
- ☐ Asset recycling: +¥0.7 trillion ~ ¥0.9 trillion
- ☐ Investment in Existing Businesses and Projects in the Pipeline: –¥1.5 trillion

\*1. A balance of core operating cash flow from existing assets and proceeds from strategic divestitures, and investment to expand Existing Businesses and implement Projects in the Pipeline

\*2. Cash flow from operating activities, excluding net cash flow from changes in working capital

#### Achieving positive free cash flow\* through strict adherence to investment discipline

- ☐ Reinforce our investment position management process and selectively invest
- ☐ Maintain a balance of asset expansion and profit growth

\* Recurring Free Cash Flow minus cash out flows for investments in New Businesses

#### Balanced allocation of Recurring Free Cash Flow to new investment for further growth with appropriate returns to shareholders

##### Investment in New Business

2

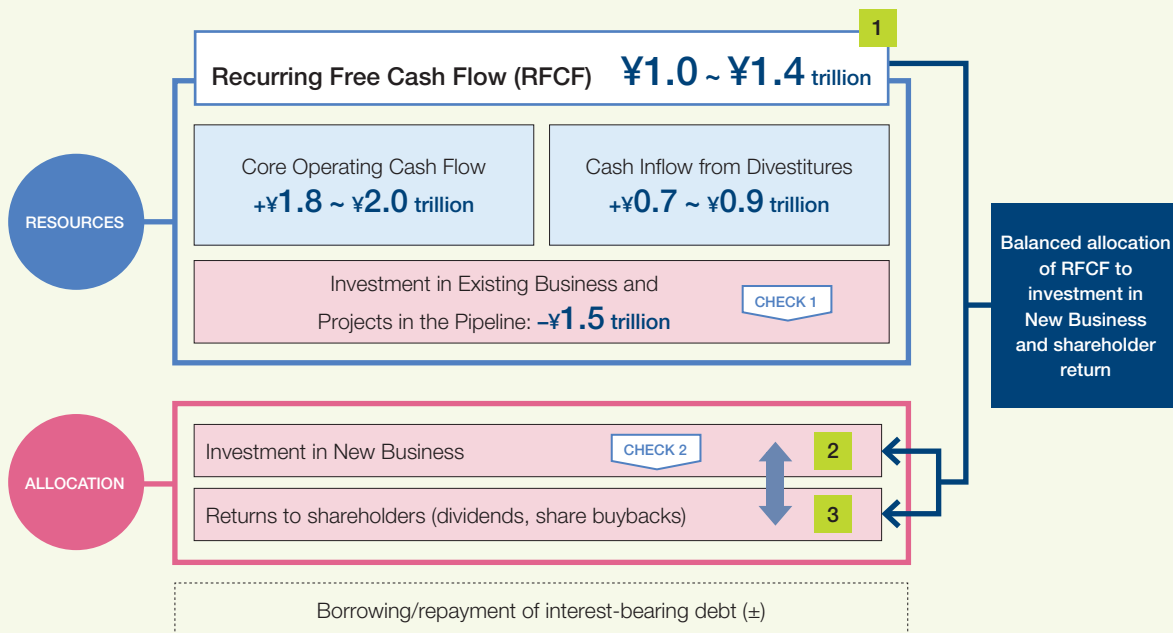
- ☐ Investment in high-earning fields identified through our expert knowledge in the various connections of the industrial chain
- ☐ Balanced allocation to Key Strategic Domains

##### Returns to shareholders

3

- ☐ Basic policy: Direct shareholder return through dividends
- ☐ Consolidated dividend payout ratio: 30%
- ☐ Share buyback program: Take measures in a prompt and flexible manner as needed with due consideration of the operating environment, such as the prospect of future investment requirements, the free cash flow level, interest-bearing debt and ROE

Cumulative total: Fiscal years ending March 31, 2015 to 2017



**CHECK 1**

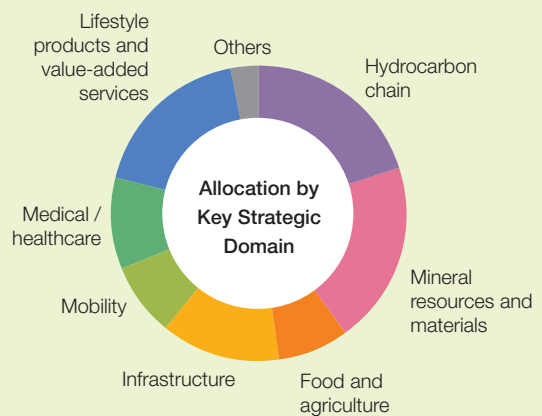
**Breakdown of investment in Existing Business and Projects in the Pipeline**

(Total amount for the three years ending March 31, 2017)

Operating Segment	(¥ billion)
Iron & Steel Products	10
Mineral & Metal Resources	290
Machinery & Infrastructure	230
Chemicals	20
Energy	660
Lifestyle	110
Innovation & Corporate Development	60
Overseas	120
<b>Total</b>	<b>1,500</b>

**CHECK 2**

**Breakdown of investments in New Business**





## Key Initiatives

### Key initiatives to solidify the roadmap to our 2020 Vision

#### Evolution of portfolio strategy

- ☐ Accumulate of good quality assets
- ☐ Achieve positive free cash flow

#### Enhanced capacity for global development

- ☐ Hybrid management system based on both commodity and region
- ☐ Priority countries: China, India, Indonesia, Russia, Mexico, Myanmar, Mozambique, Chile (new) and Turkey (new)
- ☐ Maintain focus on the United States, Australia and Brazil

#### Reinforced group management infrastructure

- ☐ Strengthen individual organizations (front-line business capabilities)
- ☐ Nurture talented individuals capable of managing operations at both parent and subsidiary level
- ☐ Prioritize placement of individuals according to Key Strategic Domains

#### Innovation for the next generation

- ☐ Take measures to create businesses for the next generation, and promote autonomous application
- ☐ Create valuable businesses that target Japan (industries, markets, partnerships)

## Quantitative Target

### EBITDA of ¥1 trillion by fiscal year ending March 31, 2017

- Using EBITDA as a new performance indicator, as demonstrates our underlying earning power and correlates to our cash generation capability

IFRS	Challenge & Innovation for 2020		(reference)
(Years ended / ending March 31)	2015	2017	2014 (results)
EBITDA*	¥850.0 billion	¥1 trillion	¥819.6 billion
Profit for the year attributable to owners of the parent	¥380.0 billion	—	¥350.1 billion
Core operating cash flow	¥1.8 trillion to ¥2.0 trillion (three year cumulative total)		¥597.6 billion

\* Gross profit + Selling, general and administrative expenses + Dividend income + Share of profit of investments accounted for using the equity method  
+ Depreciation and amortization

### ROE of 10% to 12% in fiscal year ending March 31, 2017

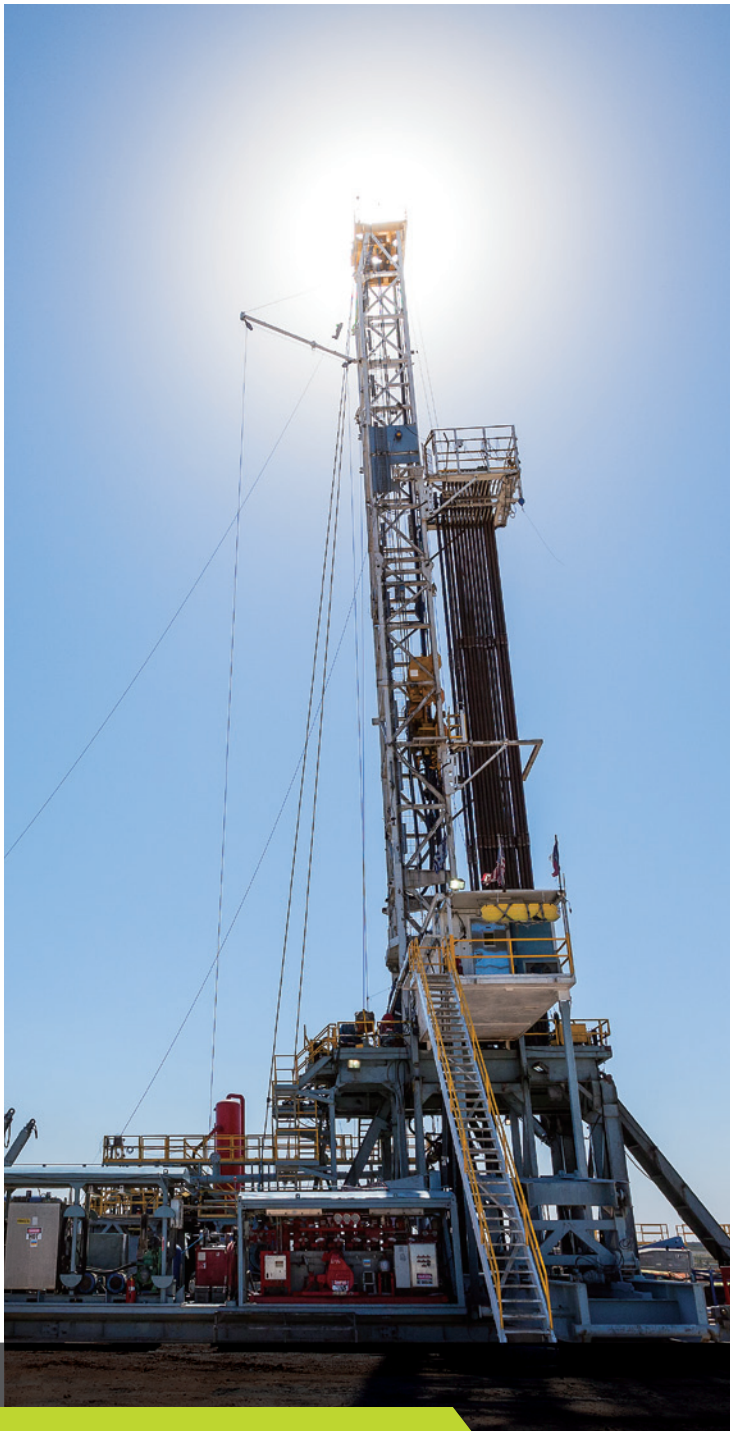
#### Pursue improvement of capital efficiency while maintaining financial stability

IFRS	Challenge & Innovation for 2020	(reference)
(Year ended / ending March 31 / As of March 31)	2017	2014 (results)
ROE	10% ~ 12%	9.7%
Net DER	0.8 times	0.83 times

#### Image of the Balance Sheet as of March 31, 2017 (IFRS)\*

(¥ trillion)	
Total assets	13.0
Interest-bearing debt	4.9 (net 3.7)
Shareholders' equity	4.8

\* Excluding any impact of potential share buyback



SPECIAL FEATURE

# Mitsui Premium

Created in the Hydrocarbon C





# um chain

This Special Feature introduces the various Mitsui businesses developed in one of the Company's Key Strategic Domains, the Hydrocarbon Chain.

—Demonstrating the Premium from Shale Gas



## Demonstrating Mitsui Premium

### The Hydrocarbon Chain, a Key Strategic Domain

In our Medium-term Management Plan that was announced in May 2014 and is also presented in this annual report, we have identified seven Key Strategic Domains. These domains are business areas in which Mitsui's strengths can be maximized toward delivering Mitsui Premium, a unique value that only Mitsui can create\*.

The Key Strategic Domain that has the highest potential for realizing Mitsui Premium is the Hydrocarbon Chain, which involves various stages of the value chain, from the upstream development and production of natural resources to midstream and downstream businesses. Specifically, the Hydrocarbon Chain includes: transportation and distribution related to the sales of produced crude oil and gas; the use of that oil and gas in thermal power generation, chemical production and chemical product distribution; the supply of the well casings, steel sheets and other materials indispensable for these businesses; and infrastructure construction such as gas liquefaction facilities. Already involved in many of these businesses in various parts of the world, Mitsui will organically integrate its accumulated knowledge and expertise while aiming to create promising new businesses and improve added value across the entire Hydrocarbon Chain by instigating collaboration and cooperation among businesses.

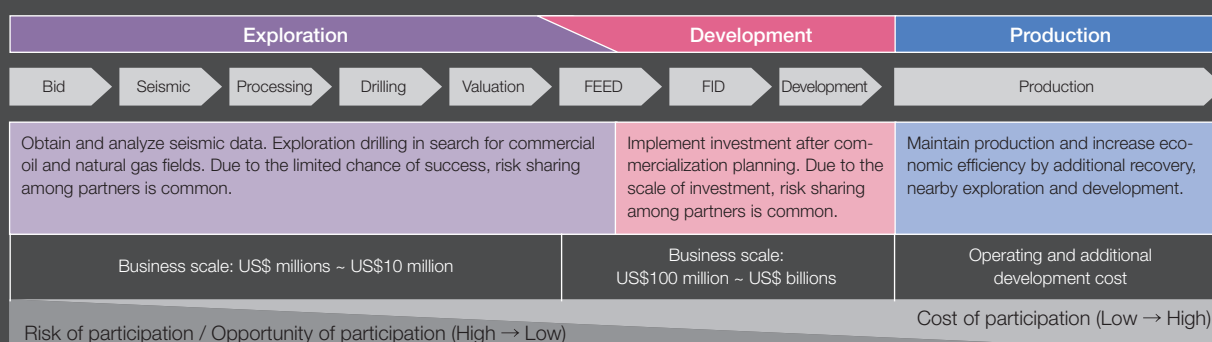
► \*Please refer to the Business Model section for more information regarding the Company's Key Strategic Domains.

## Basic Business Policy

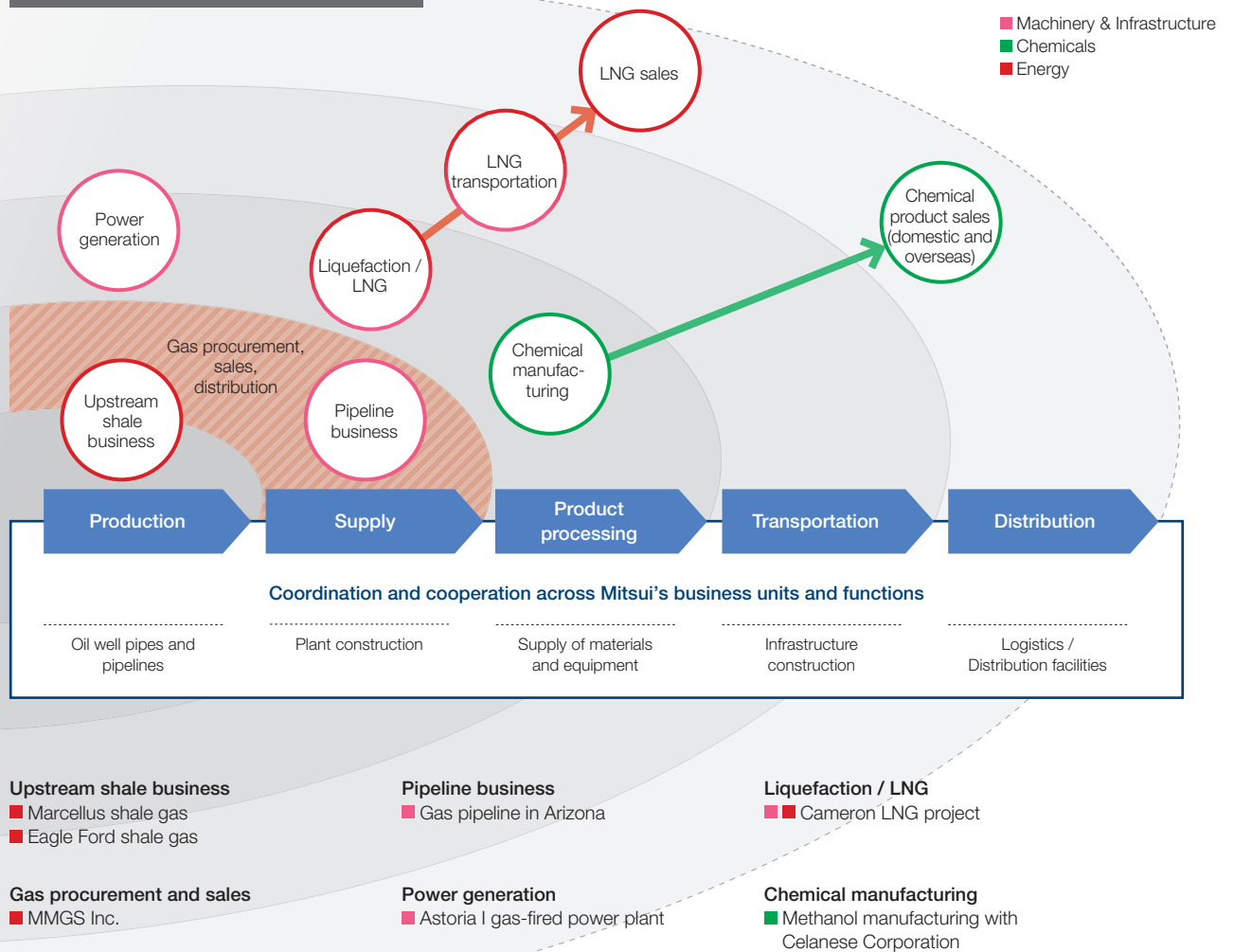
### Pursuing High Growth and Earning Power through Balanced Portfolio

In line with our basic business policy of long-term sustainable growth in reserves and steady improvements in earning power, we are developing our global portfolio with emphasis on the balance between the pace of investment in exploration and development and increases in production. In recent years, competition for energy resources has become increasingly intense around the world. To come out ahead of the competition, we will further evolve our knowledge, industry networks, gas sales capabilities in global markets, and business promotion and capabilities relating to exploration, development and production that we have accumulated over the years. For example, our subsidiary Mitsui Oil Exploration Co., Ltd. has a track record in oil and gas development in Southeast Asia that goes back many years. The accumulated knowledge and functions in these areas are being fully leveraged in the selection and identification of projects and in engagement with global majors in the joint development of large-scale projects with high degrees of difficulty. The trusting relationships with customers, resource-rich countries, operators and other partners in project development that have been built during the course of numerous projects will lead to opportunities to acquire new high-quality assets.

#### Flow of Oil and Natural Gas Exploration, Development and Production



## Hydrocarbon Chain in the United States



## Business Environment

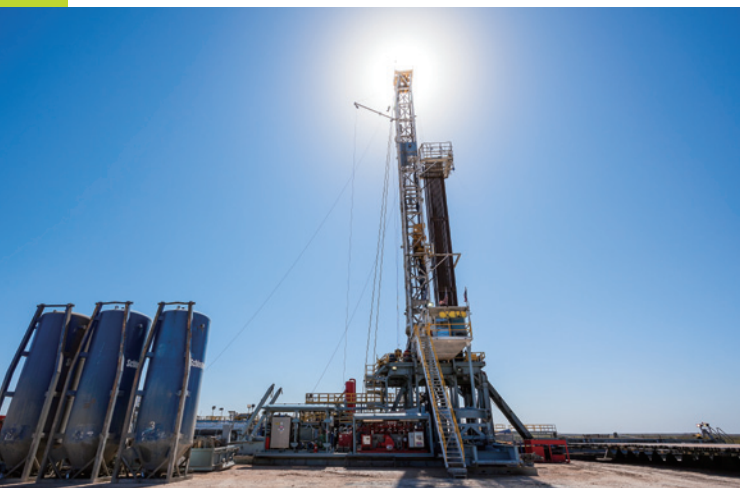
### Closely Following the Various Effects of the U.S. Shale Gas Revolution

The rapid growth of U.S. shale gas development that began in the early 2000s has expanded into a revolution that has brought about changes in the global supply and demand structure. Within the United States in particular, the increase in natural gas production has reduced gas prices to historically low levels, which in turn has led to a gradual shift from coal to natural gas as a fuel for electric power generation, promoted a return of chemical product manufacturing to the United States and, more recently, intensified moves toward LNG exports from the United States. Shale oil is also having an effect on the U.S. government's Middle East policy and on international politics, and this can also be seen as having an effect on the crude oil market.

Looking at the U.S. shale gas revolution and the variety of peripheral developments, other countries are increasingly seeking to pursue unconventional natural resources, including those derived from shale. As explained later in this Special Feature, by seizing the opportunity to be a part of the shale revolution from a relatively early stage, Mitsui has gained a wealth of knowledge and functions relating to shale oil and gas development and production businesses. Amid the widespread expectations for these resources, we have established a foundation to pursue opportunities to further expand our business.



FPSO of the Vincent oil field in offshore Western Australia



Drilling rig at Eagle Ford



## Entering the Upstream Shale Business

Shale oil and gas are crude oil and natural gas trapped in shale formations, and, although their existence has been known for many years, development and production have been considered to be technologically difficult. However, technological innovation, particularly in recent years, has brought down the associated costs and increased profitability, which have led to the acceleration of commercialization and implementation of the technologies required, and now the oil and gas reserves-to-production ratios are becoming longer. Along with extending reserves-to-production ratios, the development of unconventional resources is expected to reduce the risk of resource depletion, add stability to energy security and help to keep prices in check.

In 2010, Mitsui acquired roughly a 15% equity interest in shale gas development and production being carried out by Anadarko Petroleum Corporation ("Anadarko"), one of the largest U.S. independent oil and gas companies, in the Marcellus shale gas area, in the state of Pennsylvania. In addition to having abundant reserves, the Marcellus shale gas area is in close proximity to the northeastern part of the United States, a major region for demand, making the area one of the most promising shale gas production areas in the country. The business intends to drill several thousand wells over the next 20-to-30 years and to produce natural gas for approximately 60 years.

Also, in 2011, we acquired an approximate 12.5% equity interest from SM Energy Company in a shale oil and gas development and production project being carried out also by Anadarko in the Eagle Ford shale gas area in Texas.

## Hydrocarbon Chain related business of Mitsui

### Gas pipeline in Arizona



### Eagle Ford shale oil / gas



Partner: Anadarko



Construction site of the methanol production plant



Marcellus shale gas



Partner: Anadarko

Astoria I gas-fired power plant



Partner: GDF Suez

Oil well pipes sales business

Natural gas transportation business

Cameron LNG project



Methanol manufacturing business

Partner: Celanese

For this business, Mitsui and Celanese will each procure half of the natural gas feedstock to be used by the plant, and the companies will each handle half of the methanol produced.

Methanol is used as a basic ingredient in a variety of industries and products, including gasoline, plastics, adhesives, paints and pharmaceuticals, and therefore has the advantage of being relatively less affected by trends in any one particular industry. Global demand in 2013 was roughly 61 million tons, with the United States boasting the world's second-largest market after China, and we expect demand to continue to show solid growth. By providing a stable supply to our major customers in the United States, we will further raise Mitsui's presence in that market, which will lead to growth in the chemical products business as a whole.

To look into the production and sale of methyl methacrylate (MMA) monomer in the United States, we concluded a memorandum of understanding with Mitsubishi Rayon Co., Ltd. for the establishment of a joint venture company. By leveraging the Mitsubishi Rayon group's production technologies and integrating them into Mitsui's global sales network with overseas customers, we aim to create a business that produces highly competitive MMA monomer in the Hydrocarbon Chain based on U.S. shale oil and gas. MMA monomer is a raw material for the acrylic resin used in applications that include automobile headlight covers, signboards, aquarium tanks, light guide plates in LCD-use backlights, paints and building materials. Global demand for this product is currently more than three million tons, and we expect stable growth going forward. By integrating and making further use of Mitsui's unique strengths, we will aim to provide stable supplies of high-quality products and contribute to our customers' businesses as well as the chemical industry.



### Expanding the Presence of the Chemical Manufacturing Business

Taking note of the abundant natural gas resources in the United States that can now be accessed at low cost as a result of the shale gas revolution, Mitsui judged that chemical manufacturing using this natural gas as a raw material was a promising business. Based on this decision, we announced a plan to build a world-class methanol plant, with an annual production capacity of 1.3 million tons, as a 50-50 joint venture with the major U.S. chemicals company Celanese Corporation. By taking advantage of low-cost natural gas as its feedstock, this project will enable us to meet strong U.S. demand through domestic production and supply. Also, the construction of the facilities within an existing Celanese plant site will contribute to reduced costs, as well as market advantage gained from the expected early commencement of production from 2015, and will realize a high level of price-competitiveness.





## Driving Our Natural Gas Liquefaction and LNG Export Business

With this increase in shale oil and gas production activities, opportunities for LNG exports from the United States have also been growing. Exports have been approved not only to countries with which the United States has free trade agreements (FTAs) in place, but exports to non-FTA countries have begun to be approved as well, as the United States shifts from being a natural gas importer



LNG tank at Semptra's LNG import terminal

to a natural gas exporter. As part of this process, studies for LNG projects are ongoing in a variety of locations, with most involving the conversion of existing LNG import terminals to export terminals. A number of projects, including the Cameron LNG project in which Mitsui is participating with an equity stake, have received approval for construction from the U.S. Federal Energy Regulatory Commission (FERC).

Being jointly carried out by partners that include Semptra Energy of the United States and GDF Suez S.A. of France, the Cameron LNG project calls for the conversion of an existing Semptra-owned LNG import terminal in Louisiana to an export terminal and the construction of a natural gas liquefaction facility with an annual production capacity of approximately 12 million tons. The project received FERC approval for plant construction in June 2014, and the final investment decision was taken in August of the same year with a view to commencing commercial production in 2018.

Mitsui will handle four million tons of LNG annually and market it mainly to users in Japan. In much the same way as described above for the methanol production business, Mitsui will be responsible for procuring the natural gas feedstock for the liquefaction process. In addition, Mitsui will make the arrangements for the LNG carriers and will be responsible for transporting the LNG from the export terminal to many of its users. As can be seen in this project as well, we will integrate our accumulated knowledge and functions beyond the barriers between business segments. And through mutual cooperation among these segments, we will provide our customers and partners with our unique added value.



## Expanding the Gas-Fired Thermal Power Generation Business

We are also using our business development capabilities in areas other than chemicals. Our independent power producer (IPP) business, a gas-fired thermal power plant in New York City, is one example.

In October 2013, we acquired a 20.6% equity interest in the Astoria I power plant, which is owned and operated by a GDF Suez subsidiary. The power plant is one of the state-of-the-art power generation facilities in the area, and since starting commercial operations in 2006 it has been providing stable supplies of electric power to New York City, which is one of the largest areas of electric power consumption in the United States. Demand for electricity in this city is forecast to grow going forward, and we are expected to continue to contribute to the stabilization of power supply.

Mitsui is currently engaged with GDF Suez in a variety of joint projects in 12 countries around the world. This project has further strengthened our partnership, and we will continue to pursue new joint business opportunities on a global basis.





## Establishing a Natural Gas Transportation Business

Our equity share of natural gas produced from the Marcellus project is currently equivalent to more than roughly two million tons of LNG annually, and this is expected to grow going forward. The sale of this natural gas is being handled entirely by MMGS Inc., our gas distribution subsidiary in Houston, Texas. Mitsui will handle four million tons of LNG annually at the previously mentioned Cameron LNG project, and this subsidiary will also be responsible for the procurement of the natural gas feedstock. Due to the distance between the Marcellus project in Pennsylvania and the Cameron project in Louisiana, there are no plans to supply natural gas from the Marcellus project directly to the Cameron liquefaction facility. But the high liquidity of the U.S. gas market, however, enables us to capture the value generated along the entire length of the Hydrocarbon Chain. Much in the same way, MMGS is also responsible for Mitsui's procurement of natural gas feedstock in the methanol production business as previously mentioned.

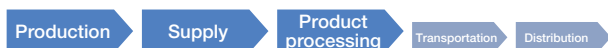
In the future, we will seek gas supply opportunities through MMGS in, for example, such projects as the previously mentioned Astoria I power plant and pursue opportunities to generate revenue in the value chain.

Along with the Mexican state-owned oil company Petróleos Mexicanos ("PEMEX") and Kinder Morgan of the United States, Mitsui is also progressing a pipeline business that exports and



Pipeline laying operation site

supplies natural gas from Arizona to Mexico. This is a project to lay a new pipeline to extend the existing pipeline by about 100 kilometers to the Mexican border, and the new pipeline is scheduled to come into operation in October 2014. In Mexico, Mitsui is investing in five natural gas-fired power plants and an LNG receiving, storage, and regasification terminal as well as in the gas distribution business. Demand for gas is forecast to increase significantly in Mexico in the years ahead, and Mitsui will further contribute to the social and economic development of both countries as well as to stable energy supplies by expanding the Mexican and U.S. gas value chain through these businesses.



## Broadening the Mitsui Group's Overall Business Foundation toward the Delivery of Greater Added Value

Mitsui possesses an extensive track record in the area of project management of large-scale gas development / LNG production projects, such as Sakhalin II, and also in areas of related infrastructure maintenance and supply of equipment and materials, such as line pipes to oil field projects in various parts of the world. Looking at the Mitsui group as a whole, companies that include Mitsui Ocean Development & Engineering Co., Ltd. ("MODEC"), which is engaged in the manufacture and operation of Floating Production, Storage and Offloading (FPSO) vessels; GEG (Holdings) Limited, which supplies materials and repairs production facilities; and Champions Pipe & Supply, Inc. and Cinco Pipe And Supply, LLC, which are engaged in wholesale and sale of pipes for oil wells, are deepening collaboration with Mitsui, and the overall breadth of the Mitsui group will grow increasingly wider.



Oil well casings at the Eagle Ford drilling site

With a firm focus on the needs of the times and business growth potential called upon in the Key Strategic Domain of the Hydrocarbon Chain, we will continue to deliver a value that only Mitsui can create—a value called Mitsui Premium.





# Business Strategy

Growth Strategy by Operating Segment










036	Results by Operating Segment
038	Iron & Steel Products Segment
040	Mineral & Metal Resources Segment
044	Machinery & Infrastructure Segment
050	Chemicals Segment
054	Energy Segment
058	Lifestyle Segment
064	Innovation & Corporate Development Segment
068	Americas Segment
070	EMEA (Europe, the Middle East and Africa) Segment
072	Asia Pacific Segment
074	Major Subsidiaries and Associated Companies



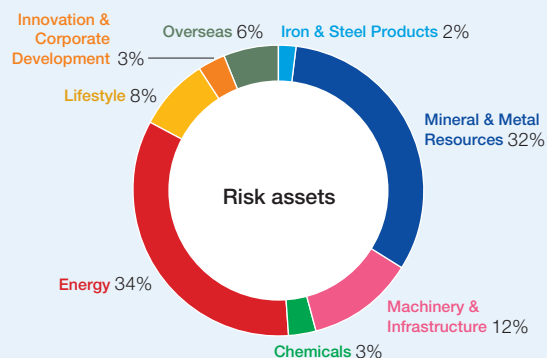
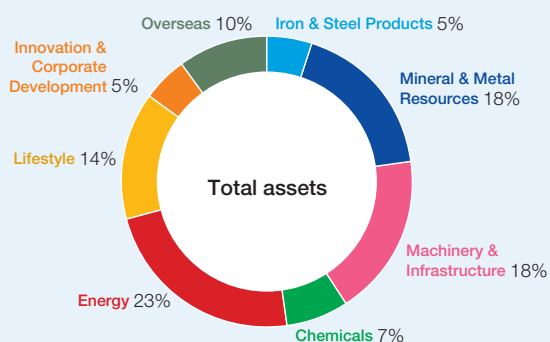
# Results by Operating Segment






(Year Ended March 31, 2014, IFRS)

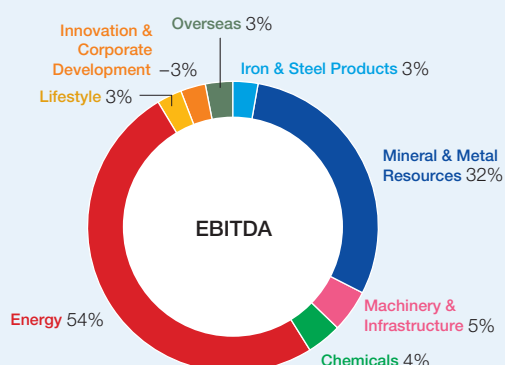
	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy
					
Billions of Yen					
EBITDA	21.8	241.7	35.6	28.5	416.1
Gross profit	51.1	200.9	114.7	80.5	199.8
Main business	Iron and steel products	Australian iron ore Australian coal	Machinery sales and lease-related services	Chemical sales	Petroleum/gas production and sales
Dividend income	1.5	1.7	3.5	1.8	102.3
Main business					LNG business
Equity in earnings*	5.4	38.0	24.4	8.6	60.1
Main business	Steel products distribution Processing / Manufacturing	Australian iron ore Brazilian iron ore Chilean copper	IPP Automotive / Construction machinery sales Energy infrastructure	Middle East methanol production	LNG business Petroleum products distribution businesses
Selling, general and administrative expenses	(37.6)	(41.8)	(124.2)	(69.8)	(57.9)
Depreciation and amortization	1.4	42.9	17.2	7.4	111.8
Profit for the year attributable to owners of the parent	14.6	88.1	17.1	8.4	188.4
Core operating cash flow	11.3	182.2	39.3	20.2	318.3
Total assets	567.7	1,970.9	1,872.6	765.8	2,478.2
Investments accounted for using the equity method	71.4	869.6	564.9	77.3	286.6
Property, plant and equipment	13.7	510.9	231.5	109.9	752.7
Number of employees (non-consolidated)	352	251	784	634	416
Number of employees (consolidated)	1,882	457	18,804	2,727	758

\* Share of profit of investments accounted for using the equity method.

## Composition of Operating Segments



Lifestyle	Innovation & Corporate Development	Americas	EMEA (Europe, the Middle East and Africa)	Asia Pacific	
					
20.2	(23.6)	26.3	0.6	(0.4)	Company Totals
114.0	22.6	78.7	18.8	12.5	819.6
Food products Food resources Fashion Housing and industrial materials	Domestic / International logistics Finance / Insurance Commodity derivatives	Feed additives Iron and steel products Chemical tank terminals Senior living properties	Chemicals Iron and steel products Machinery	Chemicals Iron and steel products Food resources Food products	880.1
5.4	3.4	0.4	0.7	1.5	124.0
19.3	4.9	4.0	1.4	4.5	171.2
Domestic TV shopping Asian hospitals U.S. edible oil processing	Domestic leases	Steel processing	Steel processing Chemical tank terminals	Thai water supply business	
(129.4)	(59.7)	(64.9)	(21.0)	(19.4)	(574.9)
10.9	5.2	8.1	0.7	0.5	219.1
12.1	(12.3)	13.7	0.4	30.7	350.1
15.5	(2.3)	13.7	4.5	1.8	597.6
1,495.4	496.5	568.8	105.9	345.1	11,491.3
262.7	71.5	57.8	14.0	192.5	2,448.8
89.6	46.8	111.6	4.2	11.0	2,007.5
801	391	219	155	229	6,097
10,047	3,586	4,220	947	1,464	48,090



\* Company totals include "others" and "adjustments and eliminations," which are otherwise not indicated.

