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.
Message to Our Shareholders
First Half of the Fiscal Year Ending March 31, 2013
Masami Iijima, President and Chief Executive Officer

We would like to thank our shareholders for your continued support. Let me take this opportunity to report on our results for the first half of the fiscal year ending March 31, 2013.

Consolidated financial results for the first half of the fiscal year ending March 31, 2013

Secured net income*1 of ¥168.3 billion despite a challenging operating environment

The first half of this fiscal year saw the financial crisis in Europe affecting the global economy, and particularly since the summer months, China demonstrated large slowdown. With slower growth in emerging markets and declines in international commodity prices, we faced a difficult operating environment. However, our view that the global economy, emerging market economies in particular, will continue to show moderate growth, supported by monetary easing policy and fiscal stimulus packages around the world, is unchanged. Taking China as an example, we believe continued economic development is possible, driven by personal consumption and infrastructure investment, mostly in inland regions, as a result of stimulus programs and accelerated pace of approvals granted to infrastructure investment plans. Nevertheless, we believe more time will be required for these measures to yield results, and we see the challenging operating environment continuing for the time being.

Reflecting this challenging environment, net income for the first half of the fiscal year declined ¥59.0 billion year on year, to ¥168.3 billion. This decrease was mainly the result of a drop in iron ore prices and the economic slowdown, representing a partial materialization of downside risks. Nevertheless, despite these increasingly uncertain conditions, the assets we own are highly cost-competitive, and by expanding these assets and acquiring quality new assets, we were able to maintain this profit level through higher production volumes.

Looking at our main operating segments, despite a large drop in iron ore prices, the Mineral & Metal Resources Segment maintained certain level of profit through increased sales volumes and cost controls. The Energy Segment experienced weak prices for coal and U.S. gas, but due to the relatively high crude oil prices, increased crude oil and gas production volumes as well as dividend income from the LNG businesses, the business marked a solid performance. The Iron & Steel Products and Chemicals segments posted weak results from a deterioration in market prices associated with the economic slowdown.

Net Income by Operating Segment

Net Income by Operating Segment

*Please refer to page 8 for more information.

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

*2. 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)
Progress under investment and loan plan

Seizing opportunities for quality investments to strengthen the future earnings base

We continue to acquire quality new assets and enhance the quality of existing assets to strengthen our earnings base for the future. While the original plan for the full-year was ¥800.0 billion, investments and loans during the first half, mainly in Metals and Energy business areas, totaled ¥600.0 billion. We invested ¥300.0 billion, which was more than initially planned, in the Metals business area for projects including the expansion of our iron ore business in Australia and a newly acquired copper business. In the Energy business area, we continued to invest in a variety of regions with total outflows of ¥205.0 billion going to Thailand, Australia, the Middle East, the United States and the North Sea, for projects including our participation in the Browse LNG Project in Australia and the expansion of our shale oil and gas projects in the United States. In the Machinery & Infrastructure business area, outflows totaled ¥50.0 billion and included leased rolling stock and FPSO (floating production, storage and offloading) leasing businesses. On the other hand, we also recovered ¥90.0 billion from asset recycling (from the review and replacement of businesses and assets). We sold shares in Nihon Unisys and T-Gaia as part of our efforts to improve the competitiveness of our portfolio.

There is one item I would like to mention. In the Metals business area, we concluded an agreement in August with Codelco, Chile’s state-owned copper company, for a strategic alliance that will involve the joint ownership of shares of Anglo American Sur S.A. of Chile, a world-class copper mining asset. The cash outflow for this project was not included in the investment and loan plan included in the Medium-term Management Plan announced in May of this year. Nevertheless, we decided to seize this opportunity and make an investment that exceeds our original plan, since under this alliance where we agreed to build a multifaceted relationship with Codelco and to expand beyond Chile into global businesses, we expect to create new value through a variety of new projects going forward. Despite an abundance of investment opportunities, there are very few quality ones that are cost competitive with superior resource reserves. We believe that we were able to grasp such good opportunities in each business area because of our global business network with excellent partners and customers, as well as our ability to maintain a strong balance sheet.

In terms of our financial position, our net debt-to-equity ratio,*2 an indicator of financial soundness showing the balance between borrowings and total shareholders’ equity, rose to 0.94 times, due to these large investments combined with a reduction in total shareholders’ equity caused by strong yen and lower share prices. Nevertheless, this level is within our expectation and indicates that we have been able to maintain a strong financial position. By maintaining our on-hand liquidity and procuring long-term funding with favorable conditions, we are able to manage financial market liquidity risk while maintaining our ability to respond flexibly when new investment

<table>
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<tr>
<th>Business Area</th>
<th>Plan Mar/2013</th>
<th>Result Mar/2013 2Q</th>
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<tbody>
<tr>
<td>Metals</td>
<td>200</td>
<td>300</td>
</tr>
<tr>
<td>Machinery &amp; Infrastructure</td>
<td>200</td>
<td>50</td>
</tr>
<tr>
<td>Chemicals</td>
<td>50</td>
<td>10</td>
</tr>
<tr>
<td>Energy</td>
<td>250</td>
<td>205</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Innovation &amp; Cross Function</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>Gross cash outflow</td>
<td>800</td>
<td>600</td>
</tr>
<tr>
<td>Divestiture</td>
<td>-160</td>
<td>-90</td>
</tr>
<tr>
<td>Net cash outflow</td>
<td>640</td>
<td>510</td>
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*Please refer to page 8 for more information.
opportunities arise.

