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.
We would like to thank our shareholders for your continued support. Let me take this opportunity to report on Mitsui’s results for the fiscal year ended March 31, 2012 and our Medium-term Management Plan to March 2014.

Consolidated Results for the Fiscal Year Ended March 31, 2012

**Net income**\(^1\) of ¥434.5 billion exceeded Medium-term Management Plan’s target

Net income for the fiscal year ended March 31, 2012 was ¥434.5 billion, an increase of ¥127.8 billion from the previous year, primarily due to an upturn in commodity prices including crude oil, gas, iron ore and coal as well as the reversal effect of the previous year’s settlement payment related to the oil spill incident in the Gulf of Mexico. This result was significantly higher than the target of ¥370 billion set in our Medium-term Management Plan announced in May 2010. Looking a bit more closely, however, this was a result of large impairment losses on securities mainly in the IT Business Unit being offset by profit increases from the reduction of the Japanese corporate income tax rate and the implementation of the Mineral Resource Rent Tax in Australia, which indicates that issues still remain.

With regard to cash flows and financial position, while we received dividend income in addition to the steady generation of operating income, outlays for a large number of investments and loans led to a net outflow of ¥57.2 billion for free cash flow\(^2\). Nevertheless, we maintained a strong financial position, with a solid increase in total Mitsui & Co., Ltd. shareholders’ equity resulting in a net debt-to-equity ratio\(^3\) (“net DER”; the balance between borrowings and total Mitsui & Co., Ltd. shareholders’ equity; an indicator of financial soundness) of 0.81 times. With the settlements regarding the potential liabilities which our subsidiaries had in relation to the oil spill incident in the Gulf of Mexico, we now believe that we have substantially decreased the risk of the incident having any material effect on our balance sheet.

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\(^1\) In this report, “net income” refers to consolidated net income attributable to Mitsui & Co., Ltd.
\(^2\) Free cash flow = net cash provided by operating activities + net cash used in investing activities
\(^3\) Net DER = net interest-bearing debt ÷ total Mitsui & Co., Ltd. shareholders’ equity
   Net interest-bearing debt = interest-bearing debt – (cash and cash equivalents + time deposits)

We have embarked on our new Medium-term Management Plan “Challenge and Innovation 2014" covering the two-year period from April 2012. Under a slogan of “Creating the future through dynamic evolution,” we are working as one to make Mitsui a leading company in each of its business areas, with the aim of being a leading global business enabler.

**Operating Environment**

Managing the Company from a long-term perspective to capture the growth of emerging markets and global demand

The global economy is maintaining overall gradual growth, driven by solid economic development in emerging markets, but we remain aware of the downside risk to Mitsui’s earnings from the effect of worsening financial crisis in Europe on growth rates in emerging economies as well as lower commodity prices. We also need to be cautious regarding increased volatility in crude oil prices from heightened political risk. Against this backdrop, we are managing the Company from a long-term perspective to capture the growth of emerging markets and global demands while closely following trends in the macro environment and commodity prices.

### Medium-term Management Plan-Quantitative Plan

- **Net income**
  - **2011 (Result)**: ¥306.7 billion
  - **2012 (Result)**: ¥434.5 billion
  - **2013 (Forecast)**: ¥400.0 billion
  - **2014 (Forecast)**: ¥450.0 billion

- **Quantitative image**: ¥500.0~600.0 billion

- **3~5 years ahead**

- **ROI (**)**: 12~15%
  - Total assets: ¥10~12 trillion
  - Net income: ¥3~5 trillion

<table>
<thead>
<tr>
<th>Year</th>
<th>Result</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>¥306.7</td>
<td>¥434.5</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
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<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) ROE = Net income ÷ Total shareholders’ equity
Quantitative Plan

Aiming to strengthen the earnings base for the future

Recognizing this operating environment and based on current commodity prices, we are forecasting net income of ¥400 billion for the fiscal year ending March 31, 2013. We are positioning this fiscal year as one of solidifying our foothold by enhancing our business portfolio through steady progress in investment and loan projects carried out in the past. Our net income forecast for the fiscal year ending March 31, 2014 is ¥450 billion. In addition to realizing returns from past projects, we plan to bolster our earnings strength by quantitatively increasing our upstream interests in major commodities and boosting the profitability of our business assets. Looking at where we want to be in three to five years, we have drawn an image of ¥10 trillion - ¥12 trillion of total assets, net income of ¥500 billion - ¥600 billion and ROE of 12% - 15%. We will aim to further strengthen our earnings base to achieve this image.

Key Initiatives

Achieving stable, sustainable growth through “Yoi-Shigoto” (good quality work) by following the change of operating environment

Under the new Medium-term Management Plan, we will pursue the following initiatives based on three main pillars: (1) establishing a strong earnings base that enables sustainable and stable growth; (2) creating new businesses for the next generation; and (3) creating added value through distinctive capabilities and “Yoi-Shigoto” (good quality work).