\* Profit for the year attributable to owners of the parent for the Asia Pacific segment includes profit from non-controlling interests of Australian iron ore and coal businesses.

\* Risk assets refer to the maximum amount of anticipated loss on operating receivables and investments, assets such as property and operating positions such as liability on guarantee belonging to the consolidated group, calculated by multiplying independently established risk weight according to latent risks such as credit and market risks.

# Iron & Steel Products Segment

## Iron & Steel Products Business Unit



Managing Officer,  
Chief Operating Officer of  
Iron & Steel Products Business Unit

**Noboru Katsu**

## Business Activities

Iron and steel products are used across a wide range of industries, including the infrastructure, energy and automotive industries. Through this segment, we provide our customers in such industries, both in Japan and overseas, with services relating to the procurement and supply of iron and steel products. In addition, we invest in steel service centers that function as processing and distribution bases, in electric furnace steel mills and rolling mills that act as manufacturing bases, and in the iron and steel distribution industry.

## Market Outlook

Overseas competition is likely to become more intense and industry reorganization is expected to advance as soft growth among BRIC countries (Brazil, Russia, India and China) and surplus capacity among steelmakers in East Asia continue, creating a new supply-demand balance. However, in the medium-to-long term, we expect the Americas and Asia to drive a global economic recovery that will increase demand. Meanwhile, in Japan, conditions are expected to

remain favorable in the short term. Nevertheless, over the medium-to-long term, business conditions will probably become challenging due to intensifying competition in the steel distribution area accompanying a decline in domestic demand and integration in the steel industry.

## Business Strategies

We will bolster both domestic and global trading business platforms by reinforcing our competitiveness and by utilizing our integrated strength. At the same time, we will steadily implement new investments in selected projects focusing on value chains and the optimization of returns from existing investments. Based on these strategies, we aim to become the industry leader in our three strategic areas—infrastructure, energy and automotive—by building reliable, long-term earning power on a global basis.

### Infrastructure

We will strengthen initiatives for infrastructure projects mainly in Asia, the Middle East and Africa and capture growing demand for steel products in emerging countries. Also, through comprehensive initiatives with other business units, we plan to increase sales of rails and other high-value-added products in Russia, Brazil and Australia. Going forward, we intend to continue building new business models for infrastructure projects related to energy and resources.

### Automotive

In 2013, we acquired a 30% stake in the North and South American operations of Spain's Gestamp Automoción, S.L. ("Gestamp"), which is one of the world's largest manufacturers of automotive components. We will strengthen the relationship with Gestamp and leverage both companies' strengths to enable the automotive components business to capture demand in emerging countries. In addition, we will meet a wide range of demand in the automotive component value chain.

## Energy

Energy demand is expected to continue growing. However, the supply structure is changing significantly due to shale gas development and an increase in renewable energy. In order to respond to such change flexibly, we plan to build and offer new value chains to capture the growing demand. In addition, as well as existing businesses for the

supply of steel products, we will extend our business area to meet a wider range of demand, including that for the fabrication, assembly and maintenance, such as inspection, repair and technological support, of offshore structures, through GEG (Holdings) Limited, in which Mitsui & Co. Europe PLC has a 25% shareholding.

## Initiatives Based on Business Strategies

### Building Value Chain in Automotive Area

In the automotive area, we not only provide our service through steel products trading but also build a value chain by participating in the service center business and the automotive component business. Very recently, aiming to capture the demand of emerging countries, which promises to grow significantly, we have taken stakes in service centers in such countries and regions as Russia and Latin America. Further, we view Gestamp, in which we acquired a stake in 2013, as a core business in the automotive value chain, and we aim to increase its business value by providing such functions as steel supply, logistics, finance and the promotion of new materials. In conjunction with these efforts, we will contribute to environmental initiatives through weight reduction of automotive components.



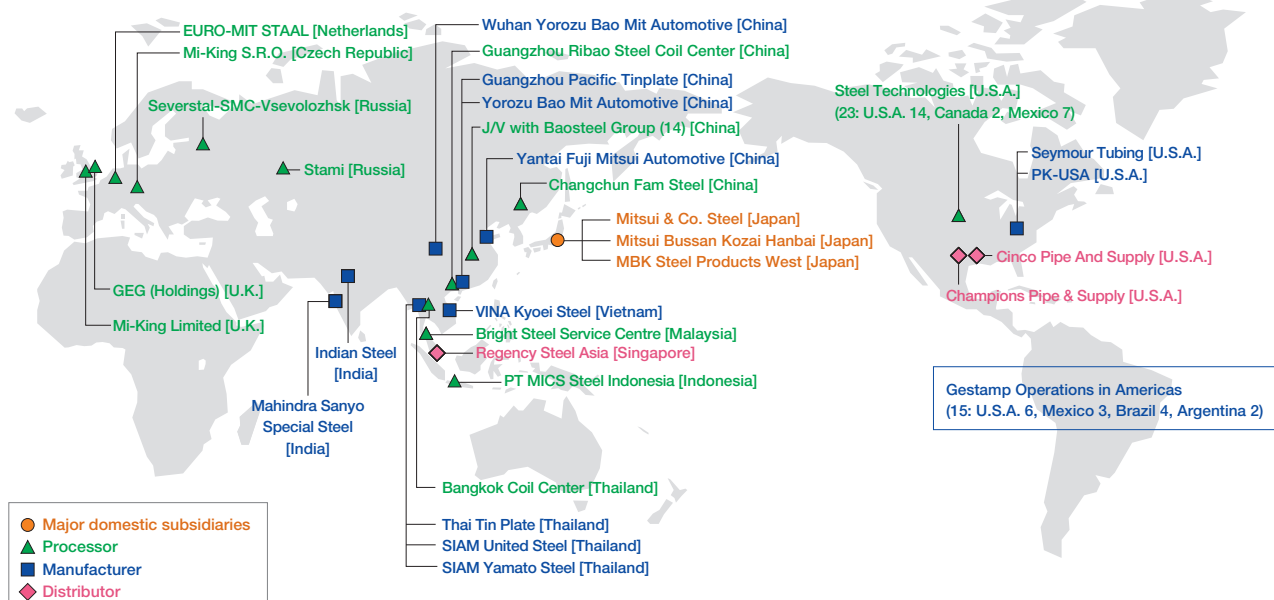
Hot stamping has high potential for automobile weight reduction that leads to reduced GHG emissions.

## CSR Topics

Headquarter	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Iron & Steel Products Business Unit	Reduce load on environment	<ul style="list-style-type: none"> <li>Supplied materials that contribute to solar power generation, reduction in automobile weights and reduction in gas emissions</li> <li>Supplied rails for railway development projects to reduce CO<sub>2</sub> emissions in emerging countries significantly</li> </ul>
	Undertake social investment in emerging countries	<ul style="list-style-type: none"> <li>Provided stable supplies of materials needed for infrastructure development in emerging countries</li> <li>Advanced the steel business, including the electric furnace business and the construction of steel processing center network</li> </ul>
	Contribute to stable energy supplies	<ul style="list-style-type: none"> <li>Provided safe and stable supplies of materials for facilities of energy projects, including oil and LNG projects</li> </ul>

## Major Investments in Iron & Steel Products Business

As of March 31, 2014





# Mineral & Metal Resources Segment

Mineral & Metal Resources Business Unit

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

**Yukio Takebe**



## Business Activities

In the Mineral & Metal Resources Segment, we contribute to ensuring stable supplies of mineral resources and developing a recycling-oriented society through initiatives that involve developing and trading iron ore, coal and other steel raw materials, along with copper, nickel, aluminum and other non-ferrous metals, while also pursuing endeavors in the environmental recycling business through operations involving ferrous and non-ferrous scrap metals. The Mineral & Metal Resources Segment mainly engages in the following fields of business, as described below.

### Iron Ore

In the iron ore business, we hold stake in Robe River Iron Associates (33% ownership) with Rio Tinto (Australia and the United Kingdom) and a joint venture (7% ownership) with BHP Billiton (Australia and the United Kingdom) in Australia, and indirectly hold 5% of the issued shares of Vale S.A. (Brazil), the world's largest producer of iron ore.

### Ferrous Raw Materials and Recycling Solutions

In the ferrous raw materials and recycling solutions business, we are involved in the distribution of steel scrap, hot briquetted iron, pig iron, ferroalloys and other raw materials for steelmaking. We have also been developing high-value-added environmental solutions businesses for the development of a recycling-oriented society across the value chain, covering metal resource collection and reuse, through activities that involve the recycling of discarded household appliances. In China, we participate in a company named Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd. (25% shareholding), an entity that pursues diversified businesses in such areas as coal, power generation, ferroalloys and chemical products.

### Coal

We maintain equity interests in the coal business, such as the Dawson joint venture (49% ownership) with Anglo American (United Kingdom) and the Kestrel joint venture (20% ownership) with Rio Tinto through Australian consolidated subsidiary Mitsui Coal Holdings Pty. Ltd. and equity-method associated company BHP Billiton Mitsui Coal Pty. Ltd. (20% shareholding, Australia).

### Base Metals (Copper)

We take part in business involving base metals in conjunction with Anglo American Sur S.A. (9.5% indirect shareholding through joint venture with Corporación Nacional del Cobre de Chile), which owns the world's largest copper project; the Collahuasi copper mine project (7.43% shareholding); and the Caserones copper mine (22.63% shareholding).

## New Metals and Aluminum

### (Nickel, Rare Metals, Aluminum)

We take part in business involving nickel in Philippines through the Coral Bay Project (18% shareholding) and in New Caledonia through the Vale New Caledonia Project (6.9% shareholding). With respect to rare metals, we are working in the area of distribution focused on rechargeable battery materials. We also engage in the aluminum business, pursuing opportunities in Brazil through the Alunorte refinery (alumina) and the Albras smelter (aluminum ingot) as well as in China through Ruyuan Dongyangguang Fine Foil Co., Ltd. (20% shareholding), an aluminum rolling mill.

## Market Outlook

Steel raw materials and non-ferrous metals are core industrial materials, and global demand is likely to grow over the long-term as China, India and other countries emerge. Meanwhile, supply and demand is expected to tighten due to supply limitations resulting from rising development and production costs, deterioration in the quality of existing mines and the limited number of high-quality undeveloped projects.

## Business Strategies

We will focus efforts on improving the quality of and realizing returns from existing assets that have outstanding cost-competitiveness, while we will cement our earnings base by carefully selecting and acquiring quality new assets and recycling assets strategically to optimize our asset portfolio further. And, in preparation for the full-fledged emergence of a recycling society, we will expand and improve global logistics networks.

### Iron Ore

Our iron ore business operating in Australia and Brazil boasts world-class cost-competitiveness. We intend to increase the capacity of mine production and port shipping capacity in both these countries. At the same time, we will take advantage of our logistics networks and comprehensive strengths to realize supply stability.

### Ferrous Raw Materials and Recycling Solutions

We will expand our trading business for ferrous raw materials, including steel scrap, hot briquetted iron, pig iron and ferroalloys while creating business scheme aimed at ensuring supply stability. Further, we intend to capitalize on our comprehensive capabilities to support the diversifying business management of Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd., thereby continuing to concentrate efforts on capturing growth in China's market.

### Coal

We plan to enhance the earnings base through improving quality of coal mines in Australia. In addition, we will acquire quality interests and leverage trading networks and comprehensive capabilities while contributing to supply stability.

### Base Metals (Copper)

We will strengthen the competitiveness of Anglo American Sur S.A. and the Collahuasi copper mine project. Also, we aim to stabilize the Caserones copper mine's operations as soon as possible. In addition, with comprehensive strategic alliance partner Corporación Nacional del Cobre de Chile and other strategic partners, we will undertake multifaceted business development and acquire quality interests while further realizing our comprehensive capabilities and trading network capabilities to ensure supply stability.



Collahuasi copper mine (Chile)

### New Metals and Aluminum

#### (Nickel, Rare Metals, Aluminum)

Regarding nickel, we aim to improve the quality of existing nickel projects and acquire quality stakes with Vale S.A., Sumitomo Metal Mining Co., Ltd. and other strategic partners. As for rare metals, we will accelerate efforts in the area of rechargeable battery materials for smart communities to enable the creation of next-generation businesses. As well as upgrading quality in existing aluminum projects, we will advance both projects and trading businesses in a wide range of business areas, from bauxite to aluminum downstream products.

## Initiatives Based on Business Strategies

### Acquisition of Interests in Australian Jimblebar Iron Ore Mine

In June 2013, Mitsui agreed to acquire a stake in BHP Iron Ore (Jimblebar) Pty. Ltd., which is developing the Jimblebar iron ore mine in Western Australia, part of the iron ore business of major resource development company BHP Billiton. This acquisition gives us a stake of 7%, ITOCHU Corporation 8% and BHP Billiton 85%. The mine's production capacity is 35 million tons per annum (Mtpa), and the possibility of expansion is under consideration. Jimblebar has a large prospective deposit and produces ore with outstanding cost-competitiveness and quality.



Train load-out facility at the Jimblebar iron ore mine, interests acquired in 2013 (Australia)  
©BHP Billiton

### Start-up of Production in New Area of Kestrel Coal Mine in Australia

In July 2013, Kestrel Joint Venture (20% shareholding)—which Mitsui and Rio Tinto jointly own in Queensland, Australia—began production in a new area that it had been developing next to the Kestrel coal mine's existing area. The Kestrel coal mine commenced operations in 1992. At present, it produces approximately 4.0 Mtpa of high-quality coking coal. With the start-up of production in the new mining area, the average production for the entire mine over the coming 20-year period is estimated to be approximately 5.7 Mtpa.



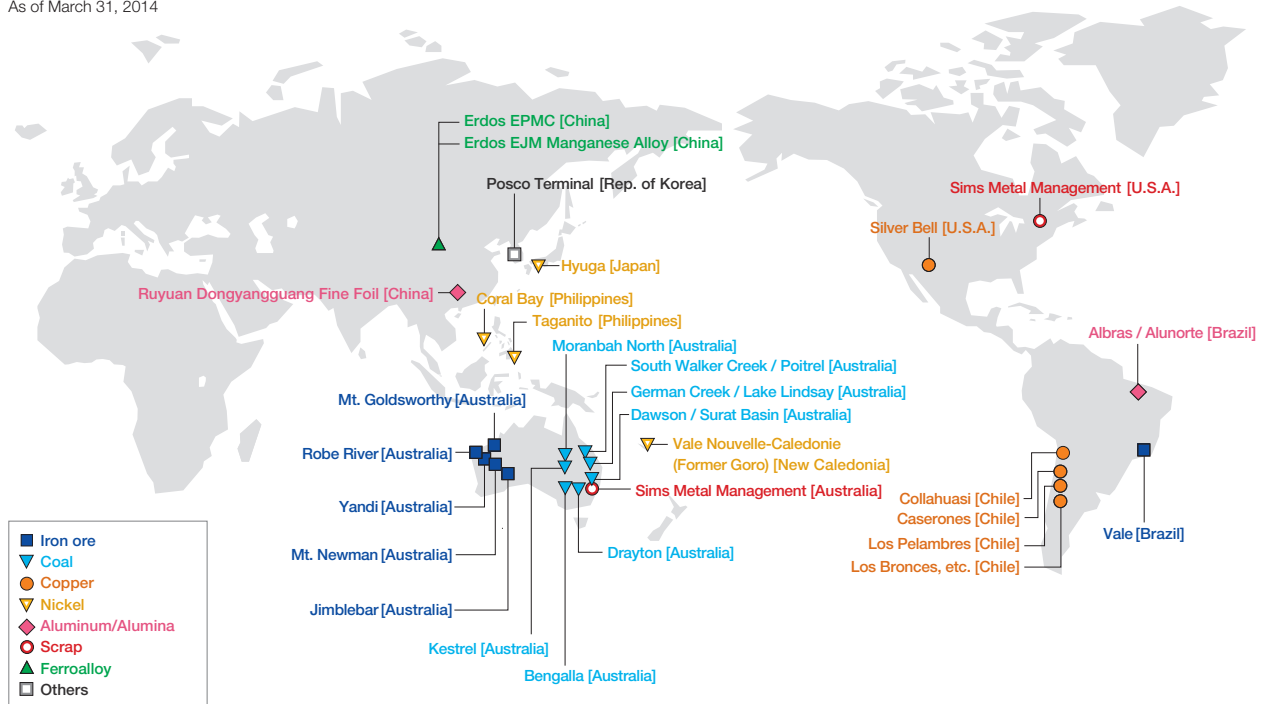
Start-up of production in a new area of the Kestrel coal mine in 2013 (Australia)

## CSR Topics

Headquarter	CSR priorities	Measures for Fiscal Year Ended March 31, 2014
Mineral & Metal Resources Business Unit	Provide industrial solutions aimed at realizing low-carbon society	<ul style="list-style-type: none"> <li>□ Advanced the automotive recycling business by introducing Japan's recycling technology and operating expertise to China in anticipation of higher volumes of scrap automobiles arising</li> <li>□ Accepted a contract for the operation of Ministry of the Environment's "Small Waste Electrical and Electronic Equipment Recycling System Construction and Verification Project" in the previous fiscal year and advanced it in close collaboration with the ministry</li> <li>□ Began a business for recycling small consumer electronics, as part of industrial response to respective recycling laws in Japan, after receiving certification as a company that recycles used small consumer electronics</li> </ul>
	Use sustainable resources	<ul style="list-style-type: none"> <li>□ Introduced users to new suppliers to contribute to stable supplies of lithium, rare earths and tungsten, which are raw materials of magnets and rechargeable batteries used in eco-cars and of cemented carbide tools used for automotive manufacturing</li> </ul>

## Major Projects in Mineral & Metal Resources Business

As of March 31, 2014



## Projects in Iron Ore and Copper Mining

### Iron Ore Projects

Project or Company	Country	Production* <sup>1</sup> (million tons)	Mitsui's Ownership
Valepar (Vale)	Brazil	300* <sup>2</sup> [15.0]	15% (Vale 5%)
Joint Venture with Rio Tinto: Robe River Iron Associates	Australia	63 [20.9]	33%
Joint Ventures with BHP Billiton: Mt. Newman Joint Venture Yandi Joint Venture Mt. Goldsworthy Joint Venture Jimblebar Joint Venture	Australia	216 [15.1]	7%

\*1. Production in the year ended March 2014: Upper figures show total production; lower figures in brackets show Mitsui's share

\*2. Iron ore production in calendar year 2013, excluding pellets

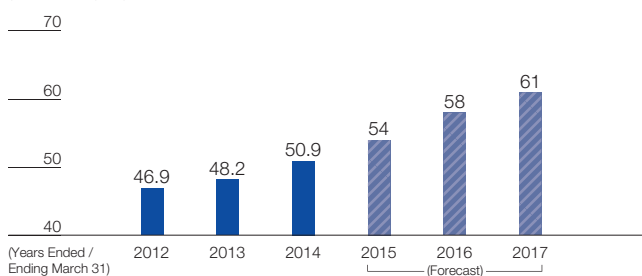
### Copper Projects

Project	Country	Products	Production* (thousand tons)	Mitsui's Ownership
Collahuasi	Chile	Copper Concentrate (Molybdenum Concentrate) / Copper cathode	445 [33.0]	7.43%
Los Pelambres	Chile	Copper Concentrate (Molybdenum Concentrate)	405 [5.1]	1.25%
Silver Bell	U.S.A.	Copper cathode	20 [5.0]	25%
Los Bronces, etc.	Chile	Copper Concentrate (Molybdenum Concentrate) / Copper cathode	467 [44.5]	9.5%
Caserones	Chile	Copper Concentrate (Molybdenum Concentrate) / Copper cathode	16 [4.0]	22.63%

\* Production in the year ended March 2014: Upper figures show total production; lower figures in brackets show Mitsui's share

### Iron Ore: Forecast Equity Share of Output\* (Announced in May 2014)

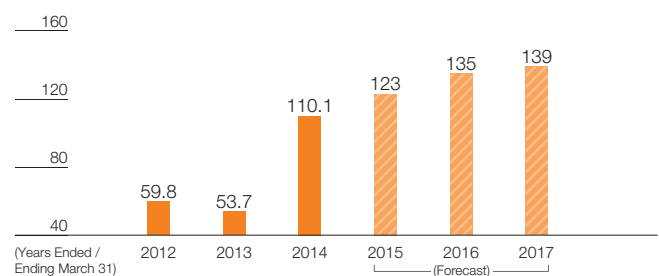
(Million tons/year)



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

### Copper: Forecast Equity Share of Output\* (Announced in May 2014)

(Thousand tons/year)



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



# Machinery & Infrastructure Segment

Infrastructure Projects Business Unit

Integrated Transportation Systems Business Unit



Executive Managing Officer,  
Chief Operating Officer of  
Infrastructure Projects  
Business Unit

**Takeshi Kanamori**



Managing Officer,  
Chief Operating Officer of  
Integrated Transportation  
Systems Business Unit

**Tatsuo Yasunaga**



## Business Activities

### Infrastructure Projects Business Unit

The Infrastructure Projects Business Unit's mission is to upgrade and maintain infrastructure needed to facilitate social and economic development while helping to create a better global environment. In line with that mission, the business unit has been developing and operating the infrastructure project business in fields such as power generation, energy and mineral resources/basic industry, marine energy, water supply and logistics, with the aim of creating infrastructure that contributes to the future of society and nation building.

We draw on our strengths in project development, regional development, project structuring and business management to develop EPC projects, including the construction of plant facilities, while also creating businesses that contribute to the building of nations, and participate in projects where the business unit plays roles such as in financing arrangements, business operations, the management of plant and facility construction and also operations and maintenance contracts following plant completion.

In the area of electric power, the business unit focuses on independent power producer (IPP) business and soundly balances investment in thermal power, hydropower and renewable energy, while ensuring long-term and stable returns on the basis of long-term power sales

contracts with users such as state-owned power companies. As of March 31, 2014, we have invested in 67 power generation projects in 20 countries, bringing Mitsui's total equity share of the combined power-generation capacity to 8,480MW (including 1,818MW attributable to facilities under construction).

In the energy, mineral resources and basic industry area, we pursue business in the marine energy sector, including that of FPSO (floating production, storage and offloading system for offshore oil and gas) facilities, as well as LNG facilities, pipeline and gas supply business, and core infrastructure business with a particular focus on shipping ports and transportation facilities in the mineral resource and energy value chain.

In the area of water treatment and supply, we develop and operate water supply and sewage, desalination, and wastewater treatment facilities in Mexico, Thailand, China and Europe. In addition, we promote the development of infrastructure projects that contribute to the building of emerging nations, such as those for logistics and social infrastructure mainly involving harbor and airport businesses, and infrastructure necessary for a low-carbon society.

### Integrated Transportation Systems Business Unit

The Integrated Transportation Systems Business Unit covers a wide range of business areas, from motor vehicles, mining and construction

machinery, ships, aircraft, railways and other machinery to transportation systems.

In motor vehicles, the business unit has a long track record of exporting, manufacturing and marketing Japanese automobiles and parts, and it has developed networks of subsidiaries and associated companies that act as import wholesalers, dealers and manufacturers of Japanese vehicles worldwide. For instance, we export motor vehicles of Toyota and other Japanese automakers to various countries around the globe, and we are also involved in local production and sales. We also work on developing logistics services involving parts used in vehicle manufacturing, retail operations and retail finance.

In the mining and construction machinery area, we engage in worldwide sales and ancillary services involving dump trucks for mining operations, hydraulic excavators and other types of mining and construction equipment.

In the ship business area, the business unit engages in trading newly built ships to ship owners and shipping companies in Japan and overseas, provides ship management services, acts as broker for chartering vessels and for sales and purchases of second-hand ships, and sells ship machinery to shipbuilders. The business unit also owns and operates ships (commercial ships and LNG carriers), both as a single entity and jointly with key business partners.

In the aerospace area, we provide and arrange sales, operating leases and finance leases for passenger and cargo aircraft and aircraft engines to airlines in Japan and overseas. We are also participating in the development of a new General Electric Company engine for the next generation of wide-body aircraft.

In the transportation area, we arrange rolling stock and locomotive operating and finance leasing in North America and Europe as well as Brazil, while providing relevant operating, maintenance and management services. We also engage in the business of general freight transport in Brazil.



Toyota dealer (Philippines)

## Market Outlook

### Infrastructure Projects Business Unit

Among emerging countries, where economies and populations continue growing markedly, demand is rising for the development of basic infrastructure, including electrical, water-related and logistical infrastructure. As for industrialized countries, aging infrastructure is leading to increased demand for repairs, while efforts to create a low-carbon

society are boosting demand for related infrastructure investment. Further, as facilities and equipment for energy resource development become more advanced, larger and more complex, demand for development is rising overall. In the United States, the progress of shale oil and gas development is heightening demand for infrastructure development, pipeline transportation, downstream chemical manufacturing, gas-fired power generation and LNG shipping facilities.



Jirau run-of-the-river hydropower project (Brazil)

### Integrated Transportation Systems Business Unit

In the automobile industry, we expect the recovery of the North American market and those of other developed countries whilst the economic growth of emerging economies has already begun to slow.

We anticipate demand for mining and construction equipment will remain stable, mainly in resource-rich countries and emerging nations.

Regarding the shipping business, we see the new building market is emerging from a trough. However, the huge excess in supply capacity around the world has not been alleviated, and therefore the market outlook remains unclear. Meanwhile, we expect fundamental market conditions for LNG shipping to improve due to shale gas project development.

In the aerospace industry, we forecast long-term demand for new aircraft will grow due to the economic growth of emerging countries. We also see developments of fuel-efficient engines and aircraft are advancing to cope with high fuel prices. In view of these factors, we expect the accelerated replacement of existing aircraft with newly developed models, and we anticipate increased demand for the lease and finance of these types of new aircraft.



LNG carrier for an Angola LNG project

In the transportation project field, we anticipate high demand for passenger and freight transportation systems in emerging countries.

### Business Strategies

#### Infrastructure Projects Business Unit

**Electric Power / Renewable Energy** .....  
In addition to projects it is advancing with GDF Suez S.A. and other strategic partners, We are taking the lead in developing, building and operating an increasing number of projects, and the number of renewable energy projects is also rising. Also, we are developing businesses that will support society in the future and the next generation by participating in power retail businesses as well as power wholesale businesses.

#### Energy, Mineral Resources and Basic Industrial Infrastructure

.....

Given the solid demand for energy and the diversification of sources for resource and fuel procurement, including deep-sea oil and gas, shale gas and biofuels, we are advancing energy infrastructure businesses for such areas as gas distribution and LNG terminals. Also, the Infrastructure Projects Business Unit will further the Cameron LNG project in the United States, which will export natural gas, in collaboration with the Energy Business Unit II.

#### Offshore Oil and Gas Infrastructure

.....

Primarily, the business unit will continue advancing joint projects with MODEC, Inc., focusing on FPSO systems for the development of deep water oil and gas fields.

#### Water Treatment and Supply

.....

We will strengthen the business foundations of existing businesses in Mexico, Thailand, China and the Czech Republic. At the same time, we will use the capabilities of water treatment and engineering subsidiary ATLATEC, S.A. de C.V. to develop businesses in Europe, the Americas, Asia and the Middle East.

#### Logistics and Social Infrastructure

.....

Mitsui intends to take advantage of the capabilities of subsidiary Portek International Private Limited to develop port infrastructure



Port terminal in which Portek International Private Limited invested (Algeria)

businesses. Also, through our participation in smart city development, we will commercialize infrastructure for a low-carbon society.

#### Integrated Transportation Systems Business Unit

##### Automotive

.....

While strengthening the business platform together with the Toyota group, we will develop business with other strategic partners, such as Penske Automotive Group, Inc. Furthermore, we will incorporate global economic growth into our strategy by taking a market-oriented business approach. We will step up our value chain covering manufacturing, assembling, logistics, wholesale, retail sale and finance in the range of manufacturers to end users.

##### Mining and Construction Machinery

.....

We will strengthen our business activities in the Americas, Australia and Russia, having expectations for strong mining machinery demand for the development of natural resources. We will also step up our promotion of machine tools in the Americas and Asia, including Japan.



Komatsu mining machinery (Mexico)

##### Shipping

.....

In the commercial vessel sector, Mitsui plans to promote its purchase and sale business of newly built vessels and ship-owning business. Looking at the growth in demand for LNG carriers attributable to the developments of shale gas projects, we will strengthen the foundation of our LNG carrier business as a stable profit source on a long-term basis.

##### Aerospace

.....

We aim to expand our aviation business, including leasing, aircraft engine related business and freighter conversion. Also, we will expand sales of helicopters manufactured by AgustaWestland as a distributor.

##### Transportation

.....

In addition to strengthening existing rolling stock leasing businesses in the United States, Europe, Brazil and Russia, we will advance an integrated logistics business in Brazil and develop and implement transportation infrastructure projects.

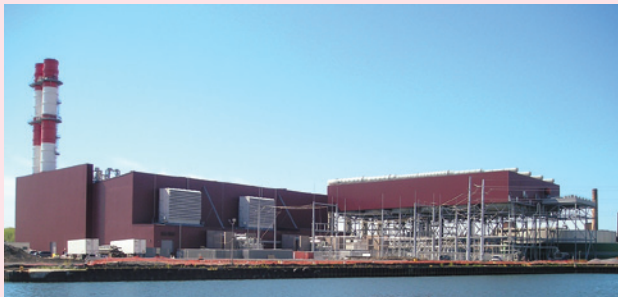


## Initiatives Based on Business Strategies

### Infrastructure Projects Business Unit

#### Stake in U.S. Gas-Fired Power Generation Business

Mitsui acquired a 20.6% interest in the Astoria I gas-fired power generation business (575MW generation capacity) from GDF Suez S.A. The business is an IPP (Independent Power Producer) in New York City, one of the major power consuming regions of the United States. The business will sell power to a utility with jurisdiction over the region under a long-term power purchase agreement (PPA) that ends in 2016. After the term of the PPA, we plan to sell electricity to the New York electricity market. Furthermore, Mitsui is advancing shale gas related businesses in the United States. Looking ahead, we will pursue potential fuel supply to the business from our gas distribution subsidiary.



Astoria I gas-fired power generation station (United States)

#### Development of Smart City in Malaysia

Mitsui participated in a smart city development project in Malaysia's Iskandar region by acquiring a 20% interest in Medini Iskandar Malaysia Sdn Bhd from companies that included a subsidiary of government-owned strategic investment fund Khazanah Nasional Berhad. This project will take a multilayered and integrated approach to urban development, infrastructure improvement and the creation of services that enable smart technology. Through this project, we aim to establish a new urban development brand known for creating environmentally friendly, comfortable, convenient and safe smart cities.



Conceptual image of the completed smart city (Malaysia)

#### Expansion of FPSO Businesses

With MODEC, Inc. and other partners, Mitsui participated in businesses providing FPSO leasing, operation and maintenance services for the TEN oil fields off the coast of Ghana and for the Carioca area, which is owned by Brazil's national oil company Petrobras. The Ghana project is Mitsui's first FPSO project in Africa. The other is our ninth FPSO for Brazil, a country on which we will continue to concentrate efforts.



FPSO for the Tupi offshore pre-salt oil field in Brazil

#### Participation in Power Generation and Power and Gas Retail Business in Australia

Mitsui acquired a 28% interest in a power generation business (2,604MW total generation capacity) and in a business that retails power and gas to households and businesses, which a subsidiary of GDF Suez S.A. owns and operates in the states of Victoria, in eastern Australia, and South Australia. Through our first participation in a power retail operation, we will acquire expertise that we can use in such projects as the development of the smart city in Malaysia's Iskandar region.

#### Participation in Hydropower Project in Brazil

We acquired a 20% interest in the Jirau run-of-the-river hydropower project (3,750MW generation capacity) in Brazil, which is under construction by a subsidiary of GDF Suez S.A.

#### Other Initiatives

- ☐ Participation in wind power generation businesses in Mexico
- ☐ Participation in IPP businesses in Africa (Avon, Dedisa in South Africa)
- ☐ Participation in Renewable energy power generation businesses in Japan (Hamada, Tomatoh Abira, Izumiotsu, Arai/Miike)
- ☐ Participation in Shale gas related businesses in the United States (Cameron LNG, Arizona pipeline)
- ☐ Participation in port terminal project in Latvia



## Initiatives Based on Business Strategies

### Integrated Transportation Systems Business Unit

#### Participation in Integrated Freight Transportation Business in Brazil

Mitsui acquired a 20% shareholding in VLI S.A. ("VLI"), of which Vale S.A. is a largest shareholder and which operates an integrated freight transportation business. Through its approximately 10,700-kilometer railway network that is connected to several port terminals, VLI provides integrated freight transportation services for such general cargo as grains, fertilizers and steel materials and products in central and northern Brazil. VLI aims to double cargo handling volume by investing approximately BRL9 billion (approximately ¥400 billion) over the next five years in locomotives, wagons and its railway network as well as in the development of port terminals to increase their capacity.



Locomotives operated by VLI

#### Further Investment in BAF

PT. Bussan Auto Finance ("BAF") is providing finance services for customers of Yamaha motorcycles in Indonesia. BAF concluded a new share allocation agreement for approximately IDR350 billion (approximately ¥3.1 billion) with Yamaha Motor Co., Ltd. and PT. Ciptadana Capital ("Ciptadana"). Ciptadana is a subsidiary of Lippo Group, a major Indonesian conglomerate. BAF has allocated new shares to the Yamaha Motor Group and Ciptadana. After closing this transaction, Mitsui holds 70% of BAF's shares while the Yamaha Motor Group and Ciptadana, respectively, hold 20% and 10% of the shares.

Mitsui also owns a 15% interest in PT. Yamaha Indonesia Motor Manufacturing, which produces and sells Yamaha motorcycles in Indonesia. With around 200 branches across Indonesia, BAF will continue to support sales of Yamaha-brand motorcycles through financing. Yamaha accounts for more than 30% shares of the motorcycle market in Indonesia—the third largest in the world on the unit sales basis.



