Newsletter to Shareholders

2011.Winter

MITSUI & CO., LTD.

Newsletter to Shareholders

2011.Winter

Date of Issue: November 24, 2011
Published by Investor Relations Division,
Mitsui & Co., Ltd.

CONTENTS

A Cautionary Note on Forward-Looking Statements:

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

The first half of the fiscal year ending March 31, 2012

Masami Iijima, President and Chief Executive Officer

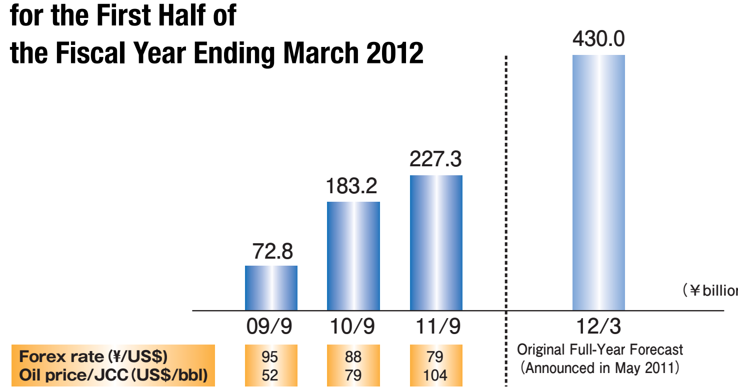
Mitsui announced its operating results for the first half of the fiscal year ending March 31, 2012, on November 2.
Although first-half results were solid, in large part because of a rise in commodity prices, the outlook for Mitsui's operating environment going forward looks increasingly challenging, with increased risk in a variety of areas including fiscal problems in Europe and signs that the global economic recovery is slowing.
I would like to take the opportunity to review Mitsui's results from the first half of the fiscal year ending March 31, 2012, and our outlook going forward.

Operating Results for the First Half of the Fiscal Year Ending March 31, 2012

—Despite concerns regarding the economic impact from the Great East Japan Earthquake and global developments including fiscal problems in Europe, Mitsui recorded 24% profit growth, to ¥227.3 billion, in the first half of the fiscal year ending March 31, 2012. What is your evaluation of first-half results?

Iijima The recovery in the global economy has slowed, especially in developed markets, with turmoil in the financial markets triggered by Europe's fiscal problems. At the same time, emerging markets continue to

Net Income Attributable to Mitsui for the First Half of the Fiscal Year Ending March 2012



show high growth, and although the Japanese economy saw a temporary drop in manufacturing activity as a result of the Great East Japan Earthquake, this has turned around to a trend of recovery.

Against this backdrop, Mitsui's first-half net income grew ¥44.1 billion year-on-year, to ¥227.3 billion, on a rise in prices of iron ore, copper, coal, crude oil, and gas, combined with an increase in iron ore production volume. In addition to large profit growth at the Mineral & Metal Resources and Energy segments, profit rose at the Machinery & Infrastructure Projects, Chemical, and Foods & Retail segments, as well as at the Americas and Asia Pacific segments overseas. Although the Consumer Service & IT Segment recorded a large profit decline, this was mostly because of impairment losses on listed securities as a result of the drop in share prices, and overall we recorded solid progress toward the achievement of our business plan.

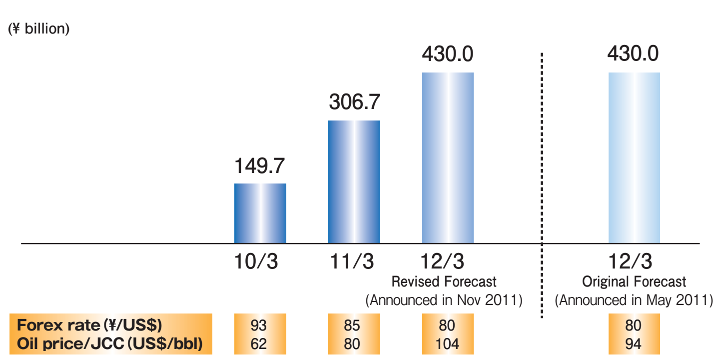
— What was the impact from the Great East Japan Earthquake?

Iijima The earthquake had the effect of reducing profit by approximately ¥4 billion in the first half of the fiscal year ending March 31, 2012, primarily in automotive-related areas. Our business plan initially envisioned a roughly ¥9 billion profit decline this fiscal year as a result of the earthquake, but the resumption of manufacturing has been faster than we had anticipated, and we now see the impact being limited to approximately ¥5 billion.

Immediately following the earthquake, Mitsui was proactively involved in support activities as part of its social contribution activities, but at the same time, considering the importance of rebuilding local economies and providing support to the residents of the areas that suffered damage over the medium to long term for a full-fledged recovery, we have also emphasized contributions through our own business activities. Going forward, we will continue to do everything we can to make sustained efforts toward the restoration of the affected areas.

(Please refer to pages 10–11 for more information on the impact of the earthquake and support activities.)

Net Income Forecast for the Fiscal Year Ending March 2012



Full-year Forecast for the Fiscal Year Ending March 31, 2012

—After recording solid progress in the first half, Mitsui has left its full-year forecast for the current fiscal year unchanged, with an original plan for net income of ¥430 billion. How do you view the operating environment going forward, and how do you see this affecting Mitsui's results? What is your view on achieving the full-year forecast?

Iijima The ¥227.3 billion of net income recorded in the first half represents solid progress toward the achievement of the full-year plan of ¥430 billion. Progress has varied by segment, however, with the Mineral & Metal Resources, Energy, and Foods

& Retail segments recording solid profit, and recoveries expected at some segments in the second half.