Free cash flow*3 for the first half was a net outflow of ¥295.6 billion, reflecting inflows from operating income and dividend income as well as large outflows for investments and loans, primarily in the areas of Metals and Energy. We anticipate a large negative free cash flow for the current fiscal year, but we view this as a temporary deficit associated with investments in quality projects to reinforce our earnings base from a long-term perspective. Our policy to target positive free cash flow on a sustainable basis by, in principle, maintaining investments and loans within the scope of operating cash flow is unchanged; we will continue to make our efforts to improve the quality of our portfolio by further reinforcing our investment discipline to strengthen our future earnings base.

Forecast for the fiscal year ending March 31, 2013

Aiming to fully achieve revised net income forecast of ¥310.0 billion

Although we were able to secure the level of net income for the first half at ¥168.3 billion, we continue to face considerable uncertainty with regard to global economic trends and commodity prices, and our operating environment is more challenging than we had initially anticipated. Prices for iron ore and coal are significantly below the assumptions used in our original plan, and a difficult trading environment appears set to continue. We have therefore lowered our net income forecast for the current fiscal year to ¥310.0 billion from our original forecast of ¥400.0 billion.

We have lowered our forecast for the Mineral & Metal Resources and Asia Pacific segments by a combined ¥42.0 billion, mainly to reflect the decline in iron ore prices. Although we have lowered our forecast, we consider these businesses to be maintaining a reasonable level of profit given recent market trends. In the Energy Segment, the crude oil, gas and LNG businesses are recording solid results, but we expect the price of coal to fall during the second half and have lowered our net income forecast by ¥10.0 billion. The Iron & Steel Products and Chemicals segments are performing well in North America, where the economy is relatively stable, but we see a recovery in other regions requiring more time and have lowered our forecast by a combined ¥14.0 billion. Even though the operating environment remains difficult, we will continue to pursue our growth strategy by working with quality local partners overseas. In the Americas Segment, on the other hand, we have raised our forecast to reflect the solid performance in the Chemicals and Iron & Steel Products areas. The Lifestyle and Innovation & Cross Function segments are working hard on their portfolio through recycling of assets and improving the earnings base, and we are keeping our original forecasts for those segments unchanged.

We will continue to closely follow economic developments and market trends, with the aim of achieving our net income forecast of ¥310.0 billion for the full year.

Forecast for Annual Operating Results by Operating Segment

*3. Free cash flow = net cash provided by operating activities + net cash used in investing activities
**Dividend**

**Planning for annual dividend of ¥43 per share, with interim dividend of ¥22**

Under our Medium-term Management Plan announced in May 2012, covering the two-year period from April 2012, we raised the consolidated dividend payout ratio to a minimum of 25% from the 23% applied on the previous fiscal year. We also decided on our policy to apply a dividend payout ratio of 25% for the fiscal year ending March 31, 2013, the first year covered by the Medium-term Management Plan.

Based on this dividend policy, we plan to pay an annual dividend of ¥43 per share (a ¥12 reduction from the previous year), representing a consolidated dividend payout ratio of 25% applied to our revised full-year net income forecast of ¥310.0 billion. The interim dividend is ¥22 per share (a ¥5 reduction from the previous year), half of the planned annual dividend.

With an increasingly uncertain global economy, we continue to face a challenging operating environment. Nevertheless, we will make every effort to achieve net income of ¥310.0 billion for the full year and set a course to ensure sustainable growth going forward while maintaining an appropriate balance between making disciplined investments and loans for quality projects to enhance corporate value and paying dividends to shareholders.

**Proactively responding to change**

We operate in a drastically changing environment, and we have been evolving constantly and flexibly to address the demands of the changing world. To proactively respond to these new challenges, we have established “Business Innovation Department” to create next-generation businesses by promoting investments in areas showing signs of technological innovation. We also aim to transform Japan’s industrial structure and create new markets and industries to contribute to the revival of an “attractive Japan.”

To cultivate the human resources needed to support this evolution, we strive to provide workplaces in which people from various backgrounds would train each other and cultivate global human resources to compete successfully on a global stage that reflects a diverse mix of different values.

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

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**Dividend**

<table>
<thead>
<tr>
<th>Year-end dividend</th>
<th>Interim dividend</th>
<th>Net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 25 26%</td>
<td>2010 11 22%</td>
<td>2011 27 23%</td>
</tr>
<tr>
<td>2012 28 23%</td>
<td>(forecast) 21 25%</td>
<td>2013 22 25%</td>
</tr>
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</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 (¥310.0 billion), with the target dividend payout ratio of 25%.
Performance Highlights

Overview of Results for the First Half of the Fiscal Year Ending March 2013
(from April 1, 2012 to September 30, 2012)

Results of Operations

Net income declined by ¥59.0 billion.

