

Newsletter to Shareholders

2014 Summer



MITSUI & CO., LTD.

Securities Identification Code: 8031

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| Name: | MITSUI & CO., LTD. |
| Establishment: | July 25, 1947 |
| Common stock: | ¥341,481,648,946 |
| Number of employees: | Consolidated 48,090 Mitsui 6,097 |
| Number of offices^(*): | Domestic 12 Overseas 133 |
| Number of affiliates for consolidation: | Subsidiaries 272 Associated Companies 154 |
| Website: | http://www.mitsui.com/jp/en |

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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

Masami Iijima
President and Chief Executive Officer

New Medium Term Management Plan announced

Creating new value that is unique to Mitsui
Aiming to demonstrate Mitsui Premium

I would like to take this opportunity to thank all of our shareholders for their continued support, and report on the Company's financial results for the year ended March 31, 2014.

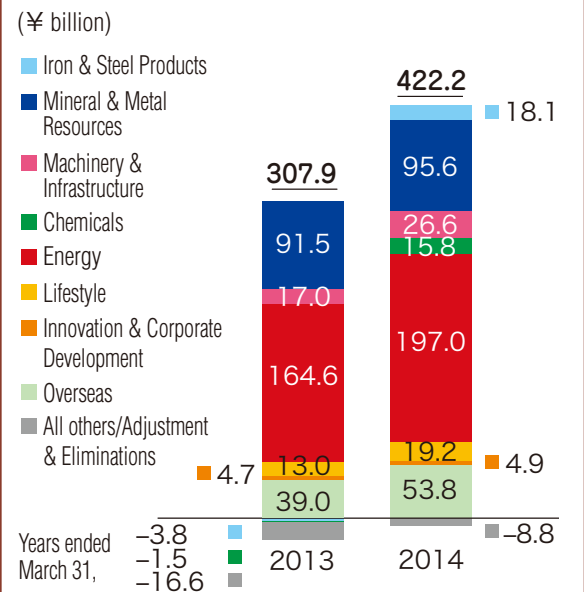
Consolidated financial results for the fiscal year ended March 31, 2014

Achieved net income of ¥422.2 billion, more than ¥52.2 billion higher than initially forecast; demonstrating strong ability to generate cash

In the fiscal year ended March 31, 2014 we achieved net income*1 of ¥422.2 billion, ¥52.2 billion higher than the initial forecast of ¥370.0 billion. This was an increase of ¥114.3 billion, or 37%, compared to the previous fiscal year. In addition to the impact of the weaker yen, contributions to the increase in income came from higher dividend income from LNG projects, higher volumes from iron ore projects, and a recovery in trading activities in the Iron & Steel Products and Chemicals segments. Furthermore, we recorded higher income in all segments compared to the previous fiscal year, largely due to gain on sales from the recycling of strong-performing projects and assets.

Looking at financial position and cash flow, total assets increased to approximately ¥11 trillion due to new investments and the impact of the weaker yen. Total shareholders' equity increased to ¥3.6 trillion, due to an increase in retained earn-

Net Income by Operating Segment



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

ings and the effect of the weaker yen, which more than offset dividend payments and a share buyback. The net debt-to-equity ratio (net DER) – an indicator of financial soundness that shows the balance between borrowings and total shareholders' equity—remained at 0.9 times, confirming that the Company continues to maintain a strong financial position. Net cash flow provided by operating activities was ¥521.5 billion, demonstrating the strong cash-generating capability of our businesses. Although free cashflow*2 was a net outflow of ¥183.0 billion in line with investments and loans implemented, there was a reduction in the deficit amount compared to the previous period.