In terms of the operating environment, international market prices for crude oil, metal resources, and other commodities have begun to drop, mainly from an outflow of speculative funds as a result of the slowdown in developed market economies and turmoil in the financial and capital markets. Foreign exchange markets have also seen a relative strengthening of the yen from the intensification of fiscal problems in Europe and concerns of a slowdown in the U.S. economy, with the yen reaching a postwar high versus the U.S. dollar. We therefore expect the operating environment to become increasingly challenging.

Given this increasing instability in the commodity, foreign exchange, and financial markets, the outlook for the operating environment has become more uncertain relative to the gradual recovery for the overall global economy that we envisioned at the beginning of the year. There is an increasing risk of price declines for Mitsui's major products, including iron ore, and while paying even closer attention to economic developments and trends in the commodity and foreign exchange markets, we continue to aim to achieve our full-year forecast of ¥430 billion.

Dividend Policy

— What is your thinking on dividend policy?

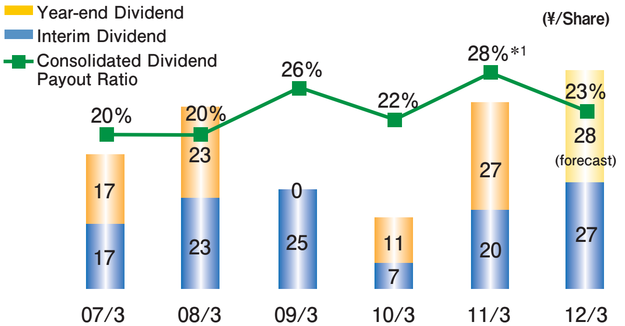
Iijima When we announced our initial business plan in May of this year, we included the maintenance of a consolidated dividend payout ratio of 23% for the fiscal year ending March 31, 2012, based on a careful examination of factors including the operating environment, earnings trends, and investment demand, as well as our intention to pursue a "proactive" position regarding investments and loans for future growth.

The adverse impact on the real economy from the turmoil in financial markets triggered by the fiscal uncertainty in the United States and Europe is spreading, and the outlook for the economy is becoming increasingly unclear. On the other hand, from a long-term perspective, high growth is being seen, mostly in emerging markets, and we intend to pursue investment and loan projects to build a high-quality, balanced business portfolio for Mitsui's future growth. Taking all of this into account, we intend to maintain a consolidated dividend payout ratio of 23%, as originally planned.

Based on this policy of a 23% consolidated payout ratio, and assuming full-year net income of ¥430 billion, we currently envisage an annual dividend of ¥55 per share. Of this amount, we

Dividend for the Fiscal Year Ending March 2012

- Consolidated payout ratio of 23%
- Interim dividend is ¥27/share
- Assuming annual consolidated net income will be ¥430.0 billion for FY2012/3, envisaged annual dividend is ¥55/share (including the interim dividend)



*1 Dividend payout ratio for FY2011 was 23% when calculated based on net income of ¥367.9 billion, which excludes the impact of recognized subsequent events related to the settlement regarding the oil spill incident in the Gulf of Mexico.

have decided to pay roughly half as an interim dividend of ¥27.

Mitsui will strive to maintain an appropriate balance between investment for the Company's future growth and dividends to shareholders, through steady, continued growth in both earnings and dividends.

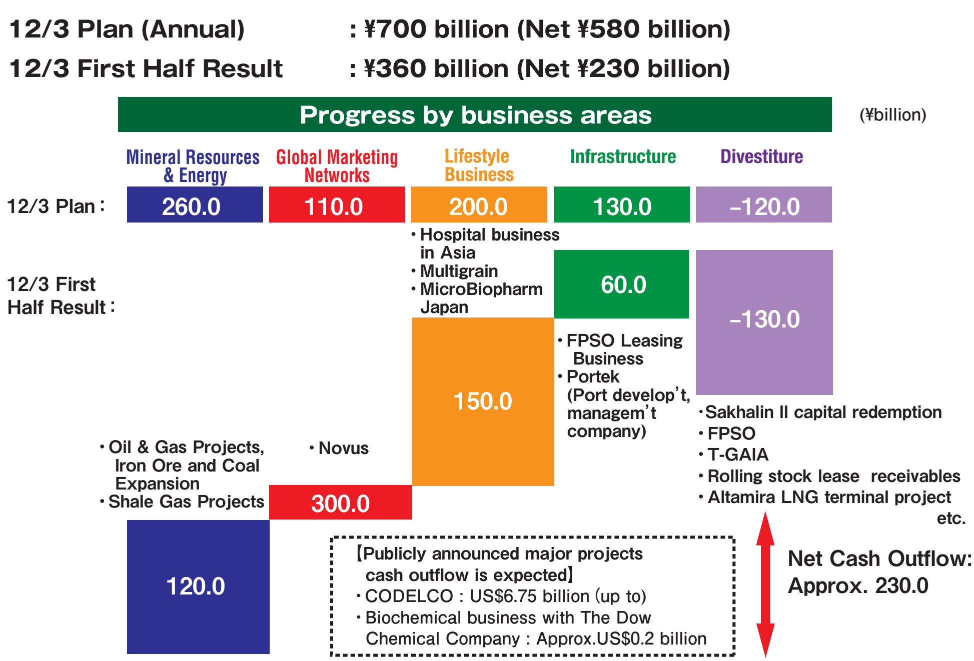
Investment and Loan Plan

—Next, with regard to investments and loans, steady progress was seen as of the end of September 2011, and in October 2011 Mitsui announced the conclusion of a financing agreement with the Chilean state-owned copper mining company CODELCO. How does this loan fit in with the investment and loan plan for the current fiscal year, and what is the effect on the balance sheet?