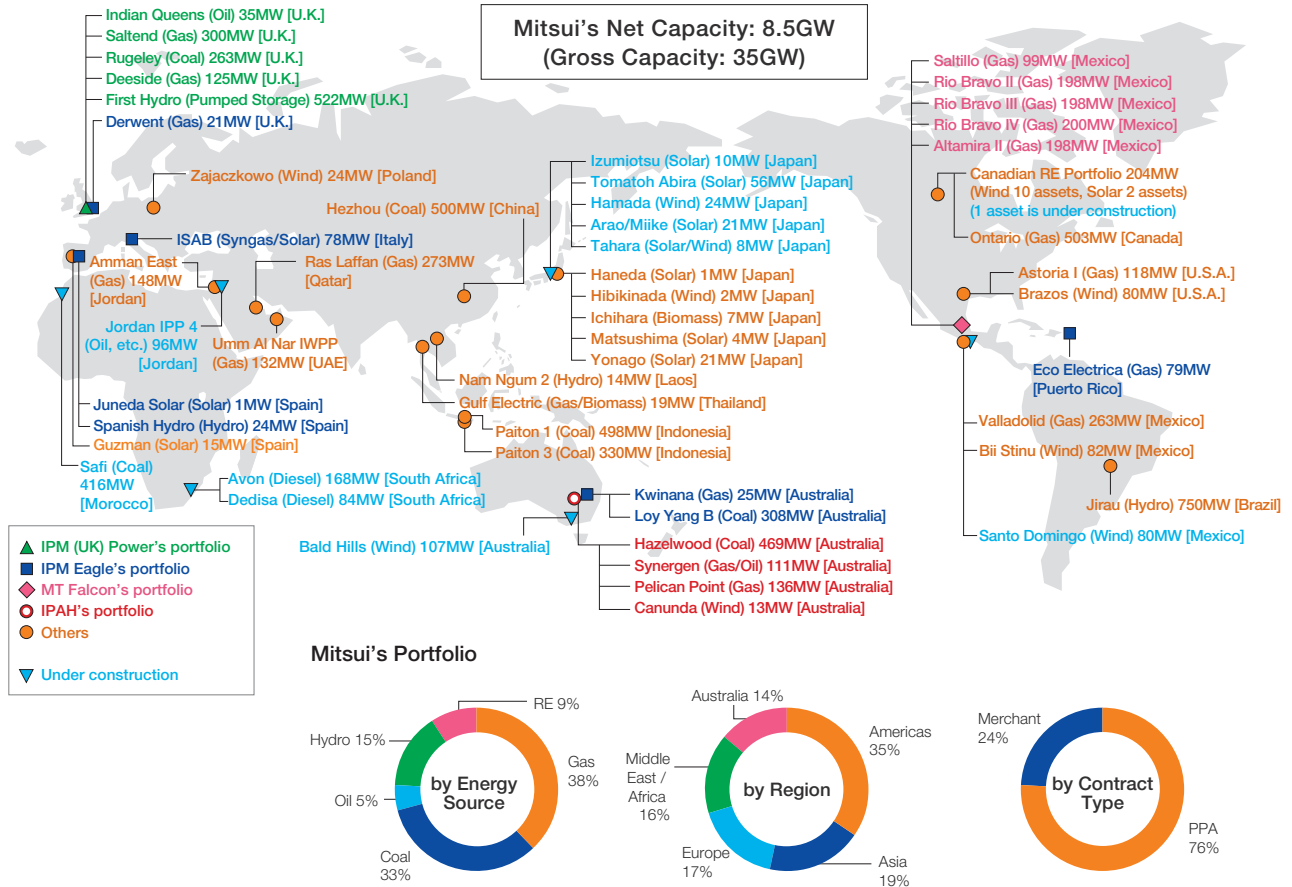
BAF branch (Indonesia)

## CSR Topics

Headquarter	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Infrastructure Projects Business Unit	<b>Contribute to development of basic social infrastructure</b>	Continued developing and operating basic social infrastructure worldwide, including water supply, sewerage and port facilities <input type="checkbox"/> Received and executed orders for the construction of sewage treatment facilities in Mexico <input type="checkbox"/> Participated in a project for the development of a smart city in Malaysia <input type="checkbox"/> Acquired a stake in a port terminal in Latvia
	<b>Take measures to reduce environmental burden</b>	Continued advancing renewable energy power generation projects and energy-saving projects in Japan and overseas <input type="checkbox"/> Acquired stakes in solar power generation businesses in Japan and wind power generation businesses in Mexico <input type="checkbox"/> Acquired a stake in a run-of-the-river hydropower project in Brazil <input type="checkbox"/> Advanced a project for the verification of an energy management system in Miyakojima
	<b>Contribute to safe, stable energy supplies</b>	Continued advancing energy-related infrastructure projects worldwide, including power generation, pipelines and gas distribution <input type="checkbox"/> Acquired a stake in power generation projects in the United States and South Africa <input type="checkbox"/> Acquired stakes in power generation and a power and gas retail business in Australia <input type="checkbox"/> Invested in natural gas pipeline development project in Arizona, United States
Integrated Transportation Systems Business Unit	<b>Advance safety initiatives</b>	Regularly checked examples of incidents and shared information about safety initiatives of related companies through the safety committee of the business unit. Held regular traffic safety training sessions for employees, including operating personnel at affiliated companies
	<b>Improve convenience of life in emerging countries</b>	Assisted in providing means of transportation for the general public and raising living standards through sales of automobiles and motorcycles. Contributed to the improvement of logistics and transportation that support daily life by selling buses and trucks and providing related services
	<b>Participate in stable supply of clean energy</b>	Contributed to stable LNG supplies by operating LNG carriers in which Mitsui invested
	<b>Provide disaster relief and medical support through air transportation</b>	Delivered helicopters to Kochi Prefecture and Saga Prefecture. Received purchase orders for helicopters from Tottori Prefecture and Yamagata Prefecture
	<b>Respond to environmental issues</b>	<input type="checkbox"/> Continued to advance railway transportation infrastructure development projects to promote modal shift <input type="checkbox"/> Made decision to participate in an integrated freight transportation business in Brazil

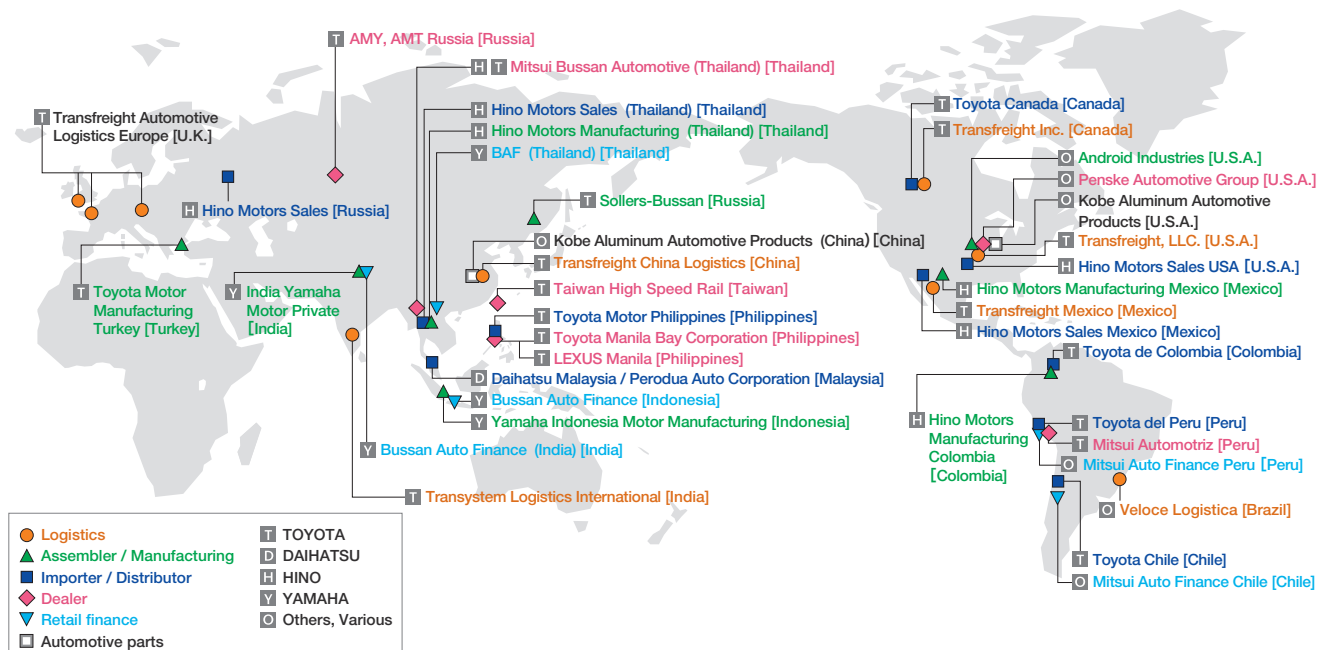
## Portfolio of Independent Power Producer (IPP) Business

As of March 31, 2014



## Portfolio of Automotive-related Business

As of March 31, 2014



# Chemicals Segment

Basic Chemicals Business Unit

Performance Chemicals Business Unit



Managing Officer,  
Chief Operating Officer of  
Basic Chemicals Business Unit

**Katsurao Yoshimori**



Managing Officer,  
Chief Operating Officer of  
Performance Chemicals  
Business Unit

**Taku Morimoto**



## Business Activities

### Basic Chemicals Business Unit

The Basic Chemicals Business Unit operates globally through both trading and investment in the chemical industry. The business unit's product portfolio includes olefins, chlor-alkali, methanol, aromatics and industrial chemicals as well as green-specialty chemicals and other basic chemicals.

In our trading business, we operate through an extensive global sales network to accurately meet customers' constantly changing needs. Based on mutually beneficial partnerships with customers built through the trading business, we actively engage in providing a wide range of chemical products from various sources, including those based on shale gas and biomass, as well as handling green chemicals in response to recently heightening global awareness regarding the environment and renewable energy. We also support overseas expansion of Japanese chemical manufacturers with products that have proprietary technology. We aim to build a business structure that generates positive synergies whereby trade activities create opportunities for investment, which in turn contributes to further strengthening Mitsui's trading and logistics capabilities.



Salt storage area of the Shark Bay salt field (Australia)

### Performance Chemicals Business Unit

The Performance Chemicals Business Unit develops business that serves as a bridge to growth industries in close proximity to the chemical industry. The business unit focuses on two sectors: agricultural chemicals and food and nutrition chemicals; and performance and advanced materials. It also engages in businesses involving strategic alliances with business partners. In the areas of agricultural chemicals and food and nutrition chemicals, the business unit aims



to provide solutions for meeting anticipated steadily increasing global food demand. To that end, we focus on the securing, manufacture and sales of natural resource-based raw materials for fertilizers in the phosphate rock business among other businesses; an agricultural chemicals business in Europe (Mitsui AgriScience International S.A./N.V.), fertilizer sales in Japan; sophisticated and integrated global distribution of ammonia and sulfur; and the manufacture of feed additives in the United States (Novus International, Inc.). In the performance and advanced materials area, we act as a total solutions provider through a materials business that supports manufacturing by engaging in global distribution of plastics and inorganic materials. In the electronics area, we provide procurement and logistics services to electronics component manufacturers.



Phosphate rock project (Peru)

## Market Outlook

### Basic Chemicals Business Unit

Due to the shale revolution, the petrochemical industry in North America has regained its competitiveness, and North America is becoming a supply region comparable with the Middle East. Further, as plants become larger and production capacities increase, the securing of competitive petrochemical raw materials is becoming more important and the commoditization of petrochemical intermediates is accelerating. The production regions of petrochemical raw materials and intermediates are polarizing between regions with raw materials and consumption regions. Consequently, the export market is shrinking due to increasing local production and consumption in China and Southeast Asia.

### Performance Chemicals Business Unit

In agricultural chemicals and food and nutrition chemicals areas, as agricultural production grows stably worldwide, resource majors are entering the fertilizer resource area. At the same time, chemical manufacturers are increasingly shifting toward the life science area. Demand for performance and advanced materials continues to grow for such applications as automobiles, consumer electronics and packaging, mainly in emerging countries. Japan's chemical manufacturers are seeing the international competitiveness of their commodity chemicals decline and are shifting toward high-value-added differentiated chemicals in response.

## Business Strategies

### Basic Chemicals Business Unit

#### Methanol and Olefins

We advance a global manufacturing and sales business by securing competitive chemical raw materials. We also support the continuous growth of our customers' businesses by providing stable, long-term supplies. In the methanol business, we invest to secure competitive production bases to become a major global player. Subsidiary Japan-Arabia Methanol Company Ltd. has a 35% shareholding in International Methanol Company (Saudi Arabia), which has the capacity to produce 1 million tons of methanol per year. Also, we are building a plant in the United States.

#### Aromatics and Industrial Chemicals

Aiming to capture growth in the global market, and particularly in China, we will invest in businesses and advance a trading business, with polyester chain and phenolic chain chemicals as our main product lineups.

#### Chlor-Alkali

We will further strengthen our global trading network, which extends from a salt field business in Western Australia and a chlor-alkali business to the trading of caustic soda, EDC & VCM (PVC intermediates) and isocyanates (MDI and TDI). At the same time, we will continue to invest in businesses that enable us to capitalize on our capabilities.

#### Green-Specialty Chemicals

To cater to growing awareness of the environment and renewable energy, we will invest in projects mainly in the biochemicals and green chemicals area. We aim to develop businesses for detergent raw materials and other consumer chemicals in Asia and South America, which are experiencing conspicuous population and economic growth.

### Performance Chemicals Business Unit

#### Agricultural Chemicals /

#### Food and Nutrition Chemicals

With global population growth and economic development expected to put pressure on food supplies in the future, we are developing various businesses to contribute to increased food production. Our 25% shareholding in a phosphate rock project in Peru is one example of how we are investing in upstream fertilizer raw materials to expand our fertilizer business. We will sell the phosphate rock shipped from this project mainly in Asia, including Japan. We also engage in business investment and operate a global logistics business for fertilizer raw materials, fertilizer products, agrochemicals and feed additives. In addition, we are building a global logistics network for ammonia and sulfur for customers in a variety of industries in Japan and overseas. In the agrochemicals area, we operate agrochemical sales businesses worldwide through such subsidiaries as Mitsui AgriScience International S.A./N.V. Aiming to provide chemical-industry-based solutions that help increase food production and realize stable food supplies, we will strengthen business investment and logistics capabilities.



### Performance / Advanced Materials

In performance materials, we handle a wide range of products, mainly in the areas of synthetic resins, rubber and inorganic chemical products. We are strengthening the foundations of our sales network in conjunction with overseas offices and such subsidiaries as MITSUI & CO. PLASTICS LTD. as well as building joint ventures with partner companies in Japan and overseas. Also, we will advance a global logistics business for the flexible supply of functional materials to support manufacturing, primarily in the areas of automobiles, office

equipment and home appliances. Further, we will develop new businesses for the next generation.

As for advanced materials, we will handle materials and components globally in the area of electronics and LCDs, including smartphones, and in the area of new, environmentally friendly energies, mainly solar cells and rechargeable batteries. Also, we will advance procurement and logistics businesses in these areas. We intend to support manufacturing in the rapidly changing electronics industry as well as contribute to the development of peripheral industries.

## Initiatives Based on Business Strategies

### Advancement of U.S. Methanol Production Joint Venture

In a suburb of Houston, we are advancing a methanol products project that uses natural gases, including shale gas, as raw materials. Methanol is an important basic raw material that is used in various industries, including the automotive, pharmaceutical and energy industries, and global demand for methanol is increasing. Currently, through a 50-50 investment with our partner Celanese Corporation, we are building one of the world's largest methanol



manufacturing plants, with a production capacity of 1.3 million tons per year. By using Celanese's existing infrastructure, we aim to curb construction costs and to start up operations in 2015.

Celanese Corporation's plant for the production of ethanol, a methanol derivative (United States)

### Other Initiatives

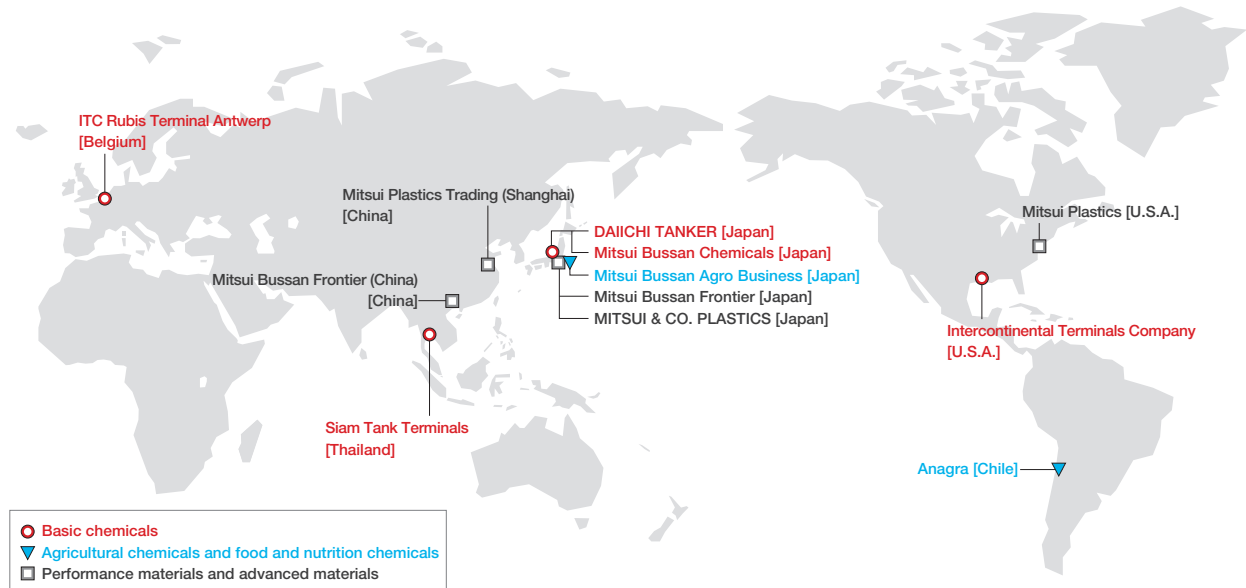
- Advanced our business with partner Thaioil Group for the manufacture and sale of LAB (Linear Alkyl Benzene), for the first time in Thailand's history (production to begin in 2015)
- Started up commercial production at a U.S. chlor-alkali joint venture with The Dow Chemical Company, taking advantage of the latest technology and competitive U.S. natural gas
- Began building a bio-succinic acid plant with BioAmber Inc., of Canada (production to begin in 2015)
- Concluded a memorandum of understanding with Mitsubishi Rayon Co., Ltd. on the establishment of a joint venture in the United States that will produce 250,000 tons of methyl methacrylate (MMA) monomer per year
- Began building a plant in Singapore for high-performance polyethylene production (production to begin in 2015)

## CSR Topics

Headquarter	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Basic Chemicals Business Unit / Performance Chemicals Business Unit	Use resources in a sustainable manner	<ul style="list-style-type: none"> <li>□ Promoted business of biochemicals made from sugar cane in Brazil</li> <li>□ Further developed business of oleochemicals made from palm oil in Malaysia</li> </ul>
	Contribute to the stable supply of food	<ul style="list-style-type: none"> <li>□ Promoted businesses centered on the three pillars of fertilizer materials, feed additives and agrochemicals to increase food production and stable food supply</li> </ul>
	Ensure compliance with domestic and overseas laws and regulations	<ul style="list-style-type: none"> <li>□ Held seminars on domestic and overseas laws and regulations in relation to chemicals (such as Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., Poisonous and Deleterious Substances Control Act, High Pressure Gas Safety Act, etc.)</li> </ul>

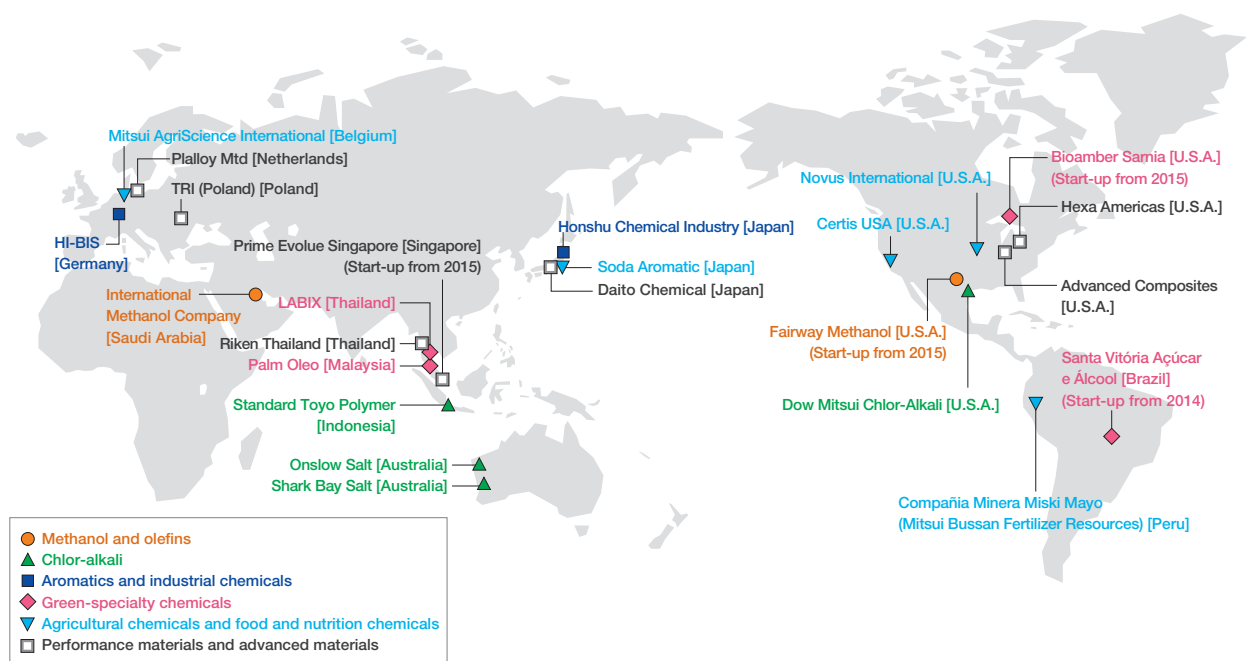
## Major Investments in Trading and Tank Terminals in Chemicals Business

As of March 31, 2014



## Major Investments in Manufacturing in Chemicals Business

As of March 31, 2014



# Energy Segment

Energy Business Unit I

Energy Business Unit II



Managing Officer,  
Chief Operating Officer of  
Energy Business Unit I

**Hiroyuki Tsurugi**



Managing Officer,  
Chief Operating Officer of  
Energy Business Unit II

**Yasushi Yoshikai**



## Business Activities

The Energy Segment secures and provides a stable supply of energy that is indispensable to industrial society through exploration, development and production of energy resources, including oil and natural gas/LNG, and trading and marketing of oil, natural gas/LNG, petroleum products, coal, uranium and other energy resources. The segment is also working toward the realization of a low-carbon society through environmental and next-generation energy businesses.

Major Subsidiaries	Major Regions	Major Partners	Main Production Businesses
Mitsui Oil Exploration	Southeast Asia	Chevron	Oil and gas fields in Gulf of Thailand
Mitsui E&P Australia	Oceania	Woodside	Enfield oil field, Vincent oil field (Australia)
Mitsui E&P Middle East	Middle East	Occidental	Blocks 9 & 27 oil fields (Oman)
Mitsui E&P USA	North America	Anadarko	Marcellus Shale (U.S.A.)
Mitsui E&P Texas	North America	Anadarko	Eagle Ford Shale (U.S.A.)
Mitsui E&P UK	Europe	Chevron, Conoco Phillips	Alba/Britannia oil and gas fields (North Sea, U.K.)

## Market Outlook

In the medium-to-long term, global energy demand is expected to increase mainly due to rising populations and economic growth of emerging countries. For the time being, oil, natural gas, coal and nuclear fuel are likely to remain the main sources of primary energy. Energy resource development is gradually shifting toward geographical frontiers and such technological frontiers as unconventional resources. In addition to fiercer competition for resources, rising

Project	Location	Annual LNG Production Capacity (million tons)	Mitsui's Ownership
Abu Dhabi LNG	Abu Dhabi, UAE	5.6	15.0%
Qatargas 1 LNG	Qatar	9.6	7.5%
Qatargas 3 LNG	Qatar	7.8	1.5%
Oman LNG	Oman	7.1	2.8%
Equatorial Guinea LNG	Equatorial Guinea	3.7	8.5%
Sakhalin II LNG	Sakhalin, Russia	9.6	12.5%
Northwest Shelf LNG	Australia	16.3	8.3%
Tangguh LNG	Indonesia	7.6	2.3%

resource development costs and increased technological difficulty are causing business conditions to become more challenging. The U.S. shale revolution has triggered global changes in the supply-demand structure and dynamism of energy trade, and these changes are accelerating. Therefore, the ability to gather, process and analyze information and the ability to respond to changes are important more than ever.

## Business Strategies

We will globally promote a comprehensive energy business spanning a wide range of areas, from resource exploration, development and production through to energy trading and environmental businesses for such products as oil, natural gas, coal and nuclear fuel.

### Exploration, Development and Production of Oil and Natural Gas

In addition to the pursuit of opportunities for the expansion of our existing businesses in Southeast Asia, Oceania, the Middle East, North America and Europe, we will continue to seek new, high-quality upstream resource business opportunities, including such unconventional resources as shale oil and gas, and exploration. Through these activities, we intend to build a sizable business portfolio that is balanced in terms of geography, products, development phases and partners. Also, we will utilize Mitsui's comprehensive strengths to build a gas value chain based on our U.S. shale gas business. These efforts will focus on such areas as chemicals, liquefaction facilities and other plants, and steel products for drilling and vessels for shipping.

### Natural Gas and LNG

We will secure a stable earnings base through the eight producing LNG projects in which we have stakes. At the same time, we will utilize comprehensive strengths to develop new natural gas and LNG businesses, including a major gas field discovered through exploration off the coast of Mozambique and upstream shale interests in the United States. Also, we will strengthen our natural gas and LNG marketing capabilities in the global market and engage in developing new ways other than LNG to commercialize unconventional natural gas.



Karratha gas plant (Australia)  
©Image supplied by North West Shelf Project

### Oil Trading and Marketing

To strengthen our activities in Asia, where demand is expected to grow, we have moved our base of operations from Japan to Singapore, and we plan to conduct our crude oil and petroleum product trading primarily through Mitsui & Co. Energy Trading Singapore Pte. Ltd. (100% shareholding), which we established in 2010. By using upstream production projects acquired in Europe in recent years as a foothold, we are expanding the business in the global market.



Marine tank used by Mitsui & Co. Energy Trading Singapore Pte. Ltd. (Singapore)  
©NATHALIN OFFSHORE CO., LTD.

### Thermal Coal Sales to Power Utilities

We will strengthen our capabilities for selling thermal coal produced by the Mineral & Metal Resources Segment's Australian coal mining interests to power utilities. In addition, by capturing new supply sources, we will strengthen marketing capabilities centered on markets in Asia.

### Nuclear Fuels

Considering the necessity of nuclear power generation in the long term, we will continue to engage in upstream investment and trading in order to contribute to the stable supply of nuclear fuels.

### Environmental Business and Next-Generation Energy

With our sights set on the realization of a low-carbon society, we will progress our initiatives for environmental and next-generation energy businesses, including renewable energy and such new energy as hydrogen.



## Initiatives Based on Business Strategies

### Accelerated Expansion of Shale Project in Texas, United States

Mitsui E&P Texas LP, jointly owned by Mitsui and Mitsui Oil Exploration Co., Ltd., decided in September 2013 to further accelerate and expand the development of its shale oil and gas project in the Eagle Ford Shale area in Texas, the United States. Our decision to accelerate and expand upstream development is based on the ideas that the production of shale oil is profitable, under current firm oil prices, and that we can focus on development in a highly productive area by utilizing our expertise accumulated through our activities so far. This expansion is aimed at increasing peak production volume and the duration of peak production as well as total production and recoverable reserves in the project's life. Mitsui E&P Texas' share of the total development cost is expected to be approximately US\$2.2 billion (approximately ¥220 billion), and production life is estimated to be approximately 30 years. Peak production is expected to be between 26,000 and 32,000 barrels of oil equivalent per day, while total production in the project's life is estimated to be more than 100 million barrels of oil equivalent.



Eagle Ford drilling rig (United States)

### Final Investment Decision on U.S. LNG Export Project

The Cameron LNG project, in which Mitsui has a stake, in Louisiana, the United States, acquired an export license for non-FTA (Free Trade Agreement) countries, including Japan, from the U.S. Department of Energy in February 2014. Furthermore, on April 30, 2014, in relation to this project the U.S. Federal Energy Regulatory Commission issued the final version of its Environmental Impact Statement, which is required for LNG plant construction licenses. And then the project received a construction license from the U.S. Federal Energy Regulatory Commission on June 19, 2014. Having reached this juncture, the final investment decision on the project was made on August 6, 2014 (U.S. Eastern Time). After satisfying conditions, construction is expected to commence within 2014 with the aim of the project starting commercial production in 2018. Project plans call for annual LNG exports of 12 million tons, of which Mitsui will receive 4 million tons and market mainly to Japan and other Asian countries.

### Progress of Browse LNG Project in Australia

Since September 2013, the Browse LNG Project in Australia has been conducting preliminary front-end engineering design to consider the development of the project utilizing Shell's Floating LNG technology\*. Mitsui participates in this project through Japan Australia LNG (MIMI) Pty. Ltd., a 50-50 joint venture between Mitsui and Mitsubishi Corporation. We are carrying out the necessary studies and aim to deliver the earliest final investment decision and commercialization of the Browse LNG Project.

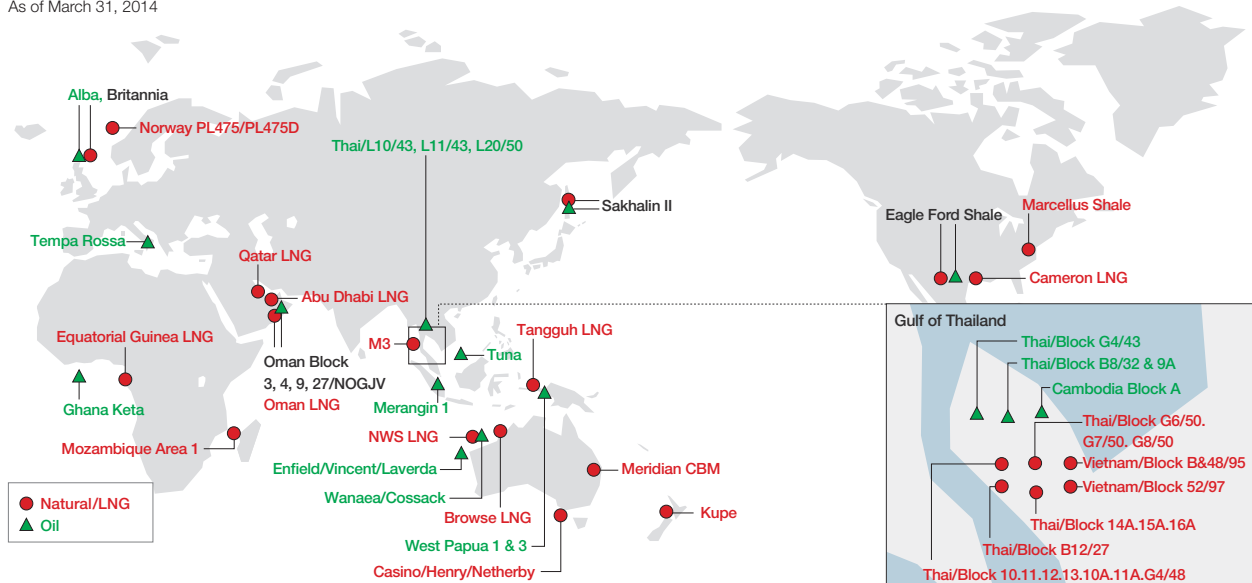
\* Floating structures equipped with LNG tanks and a production complex that includes facilities for natural gas production and processing and LNG liquefaction and offloading

## CSR Topics

Headquarter	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Energy Business Unit I / Energy Business Unit II	Supply safe and stable energy	<input type="checkbox"/> Provided stable and safe delivery, supply, and management of energy, including crude oil, petroleum products and LNG in collaboration with our projects and approach in Japan and overseas <input type="checkbox"/> Diversified the supply of LNG through the development and launch of new LNG projects (Mozambique, Cameron, Browse and others)
	Respond to environmental issues	<input type="checkbox"/> Invested in LanzaTech, a U.S. venture that is developing fermentation gas technology using microorganisms <input type="checkbox"/> Investigated the feasibility of next-generation emissions reduction businesses through a new international framework

## Major Upstream and Midstream Assets in Energy Business

As of March 31, 2014



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

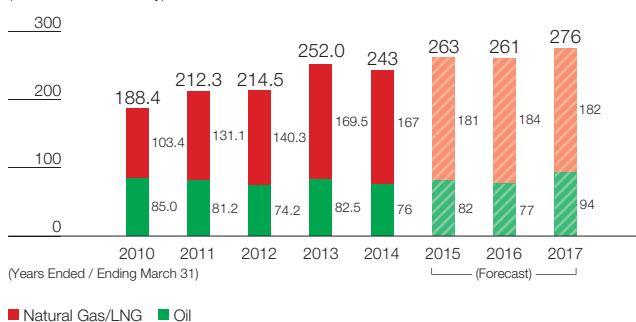
As of March 31, 2014

	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 23 other permits (MEPAU) <b>New Zealand:</b> PEP50119 and PEP54863 (MEPAU) <b>Papua New Guinea:</b> PPL426 (MEPAU) <b>Thailand:</b> Block L10/43, L20/50 and 3 other permits (MOECO) <b>Vietnam:</b> Blocks B&48/95, 52/97* <sup>1</sup> (MOECO) <b>Cambodia:</b> Block A (MOECO) <b>Indonesia:</b> Merangin 1, Tuna, West Papua 1 & 3 (MOECO) <b>Myanmar:</b> M3 (MOECO) <b>Poland:</b> Poland Shale (MEPPOL) <b>Norway:</b> PL475/PL475D (MOECO) <b>Yemen:</b> Block 7 (MEPME) <b>Libya:</b> Block 201 (MOECO) <b>Mozambique:</b> Area 1* <sup>1</sup> (MEPMOZ) <b>Ghana:</b> Keta (MEPGK)					<b>U.S.A.:</b> Marcellus Shale (MEPUSA)* <sup>2</sup> Eagle Ford Shale (MEPTX)* <sup>2</sup> Cameron LNG (Investment subsidiary) <b>Australia:</b> Meridian CBM (MEPAU)* <sup>2</sup> , Browse LNG (JAL-MIMI) <b>Mozambique:</b> Area 1* <sup>1</sup> (MEPMOZ)			<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 B8/32 & 9A, Block G4/43 (MOECO) <b>Indonesia:</b> Tangguh LNG (KG Berau/KG Wiriagar) <b>U.S.A.:</b> Marcellus Shale (MEPUSA), Eagle Ford Shale (MEPTX) <b>Qatar:</b> Qatargas 1 LNG (MILNED), Qatargas 3 LNG (Mitsui Qatargas 3) <b>Oman:</b> NOGJV (MEPME), Oman LNG (MITLI) <b>Abu Dhabi:</b> Abu Dhabi LNG (MITLI) <b>Equatorial Guinea:</b> Equatorial Guinea LNG (MITLI) <b>U.K.:</b> Britannia (MEPUK)
<b>Oil Project</b>						<b>U.S.A.:</b> Eagle Ford Shale (MEPTX)* <sup>2</sup> <b>Italy:</b> Tempa Rossa (MEPIT)			<b>Russia:</b> Sakhalin II (Sakhalin Energy) <b>Australia:</b> Wanaea/Cossack (JAL-MIMI), Enfield/Vincent (MEPAU) <b>Thailand:</b> Blocks 10.11.12.13.10A.11A.G4/48, Blocks 8/32 & 9A, Block G4/43, L11/43 (MOECO) <b>Oman:</b> Blocks 3, 4, 9, 27 (MEPME) <b>U.S.A.:</b> Eagle Ford Shale (MEPTX) <b>U.K.:</b> Alba, Britannia (MEPUK)

\*1. Proved underdeveloped \*2. Partly in production

## Oil/Gas: Equity Share of Output (Announced in May 2014)

(Thousand barrels/day)



# Lifestyle Segment

Food Resources Business Unit

Food Products & Services Business Unit

Consumer Service Business Unit



Executive Managing Officer,  
Chief Operating Officer of  
Food Resources Business Unit

**Kazuo Nakayama**



Managing Officer,  
Chief Operating Officer of  
Food Products & Services Business Unit

**Yasuharu Fujiyoshi**



Executive Managing Officer,  
Chief Operating Officer of  
Consumer Service Business Unit

**Satoshi Tanaka**

## Business Activities

### Food Resources Business Unit

In the area of food resources, the Food Resources Business Unit engages in providing efficient and stable supplies of safe and reliable food products by securing sources of grains, oils and fats, sugars, livestock and marine products, and other such items from major food producing regions worldwide. In the area of food materials, the business unit handles business involving edible oils, refined sugar, compound feedstuffs and other products on a global scale.