First, we will accelerate our initiatives for future growth, adding new quality assets. With increasing global demands for securing stable supplies of resources and energy, we aim to expand our activities in upstream fields in the areas of metals, energy, chemicals, food, and daily goods. With resource development, while we engage in resource development businesses, we are also determined to contribute to the sustainable growth of those resource-rich countries. We will also step up our efforts to capture the growth of emerging markets and global demands in such areas as steel products, chemicals, automobiles and mining equipment, food, infrastructure and medical healthcare. In terms of key regions, we will focus the allocation of management resources on eight countries, having newly added Mozambique and Myanmar to the previously identified Brazil, Russia, India, China, Mexico and Indonesia. Both Mozambique and Myanmar are rich in natural resources. We see significant demand going forward in these countries, in areas including the building of domestic infrastructure, and I believe there will be many areas in which Mitsui can demonstrate its strengths. In Mozambique, we are involved in crude oil and gas development projects from the exploration stage and have been successful in discovering large gas fields. We are also working to capture growth in Africa, Turkey, and the Middle East. In addition to accelerating our initiatives for future growth, we will establish a strong earnings base by realizing returns of past investments and loans and enhancing asset quality through strategic investments and recycling of assets.

The source of our strength is our flexibility and ability to evolve our business structure, constantly adapting to the changing environment and the structural switch. Following the change of operating environment, we will develop next-generation businesses that anticipate the future in such fields as the environmental businesses and new energy, as we contribute to global development and the structural transformation of Japanese industry.

Work that is useful for customers and society, or “Yoi-Shigoto” (good quality work), is the foundation of Mitsui’s business activities. By pursuing quality work that meets diverse needs around the world, we will enhance the quality of our work and thereby improve the quality of the profit generated. We will continue to strive to create “added value” for society while working to differentiate our business functions. We will strengthen the internal controls and risk management structure that support Yoi-Shigoto, cultivate human resources to pursue Yoi-Shigoto globally, and continue to manage the Company with the constant awareness of Yoi-Shigoto.
Medium-term Management Plan—Investments and Loans

Investments and loans made during the fiscal year ended March 31, 2012 totaled ¥650 billion, which was basically on plan, as we steadily invested in businesses in which growth is expected. In the Metal Resources and Energy Business Area, investments for project expansion and new acquisitions came to ¥270 billion and included the expansion of the shale gas and oil business in the United States. In the Lifestyle Business Area, ¥180 billion was invested for projects including participation in an overseas hospital business and making Multigrain, which is engaged in grain distribution and production in Brazil, a consolidated subsidiary. Infrastructure investments totaled ¥110 billion, which was used in floating production, storage and offloading (FPSO) facilities for oil and gas and rolling stock leasing business. We also invested ¥90 billion in the Global Marketing Networks Business Area, including a biochemical business with The Dow Chemical Company. At the same time, we continued to enhance the quality of our business portfolio through asset recycling by recovering cash in the amount of ¥210 billion.

Under the new Medium-term Management Plan, we plan to invest a total of ¥1,400 billion and recycle ¥300 billion of assets over the two-year period. In addition, we have regrouped our four former business areas into six business areas (please refer to page 7 for more information regarding the six business areas). Under the previous Medium-term Management Plan which covered the period through March 2012, we invested in non-resource areas to rebuild our earnings base in those areas. During the fiscal year ending March 31, 2013, the first year under the new plan, we intend to allocate more than half of our total investments and loans to the Metals and Energy business areas to meet heightened demand for resource and energy security, with the aim of expanding existing quality projects and acquiring new projects to increase our long-term interests in production and reserve volumes. In addition, we intend to make a certain amount of investments and loans in projects with stable earnings in the Machinery & Infrastructure Business Area, and in the remaining three areas we will focus on realizing returns from past investments. During the second year of the new plan, ending March 31, 2014, we plan to make ¥600 billion of investments and loans.

With regard to free cash flow, we anticipate a net outflow during the first year under the new Medium-term Management Plan, reflecting robust investment demand. From the second year, our basic stance will be to keep investments and loans within the scope of cash flow, with the aim of firmly establishing positive free cash flow over the medium to long term. Nevertheless, when quality investment projects do arise, we will continue to approach them flexibly as we have in the past.

<table>
<thead>
<tr>
<th>Medium-term Management Plan—Investments and Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012 (Result)</strong></td>
</tr>
<tr>
<td>Cash outflow: Mineral Resources &amp; Energy: 270</td>
</tr>
<tr>
<td>Cash inflow: Lifestyle: 180</td>
</tr>
<tr>
<td>Divestiture: Minerals &amp; Energy: -210</td>
</tr>
<tr>
<td><strong>2013 (Forecast)</strong></td>
</tr>
<tr>
<td>Cash outflow: Metals: 200</td>
</tr>
<tr>
<td>Cash inflow: Chemicals: 50</td>
</tr>
<tr>
<td>Divestiture: Lifestyle: -50</td>
</tr>
<tr>
<td>Divestiture: -160</td>
</tr>
<tr>
<td><strong>2014 (Forecast)</strong></td>
</tr>
<tr>
<td>Cash outflow: 600</td>
</tr>
<tr>
<td>Cash inflow: Divestiture: -140</td>
</tr>
<tr>
<td>Gross cash outflow ¥650 billion</td>
</tr>
<tr>
<td>Gross cash outflow ¥800 billion</td>
</tr>
<tr>
<td>Gross cash outflow ¥600 billion</td>
</tr>
</tbody>
</table>

(Years ended March 31)
Dividend

A year-end dividend of ¥28 per share for fiscal year ended March 31, 2012
Raising minimum consolidated payout ratio to 25% under the new Medium-term Management Plan to March 2014

Based on our dividend policy of a consolidated dividend payout ratio of 23%, we decided to pay an annual dividend of ¥55 per share for the fiscal year ended March 31, 2012. Subtracting the ¥27 per share interim dividend already paid, year-end dividend was ¥28 per share.