- Net Income: ¥168.3 billion (-26% Y-on-Y)
- ROE (annual rate): 12.8% (-6.8% Y-on-Y)

Net income for the first half of the fiscal year was ¥168.3 billion, a decline of ¥59.0 billion from the corresponding period of the previous year. This decline was mainly due to a drop in iron ore prices and the economic slowdown, partly offset by profit increases due to the reversal effect of impairment losses on listed securities of the previous year and increases in production volume in the Mineral & Metal Resources and Energy segments. Return on equity (ROE) was 12.8% on an annual basis.

Financial Condition

Total assets declined by ¥0.1 trillion.

- Total Assets: ¥8.9 trillion (-1% Y-on-Y)
- Total Shareholders’ Equity: ¥2.6 trillion (±0 Y-on-Y)

Total assets declined by ¥0.1 trillion from that of March 31, 2012, to ¥8.9 trillion. Investments and other assets increased due to new investments as well as expansion of existing projects, while total current assets decreased mainly attributable to the decline in sales volume. Total shareholders’ equity was ¥2.6 trillion, the same level as of March 31, 2012. An increase in retained earnings was offset by a decline caused by strong yen and lower share prices.
Net DER was 0.94 times.

Net Interest-bearing Debt: ¥ 2.4 trillion (+14% Y-on-Y)

Net DER: 0.94 times (+0.13 points Y-on-Y)

Total shareholders’ equity was ¥ 2.6 trillion as of March 31, 2012 and September 30, 2012. Reflecting an increase in net interest-bearing debt of ¥ 0.3 trillion due to increases in investment activities, net debt-to-equity ratio (Net DER) rose by 0.13 points to 0.94 times from the level of 0.81 times as of March 31, 2012.

### Cash Flows

Net cash outflow increased due to aggressive investment.

- **Operating Cash Flow**: ¥ 227.1 billion
- **Investment Cash Flow**: – ¥ 522.7 billion
- **Free Cash Flow**: – ¥ 295.6 billion

Net cash provided by operating activities was ¥ 227.1 billion, reflecting our operating income and dividend income. Net cash used in investing activities was ¥ 522.7 billion mainly attributable to expenditures in Metals and Energy. Accordingly, free cash flow was a net outflow of ¥ 295.6 billion.
Overview of Results for the First Half of the Fiscal Year Ending March 2013 (from April 30, 2012 to September 30, 2012)

Net Income by Operating Segment (¥ billion)

**Iron & Steel Products Segment**

- **1st Half of FY2012:** 4.5 billion
- **1st Half of FY2013:** -0.8 billion

**(Summary of Increase/Decrease)**
- ↓ Steel demand and prices declined
- ↓ Impairment of shares in Nippon Steel Corporation

**Mineral & Metal Resources Segment**

- **1st Half of FY2012:** 111.8 billion
- **1st Half of FY2013:** 49.7 billion

**(Summary of Increase/Decrease)**
- ↓ Iron ore prices declined
- ↓ Copper sales volume declined

**Machinery & Infrastructure Segment**

- **1st Half of FY2012:** 10.0 billion
- **1st Half of FY2013:** 9.0 billion

**(Summary of Increase/Decrease)**
- ↓ Mark-to-Market (MtM) on derivatives declined
- ↑ Loss for vessels under construction (FY2012)

**Chemicals Segment**

- **1st Half of FY2012:** 7.7 billion
- **1st Half of FY2013:** -0.9 billion

**(Summary of Increase/Decrease)**
- ↓ Underperforming trading
- ↓ Impairment of shares in Mitsui Chemicals

Investments and Loans by Business Area

**[Total]**

- **Gross cash outflow:** ¥600 billion
- **Divestiture:** - ¥90 billion
- **Net cash outflow:** ¥510 billion

**Metals Business Area**

- **Gross cash outflow:** ¥300 billion
  - CODELCO (copper mine)
  - Australian iron ore expansion
  - Caserones copper development
- **Divestiture**
  - Redemption of preferred shares of Valepar

**Machinery & Infrastructure Business Area**

- **Gross cash outflow:** ¥50 billion
  - Rolling stock lease
  - FPSO lease in Brazil
  - Mining equipment rental business
- **Divestiture**
  - Loan collection of commercial vessel business

**Chemicals Business Area**

- **Gross cash outflow:** ¥10 billion
Net Income by Operating Segment (¥ billion)

**Energy Segment**
(Summary of Increase/Decrease)
- Coal prices declined
- Dividend from LNG projects increased

<table>
<thead>
<tr>
<th>1st Half of FY2012</th>
<th>1st Half of FY2013</th>
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<tr>
<td>87.4</td>
<td>78.9</td>
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**Lifestyle Segment**
(Summary of Increase/Decrease)
- Drop in soybean harvest by drought at Multigrain
- MtM gain on commodity derivatives (FY2012)