### Food Products & Services Business Unit

In the Food Products & Services Business Unit, we aim to help ensure safe and reliable supplies of food products and to contribute toward bringing about more convenient lifestyles for consumers. To those ends, we work with the Food Resources Business Unit in its efforts to build an extensive food value chain ranging from agricultural production, materials procurement and processing to retail support operations involving distribution, wholesaling and consumer sales. We also support our business partners in their efforts to achieve global

expansion, with an eye toward changing lifestyles as the middle classes of emerging economies grow larger and as opportunities emerge from the Trans-Pacific Partnership (TPP) Agreement.

### Consumer Service Business Unit

In the Consumer Service Business Unit, we aim to provide high-value-added services globally by utilizing Mitsui's comprehensive capabilities to make the world a better place to live in and Japan a more vigorous country. Accordingly, we promote and develop diverse businesses that meet the needs of customers in six business areas: medical and healthcare, services, real estate, housing and industrial materials, fashion, and media.

## Market Outlook

### Food Resources Business Unit

As the global population and economy grow, the need to secure food resources and stable food supplies is expected to become more pressing due to the widening gap between the supply capabilities of unevenly distributed food-producing regions and constantly increasing

food demand. Further, the advancement of TPP and other multinational economic partnership agreements is likely to change the structure of trade and industry.

#### Food Products & Services Business Unit

In Japan's mature consumer market, we are seeing a declining birth-rate and a population that is contracting and aging leading to modest quantitative decreases and qualitative changes in consumption. Furthermore, changes in consumption behavior reflect the creation of new services as information technology evolves. Japan's participation in TPP negotiations is likely to accelerate industrialization and structural change in the country's agriculture. Meanwhile, population and economic growth are expected to expand domestic demand in the emerging countries of such regions as Asia and the Middle East.

#### Consumer Service Business Unit

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 and contents of services required, such as an emphasis on medical and healthcare services and the pursuit of safety, security and convenience. On the other hand, the B2C markets of emerging countries, mainly in Asia, and of the United States—an incubation center for new business models—are expected to grow in both quantitative and qualitative terms due to population growth, improvements in living standards and changes in lifestyles.

## Business Strategies

#### Food Resources Business Unit

**Food Resources** ..... We will expand and improve business foundations that extend from food resource processing and manufacturing to sales in consumer markets. These efforts will focus on the largest manufacturer of processed edible oil in the United States, VENTURA FOODS, LLC, in which we have a 50% shareholding through WILSEY FOODS, INC. (90% shareholding, United States); a company engaged in the raising and processing of broiler chickens in Japan, PRIFOODS CO., LTD. (46% shareholding); a company engaged in the manufacture and sale of compound feed, Nippon Formula Feed Manufacturing Company Limited; a manufacturer of starch and saccharified products, San-ei Sucochemical Co., Ltd. (70% shareholding); and a sugar refiner, Mitsui Sugar Co., Ltd. Working in collaboration with the distribution and retail businesses of the Food Products & Services Business Unit, the Food Resources Business Unit aims to establish food value chains centered on Japan's market.

For important food resources, primarily grain, we will accelerate supply-source diversification and handling-volume expansion by leveraging Multigrain S.A. (100% shareholding, Brazil), United Grain Corporation of Oregon (100% shareholding, United States), Plum Grove Pty Ltd (25% shareholding, Australia) and Sodrugestvo Group S.A. (10% shareholding, Russia). Further, we aim to establish highly profitable agricultural business models through a joint venture with major agricultural producer SLC AGRÍCOLA S.A. (Brazil) and through



Grain origination facilities that Multigrain S.A. operates (Brazil)

AGRICOLA XINGU S.A. (100% shareholding, Brazil). While strategically expanding sales networks in Asia, centered on Japan, and in growing markets in Africa, the Middle East and other regions, we will grow businesses in terms of food resource origination and sales.

#### Materials

**Food Products & Services Business Unit** ..... By conducting business over many years with reliable partners in Japan and overseas, we have established operational foundations in the materials, distribution and retail areas not only in Japan's market but in markets worldwide. Based on these solid foundations, we aim to analyze consumer demand accurately to realize business development that integrates manufacturing, delivery and sales.

#### Food Products & Services Business Unit

**Materials** ..... In our trading business—which handles beverage materials, including fruit juices, coffee, tea and dairy products—we are stepping up global development on the supply and demand side. In Japan, Mitsui Norin Co., Ltd. (100% shareholding) produces and sells tea leaves and tea products. Overseas, MITSUI ALIMENTOS LTDA. (100% shareholding, Brazil) exports coffee beans and roasts coffee and is expanding its domestic business in Brazil.

#### Materials

**Logistics center of MITSUI FOODS CO., LTD. (Japan)** ..... In our trading business—which handles beverage materials, including fruit juices, coffee, tea and dairy products—we are stepping up global development on the supply and demand side. In Japan, Mitsui Norin Co., Ltd. (100% shareholding) produces and sells tea leaves and tea products. Overseas, MITSUI ALIMENTOS LTDA. (100% shareholding, Brazil) exports coffee beans and roasts coffee and is expanding its domestic business in Brazil.



Logistics center of MITSUI FOODS CO., LTD. (Japan)



### Product Distribution

MITSUI FOODS CO., LTD. (100% shareholding), a food wholesaler and the core company in our wholesale business, operates a nationwide distribution network selling a wide range of processed foods and alcoholic beverages to general merchandise stores, supermarkets, convenience stores, catering service providers and restaurant chains.

### Retail

Under a comprehensive alliance with Seven & i Holdings Co., Ltd., Mitsui and MITSUI FOODS CO., LTD., VENDOR SERVICE CO., LTD., RETAIL SYSTEM SERVICE CO., LTD. and Bussan Logistics Solutions Co., Ltd. (all 100% shareholdings) will expand the supply of food and packaging materials and services for demand chain management functions and logistics functions in Japan. Overseas, we will expand the provision of services to 7-Eleven stores outside Japan in China and the United States.

### Consumer Service Business Unit

#### Medical and Healthcare

We will contribute to improving the medical care environment qualitatively and quantitatively by expanding and enhancing the hospital business and its ancillary businesses, mainly through IHH Healthcare Bhd. (20.3% shareholding, Malaysia, "IHH"), the largest private hospital group in Asia. In pharmaceutical businesses, we will advance manufacturing support primarily through MicroBiopharm Japan Co., Ltd. (80% shareholding) and development and sales support through NovaQuest Capital Management, LLC. We will also engage in the manufacture and sale of generic drugs through joint efforts with partners.



Mount Elizabeth Novena Hospital, an IHH hospital (Singapore)

### Services

We will accelerate the global development of our outsourcing and franchise businesses by advancing business collaborations with reliable partners and leveraging the strength of our service businesses in Japan, mainly through major contract food service provider AIM SERVICES CO., LTD. (50% shareholding) and facility management service provider Mitsui & Co. Facilities Ltd. (100% shareholding). Also, in order to cater for social needs, we are working on new businesses, such as healthcare staffing services at The Delta Companies (100% shareholding) in the United States and educational businesses.

### Real Estate

In Japan, we are engaged in developing and operating office buildings, logistics centers and residences. Overseas, we are expanding the senior property business in response to rising demand in the United States. And in Asia's growing market, we are participating in the development of a business park in Chongqing, China, and office buildings in Singapore. As a new initiative, we are taking part in the development of smart cities in Fujisawa, in Japan, and in Malaysia's Iskandar region.

### Housing and Industrial Materials

We are securing stable resource supplies, establishing supply chains and expanding sales networks, mainly for pulp and paper products, housing materials and industrial materials, to meet growing demand in emerging economies. These activities focus on afforestation businesses and woodchip processing in Australia and other countries, a lumber business in Russia, an off-road tire sales business in Latin America and sanitary ware manufacturing and sales businesses in China and India through joint ventures with TOTO LTD.

### Fashion

We will strengthen our fashion e-commerce (EC) business in Taiwan and China to benefit from the rapid expansion of the fashion EC market in emerging economies. As for our brand marketing business, we acquired 100% of the shares of Paul Stuart, Inc., an apparel retailer in the United States and a brand licensor for the Japanese market, and we plan to expand this business globally. We will also strengthen the OEM business for apparel products through MITSUI BUSSAN INTER-FASHION LTD. (100% shareholding). Further, we intend to bolster the business for exporting advanced functional materials and textile fabrics based on MITSUI BUSSAN TECHNO PRODUCTS CO., LTD. (100% shareholding).

### Media

We will expand our TV shopping and related service businesses in Japan through QVC JAPAN INC. (40% shareholding) and in China through CCTV Shopping Co., Ltd. (25% shareholding), a joint venture with state-owned broadcaster China Central Television (CCTV) Group. Also, we will reinforce our broadcasting business in Japan through the management of World Hi-Vision Channel "TwelV" (100% shareholding), which provides BS digital broadcasting services.

## Initiatives Based on Business Strategies

### Expansion of Agricultural Production Businesses in Brazil

In Brazil, Mitsui and SLC AGRÍCOLA S.A. have established a joint venture, SLC-MIT Empreendimentos Agrícolas LtdaS.A., in which they have shareholdings of 49.9% and 50.1%, respectively. Through this joint venture, we will expand agricultural production businesses in Brazil, focusing on soybean, cotton and corn.



Soybean farm (Brazil)

### Participation in Tomato-Producing Venture in Japan

With Salad Bowl Co., Ltd., Mitsui jointly established Agrivision Co., Ltd. as an agricultural production corporation. Through this venture, we are participating in the production of tomatoes at a plant factory—which uses a leading-edge integrated environmental control system—in Hokuto, Yamanashi Prefecture. By developing this business, we aim to build a value chain from production through to distribution and sales and establish synergies with existing businesses to create new added value in Japan's agricultural sector.



Image of the interior of Agrivision Co., Ltd.'s plant factory (Japan)

### Start-up of Convenience Store Operations in China

New Nine Business Development Co., Ltd., a joint venture in which Mitsui, China's New Hope Group Co., Ltd. and Seven-Eleven (China) Investment Co., Ltd. own stakes, opened its inaugural 7-Eleven convenience store in Chongqing, China, in January 2014. To cater to the needs of Chongqing residents, we will rigorously create stores that continue to offer new, high-quality products and services and allow customers to shop conveniently and confidently.



New 7-Eleven convenience store in Chongqing (China)

### Participation in IV Products Business in India

In the medical and healthcare field, Mitsui, major IV products manufacturer Otsuka Pharmaceutical Factory, Inc. and one of India's major IV products manufacturers, Claris Lifesciences Limited, jointly established Claris Otsuka Limited (20% shareholding by Mitsui, 60% shareholding by Otsuka Pharmaceutical Factory, 20% shareholding by Claris Lifesciences), which began the manufacture and sale of IV products. In the growing markets of India and other emerging countries, we will expand the IV products business.



Claris Otsuka Limited's IV products (India)

### Acquisition of U.S. Healthcare Staffing Services Provider

In services businesses, in February 2014 Mitsui acquired The Delta Companies, which provides temporary and permanent staffing services to healthcare institutions throughout the United States, specializing in such healthcare providers as physicians and therapists. We aim to further expand the staffing services business in the medical field. At the same time, we plan to leverage the company's network of healthcare institutions and providers to create new service businesses, which will facilitate cross-border mobility and respond to continuing education needs.

### Other Initiatives

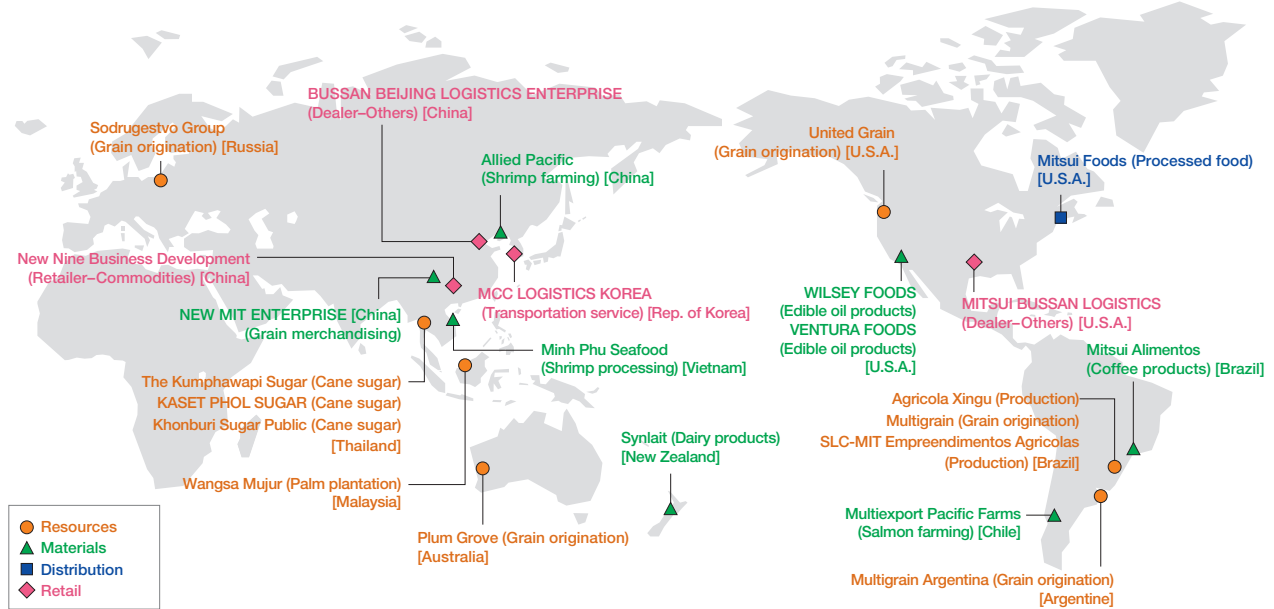
- ☐ Started up a businesses for the manufacture and sale of processed tomato products in India
- ☐ Acquired wholesalers in Japan through MITSUI FOODS CO., LTD.
- ☐ Established a clinic specializing in liver diseases and living-donor liver transplant surgery in Singapore
- ☐ Acquired a stake in a timber-processing company that has forest concessions in Russia

## CSR Topics

Headquarters	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Food Resources Business Unit / Food Products & Services Business Unit	Strengthen food safety management framework	<ul style="list-style-type: none"> <li>□ Shared information on examples of causes of food sanitation law violations, and measures to prevent recurrences, at monthly food sanitation management committee meetings to raise the level of food safety management</li> <li>□ Raised awareness and understanding of food safety by holding monthly food safety seminars where a food safety consultant and participants can exchange information</li> <li>□ Enhanced traceability using a food safety management database</li> </ul>
	Promote and support agricultural business with respect for human rights and the environment	<ul style="list-style-type: none"> <li>□ Through subsidiary Toho Bussan Kaisha, Ltd., supported the production and sale of environmentally sound rice grown in harmony with nature and without pesticides, including branded rice named “Bring up storks” from Toyooka City in Hyogo Prefecture and certified rice “Building village for living with Japanese Ibis” from Sado Island in Niigata Prefecture, based on the concept of sustainable development of local economies through harmony with rice cultivation and nature</li> <li>□ Promoted support of sales of palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO)</li> </ul>
	Promote development and exchange of human resources through foods	<ul style="list-style-type: none"> <li>□ Continued for the 35th year to sponsor Future Farmers of America (FFA)—a U.S. agricultural organization of high school and university students—and to support study visits to Japan, contributing to the development of future farmers (six student representatives and two administrators were accepted for study in Japan in FY 2013)</li> <li>□ Continued to support children’s dietary education through the Kids Kitchen Association</li> </ul>
Consumer Service Business Unit	Respect human rights (Promote CSR procurement)	<ul style="list-style-type: none"> <li>□ Continued to implement awareness-raising activities to deepen understanding of the Supply Chain CSR Policy among new suppliers of our subsidiary MITSUI BUSSAN INTER-FASHION LTD. by distributing written copies of the policy and seeking agreements on them; obtained agreements in FY 2013 from 302 suppliers in Japan and 58 suppliers overseas, bringing the global total to 3,321 suppliers since 2008</li> </ul>
	Respond to environmental issues	<ul style="list-style-type: none"> <li>□ Associated company ZAO BAIKALSKAYA LESNAYA KOMPANIYA (Russia, “BLK”) acquired FSC™ certification for approximately 1 million hectares of forest concession. Mitsui and BLK acquired FSC CoC certification concerning BLK’s processing and shipping procedures, contributing to the development of a sustainable forestry supply chain.</li> <li>□ Sold solar power systems to more than 1,000 homes through associated company Sumisho &amp; Mitsui Bussan Kenzai Co., Ltd.</li> <li>□ Produced and aired TV programs for children at subsidiary Kids Station and documentary programs about support for the recovery from the Great East Japan Earthquake at our subsidiary World Hi-Vision Channel, enhancing the environmental awareness</li> <li>□ Installed rooftop solar panels with a maximum output of 350kW at the distribution center of associated company QVC JAPAN INC. which started full-scale operation in April 2013</li> </ul>
	Respond to consumer issues (Aim to enhance the QOL (quality of life))	<ul style="list-style-type: none"> <li>□ Opened a clinic specialized in liver diseases and living-donor liver transplants at Mount Elizabeth Novena Hospital in Singapore, which is under the umbrella of IHH Healthcare Bhd. (Malaysia), with the aim of contributing to the provision of advanced medical care in Asia and the globalization of the Japanese healthcare industry</li> </ul>

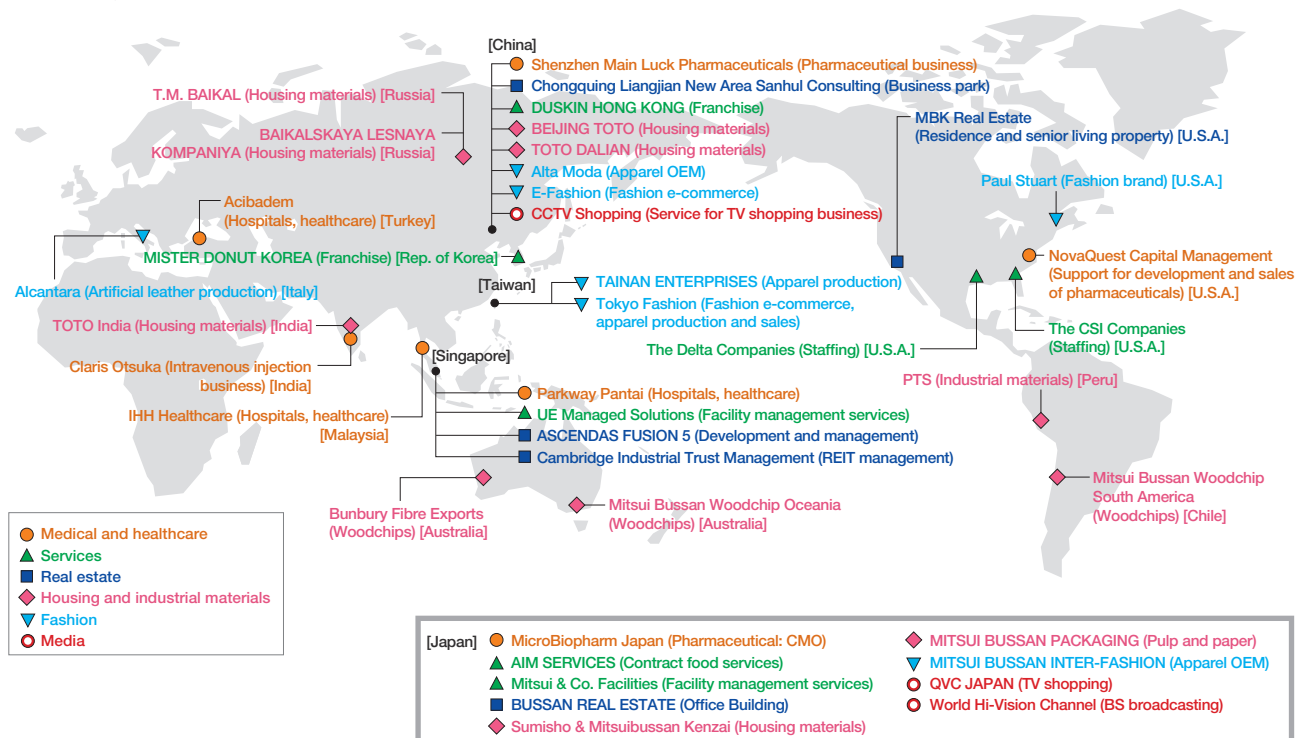
## Major Overseas Investments in Food Resources and Food Products & Services Business

As of March 31, 2014



## Major Investments in Consumer Service Business

As of March 31, 2014





# Innovation & Corporate Development Segment

## Innovation & Corporate Development Business Unit



Executive Managing Officer,  
Chief Operating Officer of  
Innovation & Corporate  
Development Business Unit

**Atsushi Kume**

## Business Activities

In the Innovation & Corporate Development Segment, we take on operations involving information technology (IT), financial technology (FT) and logistics technology (LT), thereby efficiently and organically combining such functions in a diverse range of efforts geared toward expanding into more areas of business while creating next-generation businesses. We also work to strengthen and expand Mitsui's companywide earnings base by providing the group with specialty functions across the organization.

### IT Business

In the information technology business area, we use information and communication technology (ICT) as a starting point in creating next-generation businesses that address the needs of the times, particularly given the prevalence of smartphones and other mobile information devices along with changes taking place in society and industry amid progress made with cloud-based services and other aspects of the ICT infrastructure. We are also working on e-commerce, online payment and Internet marketing businesses in Japan and overseas, while in Asia and other emerging markets we are developing comprehensive

Internet service businesses that include a high-speed mobile Internet business in Indonesia through PT Internux, partially owned by Mitsui. We are also focusing on building and pursuing new business that draws on information technology in fields such as medical and healthcare agriculture, and creating a services business using data applications, while also serving a broad spectrum of customers with comprehensive solutions involving network and systems integration, cloud computing and other services provided through MITSUI KNOWLEDGE INDUSTRY CO., LTD. and other affiliated companies.

### Financial Business

In the financial business, we are building a new platform for Mitsui's growth through investments targeting business areas and geographic regions with potential for future expansion. Through Mitsui subsidiaries specializing in principal investment, such as Mitsui & Co. Global Investment Ltd. and Mitsui & Co., Principal Investments Ltd., we provide investment, fostering and other forms of support to top-notch venture companies based in Japan, the United States, European countries and China and other emerging economies of Asia, while also investing in domestic growth companies and mature enterprises in promising fields of business. Through this segment, Mitsui and its subsidiaries provide risk management functions using derivatives and help fulfill the hedging needs of Mitsui's customers and the group against fluctuations in the prices of precious metals, non-ferrous metals, energy, agricultural products and various other commodities. Moreover, we draw on expertise gained from Mitsui's traditional businesses and accumulate quality assets in the segment's logistics real estate and infrastructure fund business and leasing business. Meanwhile, the segment performs an advisory function geared toward strengthening Mitsui's business base and restructuring businesses of associated companies, and it also makes use of its risk management capabilities in the insurance sector through risk consulting, insurance agency and broker businesses, thereby covering risk exposure associated with Company-related trade and business investment and ultimately contributing to increasing the stability of Mitsui businesses.

## Logistics Business

In the field of logistics, we develop our business in Japan and abroad through Mitsui subsidiaries Trinet Logistics Co., Ltd. and TRI-NET (JAPAN) INC. We also draw on the segment's logistics expertise to support Mitsui business activities by proposing optimal logistics strategies reflective of its on-site experience, thereby applying those strategies toward developing business in areas that include international transportation, warehousing and delivery centers, vessel chartering, and cold-chain logistics.

## Market Outlook

In the ICT business area, business environments are changing rapidly as technological innovation and new services and business models lead the way toward a next-generation society in which advanced ICT and the real economy are closely linked. For example, the evolution of ICT infrastructure, such as cloud computing, and the rapid deployment of smartphones and other ICT devices will enable society to exploit the massive amount of data accumulated on the Internet to control infrastructure optimally.

The financial business area continues to see vigorous investment in growing markets and fields with potential for new business creation through technological innovation, such as medical, healthcare, environmental and ICT businesses. In commodity derivatives, in addition to products that have traditionally had strong needs for hedging, we anticipate further expansion of business areas to encompass new products, such as iron ore, coking coal and electricity.

As for the logistics business, while logistics to and from Japan are declining, intraregional logistics and logistics infrastructure are expected to expand among emerging countries as their economies and consumer markets grow. Furthermore, from the perspective



Distribution center of Trinet Logistics Co., Ltd. (Japan)

of expanding Mitsui's businesses, the strengthening of the company-wide logistics platform that supports Mitsui's trade and logistics as a global corporate group is more important than ever.

## Business Strategies

The Innovation & Corporate Development Segment develops businesses by leveraging its strength as a segment that integrates information, financial and logistics related areas. As well as creating businesses that drive Mitsui's innovation, this segment helps bolster the earning power of Mitsui as a whole by providing expertise and functions.

### Internet and Telecommunications

We will develop services through the combination of our core businesses, such as high-speed telecommunications (including LTE\*), e-commerce and online payment, and related businesses, such as marketing and contact center services. Further, by focusing on emerging countries, we will advance next-generation Internet services and high-speed telecommunications infrastructure businesses while discovering and identifying new technologies needed for these businesses.

\* Long Term Evolution, a standard for wireless communication of high-speed data



QIWI plc's electronic payment terminal (Russia)

### Smart Business

We will take on the challenge of furthering new environment- and IT-related projects in areas such as IT-enabled control of smart grids and smart cities. Furthermore, we will develop new smart business through the introduction of IT to agriculture, healthcare and other industries.

### IT Solutions

We will develop new business related to cloud computing and cyber security through our main subsidiaries.

### Finance and Insurance

Businesses handling logistics real estate funds and infrastructure funds will take advantage of expertise acquired through Mitsui's mainstay operations to concentrate on developing and building new fund businesses. In conjunction with these efforts, we will also concentrate on accumulating quality assets in leasing businesses and expanding insurance-related businesses, such as agencies and brokers.

### Principal Investment

We aim to invest and generate returns through investments targeting growing regions while contributing to Mitsui's evolution of the business domain and creation of new businesses. We will use our global investment network to implement prior investments in such growing business areas as ICT, pharmaceuticals and healthcare as well as in areas we have yet to enter.

### Commodity Derivatives

We will make efforts to acquire trading profits through derivative transactions for precious metals, non-ferrous metals, energy and agricultural products while providing customers, and the Mitsui group as a whole, with hedging and risk management functions.

### Logistics

We will build a logistics platform for emerging economies, particularly in Asia, by making maximum use of our logistics expertise accumulated mainly in Trinet Logistics Co., Ltd. In addition, we will strengthen the competitiveness of our domestic and overseas warehousing and delivery businesses as well as our international shipping business. Furthermore, we will promote logistics for consumer goods and cold chain logistics businesses in Asian countries, including Japan, and contribute to safe, secure and reliable distribution.



Solar power generation plant in Japan for which MITSUI KNOWLEDGE INDUSTRY CO., LTD. provides power generation monitoring services (Japan)

## Initiatives Based on Business Strategies

### Participation in New High-Speed Mobile Telecommunication Service in Indonesia

Mitsui participated in a high-speed mobile telecommunication service in Indonesia through PT Internux, a mobile (LTE) telecommunication operator owned by Indonesian conglomerate Lippo Group. PT Internux has already acquired more than 400,000 subscribers since launching the service in December 2013. We aim to capture growing demand in Indonesia by providing services with outstanding telecommunication speed and quality and contributing to the enhancement of the local mobile network environment.



One of high-speed mobile telecommunication service provider BOLT's directly managed stores (Indonesia)

### Support for Electronic Payment Services in Russia

Mitsui acquired a stake in QIWI plc, which operates an electronic payment system and payment terminals that are widely used in Russia and other countries to pay mobile phones charges and utility bills. Mitsui supported the reorganization of QIWI's international business and the enhancement of its services. In May 2013, QIWI listed on NASDAQ in the United States, and in 2013 Mitsui recognized a gain on the sale of some of QIWI's shares.

### Expansion of Investment Centered on United States

In 2013, Mitsui & Co. Global Investment Ltd. continued to accumulate investments, mainly in the United States. As well as additional investments in existing projects, the company made new investments in a developer and manufacturer of flexible electronic circuits in the United States; a company that owns the license for catalytic technology used in oil refining; and a food company that specializes in marketing in India. As of March 31, 2014, the company has 71 investment projects.



### Acquisition of Wind Power Generation Business in Taiwan

Established to collaborate with the Infrastructure Projects Business Unit for investments in infrastructure facilities and companies in emerging countries, our infrastructure fund acquired its third asset: a wind power generation business (29.8MW) in Taiwan, in November 2013.



Wind power generation business that our infrastructure fund owns (Taiwan)

### CSR Topics

Headquarter	CSR Priorities	Measures for Fiscal Year Ended March 31, 2014
Innovation & Corporate Development Business Unit	<b>Reduce the environmental burden</b>	<ul style="list-style-type: none"> <li>□ Provided power optimization services and contributed to the stabilization of power grids using demand response technologies in the United States through Viridity Energy, Inc.</li> <li>□ Promoted the spread of lithium-ion batteries for E-bikes in China and supported EV development with Chinese automotive manufacturers through Tianjin EV Energies Co., Ltd. (China)</li> </ul>
	<b>Promote investment in environment-related companies</b>	<ul style="list-style-type: none"> <li>□ Supported overseas business development through investment in Nihon Itomic Co., Ltd. which develops and manufactures electric hot water dispensers and heat pump water heaters</li> <li>□ Supported the planning and development of integrated environmental cities in the United Kingdom through MBK Arup Sustainable Projects Limited, a joint venture with the British company Ove Arup and Partners International Ltd., an international comprehensive engineering firm</li> <li>□ Conducted smart community business through Future City Solutions Limited, a joint venture with Fujitsu Limited; continued the planning and development of the Urayasu Eco-City Smart Community Center in cooperation with Urayasu City and other parties</li> </ul>
	<b>Offer optimal logistics</b>	<ul style="list-style-type: none"> <li>□ Through our Tri-Net Group subsidiaries, executed equipment transportation and other logistics in conjunction with overseas expansion (building factories, etc.) by regional companies, contributing to the overseas development of their businesses; successfully shortened transportation routes in Japan by building a new transportation scheme utilizing nearby ports</li> <li>□ Provided distribution processing services for goods procured from Japan and overseas, such as apparel and health foods, to retail shops and consumers and built an efficient delivery system suited to the sales strategies of our customers through our subsidiary Trinet Logistics Co., Ltd.</li> </ul>



# Americas Segment

## Americas Business Unit

Senior Executive Managing Officer,  
Chief Operating Officer of  
Americas Business Unit

**Motomu Takahashi**



## Business Activities

The Americas Segment is engaged in sales and intermediary services of various commodities and conducts related businesses led by overseas trading subsidiaries and their affiliated companies in North and South American countries.

In the Metals business area, we build alliances with steelmakers, steel processors and major local customers in the United States and other countries and focus our efforts on streamlining processes at each stage of the value chain. Through NuMit LLC, Mitsui and NuCor Corporation each hold a 50% stake in Steel Technologies Inc., a company which has operations in over 20 locations in North America where it provides a full range of processing services involving a wide range of steel products. Moreover, wholly owned Mitsui subsidiaries Champions Pipe & Supply, Inc. and Cinco Pipe And Supply, LLC engage in sales of oil and gas well casings and other energy-related steel products.

In the Machinery & Infrastructure business area, the Americas Segment works with the Head Office in developing and operating

various types of large-scale infrastructure projects and related businesses centered on the four areas of power generation, water treatment, transportation, and energy and mineral resources (oil and gas) in the Americas, focusing on Brazil and Mexico.

In the Chemicals business area, we engage in trading and other business involving various organic and inorganic chemical products, such as petrochemical products, food and feed additives, chemical fertilizers, pesticides, synthetic resins and resin additives. Feed additive manufacturer Novus International, Inc., a 65%-owned subsidiary of Mitsui, produces and sells amino acids used in feedstuffs. In addition, Intercontinental Terminals Company LLC engages in chemical tank terminal operations.