Mitsui’s basic policy for returns to shareholders is to address robust demand for investment in priority and growth areas, to enhance corporate value through investments for growth and to directly return profit to shareholders through dividends. With the healthy financial base that we were able to achieve under the previous plan, we have raised the minimum consolidated payout ratio to 25% under the new Medium-term Management Plan. Our dividend forecast for the fiscal year ending March 31, 2013, based on assumptions of ¥400 billion of net income and a consolidated payout ratio of 25%, is to pay an annual dividend of ¥55 per share, which is unchanged from the previous year.

Under the new Medium-term Management Plan, we continue to pursue a proactive position regarding investments and loans for future growth, and going forward we will strive to maintain an appropriate balance between making quality investments and loans to enhance corporate value and paying dividends to shareholders.

Toward New “Challenge and Innovation”

Mitsui continues to move forward every day based on our founding principle of “Challenge and Innovation.” Amid the dizzying changes in society and the environment, we have been highly sensitive to those changes and constantly looking forward, with a spirit of “Challenge and Innovation” to strongly open a new path to the future, with the aim of being a leading global business enabler. We will continue to work through our core businesses, making every effort in each individual area to contribute to the revitalization of the Japanese economy and the revival of “attractive Japan” as well as supporting global economic development, thereby meeting the expectations of shareholders.

Finally, I would like to once again thank our shareholders for the continued guidance and support.

**Dividend**

<table>
<thead>
<tr>
<th>Years ended (March 31)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual dividend per share</td>
<td>¥98</td>
<td>¥82</td>
<td>¥168</td>
<td>¥238</td>
<td>¥219</td>
</tr>
<tr>
<td>Consolidated dividend payout ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>¥25</td>
<td>¥18</td>
<td>¥27</td>
<td>¥27</td>
<td>¥55</td>
<td></td>
</tr>
<tr>
<td>26%</td>
<td>22%</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

*1 Dividend payout ratio for the fiscal year ended March 2012 was 23% when calculated based on net income of ¥367.9 billion, which excludes the impact of recognized subsequent events related to the settlement regarding the oil spill incident in the Gulf of Mexico.

*2 Dividend forecast for the year ending March 2013 is calculated based on our financial outlook (¥400.0 billion), with the target dividend payout ratio of a minimum of 25%.
Reorganization of Business Areas

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

**Metals Business Area**

Through business development, logistics and trading of mineral and metal resources, metals and steel products, we reinforce a comprehensive value chain to secure a stable supply of the resources, materials and products necessary for both industry and society. We are also active in metal recycling and other initiatives to develop industrial solutions to environmental issues.

**Machinery & Infrastructure Business Area**

We contribute to creating better lives through the long-term, reliable supply of social infrastructure such as electricity, gas, water and railways. We provide sales, financing, lease, transportation and logistics, and project investment in a wide range of machineries, including large-scale plants, marine resource development facilities, vessel and aerospace, motor vehicles, mining machinery and industrial machinery.

**Chemicals Business Area**

Our chemicals business encompasses trade and investment in a range of industries, from upstream chemicals such as petrochemicals, fertilizer raw materials and chlor-alkali, through to downstream chemicals such as functional materials, electronics materials and specialty chemicals. We are also pursuing new initiatives such as new energy-related business and green chemicals.

**Energy Business Area**

Through upstream development, logistics and trading of energy resources such as oil, natural gas and coal, we contribute to the stable supply of energy vital to both industry and society. As part of efforts to achieve a low-carbon society, we are also actively involved in emission trading, renewable energy and new energy projects.

**Lifestyle Business Area**

Adapting to changes in consumption and lifestyles while meeting consumers’ diverse needs, we provide value-added products and services, develop businesses and make investments in the fields of food resources, food products, retail support business, medical and healthcare, fashion, forestry plantation resources, and real estate-related business.

**Innovation & Cross Function Business Area**

Promoting our pursuit of business for next-generation and business field expansion, we are developing various opportunities in logistics, insurance, finance, and information technology-related projects. We continue to establish our business pipeline with initiatives to strengthen our company-wide revenue base through the multi-segmental supply of specialized functions.

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**Net Income by Business Area (Reference*)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Metals</th>
<th>Machinery &amp; Infrastructure</th>
<th>Chemicals</th>
<th>Energy</th>
<th>Lifestyle</th>
<th>Innovation &amp; Cross Function</th>
<th>All Other / Adjustments &amp; Eliminations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (Result)</td>
<td>253.4</td>
<td>195.2</td>
<td>22.3</td>
<td>17.5</td>
<td>434.5</td>
<td>2.0</td>
<td>-41.1</td>
</tr>
<tr>
<td>2013 (Forecast)</td>
<td>400.0</td>
<td>174.0</td>
<td>27.5</td>
<td>17.5</td>
<td>194.0</td>
<td>21.5</td>
<td>34.5</td>
</tr>
<tr>
<td>2014 (Forecast)</td>
<td>450.0</td>
<td>158.0</td>
<td>10.0</td>
<td>7.5</td>
<td>50.5</td>
<td>7.0</td>
<td>7.0</td>
</tr>
</tbody>
</table>

*Global results by business area, including all overseas operations (Reference).
Performance Highlights

Overview of Results for the Fiscal Year Ended March 2012 (from April 1, 2011 to March 31, 2012)

Results of Operations

Net income increased 42% from the previous year.