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<thead>
<tr>
<th>1st Half of FY2012</th>
<th>1st Half of FY2013</th>
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<tr>
<td>13.6</td>
<td>4.8</td>
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**Innovation & Cross Function Segment**
(Summary of Increase/Decrease)
- Gain on sales of shares in Nihon Unisys
- Impairment of investment in TPV Technology etc. (FY2012)

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<tr>
<th>1st Half of FY2012</th>
<th>1st Half of FY2013</th>
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<tr>
<td>-24.1</td>
<td>5.9</td>
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**Overseas***
(Summary of Increase/Decrease)
- Americas: Price decline and write-down of inventories at Novus
- Asia Pacific: Earnings of resources and energy subsidiaries (Iron ore and coal)

<table>
<thead>
<tr>
<th>1st Half of FY2012</th>
<th>1st Half of FY2013</th>
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<tr>
<td>35.6</td>
<td>25.1</td>
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**Investments and Loans by Business Area**

**Energy Business Area**
- Gross cash outflow ¥ 205 billion
  - Browse LNG (capital increase in JAL-MIMI)
  - Shale gas/oil
  - Expansion of oil & gas and coal
- Divestiture
  - Sakhalin capital redemption

**Lifestyle Business Area**
- Gross cash outflow ¥ 20 billion

**Innovation & Cross Function Business Area**
- Gross cash outflow ¥ 15 billion
- Divestiture
  - Sales of shares in Nihon Unisys
  - Sales of shares in T-GAIA

***Overseas includes the Americas, Europe, the Middle East and Africa and Asia Pacific segments

Investments and loans of three overseas segments are included in those of six business areas.
Novus International, Inc. creates health through nutrition products for livestock, pets and people. Novus’s history and largest market segment is based in livestock agriculture, they have employees working in over 100 countries, serving more than 3,000 customers worldwide. Products include the essential amino acid methionine (brand name “ALIMET®”), as well as enzymes, minerals, antioxidants and other nutritional products. The Novus product portfolio for livestock is oriented towards supporting the profitable business operations of their customers through healthy and responsible protein production. To support their growing business, Novus has 10+ production centers and 30+ sales centers around the world. And to support Research and Development of new products and to effectively address customer needs, Novus employs over 150 scientists.

Moreover, Novus is one of core companies which reported JPY 8 billion net profit for last year as profit contribution for Mitsui.
Novus International, Inc. was founded in 1991, but their scientific roots and history originated over 50 years ago. In the 1950s, St. Louis, Missouri-based Monsanto Company began conducting livestock and poultry feed metabolism studies. In 1959, one of its products received FDA approval as an animal feed additive, which helped launch the Monsanto division that would become Novus. In 1991, in an effort to focus on its core businesses—seed, herbicide and biotechnology—Monsanto sold its Feed Ingredients division to Mitsui (65%) and Nippon Soda Co., Ltd. (“Nippon Soda,” 35%). Mitsui made the decision to acquire the feed additives business of Monsanto, based on their deep experience in the feed additives business which dates back to 1965.

Mitsui entered the feed additive business in 1965, through the Japanese-sourced export of the amino acid lysine. By working directly with users, Mitsui realized the promising future of the feed additive business and expanded its participation in this business field. Mitsui had the opportunity to acquire the sales rights for methionine produced by Nippon Soda, which later became Mitsui’s business partner, when Nippon Soda commenced its methionine production. Subsequently, having difficulties in increasing the methionine supply capacity due to the complicated production methods and cost factors, Mitsui and Nippon Soda jointly pursued the acquisition, which ultimately became Novus, when Monsanto began looking to sell its feed additive business.

After the acquisition, the business grew through the combination of Mitsui’s expertise in identifying market needs and Novus’s global position as a top tier supplier of methionine. Today Novus is the core company in Mitsui’s feed additive business. In addition, this business model in which Mitsui Group possesses manufacturing capabilities and proactively creates value for users, led to Mitsui’s participation in ammonia and methanol production businesses.

Novus’ products and solutions for livestock address four primary market drivers which contribute to the sustainability of our customer’s business:

- Performance
- Food safety
- Animal well-being
- Environmental impact

Additionally, Novus recognizes that the training and development of people to work effectively and safely within full spectrum of the agriculture value chain is central to achieving sustainability within the agriculture industry.
During their first year in business Novus’ leadership, many of whom are still with the company today, had the foresight to establish their corporate Vision, to “Help feed the world affordable, wholesome food and achieve a higher quality of life.”

At the time this Vision was established Novus was a small, business-to-business company with limited products for the poultry industry. However, they understood that Novus’ core knowledge of health and nutrition related to poultry could be beneficial to other species and that they could have a role to play in food security in the future.

During the same time they also established their Mission as an organization, to “Make a clear difference in sustainably meeting the growing global need for nutrition and health.” and their Core Values:

- Seek excellence from every employee
- Provide products with demonstrable value
- Maximize long-term customer satisfaction
- Protect our employees the public and the environment
- Act with integrity

Novus’ Vision, Core Values and Mission have served as a compass over the years, framing the way they do business and the purpose of their work.