In the Lifestyle business area, we develop businesses designed to meet consumer needs across an expansive range of business fields that include food materials and processed food products, as well as medical and healthcare, housing and industrial materials, the fashion business, services and real estate. United Grain Corporation of Oregon engages in the grain origination and export business. In addition, MBK Real Estate LLC maintains operations involving residences in California, and it also engages in the business of assisted-living for senior citizens in California, Utah and Colorado.

Moreover, in the Energy and Innovation & Corporate Development business areas, we strive to identify new projects and other business opportunities and to help such ventures take shape.

## Market Outlook

The U.S. economy achieved recovery as a third round of quantitative easing (“QE3”) and a regaining of industrial competitiveness—thanks to lower raw material, fuel and power costs resulting from the shale revolution—underpinned a pickup in corporate business results, a rise in stock prices and a modest decline in the unemployment rate. Consequently, personal income and consumer spending recovered,



Oil and gas well casings at Cinco Pipe And Supply, LLC (United States)

automotive unit sales increased and the housing market improved. Currently, the economy is performing solidly thanks to favorable corporate earnings, steady improvement in the employment market, the wealth effect accompanying higher stock and house prices, and a continuing rebound in the housing market. Overall, economies in Central and South America continue to grow steadily, despite the adverse effects that followed the scaling back of QE3. This growth is attributable to rich supplies of minerals and food resources, an expanding middle class, a young population and an inexpensive labor force. In addition, consumer demand has been growing further as income levels in the region rise.

## Business Strategies

We recognize the trends toward the reshoring of U.S. manufacturing as well as the importance of the United States as a market. Accordingly, the Americas Business Unit will take advantage of such business opportunities as the rapidly expanding oil and gas well tubular products market accompanying the shale revolution, new construction of chemical production facilities resulting from lower material costs, and increasing demand in the tank terminal business. In addition, responding to the automotive industry's robust recovery, we will continue to strengthen the steel processing business in automotive manufacturing

as well as in a wide range of supporting industries. Further, we will strengthen our senior living and food products businesses in the United States—the only country with a rising population among developed nations—which has an expanding aging segment, a recovering housing market and rebounding consumer consumption.

In the innovation area, while continuing to advance medical- and healthcare-related businesses, we will focus on identifying and promoting new technologies and business models originating in the United States, mainly targeting such business areas as energy efficiency through the use of IT, robotics with the anticipation of stepped-up automation, and businesses related to food and agriculture.

Also, viewing Central and South America as likely to become increasingly important, we will continue strengthening our mineral resource-related businesses and infrastructure businesses that support them, such as power, water and logistics, and services business in the areas of construction machinery and off-road tires. In the food area, we will advance salmon farming in Chile with a major local company and sugar, coffee and fruit juice businesses in the region. Also, mainly in Brazil and Mexico, we will expand automobile-related businesses, including automotive steel plate processing, while enhancing efforts in their domestic consumer markets.

## Initiatives Based on Business Strategies

### Expansion of Tank Terminal Business and Real Estate Business

To cater to rising logistics volumes stemming from structural change in North America's manufacturing industry as the shale revolution progresses, Intercontinental Terminals Company LLC ("ITC") invested more than ¥14 billion to build a new tank terminal in Pasadena, Texas as an addition to the tank terminal it owns and

operates in Deer Park, Texas. The company aims to start up operations at this new facility in the first half of 2015. Also, MBK Real Estate LLC ("MRE") is preparing for future expansion of its business while steadily recycling assets. In the year ended March 31, 2014, the company acquired land for the development of senior housing in Colorado and rental housing in California and also sold senior housing in California.



One of ITC's chemical and petroleum product tanks (United States)



Senior housing being developed by MRE (United States)

# EMEA

(Europe, the Middle East and Africa)

# Segment

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

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

**Hironobu Ishikawa**



## Business Activities

The Europe, the Middle East and Africa Segment is engaged in sales and intermediary services of various commodities and conducts related businesses led by overseas trading subsidiaries in Europe, the Middle East, Africa and CIS countries.

In recent years, this segment has mainly conducted sales and intermediary services involving steel products, chemicals and machinery. In the Metals business area, for instance, we have been providing support services to Statoil ASA in the form of SCM for steel materials, while also remaining actively engaged in efforts that involve supplying high-grade sheet metal for automobiles and home appliances and selling steel products used in the energy industry. In the Machinery & Infrastructure business area, Mitsui and the founding family of Global Energy Holdings Limited, of Scotland, established GEG (Holdings) Limited as a joint venture holding company for businesses that Global Energy Holdings owns in the energy and resources industries. Mitsui has a 25% stake in GEG (Holdings) Limited. Global Energy Holdings provides a variety of value-added services to the energy industry through its capabilities in such areas as fabrication and assembly of large welded structures, inspection and repair, and technical assistance, while also extending support to the offshore wind power generation sector.

In the Chemicals business area, we engage in sales and intermediary services involving chemical products and materials, drawing support from Mitsui's groupwide global network and relationships with large-scale manufacturers, including Bayer AG.

In the Lifestyle business area, Mitsui wholly owned subsidiary MBK Real Estate Europe Limited engages in the business of real estate development in London.

In the Middle East, we have established branch offices and representative offices in the United Arab Emirates, Qatar, Oman, Saudi Arabia and other locations. These offices collaborate with headquarter business units primarily in the fields of energy development and production, and projects of petrochemical and power plants.



The Nigg Yard owned by Global Energy Holdings Limited is one of the largest dry docks in Europe (United Kingdom).

©dgordonphotography



## Market Outlook

Comprising a large territory with diverse markets, the EMEA region presents major business opportunities. The region has many facets, including promising markets for the future, markets undergoing rapid growth and markets facing difficulties.

In Europe, economic conditions remain challenging, and further government-led measures focusing on economic recovery are expected. The Middle East is faced with the increasing need to develop public infrastructure and build foundations for the development of new industries through the utilization of energy resources and for the development of human resources who will be expected to support the region going forward. In Africa, although the economic infrastructures of the countries remain weak, the continent has been attracting considerable attention as the last frontier due to the potential for resource development as well as the development of infrastructure with the aim of capitalizing on abundant resources and the rising demand for food, which is accompanying population growth.

## Business Strategies

We will take on the challenge of creating next-generation businesses by strengthening initiatives based on our close relationships with regional partners. In addition, we will continue to contribute to local communities through the creation of new business platforms. In particular, within Africa we shall concentrate on addressing the educational and agricultural development needs of respective countries by creating both infrastructure and energy-related businesses that contribute to the development of human resources and nations as a whole. Through these efforts, we will act as a driving force for Africa's buoyant frontier economies.

Furthermore, in our aim to realize a low-carbon society, we shall advance environmental businesses, including renewable energy and smart grids as well as equipment for electric vehicles, in order to build new businesses with global partners.

### Initiatives Based on Business Strategies

#### Launch of Demonstration Project for Electric Buses

In January 2014, Mitsui launched a demonstration project for electric buses on routes in Milton Keynes, in the United Kingdom, in collaboration with various British companies, including Ove Arup and Partners International Ltd., Wrightbus Limited and Arriva plc. Through this five-year project, we aim to establish a one-stop solution, from planning to operation, by examining the degree to which efficiency levels can be improved through reducing the size of the onboard battery and verifying optimal battery charging facilities based on an analysis of the operational data collected from bus routes.



Electric bus during a test run (United Kingdom)

#### Focus on Expansion of Value Chain for Magnetic Steel Sheet Business

As our strategic base in the value chain for the magnetic steel sheet business in Europe since its establishment in 1991, EURO-MIT STAAL B.V. (Netherlands) has been engaged in the slit and core processing as well as the sale of magnetic steel sheet for such major global transformer manufacturers as ABB Ltd. (Switzerland) and Siemens AG (Germany). We aim to establish the company as a magnetic steel sheet processing center in Europe by expanding and improving its capabilities and enhancing its facilities to better cater to customer needs.



Magnetic steel sheet processing center of EURO-MIT STAAL B.V. (Netherlands)



# Asia Pacific Segment

## Asia Pacific Business Unit

Executive Vice President,  
Chief Operating Officer of  
Asia Pacific Business Unit

**Takashi Yamauchi**



## Business Activities

The Asia Pacific Segment is engaged in sales and intermediary services of various commodities and conducts related businesses led by overseas trading subsidiaries in Asian and Oceanian countries.

### ASEAN Region

In the ASEAN region, trading subsidiaries, including Mitsui & Co. (Asia Pacific) Pte. Ltd. (Singapore), Mitsui & Co. (Thailand) Ltd., Mitsiam International Ltd. (Thailand) and PT Mitsui Indonesia, subsidiaries and associated companies jointly collaborate with the headquarters and engage in various business activities involving, among other things, chemical and metal products, industrial projects and foods. Our locally based trading subsidiaries also establish various subsidiaries of their own and participate in joint ventures formed with third parties. As a typical example, Mitsui & Co. (Asia Pacific) Pte. Ltd. owns a 26% interest in Thai Tap Water Supply Public Company Limited (Thailand) through Mitsui Water Holdings (Thailand) Ltd., which supplies tap water in the vicinity of Bangkok, Thailand, under long-term water supply agreements with local public water utilities.

### Southwest Asia

Amid increasing deregulation of the Indian economy, the Asia Pacific Segment is currently engaged not only in import and export related transactions through Mitsui & Co., India Pvt. Ltd., but it has also become involved in domestic manufacturing and sales operations. Furthermore, the segment is pursuing opportunities for investment in infrastructure, including logistics infrastructure.

### Oceania

In Australia, Mitsui & Co. (Australia) Ltd. is active in the development of mineral resources, such as iron ore and coal, and energy, including wind power, as well as sales of agricultural crops, such as wheat, in collaboration with respective segments of the headquarters. Australia is a critical geographic area in our corporate strategy. Mitsui & Co. (Australia) Ltd. holds stakes in Australian companies Mitsui Iron Ore Development Pty. Ltd. and Mitsui Coal Holdings Pty. Ltd., with equity shares of 20% and 30%, respectively.



Wind power generation operations of Bald Hills Wind Farm Pty Ltd (Australia)

## Market Outlook

The Asia-Pacific economy promises to grow modestly on a pickup in exports as the U.S. economy's recovery becomes clear and, in accordance with forecasts, the pace of the slowdown in China's economy eases. The majority of ASEAN countries are likely to see their business climates improve due to increased exports to the United States and other developed countries. At the same time, emerging economies in Asia are expected to continue growing, including such strategic countries for us as India, Indonesia and Myanmar. Increases in the domestic demand of these countries as their populations and middle classes grow should create more opportunities for investment in local industries.

## Business Strategies

We aim to create global businesses that transcend the boundaries of regions, countries and business areas by building alliances with leading local companies in the region. In addition to strengthening our relationships with mineral resource and energy majors, in non-resource areas we will contribute to regional economic development through tie-ups with local partners, with a strong strategic focus on "food that supports Asia's growing population" and "agriculture that supports food."

Regarding priority countries, in India we will build relationships with leading local partners to establish earnings foundations and logistics infrastructure businesses for basic industries, including iron and steel products and chemicals. In Indonesia, we aim to acquire natural resources and develop intraregional trading while capturing domestic demand by developing businesses in the consumer market, expanding businesses in basic industries and enhancing infrastructure businesses. In Myanmar, we intend to advance initiatives in a wide range of areas, including mineral and metal resources, energy, infrastructure, chemicals and such areas of the lifestyle industry as food resources and food products. We will expand businesses and actively participate in infrastructure projects for electric power, water and logistics, which are increasing rapidly as the Asia-Pacific economy grows. In addition to local projects in Thailand, India and Indonesia, we will develop businesses in third countries in partnership with leading companies in Singapore and other countries in the region.

Also, in cooperation with leading business partners, we will expand and strengthen hospital businesses and their ancillary businesses, mainly in Asia's emerging countries, where growing and aging populations are likely to increase demand for medical services. Further, with our sights set on Asia's market, we will actively develop plant resources in the Asia-Pacific region through businesses for grain origination, afforestation, woodchip production and palm plantations.

## Initiatives Based on Business Strategies

### Acquisition of Shrimp Farming and Processing Business in Vietnam

We acquired a stake in Vietnam's leading shrimp processor, Minh Phu Hau Giang Limited Liability Company ("MPHG"), which belongs to the country's largest shrimp farmer and processor, Minh Phu Seafood Joint Stock Company ("MP"). Accounting for more than 20% of Vietnam's manufacture and export of shrimp products, MP has integrated operations that encompass post-larvae rearing, shrimp farming, processing and sales. It sells products not only to Japan but also to countries in Europe, North America and other Asian countries. Through existing trading operations, we have developed a relationship with MP. Based on the stake we have acquired in MPHG, we will strengthen our partnership with MP and increase sales of its products in Japan's market and other overseas markets.



Shrimp processing operations of MPHG (Vietnam)

# Major Subsidiaries and Associated Companies

As of March 31, 2014

	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	99.1
Regency Steel Asia Pte Ltd.	Wholesale and retail of steel products	Singapore	92.5
<b>Associated Companies</b>			
Shanghai Bao-Mit Steel Distribution Co., Ltd.	Processing and sales of steel products	China	35.0
Gestamp North America, Inc.	Manufacture of automotive components	U.S.A.	30.0
Gestamp Holding Mexico, S.L.	Manufacture of automotive components	Spain	30.0
Gestamp Brasil Industria De Autopecas S.A.	Manufacture of automotive components	Brazil	30.0
Gestamp Holding Argentina, S.L.	Manufacture of automotive components	Spain	30.0
<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 Raw Materials Development Pty. Limited	Investment in Sims Metal Management Ltd., a scrap metal recycler	Australia	100.0
Oriente Copper Netherlands B.V.	Investment in and loan to copper business in Chile through Inversiones Mineras Acrux SpA	Netherlands	100.0
Japan Collahuasi Resources B.V.	Investment in Collahuasi copper mine in Chile	Netherlands	61.9
Mitsui Bussan Copper Investment & Co., Ltd.	Investment in Caserones copper mine in Chile	Japan	100.0
MITSUI BUSSAN METALS CO., LTD.	Sales and trading of non-ferrous scrap, alloy and products	Japan	100.0
Mitsui & Co. Mineral Resources Development (Asia) Corp.	Investments in nickel and cobalt smelting business in Philippines	Philippines	100.0
Mitsui Coal Holdings Pty. Ltd.	Investments in Australian coal business	Australia	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 smelting and refining business in New Caledonia and sales of products	Netherlands	47.6
BHP Billiton Mitsui Coal Pty. Ltd.	Mining and sales of Australian coal	Australia	16.8
<b>Machinery &amp; Infrastructure</b>			
<b>Subsidiaries</b>			
Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation equipment	Japan	100.0
KARUGAMO ENERGY MANAGEMENT PTY. LIMITED	Investments in power generation business	Australia	100.0
MITSUI GAS E ENERGIA DO BRASIL LTDA.	Investments in gas distribution companies in Brazil	Brazil	100.0
Mit Investment Manzanillo B.V.	Investment in LNG terminal in Mexico	Netherlands	100.0
Drillship Investment B.V.	Investment in deepwater drilling service business	Netherlands	100.0
MIT Gas Mexico, S. de R.L. de C.V.	Investments in gas distribution companies in Mexico	Mexico	100.0
ME Servicos de Energia do Brasil Participacoes Ltda.	Cogeneration service business in Brazil	Brazil	90.0
Mitsui Renewable Energy Europe Limited	Investment for renewable energy in Europe	United Kingdom	100.0
ATLATEC, S.A. de C.V.	Designing, building and operation of wastewater treatment plants	Mexico	85.0
MIT INFRASTRUCTURE EUROPE LIMITED	Investment in water business in Czech Republic	United Kingdom	100.0
MIT Medini Sdn. Bhd.	Investment in smart city development in Malaysia	Malaysia	100.0
MIT POWER CANADA LP INC.	Investment in Greenfield Power Generation Project in Ontario	Canada	100.0
MIT Renewables Inc.	Investment in power producing business in Canada	Canada	100.0
MIT Renewables Mexico, S.A.P.I. de C.V.	Investment in power producing business in Mexico	Mexico	100.0
MyPower Corp.	Investment and management of power projects in U.S.	U.S.A.	100.0
MIZHA ENERGIA PARTICIPACOES S.A.	Investment in power producing business in Brazil	Brazil	100.0
Portek International Private Limited	Development and operation of container terminal	Singapore	90.0
Tokyo International Air Cargo Terminal Ltd.	Operation of air cargo terminal at Tokyo International Airport	Japan	100.0
Toyota Chile S.A.	Import and sales of automobiles and auto parts in Chile	Chile	100.0
Mitsui Automotriz S.A.	Retail sales of automobiles and auto parts	Peru	100.0
MITSUI AUTO FINANCE CHILE LTDA.	Automobile retail finance	Chile	100.0
TRANSFREIGHT, LLC	Auto parts logistics business	U.S.A.	100.0
Veloce Logistica SA	Auto parts logistics	Brazil	100.0

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Mitsui Bussan Automotive (Thailand) Co., Ltd.	Sales, leasing and service of automobiles	Thailand	100.0
BAF (Thailand) Co., Ltd.	Motorcycle retail finance	Thailand	100.0
PT. Bussan Auto Finance	Motorcycle retail finance	Indonesia	70.0
Mitsui Automotive CIS Investment B.V.	Investment in automotive-related companies in Russia	Netherlands	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
Orient Marine Co., Ltd.	Shipping business	Japan	100.0
OMC SHIPPING PTE. LTD.	Shipping business	Singapore	100.0
Mitsui Bussan Aerospace Co., Ltd.	Import and sales of helicopters and defense and aerospace products	Japan	100.0
Mitsui Rail Capital Holdings, Inc.	Freightcar 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.	Freightcar leasing and management in Brazil	Brazil	100.0

#### Associated Companies

Toyo Engineering Corporation	Engineering and construction for industrial facilities	Japan	22.9
JM ENERGY CO., LIMITED	Investment in power generation business in China	Hong Kong	50.0
Galaxy NewSpring Pte. Ltd.	Investments in water business in China	Singapore	50.0
P.T. PAITON ENERGY	Power generation in Indonesia	Indonesia	40.5
Compania de Generacion Valladolid, S. de R.L. de C.V.	Power generation in Mexico	Mexico	50.0
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
MT Falcon Holdings Company, S.A.P.I. de C.V.	Investment in power generation business in Mexico	Mexico	40.0
Penske Automotive Group, Inc.	Automotive retailer	U.S.A.	17.2
Toyota Canada Inc.	Import and sales of Toyota automobiles and parts	Canada	49.0
PT. Yamaha Indonesia Motor Manufacturing	Manufacture and sales of motorcycles	Indonesia	15.0
KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD	Sales of construction and mining equipment	Australia	40.0
NATIONAL PLANT AND EQUIPMENT PTY LIMITED	Rental of mining equipment	Australia	49.9

## Chemicals

#### Subsidiaries

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
MMTX Inc.	Investment in methanol producing business in U.S. and sale of products	U.S.A.	100.0
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 & CO. PLASTICS LTD.	Sales of plastics and chemicals	Japan	100.0
Mitsui Bussan Frontier Co., Ltd.	Export of electronics devices and EMS/SCM business	Japan	100.0
Daito Chemical Co., Ltd.	Manufacture and sales of industrial chemicals	Japan	70.0
Mitsui AgriScience International S.A. / N.V.	Investments in crop protection businesses in Europe	Belgium	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

#### Associated Companies

Santa Vitoria Acucar e Alcool Ltda	Production and sales of bio-ethanol	Brazil	50.0
------------------------------------	-------------------------------------	--------	------

## Energy

#### Subsidiaries

Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	Japan	73.6
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 UK Limited	Exploration, development and production of oil and natural gas in Europe & Africa	United Kingdom	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
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 & CO. LNG INVESTMENT LIMITED	Investment in LNG projects	United Kingdom	100.0



## Major Subsidiaries and Associated Companies

	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Mitsui Gas Development Qatar B.V.	Exploration, development and production of oil and natural gas	Netherlands	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>			
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

### Lifestyle

<b>Subsidiaries</b>			
PRIFOODS CO., LTD.	Production, processing and sales of broilers	Japan	46.4
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
XINGU AGRI AG	Production and merchandising of agriproducts	Switzerland	100.0
Multigrain Trading AG	Origination and merchandising of agricultural products	Switzerland	100.0
San-ei Sucrochemical Co., Ltd.	Manufacture and sales of saccharified products, pharmaceuticals, feedstuffs and other products	Japan	70.0
Mitsui Norin Co., Ltd.	Manufacture and sales of food products	Japan	100.0
MITSUMI ALIMENTOS LTDA.	Export of coffee beans and domestic sales of roasted coffee	Brazil	100.0
MITSUMI FOODS CO., LTD.	Wholesale of foods and beverages	Japan	100.0
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
RETAIL SYSTEM SERVICE CO., LTD.	Sales of foods and groceries, services for retailers	Japan	100.0
Mitsui & Co. Facilities Ltd.	Property management	Japan	100.0
Mitsui Bussan Woodchip Oceania Pty. Ltd.	Plantation, processing and sales of woodchip	Australia	100.0
BUSSAN REAL ESTATE CO., LTD.	Real estate sales, leasing and management	Japan	100.0
MBK Healthcare Partners Limited	Investment in IHH Healthcare Bhd.	United Kingdom	100.0
MicroBiopharm Japan Co., Ltd.	Manufacture and sales of medicines and chemicals	Japan	80.0
MITSUMI BUSSAN INTER-FASHION LTD.	Planning and management of production and distribution of apparel	Japan	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
AIM SERVICES CO., LTD.	Contract food services	Japan	50.0
Sumisho & Mitsuibussan Kenzai Co., Ltd.	Sales of building materials, contract of construction work and import of various building materials	Japan	50.0
QVC JAPAN INC.	Direct marketing business which is mainly composed of TV shopping	Japan	40.0
CCTV Shopping Co., Ltd.	Service for TV shopping business in China	China	25.0

### Innovation & Corporate Development

<b>Subsidiaries</b>			
MITSUMI 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
Asia Pacific Mobile Pte. Ltd.	Investment in high-speed mobile service business in Indonesia	Singapore	100.0
Mitsuibussan Insurance Co., Ltd.	Non life and life insurance agency services	Japan	100.0
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
<b>Associated Companies</b>			
Moshi Moshi Hotline, Inc.	Comprehensive telemarketing and direct marketing operations	Japan	34.4
TPV Technology Limited	Design, manufacturing and sales of display related products	Bermuda	20.2
JA Mitsui Leasing, Ltd.	Leasing and financing business	Japan	31.4

	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 ingredient 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 oil and gas well tubular products	U.S.A.	100.0
MBK Real Estate LLC	Real estate-related business	U.S.A.	100.0
Novus International, Inc.	Manufacturing and sales of feed additives	U.S.A.	65.0
Hydro Capital Corporation	Investment in water treatment plants in Mexico	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
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
Cinco Pipe And Supply, LLC	Sales of oil and gas well tubular products	U.S.A.	100.0
Mitsui & Co. (U.S.A.), Inc.	Trading	U.S.A.	100.0
Mitsui & Co. (Canada) Ltd.	Trading	Canada	100.0
MITSUMI & CO. (BRASIL) S.A.	Trading	Brazil	100.0
<b>Europe, the Middle East and Africa</b>			
<b>Subsidiaries</b>			
EURO-MIT STAAL B.V.	Steel processing	Netherlands	90.0
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
MIT POWER AUSTRALIA PTY LTD	Wind power generation	Australia	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 & 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 (U.S.A.) Inc.	Financing services within the Group	U.S.A.	100.0
Mitsui & Co. Financial Services (Europe) Plc	Financing services within the Group	United Kingdom	100.0
MITSUMI BUSSAN BUSINESS PARTNERS CO., LTD.	Provision of HR & GA services to Mitsui and its subsidiaries	Japan	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 for Growth

Mitsui's ESG Supports Business Activities





080 ESG Topics

084 Mitsui's Business Activities and  
Corporate Social Responsibility

086 Mitsui's Environmental Initiatives

088 Mitsui Is People—Human Resources to Translate into Assets

090 Mitsui's Social Contributions

092 Corporate Governance and Internal Controls

100 Board of Directors and Independent Directors

102 Corporate Auditors

103 Managing Officers

104 Organization Chart

ity



## Mitsui Is Working Toward a Smart City

Taking on the Challenge of Creating a City Where People Can Live with a Sense of Security



### Initiatives for the Environment

#### Creating a Metropolis That Focuses on CO<sub>2</sub> Emissions 10 Years in the Future

The Iskandar region is located at the southern tip of the Malay Peninsula and occupies the same amount of land area as Tokyo. It is the site of a comprehensive regional development project designed by the Malaysian government to achieve growth as an economic zone representative of Southeast Asia and to enhance Malaysia's national prestige. The project is seeking to realize not just economic growth but also environmentally conscious urban development that can serve as a model for a low-carbon society. If current economic development continues on its present course, it is forecast that carbon dioxide emissions in the region will grow to about 31.3 million tons by 2025 (approximately three times more than the 2005 level). As a result, the Malaysian government is undertaking development with the high goal of cutting greenhouse gas emissions by approximately 40% compared to a business as usual (BaU) basis.

In response to a request from Khazanah Nasional Berhad, the Malaysian government's strategic investment company, Mitsui began participating in the Iskandar Development Project in 2013 through

investment in Medini Iskandar Malaysia Sdn Bhd ("MIM"), which is the major developer for the Medini district in Iskandar. The urban development plan is almost complete, and we plan to create a comfortable urban environment that is also friendly to the global environment through comprehensive measures encompassing all urban functions. These measures include (1) information and communications technologies (ICT) based highly convenient lifestyle-support services that provide security and comfort to residents; (2) the introduction of efficient energy management systems (EMS) employing smart grids and other technology; and (3) the development of various types of environmentally sensitive infrastructure.

#### Building a Smart City That Is Also Economically Efficient

Mitsui has participated in a variety of smart city demonstration projects, including the construction of an energy management system that equalizes electricity consumption and support for autonomous community development by the use of solar power. Through these projects, we have accumulated considerable knowledge and expertise.

#### Elements of the Smart City to Be Created in the Medini District (artist's impression)



For example, as part of a smart grid demonstration project, we made it possible for each household to identify wasteful energy consumption (energy consumption visualization) and raised awareness of energy saving by residents, resulting in reductions in electricity consumption. In addition, we reduced power consumption by introducing demand response\*, leading to substantial capital investment cost savings by eliminating the need for operation or ownership of reserve power plants that are used only during peak electricity demand times (a few hours of the total 8,760 hours in a year).

The creation of a smart city does not mean simply gathering state-of-the-art technology without regard to cost; it is essential to also pursue economic efficiency and support continuity as a business enterprise and offer prices for service that will be accepted by consumers. Global undertakings of commercial projects that incorporate economic efficiency are limited. We plan to make this project into a model for sustainable smart city development and provide our knowledge and expertise to the world.

\* A mechanism for setting electricity charges at high levels during peak times to curtail power consumption and maintain the balance between electricity supply and demand

## Initiatives for Consumer Issues

### Building a City Where Everyone Can Feel Safe

In terms of lifestyle-support services, there will be development in all areas of life, including security, healthcare, shopping and education, to create a comfortable city where people can live with peace of mind.

It is expected that the Iskandar region will develop into an economic zone that is integrated with nearby Singapore. Supporting the infrastructure of such a city will require the creation of advanced security systems with awareness not only of the city's residents but also of travelers to the city from other countries.

It is planned to provide advanced lifestyle-support services that integrate ICT security networks and energy management systems. For example, security cameras will be installed throughout the city and a system will be created to respond to emergency situations while conducting integrated security management at a central

management center. Another monitoring service will use the power consumption status of electric products to quickly detect if an elderly person has collapsed in their home.



## Initiatives for Community Involvement and Development

### Regional Development That Enhances Appeal and Value

To remain an appealing city long into the future, it will be necessary to collaborate with the municipal government and implement forward-looking city management. In the United States, there have been cases of higher urban value reported. For example, improving the quality of public services through the privatization of garbage collection and disposal to foster the image of a clean city has resulted in inflows of residents from neighboring regions and rising land prices.

In the Medini district too, the municipal government and private businesses will work together to create new public services that can efficiently provide services adapted to the needs of residents. These new services will stimulate the regional economy and lead to the creation of new jobs.



## Initiatives for Human Rights

### Aiming to Be an International City That Respects Diverse Values

As the aim is for the Medini district to become a city that is open to the world, the entry of foreign capital has been eased. This easing of capital will set Medini apart from other areas within Malaysia and allow all companies and people of all nationalities to freely and comfortably conduct business and live in the city. In addition, MIM has decided to donate funds for a mosque within Medini. An international city accommodating diverse values will be created while respecting the cultural rights of the people of Malaysia, whose national religion is Islam.

## Mitsui's Approach to Building up Safety and Security as a "Business Innovation Project\*."

\* Mitsui created the "business innovation project" system to screen projects from perspectives that differ from those adopted for conventional business investment projects as a means of creating next-generation business. The objective is to have a long-term perspective for creating business that will lead to the creation of next-generation value. The Iskandar Project is the second such project.

**Providing smart city services**  
(EMS, tablet-related services, etc.)

**Building smart infrastructure**  
(Smart grids, smart tablets, infrastructure for EVs, etc.)

**Building basic infrastructure**  
(For electricity, water and ICT)

**Real estate development**

Developing new applications and services

Residents, workers and tourists gather



# Mitsui Is Pursuing Trust in Food

Providing High-Quality Products with Accurate Profiles to Customers



## Initiatives for Human Rights

### Procuring Safe and High-Quality Materials by Partnering with Excellent Tea Producers

Mitsui Norin Co., Ltd. is procuring tea leaves, the main material for tea, from approximately 450 tea producers in nine countries, including India, Sri Lanka, Kenya and Indonesia. It purchases tea leaves from tea producers that actively take the environment into consideration and take measures to improve quality and safety.

In the Darjeeling district of India, for example, one tea producer has made various efforts to improve the working environment of employees and profitability, such as by introducing a small hydro-electric generator and entrusting its management and operation to the workers. The producer also organically cultivates ginger, oranges and honey while raising cows on the farm to provide milk to children and use the manure as fertilizer for organic cultivation. Mitsui Norin values suppliers that take measures such as these to maintain a work environment and purchases raw materials from them.

## Initiatives for Consumer Issues

### Establishing a Value Chain to Achieve High-Quality Products with Accurate Profiles

To maintain confidence in their food products, Mitsui and Mitsui Norin undertake comprehensive quality control in all phases of the value chain. To ensure complete traceability in all product stages from the procurement of raw materials to manufacturing, inspection, shipment and delivery, Mitsui Norin created an original traceability system. Also, Mitsui Norin periodically goes to production areas to monitor the growing environment, quality control and agrichemical management.

In addition, through the acquisition by the head office and plants of ISO 9001 quality management system certification and the acquisition by the Fujieda Plant (for the manufacture of tea for commercial

use) and theutama Plant of FSSC 22000 food safety management system certification, Mitsui Norin is pursuing quality that meets customer expectations. Not only can tea leaves be traced to a particular country and farm and the time of harvest be determined, but purchasing, import, blending, packaging and shipment can all be traced, thereby providing safe and reliable products with accurate profiles.

### Providing Delicious Flavor Maintained by Tea Tasters

At Mitsui Norin, tea tasters with high-level skills appraise tea leaves sent from tea-producing countries around the world and select only the finest leaves that meet certain standards for purchase. Even after the procurement of raw materials, the tea leaves are strictly selected, and 10 to 20 different types of tea leaves are carefully blended to produce balanced teas. The tea tasters ensure stable supplies of reliably high-quality tea products, playing an important role within Mitsui Norin. Consequently, the company is taking active measures to ensure human resource development and the handing down of the tasters' experience and expertise to future generations.

Mitsui Norin developed the "Black Tea Character Wheel," a communications tool that accurately expresses the various elements of a complex tea in words that anyone can understand. This tool is achieved by categorizing and systematizing the aroma, flavor and infusion color of black teas that differ by origin, grade and production method. The character wheel is used to accurately identify customer needs and support rapid and precise development of new products.

### Research on Food Function Expands the Potentialities of Tea from Food to Pharmaceuticals

The Mitsui Norin Food Research Laboratories develops new products, conducts research on the effects of tea and disseminates the results of its research to society. Tea catechin, known to

have bioactive functions, was discovered during fundamental research conducted at the laboratories in collaboration with research institutes throughout the world. Polyphenon E, a superhigh-purity catechin extract developed by Mitsui Norin, is the active ingredient in medicated ointments that received approval from the U.S. Food and Drug Administration (FDA) in October 2006. Clinical trials of Polyphenon E for the prevention and treatment of cancer, including cancers of the colon and prostate, are under way overseas, and investigations concerning the development of new pharmaceuticals are being conducted.



#### Initiatives for the Environment

### Food Production Systems in Harmony with the Environment

Mitsui Norin pursues food safety, workplace safety, high-quality products, environmental preservation and high productivity while working to build production systems that are friendly to the environment by saving energy and reducing waste. The Fujieda Plant, Mitsui Norin's core plant, received ISO 14001 environmental management system certification and has introduced high energy-saving production facilities and an electric power consumption management system to create a production system with high environmental performance.

### Active Promotion of Tea Leaf Residue Recycling

Rather than discarding tea leaf residue generated as waste from production processes, Mitsui Norin recycles it as compost. For example, at the Sutama Plant, in addition to recycling the more than 1,000 tons of tea leaf residue generated each year from production processes by providing it to local farmers for use as compost, the plant produces special fertilizer using tea leaf residue and poultry manure under agreements with poultry farms.