Net income was ¥434.5 billion, an increase of ¥127.8 billion from the previous year. Major factors behind the significant increase in net income were the increases in commodity prices including crude oil, gas, iron ore and coal, as well as the reversal effect of the previous year’s losses related to the oil spill incident in the Gulf of Mexico. Return on equity (ROE) as a performance indicator was 17.4%.

Financial Condition

Total assets and total shareholders’ equity increased.

Total assets increased by ¥0.4 trillion from March 31, 2011 to ¥9.0 trillion, reflecting new investments as well as expansion of existing projects.

Total shareholders’ equity was ¥2.6 trillion, an increase of ¥0.2 trillion from March 31, 2011. This reflects an increase in retained earnings despite the appreciation of the Japanese yen against foreign currencies.

Cash Flows

Free cash flow was a net outflow of ¥57.2 billion.

Net cash provided by operating activities was ¥381.0 billion. Net cash used in investing activities was ¥438.2 billion due to the addition of new investments as well as expansion of existing projects. Accordingly, free cash flow was a net outflow of ¥57.2 billion.
Net Income by Operating Segment for the Fiscal Year Ended March 2012

(Y billion)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011</th>
<th>2012</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron &amp; Steel Products</td>
<td>306.7</td>
<td>434.5</td>
<td>↑ Tubular products export increased</td>
</tr>
<tr>
<td>Mineral &amp; Metal Resources</td>
<td>167.5</td>
<td>201.3</td>
<td>↑ Iron ore prices increased</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>↑ Recognition of deferred tax assets related to MRRT</td>
</tr>
<tr>
<td>Machinery &amp; Infrastructure</td>
<td>40.1</td>
<td>188.1</td>
<td>↓ Loss allowance for vessels under construction</td>
</tr>
<tr>
<td>Projects</td>
<td></td>
<td></td>
<td>↓ Remeasurement and sales gain on the power producing business in Mexico (FY2011)</td>
</tr>
<tr>
<td>Chemical</td>
<td>12.8</td>
<td>15.5</td>
<td>↓ Underperforming trading of petrochemical intermediate materials and fertilizer materials</td>
</tr>
<tr>
<td>Energy</td>
<td>56.6</td>
<td>66.8</td>
<td>↑ Oil and coal prices and production volume increased</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>↑ Losses related to the oil spill incident in the Gulf of Mexico (FY2011)</td>
</tr>
<tr>
<td>Foods &amp; Retail</td>
<td>56.4</td>
<td>4.8</td>
<td>↑ Mark-to-market valuation related to coffee derivatives improved</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>↑ Remeasurement gain on Multigrain</td>
</tr>
<tr>
<td>Consumer Service &amp; IT</td>
<td></td>
<td>-0.7</td>
<td>↓ Impairment of investment in TPV Technology etc.</td>
</tr>
<tr>
<td>Logics &amp; Financial Business</td>
<td></td>
<td>-42.8</td>
<td>↑ Natural gas trading increased</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>↑ Gain on disposal of unused land in Japan</td>
</tr>
<tr>
<td>Overseas</td>
<td></td>
<td></td>
<td>↑ Earnings of resources and energy subsidiaries in Australia increased</td>
</tr>
<tr>
<td>All Other / Adjustments &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Year ended March 31)
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 introduce AIM SERVICES CO., LTD. (“AIM”; headquarters in Tokyo), a provider of integrated food services throughout Japan, including a message from Munetaka Onose, the company’s president and CEO.

Overview of AIM SERVICES

AIM was founded in 1976 by Mitsui & Co., Ltd., two other Mitsui Group companies and ARA of the United States (the present ARAMARK Corporation), to provide contract food services by employing a management approach that was both scientific and comprehensive. Approximately 36 years ago, AIM got its start by offering food services at the employee cafeteria at Mitsui headquarters. The company now has around 36,000 employees, and its operations extend to corporate offices, factories, schools, hospitals, social welfare and other facilities, providing 1.2 million meals per day at 3,400 locations throughout Japan. In the process, AIM has grown as a corporate group and steadily improved its operating performance. (The company placed seventh in a 2011 Nikkei sales ranking of food service providers throughout Japan.)

The company name, “AIM”, is an acronym that derives from the names of its founders: the “A” is from ARA, the “I” is from International Food Development (the former English name of the current Isetan Mitsukoshi Food Service Ltd.) and the “M” from the Mitsui Group.