Novus’ commitment to sustainability is rooted into the culture of the organization, it begins at the individual level and is evident in the daily activities of each employee. It is demonstrated in the way that employees put into practice the organization’s collective aspirations, Novus’ Mission, Vision and Core Values.

Novus is also engaged in research and educational activities to further increase productivity. The company provides scholarships to students and researchers in the fields of animal agriculture, including opportunities to work as interns at the Novus International Research Center, and conducts seminars in China, Brazil and other countries. Novus was also the first private-sector company in the United States to sponsor the AWARD program, which supports African women engaged in agricultural research and development.

To ensure sustainability efforts of the organization are benchmarked and continuously improved upon, Novus has elected to publically report for the past four years within the Global Reporting Initiative (GRI) framework.

The Legacy and Importance of ALIMET®

ALIMET® feed supplement was first introduced to the poultry industry in 1983 when the research
of Monsanto was successfully commercialized. The product helped farmers feed their animals more efficiently, enabling them to raise healthier chickens while lowering feed costs. Through the use of ALIMET, farmers were more productive, more profitable and better able to provide the world with greater quantities of wholesome food at an affordable price.

ALIMET helps animals digest feed more efficiently, which has important benefits to the environment. Nitrogen, a chemical component in animal waste, is a pollutant to both land and water. Poultry fed ALIMET produce waste with lower nitrogen levels. ALIMET demonstrates that a leap forward in agricultural productivity can be achieved without increased strain on the environment.

Additionally, as a liquid methionine source, ALIMET helps feed mills operate more efficiently, reducing energy requirements. The organic acid effect of ALIMET, particularly in combination with other organic acids, is successful in reducing harmful bacteria, such as *Salmonella*, in feed.

Novus’ nutrition solutions for the poultry industry resulted in dramatic productivity increases that are one of the great agricultural success stories of our time. In the next wave of innovation, Novus research scientists discovered ways to apply their company’s core expertise in health and nutrition to other animal species and industry segments. They found ways that other animals could benefit from Novus’ insights into poultry nutrition, leading to a range of products that bring *Health through Nutrition* to cattle, pigs and farm-raised fish.

According to a comparative analysis between chicken productivity of 1957—2001, prior to the introduction of ALIMET, the time required to raise a chicken has been reduced from 120 days to 42 days. The average weight has grown from 1.4kg to 2.6kg and the amount of feed required has been reduced by roughly half. Along with other factors including genetic selection, improved nutrient efficiency resulting from the introduction of feed additives largely contributed to this result. Raising livestock without these additives would increase the amount of corn and soybean cake used in making livestock feed. Feed ingredients are an enormous investment to the producers’ business operation, up to 70% of total operating costs. Nutritional strategies can help to protect and maximize this investment, sustaining their business operations and ultimately, reducing the cost of food for consumers.

Methionine is produced through chemical synthesis. The chemical synthesis method uses chemical base materials, some of which require caution when handling, and this creates a high barrier for entry into this business. Today the world’s four largest producer’s account for more than 90% of the global market, and Novus has a global market share of roughly 30%. ALIMET is provided in liquid form, making it easier to add uniformly to livestock feed. Novus also manufactures and provides customers with the dry form of methionine (brand name MHA). Because they offer the product in both a liquid and a powder form, Novus has the capability to participate in the full methionine marketplace.

**Methionine in the Future**

The total global demand for methionine in 2011
was estimated at approximately 850,000 tons.

The demand for protein is primarily driven by population, income and ultimately personal diet choice. As recently as the 1970’s, vast numbers of the world’s population were considered to be malnourished. This is all changing as growing middle class sectors now flourish in what were once considered “developing” regions. More people are shifting from the category of chronic lack of food to using their personal incomes to choose what they want to eat. The shift toward personal choice is driving the demand for protein.

All of these factors are influential drivers for protein demand. Methionine demand is directly linked to the consumption demand for protein, particularly because methionine is a critical dietary supplement for livestock health, productivity and the reduction of feed costs. Based on the growth of the global demand for protein that is predicted over the coming years, global demand for methionine is forecasted to grow by approximately 4%–5% annually until roughly 2020.

Novus has expanded their product portfolio beyond the specialty chemical methionine to become a major player in animal health and nutrition.

To grow and diversify their product portfolio, Novus leveraged the strengths and business base cultivated through ALIMET production and sales. The company has comprehensively developed a nutrition business with nutrient chemicals at the core, with the aim of contributing to the global need for increased food production, stable supplies and enhanced quality.

Working from a strong base of scientific innovation, Novus has brought to market more than 100 new products over the past decade.

Over the past several years Novus has expanded their product family through the several strategic, external growth opportunities conducting research for providing various required nutrients to pork, cattle, fish, human and pets, and has also been striving to expand its product lineup to include enzymes and pigments.

Novus in the Future

Novus’ Vision is to “Help feed the world affordable, wholesome food and achieve a higher quality of life.” This Vision represents our heritage and our future.