Iijima During the first half, we made investments and loans totaling roughly ¥360 billion, primarily as investments in non-resource areas including our equity investment in Integrated Healthcare Holdings Sdn. Bhd, and made asset divestitures of roughly ¥130 billion, which can be seen as steady progress relative to the investment and loan plan (see graphic).

At the beginning of the second half, we concluded a financing agreement with CODELCO for up to US$6.75 billion (approximately ¥518 billion). CODELCO holds the right to acquire up to 49% of the shares of Anglo American Sur S.A. ("Anglo Sur"), which owns copper mines in Chile,

Investments and Loans



and our short-term bridge loan will be used by CODELCO for the acquisition of those shares. CODELCO has the right to repay a portion of this short-term bridge loan by indirectly transferring half of the Anglo Sur shares acquired to Mitsui.

This loan was not initially included in this year's investment and loan plan, and if it is drawn upon, it would be in addition to our original plan. Nevertheless, as we have said in the past, we will consider making investments and loans that exceed the initial plan if presented with favorable opportunities to acquire quality projects that are consistent with the Company's strategy. The drawdown of this loan would result in a temporary priority being given to investment in resource businesses, but our goal of achieving a balance between resource and non-resource assets over the medium term is unchanged.

If this loan is drawn upon, the deficit in free cash flow for the current year would be greater than initially anticipated. Nevertheless, our basic policy of keeping investments and loans within the scope of operating cash flow, and our goal of maintaining positive free cash flow in the future, are unchanged, and we will continue to maintain the health of the balance sheet.

Looking Ahead

—Finally, please tell us about Mitsui's direction and strategy for sustainable growth.

Iijima Our operating results are solid overall, but in terms of earnings by segment, over the past few years we have become increasingly dependent on the Mineral Resources & Energy business area. Given global economic trends, major fluctuations in resource prices are possible, and this would significantly impact our earnings. We believe that for Mitsui to have sustainable growth, it is important to build a high-quality earnings base that can secure high levels of stable earnings without being significantly impacted by market trends. Specifically, we hope to increase our equity interest in production in Mineral Resources & Energy business area by expanding existing interests and acquiring competitive new projects, while at the same time aggressively pursuing new businesses in other business areas like foods as well as medical and healthcare, where future growth and business expansion can be expected. We also need to capitalize on high growth, especially emerging markets. In addition to the BRICs countries, Indonesia, and Mexico, which we have identified as strategic countries under the Medium-Term Management Plan, we would also like to focus on Africa going forward. We would like to become involved in businesses related to retail consumption within these regions and countries, and also focus on developing and advancing social infrastructure businesses like power generation and railways.

Mitsui aims to be a leading company in each of its respective business areas, by meeting the needs of its customers, and advancing and refining its capabilities to create "good quality work" that embodies the Mitsui spirit of challenge. This year is the final year of our "Medium-Term Management Plan: Challenge & Innovation 2012," which aims to create "a stronger Mitsui" and "a more distinctive and respected Mitsui." As we enter the second half of the year, we have begun to think about our next steps under a new medium-term management plan. By flexibly evolving our business model to keep pace with the needs of the times in a constantly changing global economy, we hope to increase corporate value by raising the quality of earnings, and to meet the expectations of our shareholders.

*

Finally, I would like to thank our shareholders for the constant support and guidance they have given to Mitsui.

Overview of Results for the First Half of the Fiscal Year Ending March 2012

Net income attributable to Mitsui & Co., Ltd.* increased 24% from the corresponding period of the previous year.

Net Income was ¥227.3 billion, an increase of ¥44.1 billion from the corresponding period of the previous year, mainly due to increases in mineral resources and energy prices.

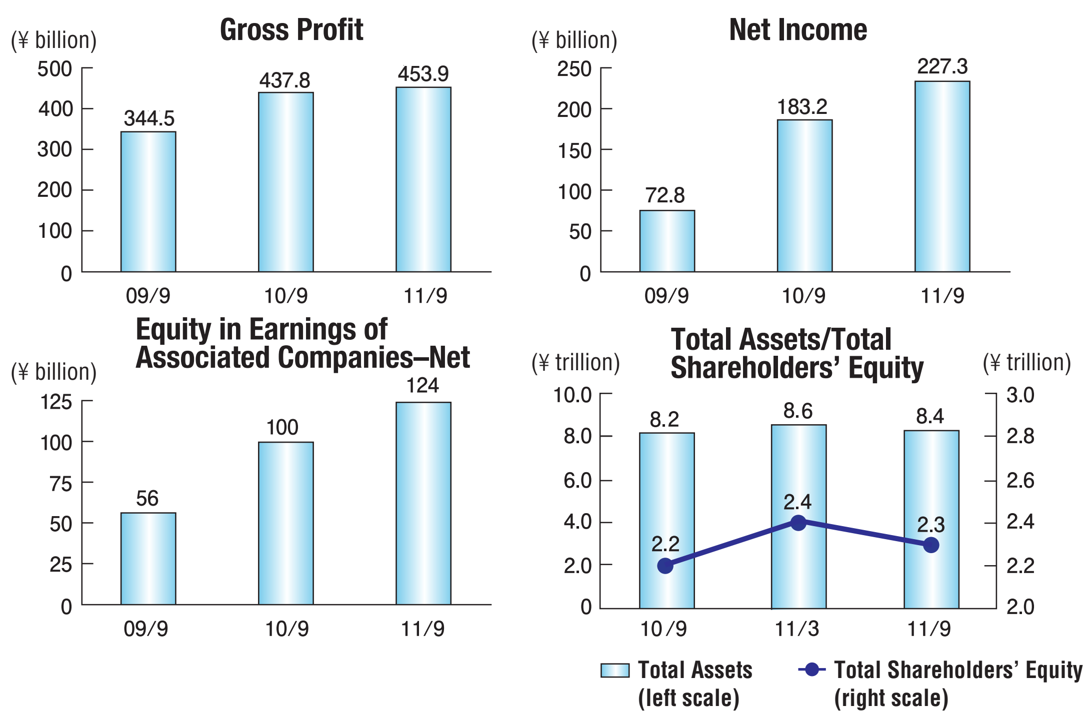
* "Net income" indicates "Net income attributable to Mitsui & Co., Ltd."