Helping People with Disabilities Achieve Autonomy

Through its proactive efforts, AIM strives to help people with disabilities achieve autonomy. AIM currently employs more than 300 people with disabilities and was ranked second in Japan by the Ministry of Health, Labor and Welfare for its percentage of employment of people with disabilities. (The ranking was conducted as of June 1, 2008, and targeted companies with 5,000 or more regular employees.)
Introducing a Host of Innovations in the Contract Food Services

AIM’s history is one of ongoing innovations in the contract food services. When the company began providing meals at the employee cafeteria at Mitsui’s corporate headquarters in November 1976, rather than offering standardized meals AIM introduced a cafeteria-style selection that allowed employees to choose the foods they liked. Unusual at the time, this approach attracted attention from the mass media. In 1978, AIM began providing food services at hospitals, leading to rapid improvements in patients’ meals. The company pioneered many of the practices that are nowadays commonplace in Japan, such as offering food at optimal temperatures and appropriate times, menu selections, and bedside delivery.

AIM introduced a variety of health-oriented programs in keeping with mounting health awareness and in response to the introduction of Specific Health Checkups and Specific Health Guidance systems in Japan. Moreover, the company’s services extend beyond the supply of healthy meals: working with health insurance societies and industrial physicians, AIM provides a nutritional guidance service to individuals based on their nutritional intake and exercise history. The company also collaborates in the publishing of recipe books.

Working behind the Various Scenes

AIM’s business model is “B to B for C.” In other words, AIM, as a business entity, supports its corporate clients (businesses) for their employees (consumers). As it typically works on a contract basis for client companies to operate their employee cafeterias, consumers seldom encounter the company name. As AIM works behind the various scenes in an unexpectedly large number of locations, you may have come into contact with the company without knowing so.

AIM furnishes all food services at MAZDA Zoom-Zoom Stadium Hiroshima, home of a professional baseball team, and operates some food services at Yokohama Stadium and QVC Marine Field Stadium. Readers may have encountered AIM while enjoying a baseball game at one of these stadiums.

AIM has extensive experience with sporting events as well. The company got its start in this field by working with ARAMARK, dispatching employees overseas to provide meals for athletes at the Los Angeles Olympics in 1984. Thereafter, AIM operated the cafeteria in the athletes’ village at the 12th Asian Games Hiroshima in 1994. The company has also managed cafeterias at the Atlanta, Nagano and Athens Olympic Games as well as for the FIFA World Cup and numerous other international events. In addition, AIM plans to send seven employees to offer services at the London Olympics in summer 2012. For its preeminent reputation as the only Japanese company in this field, in 2008 AIM was selected to provide meals and nutritional support services at the Ajinomoto National Training Center, Japan’s first specialized training facility for top athletes.

AIM manages food services at a host of other locations, such as social rehabilitation program centers, training facilities, employee and student dormitories, golf courses, ski resorts and hot springs facilities. Through food services, AIM strives to provide support services in a variety of forms to make life more comfortable for its customers.
Offering 1.2 million meals every day is a major endeavor, and the amount of ingredients required is prodigious. For example, the vegetable most frequently used is onions; AIM uses 20,000 each day. The company procures some 22 tons of rice per day. AIM transports these ingredients to its centers throughout Japan for use in preparing meals. Although managing cafeterias on such a massive scale is AIM's area of expertise, some issues are inherent in these operations. Since providing customers with meals that are safe and reassuring are its topmost priority, AIM has a stringent hygiene management system that spans all facets of food service, from obtaining ingredients to offering services and raising staff morale. At the same time, the company faces a number of new issues with regard to providing food that is safe and reassuring. These issues include increasing global foodstuff prices, food poisoning incidents, and potential contamination from radioactive substances as a result of the Great East Japan Earthquake.

Under these conditions, AIM recognizes the importance of reconfirming its dedication to clear food service quality standards. Accordingly, the company established a quality management division in April 2012 and is redoubling its efforts to supplying customers with meals that are safe, reassuring, healthy and delicious.

AIM faces a number of issues involving the operating environment. For example, the birthrate in Japan is falling, the country's population is aging and decreasing and Japanese companies are moving their operations overseas, resulting in decline in overall demand. Furthermore, Japan's social insurance payments are set to rise, as may the national consumption tax. These are just a few of the changes in the macro environment that may affect the business that has been the company's mainstay since the time of its establishment: providing contract food services to companies and hospitals.

Against this backdrop, AIM advocates the provision of “comprehensive management services” that encompass the entire range of services its customers require. Under this business model, AIM positions management staff at client companies and hospitals to oversee the provision of multiple services, including meals and cleaning. As these services are managed in an integrated manner, they afford better cost control and enable higher quality levels than would be possible for stand-alone services.

AIM is striving to use food services as its springboard to becoming a comprehensive services management company with its affiliates that handle such activities as facility management and uniform rental. The company aims to make a significant leap forward by leveraging its expertise in service management based on paying meticulous attention to customers. AIM's shareholders, ARAMARK and Mitsui, plan to strengthen their ties with the company to assist it in achieving these objectives.

This year marks the 37th year since the founding of AIM SERVICES Group. Over the years, we have endeavored to grow in step with our customers by efficiently providing services of surpassing quality. At the same time, with changes taking place throughout the world more quickly and extensively than ever before, we are constantly faced with the need to respond to new issues. We have set for ourselves the goal of becoming a leading food service provider within 10 years, so we are positioning the next three years as a period for making a significant leap forward in our business.

Establishing a quality management division was one move designed to enable us to create an "unassailable organization" to achieve this growth.