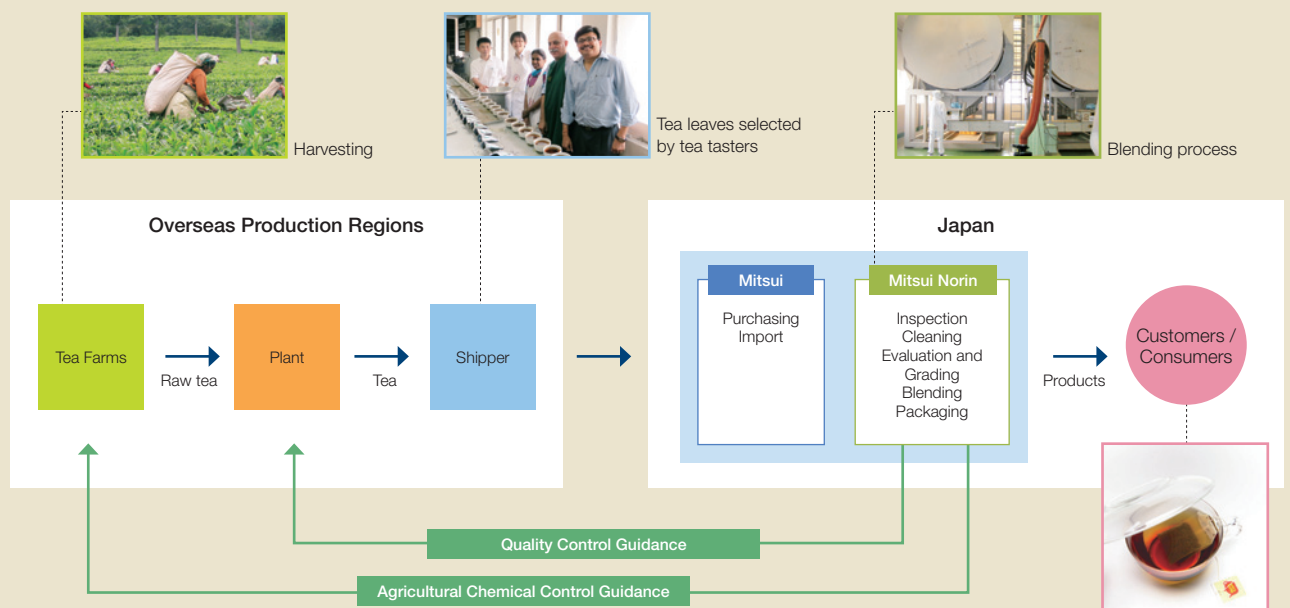


#### Initiatives for Community Involvement and Development

### Supporting Japan's Tea Culture

Mitsui Norin released the first brand of black tea produced in Japan, "Mitsui Black Tea," and subsequently changed the name to its trademark "Nittoh Black Tea." While familiarizing the consumer with black tea, Mitsui Norin disseminated information on the delicious flavor of black tea and ways to enjoy it at home. These efforts built the foundations of a Japanese black tea culture and contributed to its development. Mitsui Norin continues such efforts to disseminate knowledge and educate all its stakeholders on the appeal and value of black tea through various activities, such as tea classes conducted by employees with tea instructor certification from the Japan Tea Association.

### Tea Manufacturing and Sales Business Value Chain





# Mitsui's Business Activities and Corporate Social Responsibility

At Mitsui, we believe our corporate social responsibility (CSR) is to continually contribute to society through our core business. As we develop businesses, create new value and build interpersonal relationships, we hope to contribute directly and indirectly to the healthy growth of local communities—at home and abroad—and the global economy for better standards of living for everyone.

## Basic CSR Policy

- 1** We will conduct our business activities with honesty and integrity, make prudent efforts to understand the culture, traditions and customs of countries and regions around the world, and reinforce the importance of CSR with each of our employees. Based on our conscientious management, we will strive to enhance corporate value to stakeholders and to produce value to society.
- 2** We will make every effort to actively contribute to the achievement of a sustainable society through the promotion of sustainable development as well as maintaining a strong awareness of the importance of preserving the global environment. We will also emphasize the importance of interactive communication with stakeholders to understand their concerns and fulfill our accountability for our CSR activities.
- 3** We recognize the significance and importance of the human rights contained in the general principles of international standards such as the Universal Declaration of Human Rights. Throughout all occasions of our entire business activities, we will give due consideration to basic labor rights.
- 4** As a global company with operations throughout the world, we will support Mitsui & Co.'s group companies in the practice and implementation of our CSR policies, and will sincerely seek our business counterparties' understanding and cooperation to support this initiative.

## Contributing to Society through Our Core Business and “Mitsui's CSR”

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. Through our many years of development as a company, we have constantly sought to anticipate how society will evolve and to consider how the Company should wield its potential as well as to further advance its functions and capabilities.

The way we work and the way we think are still very much based on the values espoused by Takashi Masuda, the first president of the former Mitsui & Co., Ltd.\*, founded in 1876, and are reflected in our stance toward our work. The principles of Mitsui's CSR have always reflected our founder's values to “avoid infatuation with immediate advantage, achieve enduring prosperity and harbor grand aspirations,”

and that way of thinking is unchanged to this day.

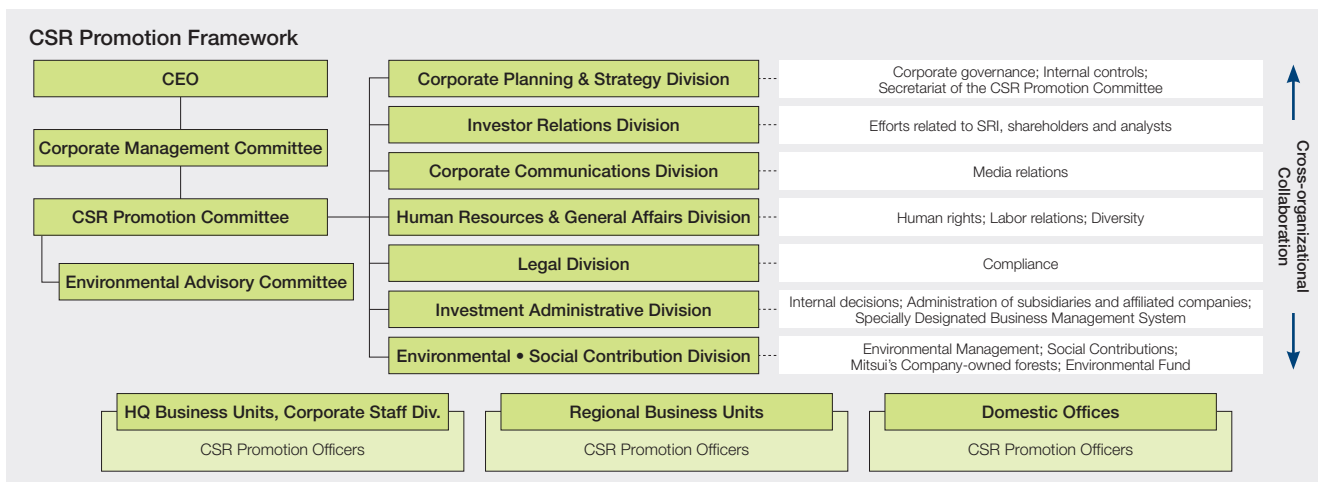
Putting “Mitsui's CSR” into practice means identifying social issues and providing value to society through our core business while aiming to create a better world. For that reason, we are practicing *Yoi-Shigoto* (good quality work) day after day, year after year by (1) being beneficial to society; (2) being useful to and creating added value for our customers and partners; and (3) providing a worthwhile challenge for each employee.

\* The current Mitsui & Co., Ltd. was established through mergers of the various new companies that had been established after the disbandment of the former Mitsui in 1947, so legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

## Developing the CSR Promotion Framework

In the year ended March 31, 2005, 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.

As a measure to facilitate planning and promotion of the CSR activities, such as practicing CSR management and raising CSR awareness in the organization, together with the staff in the workplaces of each unit, we appoint CSR Promotion Officers in each of the corporate staff divisions, headquarter business units, regional business units and domestic offices, and we are building our internal CSR network. We also hold a CSR Promotion Officers' Meeting once every quarter as a place for officers to share information.



## 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 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 Administrative 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

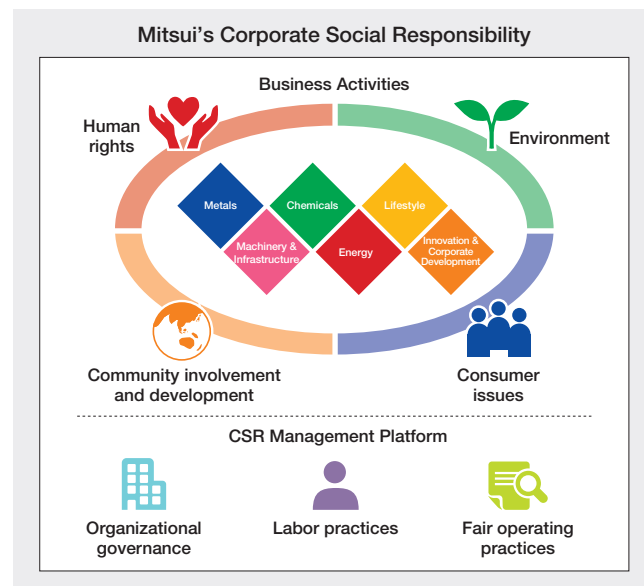
Furthermore, the Environmental Advisory Committee has been established under the CSR Promotion Committee, with the objective of responding to various CSR-related issues.

## Business Activities and Corporate Social Responsibility

Mitsui’s business activities comprise the following six areas: Metals, Machinery & Infrastructure, Chemicals, Energy, Lifestyle and Innovation & Corporate Development. 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, 2014 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 Environmental Initiatives

At Mitsui, regarding measures in response to environmental issues as one of our highest management priorities, we advance environmental initiatives on a global basis. We are resolutely endeavoring to reduce environmental risk and burden across a diverse range of business activities in an effort to develop a sustainable society.

## Environmental Policy

### Guiding Principles

- 1 Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues on a global group basis, in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.
- 2 Mitsui & Co. will make every possible effort towards realizing a "sustainable development" which is aimed at creating a harmony between the economy and the environment on a global group basis.

In view of the above principles, and in accordance with the Action Guidelines shown below, Mitsui & Co. will design, periodically evaluate, and continually improve an adequate risk management system, including response to matters such as global warming, nature conservation with consideration given to biological diversity, and the prevention of pollution, which will cover the wide range of activities that it undertakes on a global scale. At the same time, we will strive to ensure the development and dissemination of earth-friendly technologies and further reinforce our responsibility with respect to the environment on a global group basis.

### Action Guidelines

- 1 Compliance with relevant environmental laws and regulations  
We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the Company for promoting business activities.
- 2 Efficient utilization of resources and energy  
We will strive to reduce the burden on the environment within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the reduction, reuse, and recycling of waste and its proper disposal.
- 3 Environmental care for products and services offered, as well as existing and new businesses  
We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as evaluating the impact that we have on the environment, not only in the prevention of pollution, but on such issues as global warming and the conservation of biological diversity as well.
- 4 Contribution to providing industrial solutions to environmental issues  
We will engage in business activities with the goal of providing rational and permanent industrial solutions, and contribute to the realization of "sustainable development" by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.

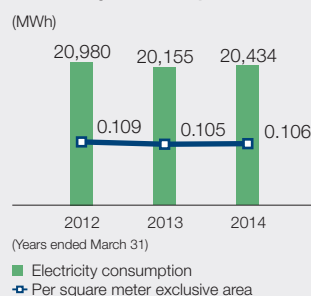
## Environmental Management System

To facilitate effective environmental management, Mitsui & Co. has implemented a global Environmental Management System across the entire group. A Chief Environmental Officer has been appointed to assist the President with his management responsibilities in relation to environmental issues, and the general manager of the Environmental•Social Contribution Division has been appointed to execute environmental

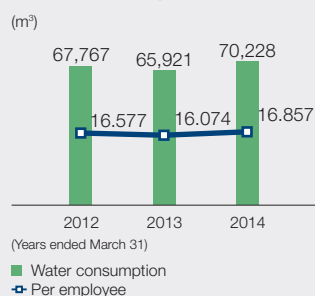
management. In addition, a number of environmental managers have been appointed, including the Chief Operating Officers of business units, the general managers of corporate staff divisions, the general managers of branches and offices in Japan, the Chief Operating Officers of regional business units and directly managed area unit leaders. This organizational framework enables environmental management on a groupwide basis.

### Reducing the Environmental Impact of Offices

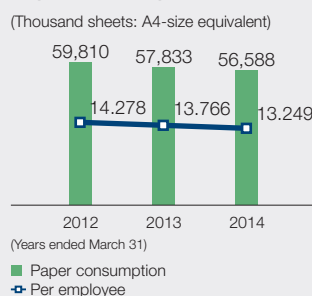
#### Electricity Consumption\*1



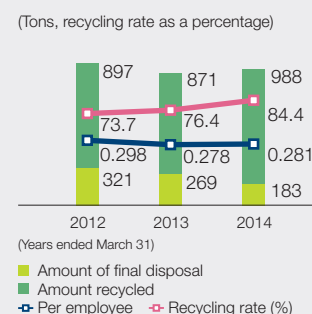
#### Water Consumption\*2



#### Paper Consumption\*1



#### Waste\*2



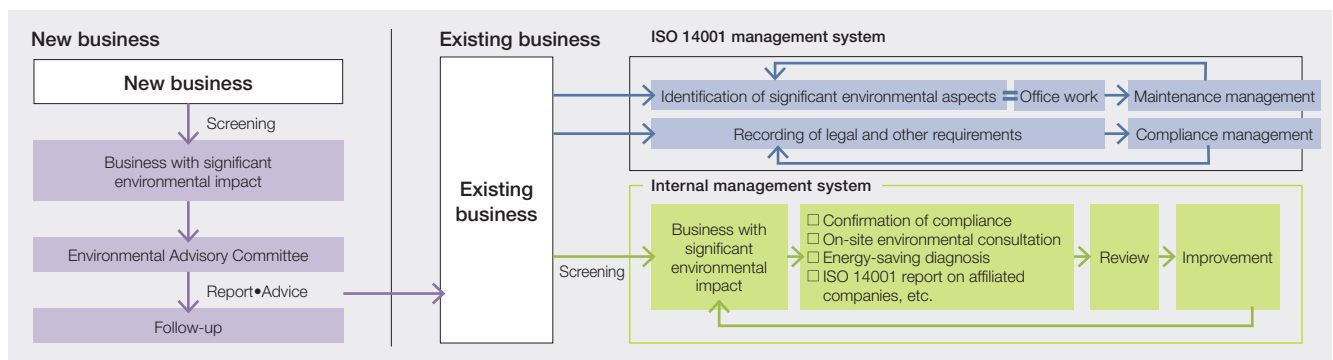
\*1. Figures for Electricity Consumption and Paper Consumption are all offices in Japan (Mitsui & Co., Head Office Building (Tokyo), 6 offices, and 5 branches).

\*2. Figures for Water Consumption and Waste are for the following Mitsui-owned buildings: (Mitsui & Co., Head Office Building (Tokyo), Osaka and Nagoya).

## Environmentally Friendly Business Activities

Mitsui aims to conduct environmentally friendly business activities by analyzing and controlling various environmental risks appropriately. Through quantitative and qualitative evaluations of environmental risk, we identify existing projects that affect the environment significantly. We mitigate this environmental risk by focusing management efforts on conducting environmental inspections and researching relevant laws and regulations. Furthermore, we undertake management based on the ISO 14001 standards. In Japan, ISO 14001 acquisition is mandatory not only for Mitsui's Head Office and branches and offices but also for subsidiaries with high environmental burdens or risks.

As for new projects, we conduct internal assessments. When necessary, the CSR Promotion Committee and the Environmental Advisory Committee provide recommendations about whether to proceed with or how to improve projects. Ultimately, representative directors make the final decisions on whether to proceed with a project, once proposal documents have circulated the relevant divisions. We mainly select members of the Environmental Advisory Committee from outside experts and attorneys familiar with environmental policies and technological trends in a wide range of fields—including global warming, environmental restoration, water and energy.



### Environmental Inspection Case Studies of Affiliated Companies

#### Case Study 1: ITOMIC KANKYO SYSTEM Co., Ltd. (Japan)

We implemented an environmental survey of a manufacturer of heat pumps that use CO<sub>2</sub> as a refrigerant. Compared with our previous visit, we confirmed that there have been marked improvements in the 4S's—standing for *Seiri* (orderliness), *Seiton* (neatness & tidiness), *Seiketsu* (cleanliness) and *Seiso* (cleaning)—in both the environmental facilities and inside and outside office buildings. An environmental management standard has been established, and with good communication between the top management and employees, employee proposals have been adopted, marking environmental improvements. Also, the company's products have been highly evaluated for their environmental performances, winning the "Heat Pump and Thermal Storage Technology Center of Japan's award" in two consecutive years, 2012 and 2013, thus garnering strong social recognition for a focus on the environment.



Well-organized plant layout

#### Case Study 2: Combined Cycle Valladolid III Power Station (Mexico)

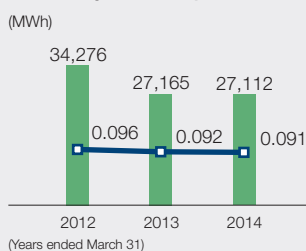
We implemented an environmental survey of a company we invested in that manages a gas thermal power station (generation capacity of 525MW). This company received ISO 14001 certification by the regular audit and is making strides in environmental management of the power generation business by maintaining clean air and water practices. In addition, we confirmed that this company is making efforts toward more comprehensive environmental management through preservation activities for flora found in the surrounding forests in terms of biodiversity conservation.



Environmentally conscious operations and maintenance at Valladolid gas thermal power station III

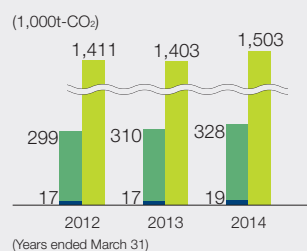
### Management of Greenhouse Gas (GHG) Emissions

#### Electricity Consumption<sup>\*3</sup>



■ Electricity consumption  
■ Per square meter exclusive area

#### CO<sub>2</sub> Emissions<sup>\*4, 5, 6</sup>



■ Domestic locations  
■ Subsidiaries and affiliated in Japan  
■ Overseas subsidiaries and affiliated

<sup>\*3</sup> All locations in Japan are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy. The scope includes not only Mitsui's Head Office, subsidiaries and branches but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices and training centers.

<sup>\*4</sup> All domestic facilities adhere to the criteria stipulated in the Revised Act on the Rational Use of Energy. Facilities comprise not only Mitsui's Head Office, subsidiaries and branches but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices and training centers.

<sup>\*5</sup> Subsidiaries and affiliated companies in Japan are domestic subsidiaries as specified in the Financial Instruments and Exchange Law. Estimates are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy. Also we reviewed the data in 2013 (years ended March 31) in accordance with surveying in 2014 (years ended March 31).

<sup>\*6</sup> Overseas subsidiaries and affiliated companies are overseas subsidiaries included within the scope of consolidation. Estimates are based on the computation criteria stipulated in the World Business Council for Sustainable Development (WBCSD) and GHG protocols (2004).

### Environmental Communication

Mitsui is actively pursuing environmental communication with multi-stakeholders, including nongovernmental organizations and nonprofit organizations. Also, every June during Mitsui Environmental Month, we hold a variety of events aimed at raising employees' environmental awareness. In the year ended March 31, 2014, we organized lectures on the importance of biodiversity conservation. Other initiatives included strengthening environmental management by expanding and improving training about environmental laws and regulations and training based on the ISO 14001 standards.





# Mitsui Is People—Human Resources to Translate into Assets

At Mitsui, with our long history and tradition, we have held the belief that human resources are our greatest asset and have maintained our objective of training and developing human resources who can contribute to society. This is why it is often said that “Mitsui is people.”

To implement its management philosophy and continue to contribute to society through generating *Yoi-Shigoto* (good quality work), one of the most important tasks is for Mitsui to continue to raise the quality of individual personnel through human resource training and development activities.

## Key Elements of Mitsui's Human Resource System

We position our human resource system as a “means for fulfilling our corporate mission and realizing our management philosophy” and focus on the following three key policies.

### 1 Dissemination of Mitsui's Management Philosophy Comprising Its Mission, Vision and Values (MVV)

Through introducing an appraisal standard that does not focus simply on short-term quantifiable performance, but places importance on how an employee's work contributes to achieving our management philosophy over the medium-to-long term in the personnel system, we will ensure thorough dissemination and sharing of our MVV broadly among employees.

### 2 Development of Human Resources

We will develop human resources who can take the leadership in implementing our management philosophy.

### 3 Appropriate Appointment and Allocation of Personnel

We appoint and allocate human resources effectively from a companywide perspective, based on appropriate human resources management.

## Human Resource Development Programs

The cornerstone of our human resource development is on-the-job training (OJT) and to support and supplement human resource development through OJT we also implement off-the-job training by various forms of training.



Diverse opportunities are provided for training personnel to become effective global businesspeople, such as Overseas Trainee Dispatch for sending all business staff overseas within six years of their joining the Company and Foreign Language and Business Culture Trainee courses. In addition, we devise training programs from

the hiring and initial employee education stages with the aim of nurturing human resources who are capable of undertaking global group management. At the same time, as we continue to develop these training programs, we are constantly perfecting our training courses for improving professional skills in various sectors.

## Development of Human Resources for Management on a Global Group Basis

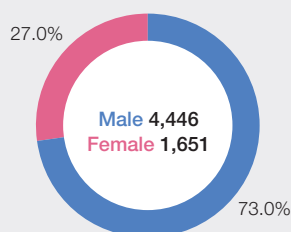
We believe that the development of human resources at our group companies is essential for supporting our consolidated global management.

We are also placing more emphasis on the training of non-headquarters-hired staff (NS) at the Company's Head Office and its HR Training Center with the objective of promoting the globalization of human resources. We also offer short-term training

### Number of Employees by Gender

(As of March 31, 2014)

Number of employees (non-consolidated): 6,097

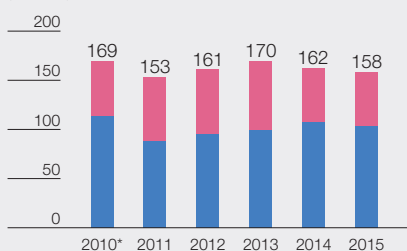


\* Not including those in administrative staff positions and contract employees

\* Average personnel turnover (over the past three years): 3.59%

### Hires of New Graduates for the Managerial Career Path by Gender

(Number)



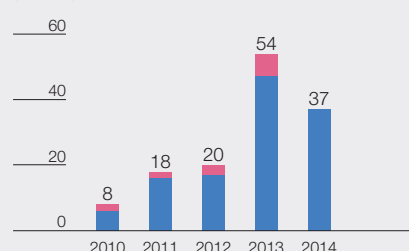
(Years ended / ending March 31)

■ Male ■ Female

\* From year ended March 31, 2010, figures include operations personnel

### Mid-career Hires by Gender

(Number)



(Years ended March 31)

■ Male ■ Female

programs, which consist of plenary sessions and OJT of up to one year, and medium and long-term training extended for more than one year. In addition, the Global Managers' Program (GMP) was introduced for the training of future leaders for overseas operations who will be responsible for consolidated global management. Further, we have been conducting the Global Management Academy (GMA) since 2011 in collaboration with Harvard Business School. The GMA is attended by headquarters-hired staff, non-headquarters-hired staff, employees of overseas

Group companies and employees of Mitsui's overseas partner companies, aiming at broadening Mitsui's diversity globally.



## Diversity Management Initiatives

Mitsui aims to become a global business enabler and is pursuing diversity management initiatives as an important corporate strategy for realizing the creation of new value. To typify our efforts to promote the globalization of our human resources and the active role of female employees, we want to create a corporate culture and mind-set and build and continuously upgrade systems that are conducive to

diversity and thereby heighten our competitiveness as a company. Through these efforts, we intend to maintain and strengthen our flexibility and adaptability and become a company where all personnel throughout the world are free to realize their capabilities to the utmost as they contribute in diverse fields regardless of gender, nationality, background or working style.

## Hiring of Disabled Persons

In 1981, we established MITSUI BUSSAN BUSINESS PARTNERS CO., LTD. (formerly Bussan Service Co., Ltd.), a trailblazing special purpose subsidiary for the employment of people with disabilities. A large number of disabled persons are currently employed in a variety of personnel and administrative capacities, including printing, mailing,

various kinds of data processing, business travel arrangement and settlement, personnel payroll and benefits administration and office layout management, and for over 20 years we have exceeded the statutory employment rate for people with disabilities. As of March 2014, 2.46% of Mitsui's employees were disabled.

## Creating a Good Work Environment

We consider it very important to improve the work environment to enable all employees—the leaders in our efforts to generate *Yoi-Shigoto* (good quality work)—to achieve a work-life balance and work with a sense of job satisfaction and peace of mind. In addition to ensuring all employees have health checkups, holding a variety of health-related seminars, and expanding and improving mental healthcare systems and other systems that support employees' health, we have established a range of supportive measures for employees who work while undertaking childcare or family care. In 2008 and 2011, we have been recognized by Japan's Minister of Health, Labour and Welfare as a company that is actively providing support for child raising.

To create an environment in which each and every employee is able to work energetically and in which employees and the Company can continue to grow together, we actively discuss a variety of common issues with the Mitsui & Co. Labor Union. Mitsui also holds labor-management discussion meetings to confer on financial results, business activities and plans, various personnel-related systems and human resource development, and provides a venue for exchanging views on a variety of matters with management in each business unit, with the aim of maintaining a healthy and cooperative relationship between management and labor.



### Foreign Geographic Areas (As of March 31, 2014)

(Number)	Americas	Europe, Middle East, Africa	Asia, Oceania	Other*	Total
Headquarters-hired staff	321	232	532	158	1,243
Non-headquarters-hired staff	623	765	1,773	—	3,161

\* Overseas trainees

### Number of Employees Taking Childcare or Family Care Leave by Gender

(Years ended March 31)	2009	2010	2011	2012	2013	2014
Childcare leave (male/female)	5/40	1/38	3/37	6/40	4/34	3/46
Family care leave (male/female)	0/2	0/0	1/2	0/1	2/4	0/1

### Number of Non-Headquarters-hired Staff Dispatched to Head Office

(As of March 31, 2014)	
Number of Japanese business integration program trainees	13
Number of Japanese language and business program trainees	13
Number of intra-Company transferees	12
<b>Total</b>	<b>38</b>

# Mitsui's Social Contributions

At Mitsui, we shall give full consideration to our economic role and social raison d'être. Moreover, we are expected to create value for society through not only our business activities but also exploration beyond our main business activities and by addressing some of the many issues that society confronts. In particular, we have defined three areas of focus based on our 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 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.

## Toward Achieving the Millennium Development Goals of the United Nations

Mitsui endorses the achievement by 2015 of the eight Millennium Development Goals of the United Nations, which include eradicating extreme poverty and hunger. As part of its concrete actions aimed at achieving these goals, Mitsui is working with the United Nations Development Programme to plan the construction of a solar powered

irrigation water pumping facility for a farming community in Mozambique. Providing the Chibuto Millennium Village in Gaza Province with the infrastructure to supply irrigation water will improve agricultural productivity, thereby increasing incomes and helping the community become self-sufficient and sustainable.

## Initiatives for International Exchanges and Education

Since 2005, Mitsui has been developing initiatives themed on multi-cultural harmony that focus primarily on supporting the children of Brazilians living in Japan. Currently, we provide scholarships to nearly 400 children. Further, as a general trading company with operations worldwide, we focus efforts on education that fosters personnel with an international perspective. Our wide-ranging initiatives in this regard

include establishing the Mitsui Endowed Professorship Fund at Dartmouth College in the United States; instituting endowed lecture programs at universities overseas, such as Peking University in China and Saint Petersburg State University in Russia; and providing scholarships to non-Japanese students studying in Japan through the Mitsui-Bussan Scholarship Program for Indonesia and other funds.

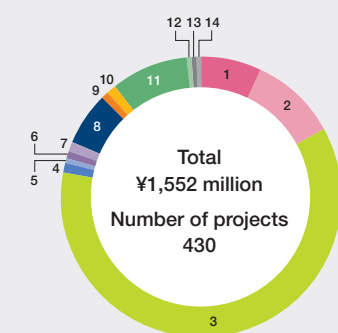
## Mitsui & Co., Ltd. Environment Fund

In July 2005, Mitsui launched the Mitsui & Co., Ltd. Environment Fund as a grant program aimed at realizing sustainable development by supporting various initiatives and research projects of nonprofit organizations and universities that contribute to solving global environmental problems. The fund mainly comprises capital from Mitsui, but it also

receives donations from the Company's officers, employees and retirees. Moreover, Mitsui encourages them to submit proposals for and take part in grant projects.

In the year ended March 31, 2013, through restoration grant projects we continued the previous fiscal year's support for restoration

### Social Contributions in the Year Ended March 31, 2014



Percentages based on money amounts

Activity category	Number of activities	Percentage* (Monetary amounts)
1 International exchange and cooperation	52	8%
2 Education, social education	80	17%
3 Environmental protection	37	52%
4 Social welfare	56	2%
5 Health and medicine	16	1%
6 Sports	20	1%
7 Academic activities, research	15	1%
8 Arts and culture	49	9%

Activity category	Number of activities	Percentage* (Monetary amounts)
9 Archaeology, preservation of traditional culture	1	1%
10 Local community involvement	72	1%
11 Assistance to disaster-stricken communities	24	6%
12 Assistance to disaster-prevention in communities	0	0%
13 Human rights	3	0%
14 NPO infrastructure-building work	5	0%
<b>Total</b>	<b>430</b>	<b>100%</b>

following the Great East Japan Earthquake while continuing to support existing general grant projects. (For details about restoration grant projects, please see the below column “Support in the Year Ended March 31, 2014 for Restoration following the Great East Japan Earthquake.”)



## Mitsui's Forests

### Mitsui's Forests

Mitsui owns forests at 74 locations throughout Japan, from Hokkaido to Kyushu, covering approximately 44,000 hectares. Having long been involved in forestry, we are making continued efforts to revitalize the domestic lumber industry and reforest Japan. Furthermore, all of our forests have acquired the international standard FSC™ forest certification (FSC™-C057355).



### New Initiative to Encourage the Use of Domestic Timber

Mitsui conducts activities to activate the use of domestic lumber and the preservation of forests. In August 2013, we held a general forum about the use of domestic lumber at the Nikkei Hall in Tokyo. In addition, beginning as a fall-semester lecture for the Faculty of Policy Management and the Faculty of Environment and Information Studies

at Keio University, we supported a forest products debate that gave an overview of Japan's entire lumber industry, focusing particularly on the use of lumber. Also, we continued our efforts to promote wood biomass energy.

### Environmental Education through Forests

Mitsui conducts environmental education for children—the leaders of the next generation—and their guardians. We also conduct environment-related classes at elementary and junior high schools nationwide and offer students opportunities to experience the forest industry or observe nature in our forests. Furthermore, we operate the “Mori no Kyoshitsu” website themed on studying forests and the environment and co-sponsor an environmental education project that is organized by a newspaper company.



### Support in the Year Ended March 31, 2014 for Restoration following the Great East Japan Earthquake

In the year ended March 31, 2014, we constructed and donated model homes, which support orders for restoration housing, to the Kesen carpenters, whose wood architecture techniques span the Kesen region of Iwate Prefecture. We also continued our support for the television program “Mirai e no Kyokasho,” which showcases the strength of the Tohoku people as they walk the road to recovery. In addition, approximately 1,040 executives and regular employees have participated in volunteer programs in the stricken area since such programs began in May 2011.

Also, through our core businesses, we are operating a mega-solar power generation facility in Higashimatsushima as well as collaborating with Sumitomo Corporation to support the construction of a marine food processing complex for the Kesennuma Shishiori Processing Cooperative. In another initiative, we are advancing construction on the Sendai Aquarium (provisional name), which will be the largest aquarium in the Tohoku region.



## The Mitsui Environment Fund: Targeted Areas for Assistance from the Year Ended March 31, 2014

From the year ended March 31, 2014, we have resolved to make the creation of a future-oriented society the main focus of the grant program. We have adopted four fields as the basis for broader categories based on each approach to the environment.

### A Global Environment

Monitor changes in the environment and use those results as a base for activities that lead to necessary warnings and correspondence

### B Resource Recycling

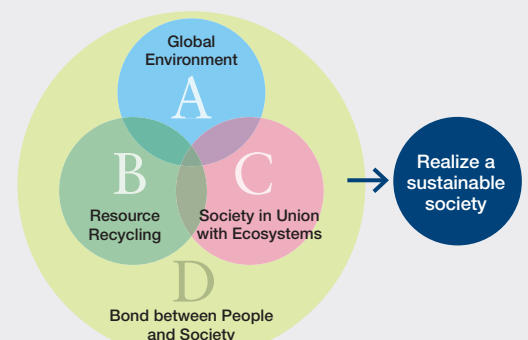
Engage in activities that lead to effective management and use of resources

### C Society in Union with Ecosystems

Preserve and use ecosystem services as well as engage in activities that lead to the coexistence of ecosystems and people

### D Bond between People and Society

With environmental problems as a foundation, engage in activities that lead to the reconstruction of the relationship between people and society





# Corporate Governance and Internal Controls

Mitsui adopts a Corporate Governance structure that includes a Board of Corporate Auditors.

The Board of Directors, composed of 13 Directors, including 4 External Directors, and 43 Managing Officers, of whom 8 serve concurrently as Directors, is responsible for management and operation. The Board of Directors appoints Managing Officers, who serve concurrently as Chief Operating Officers of the headquarter business units or regional business units and supervise business teams directly. Directors with extensive knowledge of Mitsui's operations execute their duties in a responsive and flexible manner.

To ensure that the operation, including the execution of business, by the Board of Directors and Managing Officers is appropriate and adheres to the Company's management objectives, Mitsui has developed and operates (1) Corporate Governance, which serves mainly as a framework for monitoring and auditing of management by the Board of Directors and Corporate Auditors, and (2) Internal Controls, which serves as a framework for the control and supervision of its operation by Mitsui's management. (For details, please see page 097.)