Total assets and total shareholders' equity declined, reflecting the appreciation of the Japanese yen.

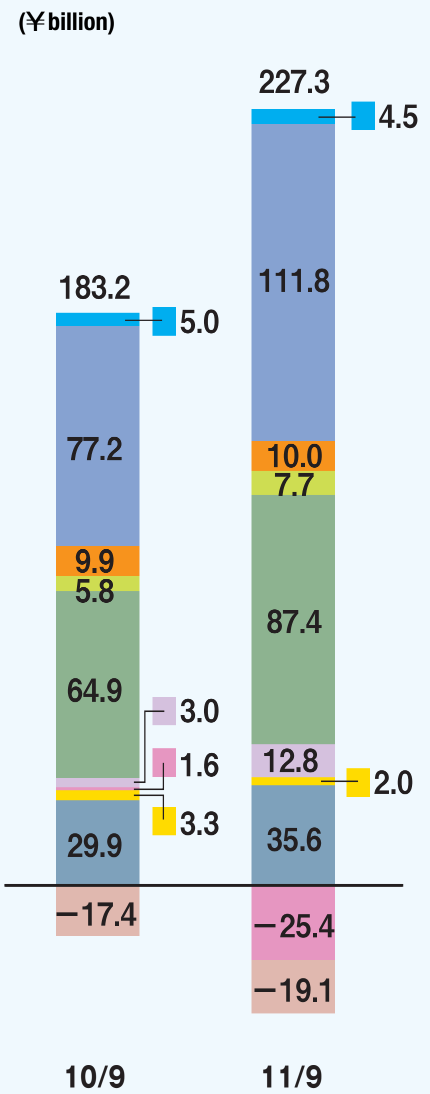
Total assets as of September 30, 2011 were ¥8.4 trillion, a decline of ¥0.2 trillion from ¥8.6 trillion as of March 31, 2011, due to the appreciation of Japanese yen despite the addition of new investments and the expansion of existing projects.

Total shareholders' equity was ¥2.3 trillion, a decline of ¥0.1 trillion, reflecting the appreciation of the Japanese yen as well as lower equity prices despite an increase in retained earnings.

Key Consolidated Management Indices



Net Income by Operating Segment for the First Half of the Fiscal Year Ending March 2012



Summary of Increase / Decrease

Iron & Steel Products	• Sales volume declined • Equity in earnings declined
Mineral & Metal Resources	• Iron ore prices and sales volume increased
Machinery & Infrastructure Projects	• IPP business: Mark-to-Market (MtM) on derivatives improved • Loss allowance for vessels under construction
Chemical	• Salt business: Gain related to partial releasing of mining lease area • Ammonia prices increased
Energy	• Oil prices and coal prices increased • Dividend from LNG projects increased
Foods & Retail	• MtM on commodity derivatives improved • A plentiful soybean harvest at Multigrain AG
Consumer Service & IT	• Impairment of investment in TPV Technology Limited • Impairment of residential business (FY2011)
Logistics & Financial Business	• Decline in reversal of allowances at JA Mitsui Leasing, Ltd.
Overseas	• Earnings of resources and energy subsidiaries in Australia • Sales volume declined and cost increased at Novus International, Inc.
All Others / Adjustments & Eliminations	

The Great East Japan Earthquake —Mitsui's Activities to Support Reconstruction Efforts

We extend our deepest sympathies to all who have suffered as a result of the Great East Japan Earthquake.

Mitsui was fortunate to experience only a minimal impact on our staff and facilities. In terms of earnings for the fiscal year ended March 31, 2011, the earthquake had the effect of reducing profit by roughly ¥4 billion. In our business plan for the fiscal year ending March 31, 2012, we initially expected a roughly ¥9 billion reduction in profit from the earthquake, but under our new forecast made as of the end of the first half of the fiscal year, we now expect the full-year effect to be held to approximately ¥5 billion.

Immediately after the earthquake, we established a "Disaster Relief Study Group" and began to urgently study how to provide support to the affected areas. Today, with eight months having passed, we are working as a company to implement specific activities with the hope of the earliest possible reconstruction of those areas.

Mitsui has already provided approximately ¥400 million to the affected areas in the form of monetary contributions and goods including solar lanterns, food, and drink, and going forward we plan to contribute an additional ¥400 million. We have also established a budget totaling ¥1.4 billion for activities and research concerning the global environment, including assistance for earthquake reconstruction, through

Reconstruction activities being supported by the Mitsui & Co., Ltd., Environment Fund

Reconstruction of fishery industry archives in Kesennuma Oshima, Miyagi Prefecture (Institute for the Study of Japanese Folk Culture, Kanagawa University)

Evaluation of broadleaf trees' resistance to tsunami and proposal for coastal afforestation methods for post-earthquake revitalization of coastal forests (Faculty of Agriculture, Yamagata University)

Survey of chemical ground pollution from tsunami and research into soil restoration in Kesennuma, Miyagi Prefecture (Tohoku University School of Medicine) the Mitsui & Co., Ltd., Environment Fund. We have already made three solicitations for assistance projects, and have decided to fund 67 reconstruction activities and research projects totaling ¥857 million. In October 2011, we began accepting proposals for the fourth round of projects for reconstruction and general assistance. In addition, we have contributed lumber from our company-owned forests for the construction of a temporary library in Rikuzentakata City, Iwate Prefecture in cooperation with the "Books for Tomorrow" Project for Children being promoted by four publishing organizations in the stricken area.