Indeed, we are working to adequately assess these changes in the market environment and to gain a sound understanding of resultant shifts in customer values and needs so that we might better offer customer-tailored solutions both in the form of premium-quality foods that are safe and afford peace of mind and are healthy and delicious, and in the form of services. In the process, we aspire to become even more highly regarded as a comprehensive services management company.

Message from President Onose

Munetaka Onose, President & CEO
AIM SERVICES CO., LTD.

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To address the damage caused by the Great East Japan Earthquake, Mitsui is assisting restoration activities and research efforts by providing aid via the Mitsui & Co., Ltd. Environment Fund. One of the recipients of this fund’s grants is Shigeatsu Hatakeyama, founder of the NPO “Mori wa Umi no Koibito” (Forests are Lovers of the Sea). Mr. Hatakeyama, who was recognized as a Forest Hero*1 during the fiscal 2011 United Nations Forum on Forests, conducted a commemorative lecture on April 3.

An oyster farmer from Kesennuma, Miyagi Prefecture, Mr. Hatakeyama has taken part in a broadleaf tree planting movement for more than 20 years. During his lecture, Mr. Hatakeyama emphasized the connections between oceans, the rivers that feed them, and the mountains in which they originate, providing specific examples based on his own experience. On the same day, his NPO held a symposium on “Cleaning up the rubble in Kesennuma Moune Bay and monitoring the biological environment,” one of the restoration activities supported by Mitsui’s fund. Masaru Tanaka, professor emeritus of Kyoto University, and other university researchers taking part in these activities reported on their status. Their accounts highlighted the amazing rate at which the sea off Kesennuma is recovering from the tsunami damage and the NPO’s efforts to reinvigorate the region’s fishing industry.

Recognizing the need to provide long-term assistance in the disaster-stricken region, Mitsui plans to continue supporting restoration activities in fiscal 2012.

*1 Commemorating the International Year of Forests in 2011, the United Nations Forum on Forests selected eight people who have made special contributions toward protecting forests and forest communities as Forest Heroes.

BS12 Channel TwellV Airs “Textbook for the Future: For Our Children,” a Documentary Aimed at Assisting Reconstruction Efforts

TwellV, a BS12 channel operated by a Mitsui’s subsidiary, began airing “Textbook for the Future: For Our Children” in June 2011. People who live in the area affected by the Great East Japan Earthquake conducted interviews of disaster victims and film daily activities in the stricken area. The documentary comprises episodes that introduce people helping each other to overcome difficulties in the face of disaster on an unprecedented scale. As its name suggests, the program fashions itself as a textbook chronicling for the future the hidden strengths of the Japanese people while at the same time serving as a real-time commentary on the affected region in the here and now. Mitsui hopes such efforts will contribute to long-term support for the area’s restoration and reconstruction.
In November 2011, Mitsui and Sanyo Special Steel Co., Ltd. signed a joint venture agreement with Mahindra Ugine Steel Company Limited (“MUSCO”), a manufacturer of special steel in India’s Mahindra Group. Mitsui expects to hold a 20% equity stake in the venture, which will manufacture and market special steel. The resulting special steel stock is to be used in automobiles, industrial equipment, and important plant components.

India, a key emerging market, has enjoyed substantial economic growth in recent years, pushing up demand in automotive and other industries. In turn, these conditions are expected to cause demand for special steel to increase. In 2005, Mitsui joined a venture in India to manufacture cold-rolled and galvanized steel sheet. Through this operation and combined with the current venture, Mitsui aims to respond to the growing needs of the Indian market.

Along with Electric Power Development Co., Ltd., and the Development Bank of Japan Inc., Mitsui will participate in the Hezhou Power Plant project that is under development by China Resources Power Holdings Co., Ltd. The three Japanese companies will take a stake in the project through JM Energy, established in Hong Kong, which will invest through a joint venture with China Resources Power. Mitsui will hold a 37% stake in JM Energy.

This project involves the construction and operation of an ultra supercritical (USC) coal-fired thermal power plant (1 GW x 2 units) in the city of Hezhou, in China’s Guangxi Zhuang Autonomous Region, and will be the first such facility in this region. USC power plants fire coal at higher temperatures and pressures than conventional plants. As a result, they have enhanced thermal efficiency and reduced carbon dioxide emissions. The project aims to offer a stable supply of electricity to southern China, which is experiencing substantial economic growth, while conserving energy and providing environmental contributions. Construction is moving forward, with plans for the first unit to go on line in August 2012 and the second scheduled to become operational in November 2012.
Mitsui and Canadian biochemical venture company Bio-Amber, Inc. (“BioAmber”) have established a joint company to carry out the world’s first biosuccinic acid production business. Since 2009, Mitsui has supported BioAmber’s growth through capital and management participation. Mitsui has also conducted market research concerning the commercial viability of biosuccinic acid business in Asia.

This project aims to produce cost-competitive biosuccinic acid from corn and other renewable biomass materials, which will result in lower carbon dioxide emissions and a reduced environmental impact compared with producing the acid from petroleum. In addition, biosuccinic acid can be employed in a wide variety of fields, including biodegradable plastics and polyurethane, which is used in cushions and other products.