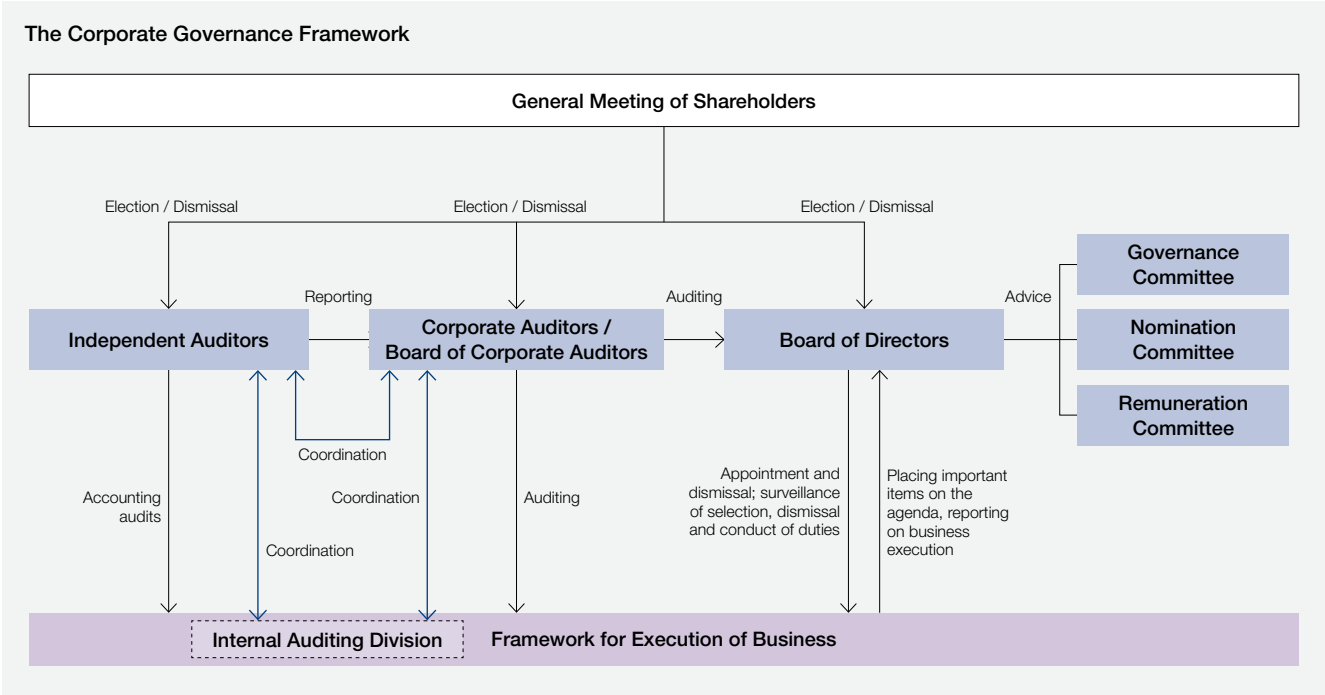
Further, Mitsui has enacted basic principles for Corporate Governance and Internal Controls, the "Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles," and disclosed them on its website.

 <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 the execution and monitoring of management by the Board of Directors and the Corporate Auditors. In addition to the 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 a 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 the 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 for 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.

At Board of Directors’ meetings, matters that are deliberated or reported on abide by the Company’s internal regulations. In addition to matters concerning fundamental policies related to management, important business execution and matters authorized by resolutions of the General Meeting of Shareholders, Mitsui passes resolutions on matters determined by law and company statute. We also receive reports regarding matters determined by law and the status of important business operations.

Regular Meetings of the Board of Directors is held once every month in principle and extraordinary meetings are held from time to time at any time if deemed necessary. During the year ended March 31, 2014, 16 meetings were held.

### 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 international corporate strategy, diplomacy, and fiscal and monetary affairs. In addition to providing supervision from the standpoint of neutrality, External Directors contribute to business management based on their expertise and experience. The average number of times an External Director attended Board of Directors’ meetings during the year exceeded 15 times.

### Selection Criteria

The following are considered when selecting External Directors at Mitsui.

- ☐ The prospective person’s extensive business experience and knowledge is required to deliberate and knowledge of his or her particular area of business should be used.
- ☐ Mitsui puts great value on ensuring independence of External Directors from Mitsui in the pursuit of their management oversight functions. Also, with a view to overseeing business operations in a way the results the standpoint of our diverse stakeholders, in selecting External Directors, Mitsui shall take into consideration the fields from which candidates originate, along with their gender.
- ☐ There is a possibility of problems arising in individual transactions, such as conflict of interests between the External Director and Mitsui, but it will be decided to make appropriate efforts by the Board of Directors.

The reasons for the appointment of each External Director are as follows.

### Reasons for Appointment

#### 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 Muto

Mr. Muto 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.

#### Izumi Kobayashi

Ms. Kobayashi is appointed so that the management may benefit from her wide-ranging knowledge and experience accumulated over many years both in Japan and overseas as a representative of private sector financial institutions and a multilateral development bank, as well as for her independent oversight.

### Support Systems

Mitsui’s believes that adequate support systems are necessary to enable External Directors to participate in discussions of the Board of Directors and realize supervisory roles.

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. As the need arises, managers from business units that are involved in matters the Board of Directors will discuss provide External Directors with explanations in greater detail.

In addition, through the Board of Directors, External Directors realize mutual coordination between their activities and those of internal audits, auditing by Corporate Auditors, and accounting audits as well as supervise and audit Internal Controls. External Auditors periodically receive reports on the following: results of the internal audits and internal audit plans, results of auditing by the Board of Corporate Auditors and audit implementation plans, summary of management letters by Independent Auditors, assessment results with regard to internal control system in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the structure and management of internal controls.

## Advisory Bodies to the Board of Directors

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

	Composition	Role
<b>Governance Committee</b>	<b>Committee chair: Chairman of the Board of Directors</b> President and Chief Executive Officer, 2 External Directors (Ikujiro Nonaka and Izumi Kobayashi), 3 Internal Directors (Joji Okada, Masayuki Kinoshita and Koichi Tanaka) and 1 External Corporate Auditor (Kunihiro Matsuo)	This committee is tasked with studying the state and future vision of Mitsui's corporate governance while taking into consideration the viewpoint of External Directors and External Corporate Auditors.
<b>Nomination Committee</b>	<b>Committee chair: President and Chief Executive Officer</b> 2 External Directors (Ikujiro Nonaka and Hiroshi Hirabayashi) and 2 Internal Directors (Masayuki Kinoshita and Koichi Tanaka)	This committee is tasked with establishing the selection standards and processes to be applied in nominating Directors and Managing Officers and evaluating proposal of Director nomination.
<b>Remuneration Committee</b>	<b>Committee chair: External Director (Toshiro Muto)</b> President and Chief Executive Officer and 2 Internal Directors (Joji Okada and Koichi Tanaka)	This committee is tasked with studying the system and decision-making process related to remuneration and bonuses for Directors and Meeting Officers as well as evaluating the remuneration proposals for the 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 the appointment of each External Corporate Auditor are as follows.

### Reasons for Appointment

#### Kunihiro Matsuo

Mr. Matsuo is 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 is 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.

#### Haruka Matsuyama

Ms. Matsuyama is appointed in expectation of the expression of her objective audit opinions from an independent and neutral standpoint from the many years of experience and perspective she has gained, mainly as an attorney at law.

## 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 internal control related divisions, 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 the 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.

Also, Corporate Auditors, including External Corporate Auditors, attend meetings of the Board of Directors and, in the same manner as Directors, receive regular reports on internal audit results and plans through the Board of Directors.

### Corporate Auditor Division

The Corporate Auditor Division is an organization to assist in the performance of the duties of the Corporate Auditors, and assign to the Division at least three full-time employees with the appropriate knowledge and abilities necessary for this work.

In addition to the timely provision of corporate information by the Full-time Corporate Auditors at the Corporate Auditor Division, the essence of the meetings between Full-time Corporate Auditors and the Corporate Auditor Division is 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 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 20 meetings were held in the year ended March 31, 2014. Moreover, the average number of times an External Corporate Auditor attended Board of Corporate Auditors' meetings during the year exceeded 18 times, and the average number of times an External Corporate Auditor attended Board of Directors' meetings during the year exceeded 14 times.

Full-time Corporate Auditors attend important internal meetings and meetings of 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.



## Remuneration of Directors and Corporate Auditors

Pursuant to the deliberations of the Remuneration Committee, which is chaired by an External Director, the amount of remuneration of Directors, excluding External Directors, is a sum of fixed basic remuneration, a performance-related bonus based on Mitsui's profit for the year attributable to owners of the parent and, under a stock option scheme, stock-based compensation with stock price conditions.

Performance-related bonuses paid to Directors other than External Directors are calculated based on a formula that the Remuneration Committee has deemed appropriate and the Board of Directors has approved subsequently.

Total performance-related bonuses are 0.1% of profit for the year attributable to owners of the parent (¥500 million if profit for the year attributable to owners of the parent is greater than ¥500 billion). Individual amounts to be paid out are 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, but less than ¥1 million through the Mitsui Executives' Shareholding Association.

Under the stock option scheme, subscription rights to shares, up to annual amounts of ¥500 million and 500,000 stocks, are assigned to all Directors, excluding External Directors, thereby having them share the benefits and risks with the Company's shareholders and giving them greater incentive to make contributions to improvements in medium- and long-term business performance and corporate value. The period for the right to exercise subscription rights to shares is 27 years from the day following the passage of three years from the allotment date. The exercise price is set at ¥1. In the case eligible recipients lose their Director and/or Managing Officer, and/or Corporate Auditor status, and 10 years pass from the following day of such forfeiture, they are no longer able to exercise their subscription rights to shares.

As for the External Directors, in order to maintain the position of a neutral third party, the remuneration is limited to a fixed remuneration which do not include performance-related portion, 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 Shareholders. Corporate Auditors receive only monthly fixed remuneration, which are not related to the performance of Mitsui.

The remuneration of Directors and Corporate Auditors paid out during the year ended March 31, 2014 was as follows. (The 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)	9	688	422	1,110
Corporate Auditors (Excluding External Corporate Auditors)	2	113	—	113
External Directors and External Corporate Auditors	7	84	—	84
<b>Total</b>	<b>18</b>	<b>885</b>	<b>422</b>	<b>1,307</b>

\* The stock option scheme, stock-based compensation with stock price conditions, was introduced at the ordinary General Meeting of Shareholders in June 2014, thus it was not assigned for the year ended March 2014.

## Independent Auditors

Mitsui appoints certified public accountants belonging to Deloitte Touche Tohmatsu LLC as Independent Auditors to carry out auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of consolidated financial

statements in English. To secure prompt financial closing and reliability, the auditing work of Mitsui and its consolidated subsidiaries is in principle entrusted solely to Deloitte Touche Tohmatsu, which belongs to 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.

The Board of Directors has the role of and responsibility for providing the basic design of internal controls on a companywide 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. In building and operating internal control systems, Mitsui pursues 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 in-house rules including various codes of conduct reflecting management principles (hereafter referred to as “laws, regulations and in-house rules”) ; and
- 4 Safeguarding of Company assets.

Mitsui has in place the structure shown on the next page. We are committed to ensuring the maintenance and proper operation of that structure. In order to achieve these objectives as well as the management objectives of the Company, the following organizations play their role within the structure.

---

## Compliance

Mitsui has a strong belief that a sound reputation is the foundation of Company's business. At Mitsui, we define compliance as complying with corporate ethics and social norms in addition to laws, regulations, and internal rules of the Company. By word “compliance”, Mitsui requires its employees and officers to act in accordance with our corporate ethics, based on our management philosophy and social norms in addition to laws and regulations as well as internal rules of the Company.

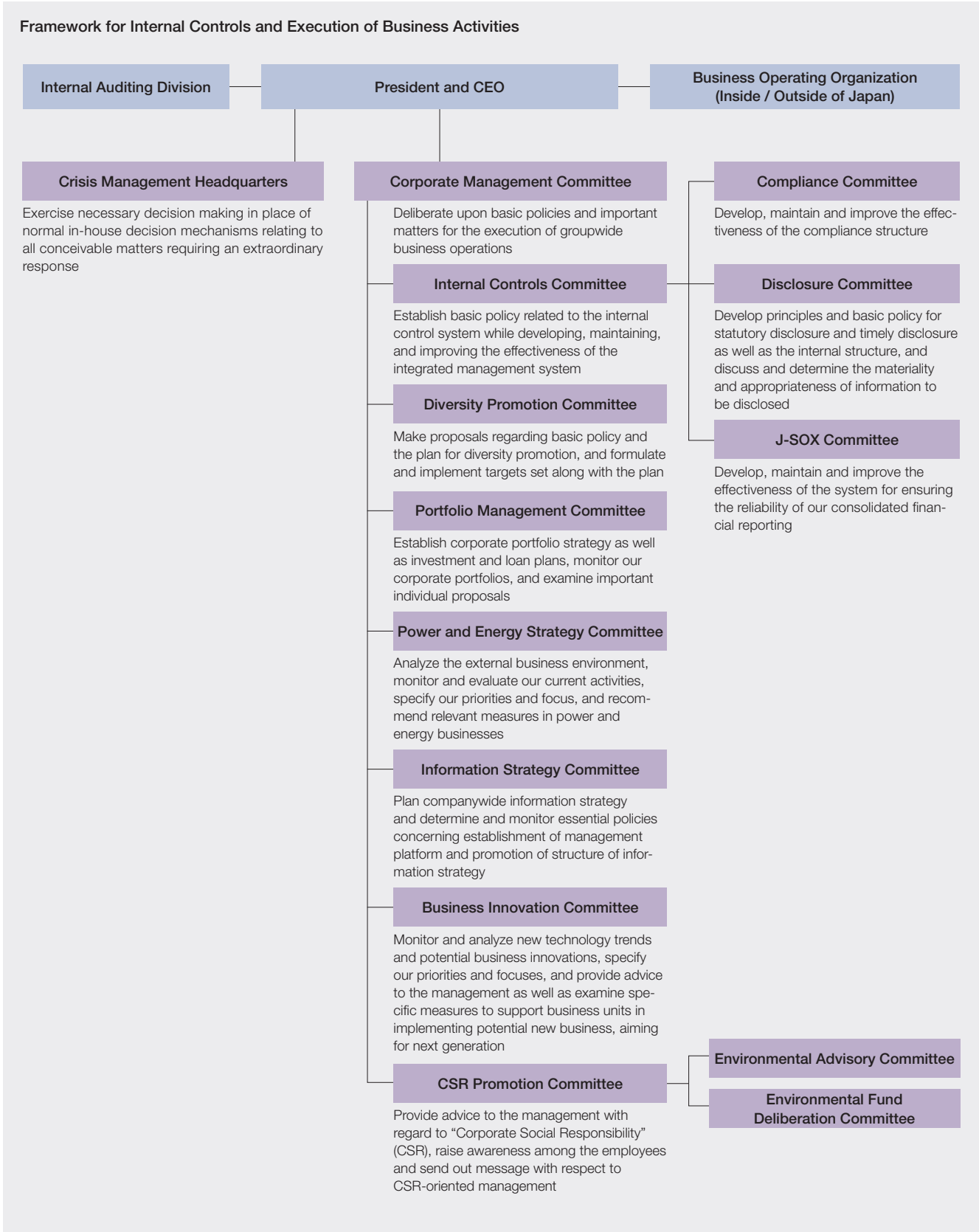
To those ends, we carry out corporate management with emphasis on compliance. With the Chief Compliance Officer as a chairperson and including an external lawyer as an observer, the Compliance Committee develops Mitsui's compliance system and maintains and enhances its effectiveness.

In working toward the maintenance and improvement of the compliance system, we continuously strive to raise compliance awareness and educate through training. We use as many opportunities as possible to share lessons learned and points to be noted.

In the year ended March 31, 2014, as well, Mitsui conducted compliance awareness questionnaires that target all its officers and employees and affiliated company employees working in Japan. Furthermore, for the development and operation of compliance programs at affiliated companies, we conduct individual visits to major affiliated companies and provide support for compliance officers at those companies. In these ways, we are working to develop a compliance system for the entire consolidated group.

In the event of an act that is against compliance policy, rules to rectify such violations are of utmost importance. Therefore, by using reporting and consulting routes, we make continuous efforts to carefully understand various cases where violations occurred. We believe that strict correspondence is important when a problem comes to light.

Moreover, we aim to establish an independent compliance framework at the front line that is integrated with management as it moves forward for the “challenge and innovation” in new business. We constantly keep in mind the creation of an environment in which compliance violations do not occur and “natural compliance” can be carried out.



---

## Risk Management

The Chief Operating Officers of business units and regional business units manage risks arising from the operation of Mitsui's businesses within their authorization delegated from the management. When a business unit or a regional business unit takes risks greater than the scope of authority granted to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a Representative Director in charge, or a Senior Management Officer in charge in accordance with the standards of 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 such organizations 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.

---

## Internal Controls Related to Information Systems and Information Security

The Information Strategy Committee establishes important policies related to global group information strategy. Further, the committee leads Mitsui's efforts to build and operate information systems, develop internal rules required for information security, and strengthen the management of risks related to information, including the risk of information leakage. The committee ensures the establishment of systems to control risk associated with information assets appropriately.

Specifically, it establishes rules for process of procurement, introduction and operation of the information assets; code of conduct for the system supervisory divisions regarding IT security; requirements for information risk management systems and the basic of information management; and internal rules relating to the handling of personal information required in the course of business operations.

---

## 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 offices, overseas trading subsidiaries, and Japanese and overseas affiliated companies, particularly subsidiaries, Internal Auditors carry out independent and objective evaluations, pursuant to the rules on internal audits, etc., 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 examinations 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 and 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."



# Board of Directors and Independent Directors

As of June 20, 2014



- 1 Shoei Utsuda    2 Masami Iijima    3 Daisuke Saiga    4 Joji Okada    5 Masayuki Kinoshita  
6 Shintaro Ambe    7 Koichi Tanaka    8 Hiroyuki Kato    9 Yoshihiro Hombo  
10 Ikujiro Nonaka    11 Hiroshi Hirabayashi    12 Toshiro Muto    13 Izumi Kobayashi

---

## Directors

### Shoei Utsuda

Chairman of the Board of Directors

1967 Joined Mitsui & Co., Ltd.  
2009 Director, Chairman of the Board of Directors (current position)

### Masami Iijima

Representative Director,  
President and Chief Executive Officer

1974 Joined Mitsui & Co., Ltd.  
2009 Representative Director, President and Chief Executive Officer (current position)

### Daisuke Saiga

Representative Director, Executive Vice President

1977 Joined Mitsui & Co., Ltd.  
2014 Representative Director, Executive Vice President (current position)

### Joji Okada

Representative Director, Executive Vice President  
Chief Financial Officer (CFO)

1974 Joined Mitsui & Co., Ltd.  
2014 Representative Director, Executive Vice President, CFO (current position)

### Masayuki Kinoshita

Representative Director, Executive Vice President  
Chief Information Officer (CIO),  
Chief Privacy Officer (CPO)

1978 Joined Mitsui & Co., Ltd.  
2014 Representative Director, Executive Vice President, CIO, CPO (current position)

### Shintaro Ambe

Representative Director, Executive Vice President

1977 Joined Mitsui & Co., Ltd.  
2014 Representative Director, Executive Vice President (current position)

### Koichi Tanaka

Representative Director,  
Senior Executive Managing Officer,  
Chief Compliance Officer (CCO)

1980 Joined Mitsui & Co., Ltd.  
2014 Representative Director,  
Senior Executive Managing Officer, COO (current position)

### Hiroyuki Kato

Representative Director,  
Senior Executive Managing Officer

1979 Joined Mitsui & Co., Ltd.  
2014 Representative Director,  
Senior Executive Managing Officer (current position)

### Yoshihiro Hombo

Representative Director,  
Senior Executive Managing Officer

1979 Joined Mitsui & Co., Ltd.  
2014 Representative Director,  
Senior Executive Managing Officer (current position)

---

## Independent Directors

### Ikujiro Nonaka

External Director

1958 Joined Fuji Electric Co., Ltd.  
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  
1997 Xerox Distinguished Professor in Knowledge, Walter A. Haas School of Business, University of California, Berkeley (current position)  
2000 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University  
2006 Professor Emeritus, Hitotsubashi University (current position)  
2007 First Distinguished Drucker Scholar in Residence, Drucker School of Claremont Graduate University (current position)  
External Director, Mitsui & Co., Ltd. (current position)  
2012 Specially Appointed Professor, Waseda University (current position)

Concurrent position held in other organization:  
External Director, Trend Micro Incorporated

### Hiroshi Hirabayashi

External Director

1963 Entered the Ministry of Foreign Affairs  
1993 Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs  
1998 Ambassador Extraordinary and Plenipotentiary to India and to Bhutan  
2002 Ambassador Extraordinary and Plenipotentiary to France and to Andorra  
2003 Ambassador Extraordinary and Plenipotentiary to Djibouti  
2006 Ambassador in charge of Inspection, Ministry of Foreign Affairs  
2007 External Director, Mitsui & Co., Ltd. (current position)  
President, The Japan-India Association (current position)  
2009 Vice President, The Japan Forum on International Relations, Inc. (current position)

Concurrent position held in other organization:  
External Director, DAIICHI SANKYO COMPANY, LIMITED

### Toshiro Muto

External Director

1966 Entered the Ministry of Finance  
1999 Director-General of the Budget Bureau, Ministry of Finance  
2000 Administrative Vice Minister, Ministry of Finance  
2003 Special Advisor, Ministry of Finance  
Deputy Governor, Bank of Japan  
2008 Chairman, Daiwa Institute of Research Ltd. (current position)  
2009 Director, Principal, The Kaisei Academy (current position)  
2010 External Director, Mitsui & Co., Ltd. (current position)

Concurrent position held in other organization:  
External Corporate Auditor, Nippon Steel & Sumitomo Metal Corporation

### Izumi Kobayashi

External Director

1981 Joined Mitsubishi Chemical Corporation (currently Mitsubishi Chemical Corporation)  
1985 Joined Merrill Lynch Futures Japan Inc.  
2001 President, Merrill Lynch Japan Securities Co., Ltd.  
2002 External Director, Osaka Securities Exchange Co., Ltd.  
2007 Vice Chairperson, Japan Association of Corporate Executives  
2008 Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group  
2014 External Director, Mitsui & Co., Ltd. (current position)

Concurrent positions held in other organization:  
External Director, ANA HOLDINGS INC.  
External Director, Suntory Holdings Limited

# Corporate Auditors

As of June 20, 2014



## Corporate Auditors

### Satoru Miura

Full-time Corporate Auditor

1970 Joined Mitsui & Co., Ltd.  
2007 Full-time Corporate Auditor  
(current position)

### Motonori Murakami

Full-time Corporate Auditor

1971 Joined Mitsui & Co., Ltd.  
2007 Full-time Corporate Auditor  
(current position)



- 1 Satoru Miura
- 2 Motonori Murakami
- 3 Kunihiro Matsuo
- 4 Hiroyasu Watanabe
- 5 Haruka Matsuyama

## Independent Auditors

### Kunihiro Matsuo

External Corporate Auditor

1968 Appointment as Public Prosecutor  
1999 Vice Minister of Justice  
2004 Attorney General  
2006 Admission as Attorney at Law  
2008 External Corporate Auditor, Mitsui & Co., Ltd.  
(current position)

Current positions held in other organizations:  
External Director, Japan Exchange Group, Inc.  
External Corporate Auditor,  
TOYOTA MOTOR CORPORATION  
External Corporate Auditor, Komatsu Ltd.  
External Corporate Auditor,  
BROTHER INDUSTRIES, LTD.  
External Corporate Auditor, Seven Bank, Ltd.  
External Corporate Auditor,  
TV TOKYO Holdings Corporation

### Hiroyasu Watanabe

External Corporate Auditor

1969 Entered the Ministry of Finance  
1997 Director-General, Tokyo Taxation Bureau,  
National Tax Agency  
1998 Director-General, Customs and Tariff Bureau,  
Ministry of Finance  
2000 President, Policy Research Institute,  
Ministry of Finance  
2002 Commissioner, National Tax Agency  
2004 Professor, Graduate School of Finance,  
Accounting and Law,  
Waseda University (current position)  
2009 External Corporate Auditor, Mitsui & Co., Ltd.  
(current position)

Current positions held in other organizations:  
External Corporate Auditor, NOMURA Co., Ltd.  
External Corporate Auditor, JX Holdings, Inc.

### Haruka Matsuyama

External Corporate Auditor

1995 Appointed assistant judge at Tokyo District Court  
2000 Registered as Attorney at Law  
Joined Hibiya Park Law Offices  
2002 Partner of Hibiya Park Law Offices (current position)  
2014 External Corporate Auditor, Mitsui & Co., Ltd.  
(current position)

Current positions held in other organizations:  
External Director, T&D Holdings, Inc.  
External Corporate Auditor, Vitec Co., Ltd.



# Managing Officers

As of June 20, 2014

## Managing Officers

\* Serves concurrently as Director

### President

#### Masami Iijima\*

President and Chief Executive Officer; Chairman, Internal Controls Committee; Head of Crisis Management Headquarters

### Executive Vice Presidents

#### Daisuke Saiga\*

Executive Vice President; Iron & Steel Products Business Unit; Food Resources Business Unit; Food Products & Services Business Unit; Consumer Service Business Unit; Chairman, Portfolio Management Committee

#### Joji Okada\*

Executive Vice President; Chief Financial Officer; Corporate Staff Unit (CFO Planning & Administrative Division, Global Controller Division, Finance Division, Risk Management Division, Investor Relations Division, Business Supporting Unit (Financial Management & Advisory Division I, II, III)); Chairman, Disclosure Committee; Chairman, J-SOX Committee

#### Masayuki Kinoshita\*

Executive Vice President; Chief Information Officer; Chief Privacy Officer; Corporate Staff Unit (Corporate Planning & Strategy Division, Information Technology Promotion Division, Environmental\*Social Contribution Division, Corporate Communications Division, Investment Administrative Division, Business Supporting Unit (Each Planning & Administrative Division)); Business Innovation & Incubation; Environmental Matters; Chairman, Information Strategy Committee; Chairman, CSR Promotion Committee; Chairman, Business Innovation Committee

#### Shintaro Ambe\*

Executive Vice President; Infrastructure Projects Business Unit; Integrated Transportation Systems Business Unit; Innovation & Corporate Development Business Unit; Chairman, Power & Energy Strategy Committee

#### Takashi Yamauchi

Executive Vice President; Chief Operating Officer, Asia Pacific Business Unit

### Senior Executive Managing Officers

#### Koichi Tanaka\*

Senior Executive Managing Officer; Chief Compliance Officer; Corporate Staff Unit (Secretariat, Corporate Auditor Division, Human Resources & General Affairs Division, Legal Division, Trade & Logistics Control Division, Corporate Logistics Development Division); Business Continuity Management; Chairman, Compliance Committee; Chairman, Diversity Promotion Committee; Head of Emergency Response Division

#### Atsushi Oi

Senior Executive Managing Officer; General Manager, Osaka Office

#### Motomu Takahashi

Senior Executive Managing Officer; Chief Operating Officer, Americas Business Unit

#### Hiroyuki Kato\*

Senior Executive Managing Officer; Mineral & Metal Resources Business Unit; Energy Business Unit I; Energy Business Unit II

#### Yoshihiro Hombo\*

Senior Executive Managing Officer; Basic Chemicals Business Unit; Performance Chemicals Business Unit, Domestic Offices and Branches

### Executive Managing Officers

#### Hironobu Ishikawa

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

#### Atsushi Kume

Executive Managing Officer; Chief Operating Officer, Innovation & Corporate Development Business Unit

#### Takeshi Kanamori

Executive Managing Officer; Chief Operating Officer, Infrastructure Projects Business Unit

#### Satoshi Tanaka

Executive Managing Officer; Chief Operating Officer, Consumer Service Business Unit

#### Makoto Suzuki

Executive Managing Officer; Chief Representative, Mitsui & Co., Ltd. in South West Asia; Managing Director, Mitsui & Co., India Pvt. Ltd.

#### Katsunori Aikyo

Executive Managing Officer; General Manager, Nagoya Office

#### Yasushi Takahashi

Executive Managing Officer; Chairman & Managing Director, Mitsui & Co. (Australia) Ltd.

#### Kazuo Nakayama

Executive Managing Officer; Chief Operating Officer, Food Resources Business Unit

### Managing Officers

#### Toru Suzuki

Managing Officer; General Director, Mitsui & Co. Vietnam Ltd.

#### Kaku Kato

Managing Officer; General Manager, Internal Auditing Division

#### Akira Nakaminato

Managing Officer; President & CEO, Mitsui Global Strategic Studies Institute

#### Yasushi Yoshikai

Managing Officer; Chief Operating Officer, Energy Business Unit II

#### Keigo Matsubara

Managing Officer; Deputy Chief Financial Officer; Global Controller

#### Shinjiro Sawada

Managing Officer; Chief Representative, Mitsui & Co., Ltd. in China

#### Yasuyuki Fujitani

Managing Officer; Deputy Chief Operating Officer, EMEA (Europe, the Middle East and Africa) Business Unit; Chairman & Managing Director, Mitsui & Co., Middle East Ltd.

#### Yasuharu Fujiyoshi

Managing Officer; Chief Operating Officer, Food Products & Services Business Unit

#### Taku Morimoto

Managing Officer; Chief Operating Officer, Performance Chemicals Business Unit

#### Nobuaki Kitamori

Managing Officer; General Manager, Human Resources & General Affairs Division

#### Shinsuke Fujii

Managing Officer; President, Mitsui & Co. (Brasil) S.A.

#### Shingo Sato

Managing Officer; President, Mitsui & Co. (Thailand) Ltd.

#### Motoo Ono

Managing Officer; Deputy Chief Representative, Mitsui & Co., Ltd. in China; Managing Director, Mitsui & Co. (Shanghai) Ltd.

#### Yukio Takebe

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

#### Tatsuo Yasunaga

Managing Officer; Chief Operating Officer, Integrated Transportation Systems Business Unit

#### Noboru Katsu

Managing Officer; Chief Operating Officer, Iron & Steel Products Business Unit

#### Katsurao Yoshimori

Managing Officer; Chief Operating Officer, Basic Chemicals Business Unit

#### Osamu Toriumi

Managing Officer; General Manager, Legal Division

#### Takakazu Uchida

Managing Officer; General Manager, Finance Division

#### Hiromichi Yagi

Managing Officer; General Manager, Planning & Administrative Division, Machinery & Infrastructure Unit

#### Shinichiro Omachi

Managing Officer; General Manager, Investment Administrative Division

#### Hiroyuki Tsurugi

Managing Officer; Chief Operating Officer, Energy Business Unit I

#### Hirotsu Fujiwara

Managing Officer; General Manager, Planning & Administrative Division, Energy Unit

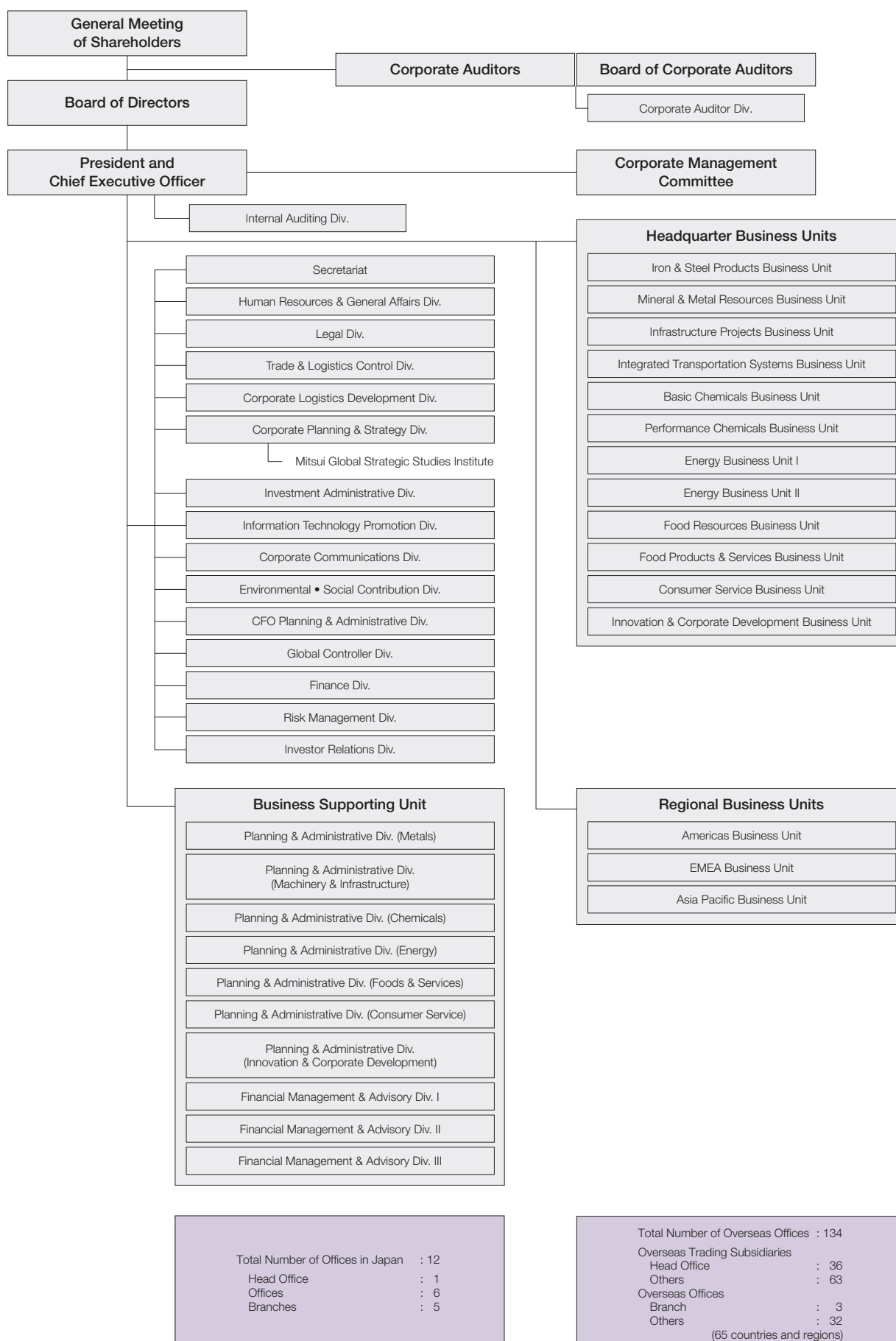
#### Kenichi Hori

Managing Officer; General Manager, Corporate Planning & Strategy Division



# Organization Chart

As of April 1, 2014



**106 Consolidated Financial Statements  
(IFRS)**

**106** Consolidated Statements of Financial Position

**108** Consolidated Statements of Income and  
Comprehensive Income

**109** Consolidated Statements of Changes in Equity

**110** Consolidated Statements of Cash Flows

**111 Consolidated Financial Statements  
(U.S. GAAP)**

**111** Consolidated Balance Sheets

**113** Statements of Consolidated Income and  
Comprehensive Income

**114** Statements of Changes in Consolidated Equity

**115** Statements of Consolidated Cash Flows

**116 10-Year Financial Data  
(Including Sustainability Data)**

# Fact Data

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 Financial Statements (IFRS)

## Consolidated Statements of Financial Position

Mitsui & Co., Ltd. and subsidiaries

March 31, 2014, 2013 and the date of transition to IFRS

Millions of Yen

	2014	2013	Transition date As of April 1, 2012
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	1,226,317	1,432,534	1,431,112
Trade and other receivables	2,040,855	2,012,708	2,030,101
Other financial assets	271,288	239,060	278,666
Inventories	625,328	644,817	561,291
Advance payments to suppliers	183,576	189,155	211,121
Other current assets	118,049	110,198	96,454
Total current assets	4,465,413	4,628,472	4,608,745
Non-current Assets:			
Investments accounted for using the equity method	2,448,848	2,055,085	1,461,414
Other investments	1,554,673	1,395,786	1,253,262
Trade and other receivables	470,880	436,660	342,925
Other financial assets	116,298	146,494	124,679
Property, plant and equipment	2,007,452	1,759,961	1,378,233
Investment property	139,334	122,837	115,550
Intangible assets	144,153	121,189	109,810
Deferred tax assets	74,419	62,026	54,321
Other non-current assets	69,849	48,764	44,865
Total non-current assets	7,025,906	6,148,802	4,885,059
Total assets	11,491,319	10,777,274	9,493,804