Along with this direct assistance, we are also placing an emphasis on contributing to full-scale reconstruction through our own business activities, and are pursuing a variety of activities in this regard. Specific measures to date have included providing additional LNG and free light oil, as well as supporting the transport system for emergency goods through our logistics affiliates Trinet Logistics Co., Ltd., and Tokyo International Air Cargo Terminal Ltd. at Haneda Airport.

Furthermore, recognizing the particular importance of restoring local economies and creating jobs over the long term through our reconstruction support, we have established a Domestic Business Development Department that cuts across our entire organization. Through this department, we aim to consolidate information and expertise from across the organization, including the front-line Tohoku Office as well as headquarter business units, to work together to contribute to rebuilding the local industrial base and reestablishing a foundation of support for people's daily lives. Specifically, we are studying the launch of a solar power generation business, and are participating in joint efforts with local companies to rebuild the region's key agricultural, forestry, and marine products industries. We are also using a car sharing business to aid with reconstruction by eliminating transportation shortages, and from this we hope to contribute to the establishment of new communities in the future based on the concepts of eco-towns, compact cities, and smart cities.


Wooden library in Rikuzentakata City

Going forward, along with strengthening existing activities like providing a stable source of energy, we hope to meet public expectations through our own business activities with sustained, continuous support activities that embody Mitsui's values and history.

Working together to provide daily transportation in earthquake zone

Car sharing project in Ishinomaki City, Miyagi Prefecture

Mitsui subsidiary Car Sharing Japan Co., Ltd. began providing car sharing services in October 2011 for residents and NPOs involved in reconstruction in Ishinomaki City, Miyagi Prefecture. These services offer low-cost, daily transportation in the area struck by the tsunami, which destroyed a large number of cars. Car Sharing Japan will consider increasing the numbers of locations and vehicles going forward based on local requests.


Car sharing project in Ishinomaki City

Trinet Logistics Co., Ltd.

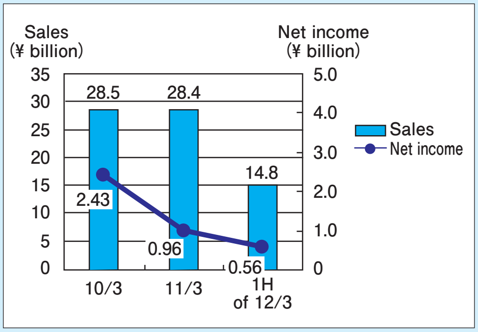
～ Logistics for Tomorrow ～

Mitsui has more than 400 affiliated companies in Japan and around the world, and carries out its business co-working with these affiliates. In this issue, we are introducing Trinet Logistics Co., Ltd., an affiliate operating a domestic logistics business, through an interview with the company's president, Masaaki Nobuoka.

About Trinet Logistics

In 1959, Nitto Warehouse Co., Ltd., the predecessor of Trinet Logistics Co., Ltd. ("TNL") was established as a spin-off company from Mitsui. The company was launched with 157 employees and warehouse floor space of approximately 25,000m² (roughly half the size of Tokyo Dome Stadium) to handle warehousing operations that had previously been handled within Mitsui. The current TNL was created in 2007 through the merger with two other Mitsui warehousing subsidiaries (Kyogi Warehouse Co., Ltd. and Toshinsoko, Ltd.).

Over its more than half a century of history, TNL has grown to become a leading company among the warehousing industry, operating facilities with floor space totaling 784,000m² (roughly equivalent to 17 Tokyo Dome Stadiums). TNL has 11 distribution centers in Kanto, Chubu, Kansai, and Kyushu regions, and together with the facilities of cooperating companies, has built a network that stretches from Hokkaido region to Kyushu region. With a staff of roughly 1,800 (including part-time employees), TNL offers a wide range of services from traditional receiving and safekeeping of goods to various logistics services including merchandise sorting and price tagging, as a "logistics partner" for customers in Japan.



Trinet Logistics Co., Ltd.

Masaaki Nobuoka

President, Trinet Losistics Co., Ltd.

Q First, please tell us about TNL's business operations.

Nobuoka As a logistics company, our services involve receiving goods from customers in Japan, safekeeping those goods in an appropriate environment, and delivering them to a designated location. We specialize in domestic logistics, but in this age of global movement of goods, we work with Mitsui & Co. group companies to propose optimal methods for integrated "flows of goods," including the procurement of raw materials overseas, allowing customers to comfortably leave their logistics to us.

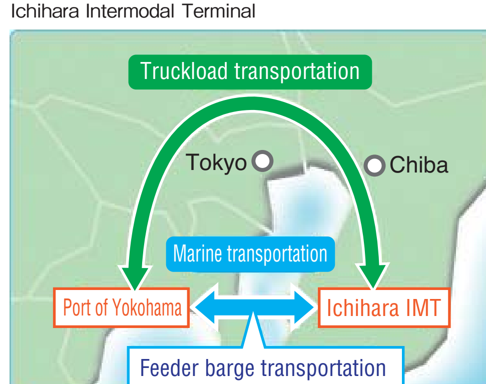
Q This business appears to be somewhat unrelated to individual consumers. Do your operations involve direct interaction with consumers?