Striving to promote the use of chemicals with a reduced environmental impact, Mitsui and BioAmber plan for the first plant to go into operation in Canada in 2013. The two companies are also considering the construction of plants in Thailand, as well as either in Brazil, or North America.

Through its U.S. subsidiary Mitsui E&P Texas LP, Mitsui has acquired for US$680 million (approximately ¥54.4 billion) a 12.5% working interest in a project to develop and produce shale oil and shale gas in the state of Texas on the Eagle Ford property owned by SM Energy Company, of the United States.

This project will allow for the drilling of more than 1,000 wells over the next decade, and our cash consideration will be paid as drilling progresses. Production has already commenced, and the resulting product is being sold in the U.S. market.

Mitsui’s portfolio in the shale gas business already includes projects in the U.S. state of Pennsylvania as well as Poland. By leveraging the extensive expertise accumulated through its network of companies that are involved in shale gas development, Mitsui aims to further expand its activities in the shale oil and shale gas business.
Mitsui has transferred to Toray Industries, Inc. (“Toray”), a 20% stake in MicroBiopharm Japan Co., Ltd. (“MBJ”), a wholly owned Mitsui subsidiary. Mitsui and Toray have also agreed to work together in the pharmaceuticals and chemicals businesses.

MBJ, which Mitsui acquired from Mercian Corporation in July 2011, is involved in the manufacture, including contract manufacturing, and sales of anticancer drugs, antibiotic substances, and other pharmaceuticals (APIs and intermediates*) produced using proprietary production technology created by combining biotechnology with fermentation technology. The company also manufactures and markets specialty chemicals. In China, MBJ holds a 34% stake in Shenzhen Main Luck Pharmaceuticals Inc., which manufactures and markets pharmaceuticals, especially anticancer drugs.

Mitsui and Toray view this agreement as an opportunity to leverage their experience and expertise to further augment MBJ’s strengths. At the same time, the companies look forward to forging a stronger relationship in the medical and healthcare field and chemicals businesses.

* APIs refer to the active pharmaceutical ingredients included in pharmaceuticals. Intermediates are produced in the process of converting ingredients to APIs.

Mitsui’s venture investment subsidiary, Mitsui Global Investment, Ltd., and Mitsui Global Investment, Inc. (“MGI USA”), its U.S. subsidiary, cultivate venture companies in Japan and overseas. MGI USA focuses on biotechnology and healthcare areas. MGI USA has continued to invest in Boston Biomedical, Inc. (“BBI”), an innovative U.S. drug discovery company operating in the cancer domain, since shortly after its establishment by supporting BBI’s business development, enhancing its corporate value, and cultivating its operations.

BBI is developing new compounds as antitumor agents targeting cancer stem cells—cells thought to have an important role in cell proliferation. Cancer stem cell targeting agents are gaining prominence globally as they represent a potentially new approach to the treatment of refractory, recurrent and metastatic cancers. If development is successful, there is the possibility that the compound will enter the market as the first anticancer drug targeting cancer stem cells.

BBI has been acquired by Dainippon Sumitomo Pharma Co., Ltd., which anticipates the commercialization of these drugs based on clinical data on the company’s mainstay development products and its development structure. This sale represents a success for the Mitsui subsidiaries.

Going forward, Mitsui will continue to invest aggressively in and support the activities of venture companies with innovative technologies, thereby supporting the development of companies in which it has invested and working to create new value in a host of fields.
Growing with Brazil through Mitsui’s “Challenge and Innovation”

Brazil, a Rising Presence in the World

Extending over a massive area and blessed with abundant food supplies and natural resources, Brazil enjoys ongoing growth supported by a young labor force—its population averages 29.3 years of age. One of the quickest countries to shake off the effects of the Lehman Brothers collapse, Brazil’s development has decelerated slightly as a result of the EU crisis, but the rapid expansion of its middle-income population and the attendant growth in domestic consumption have set the stage for further development. Also, Brazil’s government is laying the necessary foundations for sustained growth through efforts to cultivate and reinforce domestic industry and aggressive investments in social infrastructure. Furthermore, the country is augmenting urban transport and other public infrastructure ahead of the FIFA World Cup in 2014 and the Summer Olympic in 2016, driving additional economic advancement. In 2011, Brazil’s GDP surpassed that of the United Kingdom, making Brazil the world’s sixth largest economy in terms of GDP. For a host of reasons, Brazil is on the path to additional economic expansion and a rising world presence.

Mitsui’s Relationship with Brazil

Mitsui has a strong relationship with Brazil harking back to the 1970s, when the Company took an equity stake in Brazilian iron ore producers in an effort to ensure a steady supply of materials to Japanese steelmakers. Mitsui currently participates in the management of Vale S.A. (“Vale”), a diversified Brazilian resource development company that boasts the world’s highest level of iron ore production, through Valepar S.A. Mitsui is also jointly managing a phosphorous ore mining business with Vale in Peru. With Petroleo Brasiliero S.A. (“Petrobras”), Brazilian state-owned oil company, Mitsui is involved in a gas distribution business and the supply of floating production, storage and offloading vessels (FPSOs). In addition to partnering with some of Brazil’s leading companies in these areas, Mitsui’s deeply rooted presence in the country spans a host of other businesses, such as grain distribution, agricultural production, freight car leasing, auto parts logistics, and the production of biochemicals using sugarcane as a feedstock. Furthermore, through the Mitsui Bussan do Brasil Foundation, Mitsui has endowed a lecture program at the University of Sao Paolo to foster human resources by contributing to Japan-Brazil friendship and progress and provides ongoing financial assistance for the Kaeru (going home) project to guarantee that children who return from Japan will have a smoother transition to Brazilian schools and lifestyle. In these ways, Mitsui takes an active role in social contribution activities in Brazil, centered on education.