Millions of Yen

	2014	2013	Transition date As of April 1, 2012
<b>LIABILITIES AND EQUITY</b>			
Current Liabilities:			
Short-term debt	436,869	532,101	316,379
Current portion of long-term debt	505,946	429,915	372,657
Trade and other payables	1,473,834	1,465,857	1,491,225
Other financial liabilities	301,047	358,504	315,070
Income tax payables	42,857	54,096	73,121
Advances from customers	165,124	156,534	166,992
Provisions	17,491	10,153	13,733
Other current liabilities	41,486	41,725	48,890
Total current liabilities	2,984,654	3,048,885	2,798,067
Non-current Liabilities:			
Long-term debt, less current portion	3,468,301	3,214,371	2,920,311
Other financial liabilities	95,541	102,115	76,576
Retirement benefit liabilities	69,558	69,341	56,886
Provisions	174,855	127,182	113,339
Deferred tax liabilities	567,281	496,080	417,053
Other non-current liabilities	30,825	34,311	36,334
Total non-current liabilities	4,406,361	4,043,400	3,620,499
Total liabilities	7,391,015	7,092,285	6,418,566
Equity:			
Common stock	341,482	341,482	341,482
Capital surplus	418,004	428,552	430,490
Retained earnings	2,345,790	2,060,298	1,860,410
Other components of equity	766,631	614,783	240,099
Treasury stock	(56,140)	(5,974)	(6,203)
Total equity attributable to owners of the parent	3,815,767	3,439,141	2,866,278
Non-controlling interests	284,537	245,848	208,960
Total equity	4,100,304	3,684,989	3,075,238
Total liabilities and equity	11,491,319	10,777,274	9,493,804



## Consolidated Statements of Income

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
Revenue:		
Sale of products	5,206,772	4,407,699
Rendering of services	415,395	392,088
Other revenue	109,751	112,331
Total revenue	5,731,918	4,912,118
Cost:		
Cost of products sold	(4,627,572)	(3,880,909)
Cost of services rendered	(162,690)	(160,175)
Cost of other revenue	(61,550)	(56,895)
Total cost	(4,851,812)	(4,097,979)
Gross Profit	880,106	814,139
Other Income (Expenses):		
Selling, general and administrative expenses	(574,871)	(529,290)
Gain (loss) on securities and other investments—net	30,816	20,460
Impairment loss of fixed assets	(59,966)	(33,672)
Gain (loss) on disposal or sales of fixed assets—net	16,419	6,122
Other income (expense)—net	(21,720)	(23,636)
Total other income (expenses)	(609,322)	(560,016)
Finance Income (Costs):		
Interest income	33,644	40,268
Dividend income	124,026	80,638
Interest expense	(49,176)	(46,639)
Total finance income (costs)	108,494	74,267
Share of Profit of Investments Accounted for Using the Equity Method	171,239	183,073
Profit before Income Taxes	550,517	511,463
Income Taxes	(176,654)	(195,211)
Profit for the Year	373,863	316,252
Profit for the Year Attributable to:		
Owners of the parent	350,093	296,623
Non-controlling interests	23,770	19,629
Earnings per Share Attributable to Owners of the Parent:		
Basic	192.22	162.53
Diluted	192.21	—

## Consolidated Statements of Comprehensive Income

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
Comprehensive Income:		
Profit for the year	373,863	316,252
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	76,202	99,204
Remeasurements of defined benefit pension plans	(9,676)	(10,447)
Share of other comprehensive income of investments accounted for using the equity method	622	(443)
Income tax relating to items not reclassified	(12,915)	(25,686)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	20,022	161,057
Cash flow hedges	6,699	6,740
Share of other comprehensive income of investments accounted for using the equity method	112,522	166,735
Reclassification adjustments	(6,477)	1,266
Income tax relating to items that may be reclassified	(3,889)	(11,467)
Total other comprehensive income	183,110	386,959
Comprehensive Income for the Year	556,973	703,211
Comprehensive Income for the Year Attributable to:		
Owners of the parent	521,457	664,345
Non-controlling interests	35,516	38,866

## Consolidated Statements of Changes in Equity

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity (Net of Income Tax)	Treasury Stock	Total		
<b>Balance as at April 1, 2012</b>	341,482	430,490	1,860,410	240,099	(6,203)	2,866,278	208,960	3,075,238
Profit for the year			296,623			296,623	19,629	316,252
Other comprehensive income for the year				367,722		367,722	19,237	386,959
Comprehensive income for the year						664,345	38,866	703,211
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥50)			(91,248)			(91,248)		(91,248)
Dividends paid to non-controlling interest shareholders							(13,580)	(13,580)
Acquisition of treasury stock					(15)	(15)		(15)
Sale of treasury stock			(11)		244	233		233
Equity transactions with non-controlling interest shareholders		(1,938)		1,486		(452)	11,602	11,150
Transfer to retained earnings			(5,476)	5,476		—		—
<b>Balance as at March 31, 2013</b>	<b>341,482</b>	<b>428,552</b>	<b>2,060,298</b>	<b>614,783</b>	<b>(5,974)</b>	<b>3,439,141</b>	<b>245,848</b>	<b>3,684,989</b>
Profit for the year			350,093			350,093	23,770	373,863
Other comprehensive income for the year				171,364		171,364	11,746	183,110
Comprehensive income for the year						521,457	35,516	556,973
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥46)			(83,957)			(83,957)		(83,957)
Dividends paid to non-controlling interest shareholders							(18,981)	(18,981)
Acquisition of treasury stock					(50,217)	(50,217)		(50,217)
Sale of treasury stock			0		51	51		51
Equity transactions with non-controlling interest shareholders		(10,548)		(160)		(10,708)	22,154	11,446
Transfer to retained earnings			19,356	(19,356)		—		—
<b>Balance as at March 31, 2014</b>	<b>341,482</b>	<b>418,004</b>	<b>2,345,790</b>	<b>766,631</b>	<b>(56,140)</b>	<b>3,815,767</b>	<b>284,537</b>	<b>4,100,304</b>

## Consolidated Statements of Cash Flows

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
Operating Activities:		
Profit for the Year	373,863	316,252
Adjustments to reconcile profit for the year to cash flows from operating activities:		
Depreciation and amortization	219,147	188,400
(Gain)/loss on securities and other investments—net	(30,816)	(20,460)
Impairment loss of fixed assets	59,966	33,672
(Gain)/loss on disposal or sales of fixed assets—net	(16,419)	(6,122)
Finance (income)/costs—net	(101,451)	(66,538)
Income taxes	176,654	195,211
Share of profit of investments accounted for using equity method	(171,239)	(183,073)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(44,457)	27,884
Change in inventories	(13,508)	(13,184)
Change in trade and other payables	(51,883)	421
Other—net	(38,495)	(41,239)
Interest received	26,817	43,420
Interest paid	(51,283)	(54,912)
Dividends received	277,305	195,262
Income taxes paid	(164,958)	(159,668)
Cash flows from operating activities	449,243	455,326
Investing Activities:		
Net change in time deposits	707	(382)
Investments in and advances to equity accounted investees	(268,298)	(292,387)
Proceeds from sales of investments in and collection of advances from equity accounted investees	63,541	61,856
Purchases of other investments	(165,784)	(79,370)
Proceeds from sales and maturities of other investments	158,604	109,833
Increase in long-term loan receivables	(34,281)	(162,471)
Collections of long-term loan receivables	32,318	27,804
Purchases of property, plant, equipment and investment property	(406,516)	(412,378)
Proceeds from sales of property, plant, equipment and investment property	49,629	14,255
Acquisitions of subsidiaries or other businesses	(98,321)	(21,293)
Sales of subsidiaries or other businesses	8,583	—
Cash flows from investing activities	(659,818)	(754,533)
Financing Activities:		
Net change in short-term debt	(85,141)	164,308
Proceeds from long-term debt	746,792	771,178
Repayments of long-term debt	(537,806)	(608,789)
Purchases and sales of treasury stock	(50,216)	(13)
Dividends paid	(83,970)	(91,270)
Transactions with non-controlling interest shareholders	(2,896)	921
Cash flows from financing activities	(13,237)	236,335
Effect of Exchange Rate Changes on Cash and Cash Equivalents	17,595	64,294
Change in Cash and Cash Equivalents	(206,217)	1,422
Cash and Cash Equivalents at Beginning of Year	1,432,534	1,431,112
Cash and Cash Equivalents at End of Year	1,226,317	1,432,534

# Consolidated Financial Statements (U.S. GAAP)

## Consolidated Balance Sheets

Mitsui & Co., Ltd. and subsidiaries  
March 31, 2014 and 2013

Millions of Yen

	2014	2013
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	1,225,079	1,425,174
Time deposits	5,617	4,740
Marketable securities	—	367
Trade receivables:		
Notes and loans, less unearned interest	283,242	291,052
Accounts	1,664,240	1,608,915
Associated companies	87,141	138,588
Allowance for doubtful receivables	(14,556)	(16,463)
Inventories	702,555	746,584
Advance payments to suppliers	124,666	135,120
Deferred tax assets—current	12,667	15,644
Derivative assets	89,199	61,081
Other current assets	250,429	220,729
Total current assets	4,430,279	4,631,531
Investments and Non-current Receivables:		
Investments in and advances to associated companies	2,729,476	2,325,255
Other investments	950,480	816,343
Non-current receivables, less unearned interest	538,333	523,904
Allowance for doubtful receivables	(37,397)	(37,362)
Property leased to others—at cost, less accumulated depreciation	362,558	330,627
Total investments and non-current receivables	4,543,450	3,958,767
Property and Equipment—at Cost:		
Land, land improvements and timberlands	204,319	218,801
Buildings, including leasehold improvements	487,625	442,255
Equipment and fixtures	1,962,216	1,668,246
Mineral rights	280,782	203,142
Vessels	42,085	42,478
Projects in progress	261,178	235,084
Total property and equipment	3,238,205	2,810,006
Accumulated depreciation	(1,404,071)	(1,239,736)
Net property and equipment	1,834,134	1,570,270
Intangible Assets, less Accumulated Amortization	141,346	118,448
Deferred Tax Assets—Non-current	35,637	31,538
Other Assets	16,418	14,027
Total	11,001,264	10,324,581



## Consolidated Balance Sheets

Mitsui & Co., Ltd. and subsidiaries  
March 31, 2014 and 2013

Millions of Yen

	2014	2013
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Short-term debt	519,220	663,129
Current maturities of long-term debt	503,396	421,211
Trade payables:		
Notes and acceptances	37,041	46,057
Accounts	1,362,839	1,438,287
Associated companies	96,425	71,272
Accrued expenses:		
Income taxes	44,821	54,091
Interest	17,081	16,985
Other	95,689	80,971
Advances from customers	101,678	98,470
Derivative liabilities	100,618	83,940
Other current liabilities	93,353	70,917
Total current liabilities	2,972,161	3,045,330
Long-term Debt, less Current Maturities	3,432,501	3,184,957
Accrued Pension Costs and Liability for Severance Indemnities	69,492	68,312
Deferred Tax Liabilities—Non-current	309,309	266,544
Other Long-term Liabilities	349,735	319,334
<b>Equity</b>		
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 2014 and 1,829,153,527 shares in 2013		
Capital surplus	418,796	429,828
Retained earnings:		
Appropriated for legal reserve	75,073	69,653
Unappropriated	2,737,792	2,405,008
Accumulated other comprehensive income (loss):		
Unrealized holding gains on available-for-sale securities	164,896	135,832
Foreign currency translation adjustments	(10,218)	(94,912)
Defined benefit pension plans	(70,207)	(74,124)
Net unrealized losses on derivatives	(15,060)	(24,974)
Total accumulated other comprehensive income (loss)	69,411	(58,178)
Treasury stock, at cost: 36,641,439 shares in 2014 and 4,027,206 shares in 2013	(56,140)	(5,974)
Total Mitsui & Co., Ltd. shareholders' equity	3,586,414	3,181,819
Noncontrolling interests	281,652	258,285
Total equity	3,868,066	3,440,104
Total	11,001,264	10,324,581

## Statements of Consolidated Income

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
Revenues:		
Sales of products	5,216,933	4,408,144
Sales of services	415,395	392,088
Other sales	108,322	111,377
Total revenues	5,740,650	4,911,609
Cost of Revenues:		
Cost of products sold	(4,657,400)	(3,901,272)
Cost of services sold	(162,873)	(161,858)
Cost of other sales	(60,445)	(58,040)
Total cost of revenues	(4,880,718)	(4,121,170)
Gross Profit	859,932	790,439
Other Expenses (Income):		
Selling, general and administrative	(574,734)	(521,075)
Provision for doubtful receivables	(9,982)	(14,761)
Interest income (expenses)—net	2,119	(1,186)
Dividend income	120,510	80,057
Gain on sales of securities—net	80,901	44,905
Gain on securities contributed to an employee retirement benefit trust	2,119	—
Loss on write-down of securities	(18,923)	(27,278)
Gain on disposal or sales of property and equipment—net	15,747	6,207
Impairment loss of long-lived assets	(6,453)	(12,342)
Impairment loss of goodwill	(4,071)	—
Other expense—net	(13,433)	(30,868)
Total other expenses (income)	(406,200)	(476,341)
Income before Income Taxes and Equity in Earnings	453,732	314,098
Income Taxes:		
Current	(181,686)	(182,327)
Deferred	972	23,978
Total income taxes	(180,714)	(158,349)
Income before Equity in Earnings	273,018	155,749
Equity in Earnings of Associated Companies—Net	173,730	176,226
Net Income before Attribution of Noncontrolling Interests	446,748	331,975
Net Income Attributable to Noncontrolling Interests	(24,587)	(24,049)
Net Income Attributable to Mitsui & Co., Ltd.	422,161	307,926

## Statements of Consolidated Comprehensive Income

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
<b>Comprehensive Income (Loss)</b>		
Net income before attribution of noncontrolling interests	446,748	331,975
Other comprehensive income (loss) (after income tax effect):		
Unrealized holding gains on available-for-sale securities	27,990	40,871
Foreign currency translation adjustments	95,275	306,112
Defined benefit pension plans	4,114	(5,908)
Net unrealized gains (losses) on derivatives	9,933	(753)
Total other comprehensive income (loss) (after income tax effect)	137,312	340,322
Comprehensive income before attribution of noncontrolling interests	584,060	672,297
Comprehensive income attributable to noncontrolling interests	(34,822)	(41,037)
Comprehensive income attributable to Mitsui & Co., Ltd.	549,238	631,260

## Statements of Changes in Consolidated Equity

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
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	429,828	430,491
Equity transactions with noncontrolling interest shareholders	(11,032)	(663)
Balance at end of year	418,796	429,828
Retained Earnings:		
Appropriated for Legal Reserve:		
Balance at beginning of year	69,653	65,500
Transfer from unappropriated retained earnings	5,420	4,153
Balance at end of year	75,073	69,653
Unappropriated:		
Balance at beginning of year	2,405,008	2,192,494
Net income attributable to Mitsui & Co., Ltd.	422,161	307,926
Cash dividends paid to Mitsui & Co., Ltd. shareholders	(83,957)	(91,248)
Transfer to retained earnings appropriated for legal reserve	(5,420)	(4,153)
Losses on sales of treasury stock	(0)	(11)
Balance at end of year	2,737,792	2,405,008
Accumulated Other Comprehensive Income (Loss) (After Income Tax Effect):		
Balance at beginning of year	(58,178)	(382,446)
Unrealized holding gains on available-for-sale securities	28,953	44,052
Foreign currency translation adjustments	84,362	285,903
Defined benefit pension plans	3,917	(5,961)
Net unrealized gains (losses) on derivatives	9,845	(660)
Equity transactions with noncontrolling interest shareholders	512	934
Balance at end of year	69,411	(58,178)
Treasury Stock, at Cost:		
Balance at beginning of year	(5,974)	(6,203)
Purchases of treasury stock	(50,217)	(15)
Sales of treasury stock	51	244
Balance at end of year	(56,140)	(5,974)
Total Mitsui & Co., Ltd. shareholders' equity	3,586,414	3,181,819
Noncontrolling Interests:		
Balance at beginning of year	258,285	219,492
Dividends paid to noncontrolling interest shareholders	(18,981)	(13,580)
Net income attributable to noncontrolling interests	24,587	24,049
Unrealized holding losses on available-for-sale securities (after income tax effect)	(963)	(3,181)
Foreign currency translation adjustments (after income tax effect)	10,913	20,209
Defined benefit pension plans (after income tax effect):		
Net actuarial gains	197	53
Net unrealized gains (losses) on derivatives (after income tax effect)	88	(93)
Equity transactions with noncontrolling interest shareholders and other	7,526	11,336
Balance at end of year	281,652	258,285
Total Equity:		
Balance at beginning of year	3,440,104	2,860,810
Losses on sales of treasury stock	(0)	(11)
Net income before attribution of noncontrolling interests	446,748	331,975
Cash dividends paid to Mitsui & Co., Ltd. shareholders	(83,957)	(91,248)
Dividends paid to noncontrolling interest shareholders	(18,981)	(13,580)
Unrealized holding gains on available-for-sale securities (after income tax effect)	27,990	40,871
Foreign currency translation adjustments (after income tax effect)	95,275	306,112
Defined benefit pension plans (after income tax effect)	4,114	(5,908)
Net unrealized gains (losses) on derivatives (after income tax effect)	9,933	(753)
Sales and purchases of treasury stock	(50,166)	229
Equity transactions with noncontrolling interest shareholders and other	(2,994)	11,607
Balance at end of year	3,868,066	3,440,104

## Statements of Consolidated Cash Flows

Mitsui & Co., Ltd. and subsidiaries  
Years Ended March 31, 2014 and 2013

Millions of Yen

	2014	2013
<b>Operating Activities:</b>		
Net income before attribution of noncontrolling interests	446,748	331,975
Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	229,234	198,852
Pension and severance costs, less payments	1,264	9,366
Provision for doubtful receivables	9,982	14,761
Gain on sales of securities—net	(80,901)	(44,905)
Gain on securities contributed to an employee retirement benefit trust	(2,119)	—
Loss on write-down of securities	18,923	27,278
Gain on disposal or sales of property and equipment—net	(15,747)	(6,207)
Impairment loss of long-lived assets	6,453	12,342
Impairment loss of goodwill	4,071	—
Deferred income taxes	(972)	(23,978)
Equity in earnings of associated companies, less dividends received	(20,544)	(60,492)
Changes in operating assets and liabilities:		
(Increase) decrease in trade receivables	(9,331)	62,484
Decrease in inventories	64,550	106,338
(Decrease) increase in trade payables	(68,459)	11,331
Other—net	(61,628)	(177,715)
Net cash provided by operating activities	521,524	461,430
<b>Investing Activities:</b>		
Net decrease (increase) in time deposits	707	(382)
Net increase in investments in and advances to associated companies	(217,554)	(230,592)
Net (increase) decrease in other investments	(89,773)	9,155
Net increase in long-term loan receivables	(23,341)	(132,560)
Net increase in property leased to others and property and equipment	(374,555)	(398,918)
Net cash used in investing activities	(704,516)	(753,297)
<b>Financing Activities:</b>		
Net (decrease) increase in short-term debt	(109,780)	161,481
Net increase in long-term debt	212,164	150,516
Transactions with noncontrolling interest shareholders	(2,896)	921
Purchases of treasury stock—net	(50,216)	(13)
Payments of cash dividends	(83,970)	(91,270)
Net cash (used in) provided by financing activities	(34,698)	221,635
Effect of Exchange Rate Changes on Cash and Cash Equivalents	17,595	64,294
Net Decrease in Cash and Cash Equivalents	(200,095)	(5,938)
Cash and Cash Equivalents at Beginning of Year	1,425,174	1,431,112
Cash and Cash Equivalents at End of Year	1,225,079	1,425,174



# 10-Year Financial Data (Including Sustainability Data)

Mitsui & Co., Ltd. and subsidiaries  
March 31

## U.S. GAAP

	2005	2006	2007	2008	2009	2010	2011
<b>Consolidated Operating Results</b> <b>(For the Year):</b>							
Revenues	¥3,525.7	¥4,115.5	¥4,880.7	¥5,738.9	¥5,535.2	¥4,096.4	¥4,679.4
Gross Profit	¥ 725.8	¥ 816.6	¥ 903.7	¥ 988.1	¥1,016.3	¥ 702.0	¥ 859.2
Operating Income	¥ 198.0	¥ 265.8	¥ 308.9	¥ 374.8	¥ 394.7	¥ 144.5	¥ 317.0
Equity in Earnings of Associated Companies	¥ 65.9	¥ 94.2	¥ 153.1	¥ 154.3	¥ 84.8	¥ 131.5	¥ 242.1
Net Income Attributable to Mitsui & Co., Ltd.	¥ 121.1	¥ 202.4	¥ 301.5	¥ 410.1	¥ 177.6	¥ 149.7	¥ 306.7
<b>Consolidated Financial Position</b> <b>(At Year-End):</b>							
Total Assets	¥7,593.4	¥8,573.6	¥9,813.3	¥9,690.9	¥8,364.2	¥8,369.0	¥8,598.1
Total Mitsui & Co., Ltd. Shareholders' Equity	¥1,122.8	¥1,677.9	¥2,110.3	¥2,183.7	¥1,881.7	¥2,230.1	¥2,366.2
Interest-bearing Debt	¥3,539.8	¥3,564.7	¥3,918.1	¥3,685.6	¥3,668.6	¥3,471.7	¥3,377.5
Net Interest-bearing Debt	¥2,719.9	¥2,830.6	¥3,111.5	¥2,774.0	¥2,515.1	¥2,055.7	¥1,933.9
<b>Consolidated Cash Flows (For the Year):</b>							
Net Cash Provided by Operating Activities	¥ 200.1	¥ 146.4	¥ 239.3	¥ 415.8	¥ 582.7	¥ 632.4	¥ 504.5
Net Cash Used in Investing Activities	¥ (224.0)	¥ (347.3)	¥ (418.0)	¥ (104.8)	¥ (290.9)	¥ (180.1)	¥ (484.0)
Net Cash Provided by (Used in) Financing Activities	¥ 171.3	¥ 92.3	¥ 272.3	¥ (185.1)	¥ (9.8)	¥ (214.4)	¥ 33.8
Free Cash Flow	¥ (23.9)	¥ (200.9)	¥ (178.7)	¥ 311.0	¥ 291.8	¥ 452.3	¥ 20.5
Investments and Loans	—	—	¥ (770.0)	¥ (710.0)	¥ (520.0)	¥ (360.0)	¥ (690.0)
Divestitures	—	—	¥ 240.0	¥ 610.0	¥ 190.0	¥ 210.0	¥ 190.0
Net Cash Outflow	—	—	¥ (530.0)	¥ (100.0)	¥ (330.0)	¥ (150.0)	¥ (500.0)
<b>Financial Indicators:</b>							
Return on Equity (ROE) (%)	11.6%	14.5%	15.9%	19.1%	8.7%	7.3%	13.3%
Return on Assets (ROA) (%)	1.7%	2.5%	3.3%	4.2%	2.0%	1.8%	3.6%
Net Debt-to-Equity Ratio (Net DER) (times)	2.42	1.69	1.47	1.27	1.34	0.92	0.82
<b>Amounts per Share:</b>							
Net Income Attributable to Mitsui & Co., Ltd.							
Basic	¥ 76.55	¥126.26	¥ 174.26	¥ 227.20	¥ 97.59	¥ 82.12	¥ 168.05
Diluted	¥ 72.12	¥118.85	¥ 165.32	¥ 224.82	¥ 97.32	¥ 82.11	¥ 168.05
Cash Dividends	¥ 15	¥ 24	¥ 34	¥ 46	¥ 25	¥ 18	¥ 47
Consolidated Dividend Payout Ratio (%)	19.6%	19.0%	19.5%	20.2%	25.6%	21.9%	28.0%
Shareholders' Equity	¥709.66	¥973.85	¥1,182.48	¥1,202.03	¥1,033.22	¥1,222.11	¥1,296.66
<b>Stock Price:</b>							
Stock Price (closing stock price on the Tokyo Stock Exchange) (yen)	¥ 989	¥ 1,702	¥ 2,200	¥ 2,020	¥ 986	¥ 1,571	¥ 1,491
Price Earnings Ratio (PER) (times)	12.92	13.48	12.62	8.89	10.10	19.13	8.87
Price Book-Value Ratio (PBR) (times)	1.39	1.75	1.86	1.68	0.95	1.29	1.15
<b>Sustainability:</b>							
Number of Employees (Consolidated)	38,210	40,993	41,761	42,621	39,864	41,454	40,026
Ratio of External Directors (%)	18.2%	27.3%	30.8%	30.8%	33.3%	30.8%	30.8%
Paper Consumption (thousand sheets; A4-size equivalent)	73,879	95,423	94,361	92,973	85,547	76,049	66,701

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 "gross profit," "selling, general and administrative expenses," and "provision for doubtful receivables."

3. Tax effects on investments in associated companies which were formerly included in "Equity in Earnings of Associated Companies" 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 Divestitures are disclosed from the year ended March 31, 2007.

6. Per-share information is calculated based on the number of shares issued at year-end.

7. Diluted Net Income Attributable to Mitsui & Co., Ltd. per Share for the years ended March 31, 2012 and 2013 are not disclosed because there are no dilutive potential shares.

8. Price Earnings Ratio (PER) is calculated based on the year-end closing stock price on the Tokyo Stock Exchange divided by Basic Net Income Attributable to Mitsui & Co., Ltd. per Share.

9. Price Book-Value Ratio (PBR) is calculated based on the year-end closing stock price on the Tokyo Stock Exchange divided by Shareholders' Equity per Share.

10. Paper Consumption is calculated based on all offices in Japan (Head Office (Tokyo), 6 offices and 5 branches).

Billions of Yen		
2012	2013	2014
¥5,251.6	¥ 4,911.6	¥ 5,740.7
¥ 878.3	¥ 790.4	¥ 859.9
¥ 348.4	¥ 254.6	¥ 275.2
¥ 232.1	¥ 176.2	¥ 173.7
¥ 434.5	¥ 307.9	¥ 422.2
¥9,011.8	¥10,324.6	¥11,001.3
¥2,641.3	¥ 3,181.8	¥ 3,586.4
¥3,578.0	¥ 4,269.3	¥ 4,455.1
¥2,142.8	¥ 2,839.4	¥ 3,224.4
¥ 381.0	¥ 461.4	¥ 521.5
¥ (438.2)	¥ (753.3)	¥ (704.5)
¥ 57.4	¥ 221.6	¥ (34.7)
¥ (57.2)	¥ (291.9)	¥ (183.0)
¥ (650.0)	¥ (960.0)	¥ (1010.0)
¥ 210.0	¥ 220.0	¥ 305.0
¥ (440.0)	¥ (740.0)	¥ (705.0)
17.4%	10.6%	12.5%
4.9%	3.2%	4.0%
0.81	0.89	0.90

Yen		
¥ 238.10	¥ 168.72	¥ 231.79
—	—	¥ 231.78
¥ 55	¥ 43	¥ 59
23.1%	25.5%	25.5%
¥1,447.34	¥1,743.34	¥2,000.78
¥ 1,357	¥ 1,313	¥ 1,459
5.70	7.78	6.29
0.94	0.75	0.73
44,805	45,148	48,090
30.8%	30.8%	30.8%
59,810	57,833	56,588

## IFRS

		Billions of Yen		Millions of U.S. Dollars
	2013	2014	2014	
<b>Consolidated Operating Results (For the Year):</b>				
Revenue	¥ 4,912.1	¥ 5,731.9		\$55,650
Gross Profit	¥ 814.1	¥ 880.1		\$ 8,545
Share of Profit of Investments Accounted for Using the Equity Method	¥ 183.1	¥ 171.2		\$ 1,663
Profit for the Year Attributable to Owners of the Parent	¥ 296.6	¥ 350.1		\$ 3,399
EBITDA	¥ 737.0	¥ 819.6		\$ 7,958
<b>Consolidated Financial Position (At Year-End):</b>				
Total Assets	¥10,777.3	¥11,491.3		\$111,566
Total Equity Attributable to Owners of the Parent	¥ 3,439.1	¥ 3,815.8		\$ 37,046
Interest-bearing Debt	¥ 4,176.4	¥ 4,411.1		\$ 42,826
Net Interest-bearing Debt	¥ 2,739.1	¥ 3,178.8		\$ 30,862
<b>Consolidated Cash Flows (For the Year):</b>				
Net Cash Provided by Operating Activities	¥ 455.3	¥ 449.2		\$ 4,362
Net Cash Used in Investing Activities	¥ (754.5)	¥ (659.8)		\$ (6,406)
Net Cash Provided by (Used in) Financing Activities	¥ 236.3	¥ (13.2)		\$ (129)
Free Cash Flow	¥ (299.2)	¥ (210.6)		\$ (2,044)
<b>Financial Indicators:</b>				
Return on Equity (ROE) (%)	9.4%	9.7%		
Return on Assets (ROA) (%)	2.9%	3.1%		
Net Debt-to-Equity Ratio (Net DER) (times)	0.80	0.83		

		Yen	U.S. Dollars
<b>Amounts per Share:</b>			
Basic Earnings Per Share Attributable to Owners of the Parent	¥ 162.53	¥ 192.22	\$ 1.87
Diluted Earnings Per Share Attributable to Owners of the Parent	—	¥ 192.21	\$ 1.87
Cash Dividends	¥ 43	¥ 59	\$ 0.57
Consolidated Dividend Payout Ratio (%)	26.5%	30.7%	
Total Equity Attributable to Owners of the Parent	¥1,884.33	¥2,128.73	\$20.67
<b>Stock Price:</b>			
Price Earnings Ratio (PER) (times)	8.08	7.59	
Price Book-Value Ratio (PBR) (times)	0.70	0.69	

- Notes: 1. EBITDA is the total of "gross profit," "selling, general and administrative expenses," "dividend income" and "share of profit of investments accounted for using the equity method" and "depreciation and amortization."
2. Per share information is calculated based on the number of shares issued at year-end.
3. Diluted Earnings per Share Attributable to Owners of the Parent in the year ended March 2013, is not disclosed because there are no dilutive potential shares.
4. Price Earnings Ratio (PER) is calculated based on the year-end closing stock price divided by basic net income (attributable to owners of the parent) per share.
5. Price Book-Value Ratio (PBR) is calculated based on the year-end closing stock price divided by Equity Attributable to Owners of the Parent per Share.
6. The U.S. dollar amounts, except cash dividends, represent translations of the Japanese yen amounts at the rate of ¥103.00=U.S.\$1, the approximate rate of exchange on March 31, 2014.
7. The U.S. dollar amounts of cash dividends, represent translations of the Japanese yen amounts at the rate in effect on the payment date.

# Corporate Information

As of March 31, 2014

## Trade Name

MITSUI & CO., LTD.

## Date of Establishment

July 25, 1947

## Common Stock

¥341,481,648,946

## Number of Employees

Consolidated: 48,090

Mitsui: 6,097

## Number of Affiliated Companies for Consolidation

Subsidiaries: 272

Associated companies: 154

# Investor Information

As of April 1, 2014

## Securities Identification Code

8031

## Stock Exchange Listings

Tokyo, 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

URL: www.citi.com/adr

As of March 31, 2014

## Unit Share

100 shares

## Number of Shareholders

230,896 shareholders

## Number of Shares Issued

1,829,153,527 shares

(including 36,370,596 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)

Sumitomo Mitsui Banking Corporation

Nippon Life Insurance Company

Barclays Securities Japan Limited

Mitsui Sumitomo Insurance Company, Limited

Japan Trustee Services Bank, Ltd. (trust account 1)

THE BANK OF NEW YORK 133522

(Standing agent: Mizuho Bank, Ltd.)

STATE STREET BANK WEST CLIENT – TREATY

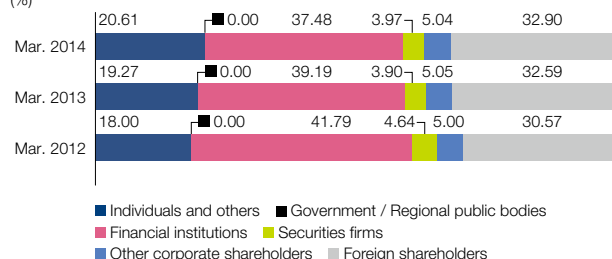
(Standing agent: Mizuho Bank, Ltd.)

The Dai-ichi Life Insurance Company, Limited

(Standing agent: Trust & Custody Services Bank, 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.

## 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 this report 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/>

### 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/>

### CSR-related Information

#### Sustainability Report

"Business Strategy" and "Sustainability for Growth" of the *Annual Report 2014* outlines the Company's business activities and activities directed toward corporate social responsibility. The *Sustainability Report* provides a comprehensive update on our latest activities and is issued in August of each year.



Download from

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

### Corporate Brochure

The *Corporate Brochure* is issued 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/>

## Mitsui & Co., Ltd.

2-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

Tel: 81 (3) 3285-1111

As of November 25, 2014, the location of head office will change to the following address

Nippon Life Marunouchi Garden Tower, 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan  
(registered head office location)

JA Building, 3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan

IR Contact Details .....

#### Investor Relations Division

Facsimile: 81 (3) 3285-9821

Email: [infoTKADZ@mitsui.com](mailto:infoTKADZ@mitsui.com)



IR Website

<http://www.mitsui.com/jp/en/ir/>

CSR Contact Details .....

#### Corporate Planning & Strategy Division

Facsimile: 81 (3) 3285-9906

Email: [Csr@mitsui.com](mailto:Csr@mitsui.com)



CSR Website

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

## CSR reporting was completed with reference to the following guidelines:

- ☐ GRI (Global Reporting Initiative), *Sustainability Reporting Guidelines 3.0*
- ☐ Ministry of the Environment, Japan, *Environmental Accounting Guidelines 2005*
- ☐ ISO 26000 (*Guidance on social responsibility*)





**MITSUI & CO.**

This annual report was printed using environmentally friendly printing methods.

Paper



This annual report has been printed on paper certified by the Forest Stewardship Council® (FSC®), which includes raw material from appropriately managed forests.

Ink



This annual report was printed using vegetable oil ink.

Printed in Japan