Nobuoka Yes. We are emphasizing a service known as "distribution processing." An example of this service would be when we receive merchandise from the owner, sort it at our distribution center, pack the merchandise according to the owner's instructions, and deliver it to customers. Mail-order sales of Suntory Wellness Limited's popular health food product "Sesamin E-Plus" are a good example of this service. When we receive an order placed by a customer, from the products that are stored at our warehouse, we pack the ordered product at the ordered quantity, enclosing flyers targeted to each customer, and ship them to the customers. After the order is received, TNL handles all operations until the delivery of the product to the customer is completed.

Q Do you offer any other unique services?

Nobuoka We provide "environmentally friendly logistics" that reduce the CO_2 emissions at the

Ichihara Intermodal Terminal



"Environmentally friendly logistics," feeder barge transportation

Keyo chemical industrial complex at Ichihara City in Chiba Prefecture. Many chemical manufacturers located in the complex use trucks to transport large volumes of products for export from plants in Ichihara to ports in Tokyo/Yokohama area, but by utilizing our marine transport service to ship the products from our center in Ichihara (Ichihara Intermodal Terminal, "Ichihara IMT") to the Port of Yokohama, CO_2 emissions can be reduced by 92.3% compared with truck transport.

Our customers also include television broadcasters and other media companies. TNL has specialized film library storage facilities for the safekeeping of precious films avoiding deterioration. This involves maintaining a constant temperature and humidity inside the warehouse (20˚C, with the humidity no higher than 60%), and strong security. Utilizing our storage technologies and nationwide delivery capabilities, we also handle the storing and delivery operations prior to the first run of


Film library storage facilities

a film. We keep the films in our warehouses until the release, and deliver them simultaneously to theaters across the country for the first run.

Q I see, you offer a variety of solutions. What do you consider to be TNL's major strength?

Nobuoka We believe the most important thing in the world of logistics is to provide a reliable and stable service to the customers. Specifically, this means not damaging goods in our possession, correctly shipping items as requested, and correctly delivering goods to the designated place at the designated time. Although this may sound simple, when handling massive volume of goods within a limited period of time, it is not easy to always do this perfectly. We therefore strive every day to maintain a "high-quality logistics services."

Q What is the secret to maintaining a "high-quality logistics services"?

Nobuoka Logistics is something that ultimately requires manual operations. When delivering "Sesamin E-Plus", for example, promotional materials to be enclosed in each box must be selected from a total of roughly 400 items according to each individual customer's needs. This cannot be done by a machine. Being able to do this correctly is vital to achieving a high level of quality in our logistics, and the 1,400 part-time and contract staffs of our roughly 1,800 employees is the key to the quality of our logistics. TNL is a company with a strong sense of "logistics quality" that is supported by the strength of our staff, and I am always grateful for the hard work of


Packing of the goods for delivery

these employees.

Q Finally, how do you intend to develop the business going forward?

Nobuoka Looking ahead, with a declining population it is difficult to expect significant growth in the volume of cargo handled within Japan. However, there will be segments that will grow, and we consider it important to actively enter into those areas. For example, medical logistics for pharmaceuticals and medical equipment is one area in which we would like to see us grow going forward.

In addition, we are looking into ways of utilizing logistics expertise we have developed, trained by our Japanese customers, in the overseas markets, and in fact have begun doing this in China.

Loading at the Ichihara IMT

Mitsui's strength lies in its global expertise, ability to collect information, and personal contacts around the world, and we would like to utilize this strength as a member of the Mitsui & Co. group to play a part in our integrated logistics services.

Closing Remarks

~Message from Katsunori Aikyo~

Managing Officer; Chief Operating Officer of Transportation Logistics Business Unit

Katsunori Aikyo

The Transportation Logistics Business Unit's primary area of operations is a "integrated logistics services" that includes TNL, with its abundant expertise and experience in domestic safekeeping, shipping, and distribution processing, as well as the TRI-NET Group companies with its strength in international transport, and Mitsui Bussan Logistics Management Co., Ltd., which provides the latest and highly efficient logistics solutions. By organically integrating the functions of these logistics subsidiaries, we aim to provide customers with one-stop solutions that comprise a wide range of logistics services. TNL is increasing its intrinsic value by further building on its expertise in high-value-added logistics, and will continue to play an important role in providing high-quality logistics services on behalf of our entire group.

We will devote ourselves to providing customers with optimal logistics services, and as we strengthen the companywide logistics base, which is important for a trading company, we will also strive to enhance our basic earnings strength as a business unit.

Announced in March 2011

Mitsui Approves Funding for Expansion of Western Australian Iron Ore Operations

Mitsui decided in March 2011 to make an additional investment to increase capacity at its Western Australia iron ore business, which is jointly operated with leading global mining company BHP Billiton (Australia & UK) and ITOCHU Corporation (Japan). The total investment amount is expected to be US$7.4 billion (approximately ¥592 billion). Mitsui will invest roughly US$340 million (¥27 billion) via its Australian investment subsidiary, which combined with the initial upfront investment will bring Mitsui's aggregate investment to approximately US$370 million (¥29.6 billion).

Mitsui, together with BHP Billiton and ITOCHU, owns three iron ore joint ventures in Western Australia, and approximately 138 million tons of ore were shipped in 2010, primarily to Asian countries. Expansion plans including this additional investment are to increase production in stages, with annual output expected to eventually exceed 220 million tons.

Going forward, Mitsui will work to address anticipated growth in global demand for iron ore over the medium to long term.

The Port Headland facility under expansion project

Announced in April 2011

Acquisition of Stake in Integrated Healthcare Holdings Sdn. Bhd

In May 2011, Mitsui acquired a 30% shareholding in Integrated Healthcare Holdings Sdn. Bhd ("IHH"), Asia's largest hospital group, for ¥90.7 billion.