It is commonly understood that the world’s demand for food will double by 2050. Meeting the world’s demand for food within agriculture’s existing environmental footprint will require increasing productivity growth to at least 1.75 percent annually from the current 1.4 percent. Developing the technologies which will satisfy this gap and enable food security is Novus role and Vision.

Novus’ approach to innovation and developing new technology is based on a culture of collaboration. Novus’ unique collaborative work style encourages the open flow of information among a community of colleagues and their global network includes leading agriculture universities, world class NGOs, Government agencies, industry partners and customers. Working through a multi-sector lens provides Novus with an expanded per-
The past decade for Novus has been one of exponential growth and diversification, as well as strong financial performance. We entered our dynamic growth phase as a company manufacturing and profitably selling, a handful of products for the poultry industry. Today we are a much different organization, offering a holistic portfolio of more than 100 products for a diverse spectrum of markets including livestock, pets and people. Over the past decade, Novus has evolved from being known as the “ALIMET company” to a diversified nutrition organization with a growing selection of solutions to support our customers around the world.

Our successful diversification has been based on the support of our owners, aligning closely with our customers and openness to collaboration. Over the past two decades, under the majority ownership of Mitsui, Novus has prospered. We are grateful to our owners for their confidence in and commitment to our growth strategies.

Novus’ relevance to our markets has been built by actively and consciously engaging our customers in our innovation process. We build our processes around our customers to support and sustain their business operations. This includes R & D, manufacturing, logistics, technical support and sales. This close and ongoing relationship has been critical to achieving our long-term growth strategies.

As an overlay to customer engagement, we enhance outcomes for our customers by seeking fresh thinking from partners inside and outside of Novus. Throughout our history we have established a global network of collaboration that includes universities, NGOs, Government and industry partners. We have learned that with openness to expanded perspective and dialogue engagement, creative ideas and solutions almost always emerge.

Novus’ Vision is to “Help feed the world affordable, wholesome food and achieve a higher quality of life.” This statement represents our heritage and our future. Our Vision inspires a sense of purpose for our employees; it establishes a point of meaningful engagement for them with our company and our customers. Novus is committed to a continued contribution to the technologies and breakthrough innovations that will make the difference in achieving food security for our planet.
Conclusion of Loan Agreement and Strategic Alliance with Codelco

Mitsui and Corporación Nacional del Cobre de Chile ("Codelco"), Chile’s state-owned copper company, have established a joint-venture company for the joint ownership of a 29.5% stake in Anglo American Sur S.A. ("Anglo Sur") of Chile, a world-class copper mining asset.

Mitsui has concluded a US$900 million loan agreement (a 20-year term loan) with Codelco. Pursuant to this agreement, Mitsui will own 32.2% of the joint-venture company.

Mitsui has also concluded an agreement for a strategic alliance with Codelco. Going forward, the two companies will work together in the area of mineral resources and related businesses, and Mitsui will have the option to offtake the total amount of copper corresponding to the JV participation in Anglo Sur (29.5%).

Through this alliance with Codelco, Mitsui will provide a stable supply of copper to Japan and the rest of Asia, the region with the world’s largest demand, while at the same time contributing to Chile’s development and growth.

Participation in the Mining Equipment Rental Business in Australia

Mitsui has acquired a 49.9% stake in National Plant and Equipment Pty Ltd. ("NPE"), the operator of a mining equipment rental business in Australia. NPE has offices throughout Australia and rents more than 200 units of large-sized mining and associated equipment to mining companies and mining contractors for the production of coal, iron ore and other commodities.

With Australia’s robust development of mineral resources, growth in production volumes is bringing about increased rental demand for mining equipment. In addition, since mining equipment is operated for long hours over a medium to long term rental period, the rental business is generating stable income.

Mitsui also has a joint-venture company with Komatsu Ltd. in Australia for distribution, aftersales support services and financing for Komatsu’s mining and construction equipment. With the addition of the above stated mining equipment rental business, we are broadening customers’ choices — from purchasing to renting mining equipment — to provide mining equipment quickly and efficiently.
Hi-Bis GmbH—a German manufacturer and seller of special bisphenol established as a joint venture of Mitsui, Mitsui’s associated company Honshu Chemical Industry Co., Ltd. and the German chemical manufacturer Bayer AG—has decided to increase its manufacturing capacity.

Hi-Bis manufactures special bisphenol, the main raw material for a highly heat-resistant, high-quality special polycarbonate resin that is used in the reflectors of front headlights in automobiles. Demand for this resin is growing, especially in luxury automobiles. To address this growth in demand, the decision was made to raise production capacity for its main raw material, special bisphenol. Roughly ¥5 billion investment is made to double the current production capacity to 10,000 tons annually, to be reached by the summer of 2014. Through the increase in the size of operation of this first manufacturing business set up by a Japanese chemical manufacturer in the state of Sachsen-Anhalt in the former East Germany, Mitsui will contribute to the local economy by creating jobs while also further expanding its joint business with Bayer.