Growing with Brazil

Mitsui and its affiliated companies in Brazil employ some 2,200 people, of whom 60 are Headquarter-hired staff. Mitsui has increased its investments in Brazil to approximately ¥570 billion.

By strengthening the ties it has developed with local partners, Mitsui will continue to apply its comprehensive and integrated strengths to such areas as mineral and metal resources, energy, infrastructure, and foodstuffs and focus on businesses that target Brazil’s domestic market. Mitsui aims to contribute to further economic growth by assisting the country in developing its potential and addressing the challenges it faces. Mitsui is also leveraging its global network to enable its Brazilian partners develop new businesses overseas.
Global Business Activities—Brazil

◆ Major Business Activities in Brazil ◆

Vale: From the Development of Iron Ore Resources to Promoting Initiatives That Leverage Comprehensive and Integrated Strengths

The partnership between Mitsui and Vale began in iron ore business.

In the 1970s, Mitsui took an equity stake in Brazilian iron ore producers to secure a supply of resources for Japanese steelmakers. In the 1990s and 2000s, Mitsui acquired an equity stake in Caemi Mineração e Metalurgia S.A., managing the company jointly with Vale and forging strategic alliances. In September 2003, Mitsui acquired a 15.0% stake in Valepar S.A., thereby participating in the management of Vale, the world’s largest supplier of iron ore.

Vale is taking advantage of Mitsui’s comprehensive and integrated strengths to maximize its development into a multifaceted business. The two companies’ business interests overlap in a number of areas; in addition to promoting joint businesses Mitsui is supplying materials and equipment and marketing Vale’s products. Deepening relations even further, in 2010 Mitsui made a 25.0% investment in a phosphorus ore development project in Peru that Vale is promoting. Mitsui intends to continue forging ever strong ties of cooperation with Vale.

Promoting a Gas Distribution Business with Petrobras

Mitsui began participating in a gas distribution business in Brazil in 2006. Through wholly owned subsidiary Mitsui Gas e Energia do Brasil Ltda. (“MGEBr”), Mitsui is pursuing this business with local gas distribution companies in seven Brazilian states and owns between 23.0% and 24.5% of the common stock of each of these companies. Among the companies’ other shareholders are their respective state governments and a subsidiary of Petrobras, Brazilian major state-owned oil company.

The seven companies in which MGEBr holds an equity stake handle 21.3% of Brazil’s total gas distribution volume as of fiscal 2011. Their service area encompasses a population of nearly 50 million people, making this the fourth largest gas distribution business in Brazil.

In line with Brazil’s ongoing economic growth, Mitsui aims to help provide a stable supply to the country’s expanding gas market by enlarging its gas distribution business.
Entering the Auto Parts Logistics Business

In December 2011, Mitsui acquired all shares in Veloce Logistica SA ("Veloce"), which handles the distribution of automotive parts primarily in Brazil, for approximately ¥4.7 billion. Chiefly serving such automakers as General Motors and Toyota with operations in Brazil and neighboring Argentina, Veloce provides logistics services comprising transportation and distribution center management to ensure that assembly parts reach their destinations in a timely manner.

Automobile production in Brazil is expanding in tandem with the country's economic development and a burgeoning middle-income population. Production has surged from 2.2 million vehicles in 2005 to 3.2 million in 2010. Leading automobile manufacturers are planning the construction of new factories in the country to keep pace with rising demand, and annual production is forecast to exceed 4.0 million vehicles within the next few years. As Brazil's distribution infrastructure is struggling to keep pace with this rate of growth, more efficient logistics services will be essential.

Mitsui will put to use the expertise it has accumulated in auto-related distribution businesses in North America, Europe, and Asia to provide quality logistics services in Brazil. At the same time, Mitsui plans to leverage its comprehensive and integrated strengths by drawing on relationships with logistics businesses in other industries to assist in the development of distribution activities in Brazil's automotive sector.

Multigrain: From Grain Production and Origination to Export

In 2007, Mitsui took an equity position in Multigrain AG, thereby embarking on the distribution and sale of grain as well as agricultural production business involving soybeans and cotton in Brazil. From farmland and soybean origination facilities centered in northeastern Brazil, Multigrain exports soybeans to Japan, China and other parts of Asia, and Europe. According to the U.S. Department of Agriculture, in 2011 Brazil was the world's second-largest soybean producer and led the world in soybean export. Amid growing global demand for food, Brazil is said to be one of the few countries with the ability to produce grain surpluses. Recognizing the country as an important center of the grain business, in May 2011 Mitsui converted Multigrain to a wholly owned subsidiary to bolster its production and origina-

In addition to Multigrain in Brazil, Mitsui is expanding its origination structure to include other major grain-producing regions, such as North America and China. In this manner, Mitsui is reinforcing its ability to provide a stable supply of grain to Asia and other growth markets.