IHH's investment holdings include Parkway Hospitals Singapore Pte Ltd., Singapore's largest hospital group; Pantai Hospitals Sdn Bhd, the second largest in Malaysia; and a partial investment in Apollo Hospitals Enterprise Limited, India's largest hospital group. The group's focus is in Asia, and in additional to hospital operations, IHH's health care-related businesses include medical education institutions and consigned clinical studies for new drug development.

As Asia's population both grows and ages, demand for medical services is expected to grow, and through this business Mitsui is working to expand its businesses involving both hospital networks and peripheral services.

Gleneagles Hospital of Parkway Hospital Group

Announced in May 2011

Additional Investment in Multigrain AG as Wholly Owned Subsidiary

Multigrain AG operates in Brazil as a grain distributor (from origination to transport and sales) and agricultural producer (primarily soybeans), and Mitsui has had an investment in the company since 2007.

Mitsui made Multigrain a wholly owned subsidiary in May 2011 through the additional acquisition of the combined 53.9% shareholding of Multigrain's two other shareholders, for US$274 million (approximately ¥22 billion). This additional investment brought

Mitsui's total investment in Multigrain to US$508 million (approximately ¥47 billion).

Demand for grain is expected to rise against the backdrop of global population growth and the economic development of emerging markets, and Mitsui has positioned grain business as one of its core businesses. By expanding its grain distribution and agricultural production business in Brazil, Mitsui aims to enhance its structure for providing a stable supply of grain to Asian and other markets.

Soybean farm (left) and harvest of soybeans (right)

Announced in June 2011

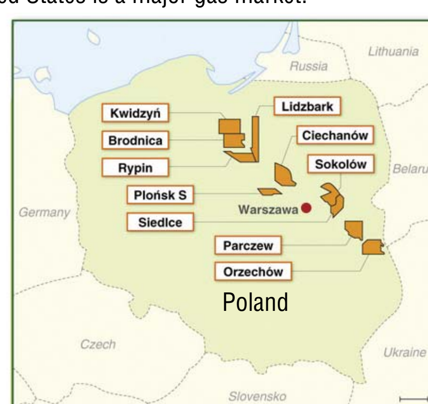
Participation in Shale Gas Projects in Poland

Mitsui in July 2011, through its subsidiary Mitsui E&P Poland SP. z o.o., acquired a 9% working interest in 10 shale gas exploration concessions in the Republic of Poland operated by Marathon Oil Company of the United States.

Shale gas is natural gas found in source rock. Production of shale gas has proven difficult in the past, but recent technological innovations have made it possible to extract the gas at a low cost. Poland is attracting attention as one of Europe's most promising countries for potential shale gas reserves.

This project marks the first time a Japanese company is participating in a shale gas business in Europe.

Mitsui intends to utilize the experience and expertise in shale gas development and production that it has gained from shale gas projects in the United States to develop a gas business in Europe, which along with the United States is a major gas market.



Location of the acquired concessions

Announced in July 2011

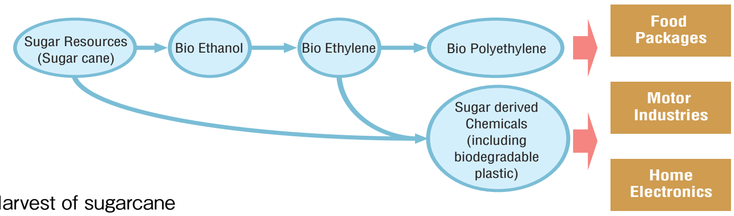
Participation in Production of Sugarcane-derived Chemicals in Brazil with The Dow Chemical Company

Mitsui concluded a contract in July 2011 to participate in major U.S. chemical manufacturer The Dow Chemical Company's subsidiary Santa Vitória Açúcar e Álcool Ltda ("SVAA"), to form a joint venture in Brazil for an integrated sugarcane-derived chemicals business encompassing sugarcane field operations through biochemical production. In November 2011, Mitsui acquired a 50% shareholding in SVAA.

Mitsui handles a wide range of chemical raw materials, from conventional fossil fuels like crude oil and gas to unconventional resources, and this project is a latter example.

SVAA will operate sugarcane fields to secure a stable supply of sugarcane, a renewable biomass resource, and produce bio-ethanol from sugarcane. In future, SVAA intends to manufacture a variety of low environmental impact biochemical products including bio-ethylene and bio-polyethylene from bio-ethanol.

Harvest of sugarcane



Announced in July 2011

Acquisition of Port Development and Management Company in Singapore

In July 2011, Mitsui launched a voluntary conditional cash offer for the ordinary shares of Portek International Limited ("Portek"), which is listed on the Singapore Exchange. The acquisition of all shares was completed in September, making Portek an unlisted, wholly owned subsidiary of Mitsui.

Portek operates and administers seven port terminals in countries such as Indonesia, Algeria, Malta, and Gabon, and also provides designs and equipment for related facilities.

With this acquisition, Mitsui aims to accelerate the development of its logistics infrastructure development and further expand its logistics network by acquiring Portek's quality assets, advanced engineering capabilities, and port management expertise.

Container terminal of the Tanjung Priok Port in Indonesia

Mitsui's Business Activities in Russia

Russia

In this section, we look at Mitsui's business initiatives in a country that is being emphasized as important to our future development.

Macro Overview

Russia is the world's largest country in terms of land mass, spanning 10 time zones from Kaliningrad in the west to Kamchatka in the east. This vast country is very diverse both geographically and ethnically, with the Ural Mountains and Siberia being rich in a wide range of underground resources.