Mitsui has acquired an interest in the Browse LNG Project being promoted by the Australian company Woodside Petroleum Ltd., through Japan Australia LNG (MIMI) Pty Ltd., a 50-50 joint venture with Mitsubishi Corporation. This project is a large-scale development plan for the refining, liquefaction and shipment of natural gas and condensate* produced at the Browse gas and condensate fields off the coast of the State of Western Australia. Annual LNG production volume is estimated at 12 million tons. Basic design evaluation operations, along with the selection of contractors for the project’s design, procurement and construction, are currently under way as we move toward a final investment decision. Going forward, Mitsui will carry out marketing activities aimed at LNG customers, including those in Japan.

Mitsui intends to further develop its LNG business areas including Australia to contribute to a stable supply of energy to Japan and the East Asian region.

* Condensate: A type of crude oil that exists underground as a gas but is extracted from the gas field as a liquid.
Mitsui agreed with Sodrugestvo Group S.A. ("Sodrugestvo"), the largest oilseed processor in Russia and owner of grain export facilities, to acquire a 10% equity stake in Sodrugestvo and to enter into a strategic business alliance. Sodrugestvo markets soybean meal, a product manufactured from soybeans and rich in proteins, as an ingredient for feedstuff in Russia as well as soy oil within Europe. Sodrugestvo has the ability to export/import throughout the year, due to the port facilities it owns in Kaliningrad, one of Russia’s few ports that remain ice-free during the winter. Using these facilities, the plan is for Sodrugestvo to ship wheat and other grains collected in Russia’s grain belt via its own rolling stock to Kaliningrad Port for export and sale by Mitsui to Europe, Africa and the Middle East.

With global demand for grain expected to grow, Mitsui is contributing to the stable supply of grain from the major production centers of Russia, North America, South America, China and Australia.

Mitsui has concluded an agreement for a strategic alliance in the logistics business with LF Logistics Management Ltd., a logistics subsidiary of Li & Fung Limited, Hong Kong’s largest trading company.

With 190 logistics centers, mainly in China and Southeast Asia, LF Logistics provides warehousing and delivery services to consumer goods manufacturers and other customers. By combining these logistics centers with the warehouse network in Japan and quality delivery structure and distribution functions of our distribution subsidiary, Tri-net Logistics Co., Ltd., we offer comprehensive support for warehousing and delivery to Japanese apparel, electronic components and other manufacturers expanding into China and Asia. Going forward, we aim to build a joint distribution business model that uses both companies’ logistics platforms to provide Japanese companies with a variety of services, including comprehensive logistics services with Japanese quality for apparel manufacturers developing store networks in China and cold storage and delivery for food manufacturers.
Located in southeast Africa, the Republic of Mozambique is roughly 2.1 times the size of Japan at 799,000 square kilometers, with a population of approximately 22 million people. The country is a former Portuguese colony, and Portuguese is the official language. After becoming independent in 1975, Mozambique experienced 17 years of civil war that ended with the signing of the General Peace Agreement in 1992. Since then, regular presidential and legislative elections have been held, and with political stability as well as investment from other countries, in recent years the country has been growing in the level of 7% annually.

With abundant resources and fertile land, the main industries of Mozambique are agriculture, including corn and sugar cane; shrimp and other marine products industry; and mining and manufacturing industry, including aluminum and coal. While the recent discovery of large-scale natural gas resources is attracting attention, the poverty rate remains high, and the elimination of poverty through economic growth still is the important issue.

Pursuing LNG development after the discovery of one of the world’s largest natural gas resources

Mitsui’s history in Mozambique dates to 1986, when it opened an office in Maputo, the capital, and commenced operation. After the temporary closing in 2002, the office was reopened in March 2011.

Mitsui has been working together with the U.S. oil and gas exploration and production company Anadarko Petroleum Corporation (“Anadarko”) and other partners in an oil and natural gas exploration business in Mozambique. Test drilling to date has led to the discovery of abundant natural gas resources in what is expected to become one of the world’s largest natural gas fields, and we have begun to study the commercial production of liquefied natural gas (LNG). This large project which could potentially contribute to the stable supply of energy to Japan and Asia as a major LNG supply center has significant importance for Mozambique as well.

Contributing to Mozambique’s economic growth by leveraging Mitsui’s comprehensive strength

In addition to our oil and natural gas development business, Mitsui exports titanium ore from Mozambique and is engaged in social contribution activities, including a project to increase agricultural productivity by the construction of a solar-powered irrigations facility. In our Medium-term Management Plan to March 2014, we have designated Mozambique as one of the focus countries.

Mitsui is continuing to move its resource development projects forward, constantly bearing in mind the importance of achieving sustainable growth both for the host countries and the resource development projects. In Mozambique, starting with the natural gas development project, we hope to demonstrate our comprehensive strength in areas that can contribute to the country’s further economic growth, including power generation and other infrastructure, agriculture and gas chemicals.

Basic information

- Population: 22.02 million (estimate as of December 31, 2011)
- Nominal GDP: US$12.8 billion (2011)
- Real GDP growth rate: 7.1% (2011)

Source: International Monetary Fund data announced in April 2012
Natural Gas Development Project in Mozambique

Mitsui is pursuing a number of LNG projects around the world. To further build on these initiatives, Mitsui is participating in a variety of projects from the exploration stage, and as a result, discovered one of the world’s largest gas resources off the coast of Mozambique. Mitsui is working with Anadarko and other partners toward the early development of this new large-scale LNG project.

Mitsui’s business strategy for oil and natural gas resource development

Global demand for energy is expected to grow over the medium to long term, and securing energy is a major issue for the entire world. Through its oil and natural gas resource development business, Mitsui is working on existing projects as well as aggressively pursuing development and exploration in new regions to increase reserves and production volumes, with emphasis on balance in terms of regions, commodities, stages of development and partners. In particular, with higher prices for crude oil and intensified competition in the acquisition of energy resources in recent years, we have been proactively participating in projects from the exploration stage to diversify the stage of the project we are involved in, with a good balance between exploration, development and production, which would disperse business risks.

Importance of the Mozambique offshore natural gas development project

In 2008, Mitsui acquired a 20% interest in the Mozambique Offshore Area 1 exploration block from Anadarko, the project’s operator. To reduce the exploration risk related to our participation in this project, Mitsui utilized a government program and received 75% funding from the Japan Oil, Gas and Metals National Corporation (“JOGMEC”).

Since 2010, nine deep-water exploration wells have been drilled, with seven of these confirming the existence of gas. The estimated recoverable resources within the block are over 32 to 65 trillion cubic feet as of the end of October 2012, making this one of the largest gas finds in the world. (One trillion cubic feet is equivalent to one million tons of LNG annually for roughly 20 years.) Exploration work is still being conducted at the block, which is expected to contain enormous additional reserves of oil and gas.

As to the commercialization of this gas, the plan is to produce 10 million tons of LNG per annum in the first stage. This is equivalent to more than 10% of Japan’s annual LNG import volume and could operate 10 LNG-fired power plants with a capacity of 1,000 megawatts each for one year. The preliminary basic design for production is already complete, and will be followed with the full-scale engineering and design aiming at the final investment decision by the end of 2013 and commencement of LNG production in 2018. Marketing activities of the LNG have begun in Japan, Asia and other regions, and Mitsui views this project as a means of contributing to the securing of a stable supply of energy for Japan. We estimate that annual production could be increased gradually to 50 million tons, depending on the trend in gas demand going forward.
Mitsui’s Network in Africa

Our presence in Africa dates to 1929, when we stationed a representative in Cape Town, South Africa, for the purchase of wool. During the 1990s, we had more than 20 offices in Africa, but after reviewing the business and the organization, the network was scaled back to four offices in 2008.

Subsequently, backed by the globally higher prices for mineral resources and energy, Africa has become a focus of attention as a front line in resource development. The Japanese government has strengthened its programs for securing resources in Africa and continues to offer proactive support. Given this changing business environment, we have reviewed our strategy for Africa, and based on a policy of “Contributing to sustainable growth of Africa through resource development, infrastructure development, and industrial and agricultural development,” we have opened four offices since 2011: the Representative Office of Mitsui & Co., Europe Plc. in Maputo (Mozambique), the Liaison Office of Mitsui & Co., Ltd. in Casablanca (Morocco), the Representative Office of Mitsui & Co., Ltd. in Accra (Ghana), and the Mitsui & Co. Europe Plc., Nairobi Branch (Kenya). Through a variety of initiatives utilizing our comprehensive strength, we aim to contribute to the development of each of these countries.

Social Contribution Activities in Mozambique

As part of our efforts to achieve the Millennium Development Goals set as a United Nations initiative to eliminate poverty in the developing world, Mitsui is working with the United Nations Development Programme (UNDP) to build a solar-powered irrigation facility for a farming community in Chibuto in the province of Gaza, Mozambique. By securing water for irrigation, this program is working to increase agricultural productivity and enable crop diversification, with the aim of improving the local economic environment and achieving sustainable development for the local community.
Mitsui & Co., Ltd. Environment Fund Activity in April to September 2012-Interchange Meeting for the Grant Recipients

The Mitsui & Co., Ltd. Environment Fund was established in 2005 to support activities and research toward the resolution of global environmental issues and through the end of September 2012 has provided 407 grants. The fund holds interchange meetings between the grant recipients such as NPOs and universities to share the results of its grant projects and build networks between grant recipients.

In addition to general grants, the fund began providing restoration grants last year to assist with reconstruction from the Great East Japan Earthquake, and this year’s interchange meeting was held on September 12 and 13 in the city of Koriyama in Fukushima Prefecture, an area that was damaged by the disaster. Reflecting the broad range of the fund’s activities, 110 people from across Japan attended the meeting and participated in eight subcommittees, discussing in-depth issues including “coordination with local residents in stricken areas,” “survey activities in stricken areas” and “collaboration between universities and NPOs.”

By having groups active in disaster reconstruction and environmental issues gather together and discuss challenges they face in common, we are hoping that new initiatives for restoration and resolution of environmental issues would emerge.

### Grants provided in April to September 2012

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