The year 2011 marks the 20th anniversary of the birth of the new Russia following the breakup of the Soviet Union. Russia continues to move toward membership of the WTO and OECD, and in addition to its political and economic position, the country has an increasingly strong international presence in sports and culture, with the city of Sochi to host the Winter Olympic Games in 2014 and the 2018 FIFA World Cup to be held in Russia. Ahead of general elections scheduled for December 2011 and a presidential election in March 2012, current prime minister Vladimir Putin announced in September that he would run for president, and with current president Dmitry Medvedev seen becoming prime minister, no major changes in basic government policies are anticipated. Economically, Russia is an oil-producing nation that exports resources and imports manufactured goods, with oil and gas accounting for more than 60% of the country's exports. At the same time, the government is attempting to shift the economy from its reliance on resources to one based on innovation, and has identified five sectors including information technology (IT), energy efficiency, nuclear energy, and medicine for modernization.

Mitsui's Initiatives

Mitsui has seven branches and offices in Russia and the CIS, the third largest number after China and the United States, and our businesses include the Sakhalin II oil and gas development project, as well as automotive-related businesses and steel service centers.

In addition to its abundant natural resources, Russia is seen growing further as a consumer market, and Mitsui aims to deploy its integrated capabilities through a balanced approach focusing on the areas of (1) mineral resources & energy, (2) infrastructure, (3) global marketing networks business, and (4) the consumer market.

Population:140.37 million*
Nominal GDP:US$1,465.1 billion*
Real GDP growth rate:4.0%*
Foreign currency reserves:US$479.4 billion
*Source: International Monetary Fund 2010 data (including estimates)

Major Business Activities

Sakhalin II Oil and Gas Development Project (Figure 1)

The Sakhalin II project is located off the northeast coast of Sakhalin Island, and contributes to the stable supply of energy and diversification of energy resources for Japan and the Asia–Pacific region. Mitsui has been involved in this major project since it was launched, with a start-up investment (currently a 12.5% equity stake) in Sakhalin Energy Investment Company in 1994. The other companies participating in this oil and gas development and production project are Gazprom of Russia, Royal Dutch Shell of the Netherlands, and Mitsubishi Corporation of Japan. The project was set up as Russia's first production sharing agreement, and presented challenges with a variety of "firsts," including offshore oil and gas production and the construction of an LNG plant. The development environment is also difficult because of winter ice floes, but through the combined efforts of the partners and others involved in the project, year-round crude oil production was achieved in 2008 and LNG shipments began in 2009. Mitsui will continue to move forward with Russia to work in harmony with the natural environment for a stable energy supply.

Sakhalin II offshore plant and equipment
ⓒSakhalin Energy Investment Company Ltd.

Settlement Service Business

Mitsui acquired a 14.9% shareholding of QIWI Limited, Russia's largest settlement services operator, in December 2010. QIWI's electronic settlement business operates settlement terminals that are widely used in Russia and other countries for the payment of mobile phone and public utility charges. The company has a 45% share of Russia's settlement terminal market, and also provides settlement terminal services in 19 other countries in areas including the CIS, Eastern Europe, China, Southeast Asia, and North, Central, and South America. With further growth anticipated in Russia and other emerging markets, Mitsui are working to develop electronic commerce and other consumer services by providing customers with convenient ways to make payments.

QIWI has 160,000 settlement terminals in Russia

First Japanese Trading Company to Participate in Russian Steel Service Center (Figure 2 & 3)

In September 2011, Mitsui reached an agreement with the major Russian steel manufacturer OAO Severstal to jointly establish a steel service center, primarily for automotive-use steel (Figure 2). The steel service center is to be built in northwest Russia, where many foreign automobile manufacturers, including Japanese manufacturers, are setting up facilities. In line with the sharp rise in Russia's automobile production in recent years, this region is seen becoming a major production center and rapid growth in steel processing demand is expected.

In addition, with its strong economic growth continuing, and events including the upcoming Winter Olympics in Sochi and the FIFA World Cup, robust demand for building materials is anticipated. Mitsui has therefore decided to invest in a steel processing business for building materials with Steel Industrial Company, a major Russian distributor of steel materials (Figure 3).

Both of these steel processing businesses mark the first involvement by a Japanese trading company in Russia. Mitsui aim to establish a strong base for the processing of steel materials in Russia by fusing the operational and marketing expertise Mitsui has cultivated at its steel processing businesses around the world, with the supply capacity, technological capabilities, and sales strength of its local partners.

Logistics Business with Russia's Largest Shipping Company (Figure 4)

The company MB-FESCO TRANS HOLDING LIMITED was established in May 2010 as a joint venture between Mitsui (51% equity stake) and FESCO Group, Russia's largest shipping company, and has begun warehousing and delivery operations for consumer electronics. With a 20,000m² warehouse in southern Moscow as its base of operations, the company provides comprehensive services that include warehousing in Moscow and delivery to all of Russia.

20,000m² warehouse in southern Moscow

Sales and Service Dealership Business for Komatsu Mining Equipment (Figure 5)

Despite a temporary decline in the wake of the global financial crisis, demand for mining equipment has been growing in recent years, driven by robust resource development associated with economic growth in emerging markets. Against this backdrop, Mitsui has operated sales and maintenance service businesses in partnership with Komatsu Ltd. (Japan) for Komatsu's mining and construction equipment since 1996 in Peru, Australia, the United States, and Mexico, and in 2006 Mitsui purchased KOMECK MACHINERY, LLC in Russia (Mitsui's equity stake: 51%).

The Ural Mountains and western Siberia, where KOMECK MACHINERY is located, are one of Russia's major regions for oil, gas, and mineral resource development. By addressing the continuously growing demand for mining equipment, Mitsui is establishing a foothold for resource development in resource-rich Russia.

Komatsu' s mining equipment which contributes to stable mining operation