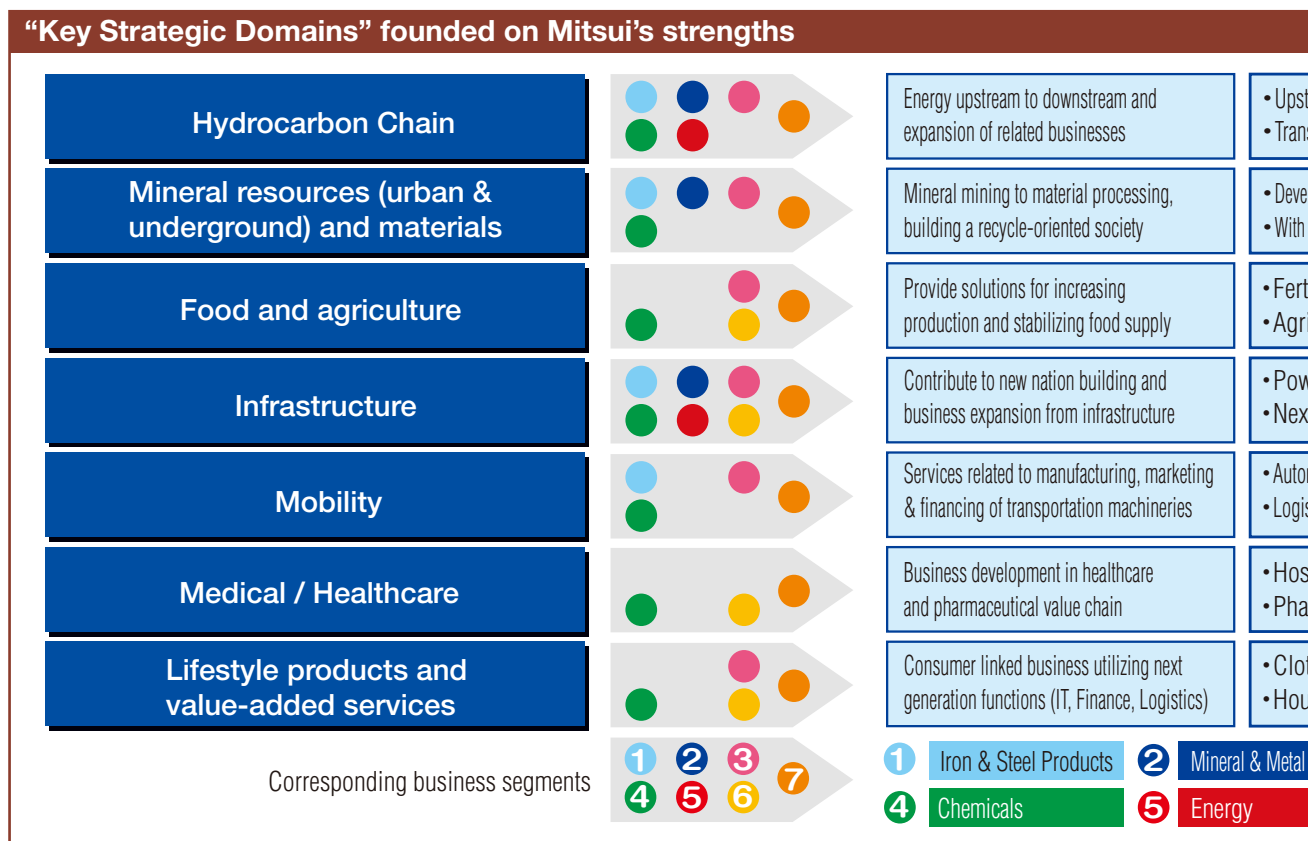
Implemented a share buyback of ¥50.0 billion, annual dividend of ¥59 per share, year-end dividend of ¥34 per share for year ended March 31, 2014

With the aim of improving capital efficiency, between February and March 2014 we implemented a share buyback with a limit of ¥50 billion, and we cancelled those shares in April 2014. Our annual dividend for the fiscal year ended March 31, 2014 was ¥59 per share, a ¥16 increase from the previous fiscal year, comprising an interim dividend of ¥25 per share and a year-end dividend of ¥34 per share.

New Medium-term Management Plan - Challenge & Innovation for 2020

In May 2014, Mitsui announced a new Medium-term

Management Plan entitled “Challenge & Innovation for 2020



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

~Demonstrating the Mitsui Premium~". With these three years positioned as a crucial period for the realization of our long term vision announced in 2009, this plan solidifies the road-map to our vision for 2020, and is formulated based on our pursuit of Mitsui Premium – creation of value that only Mitsui can achieve.

Creation of new value with the establishment of seven key strategic domains

The core of the new Medium-term Management Plan is the creation of new value that only Mitsui can achieve, by further improving competitiveness, managerial excellence and successful business innovation and development. We have established seven Key Strategic Domains, which aim to fully leverage our strengths and promote collaboration and coordination

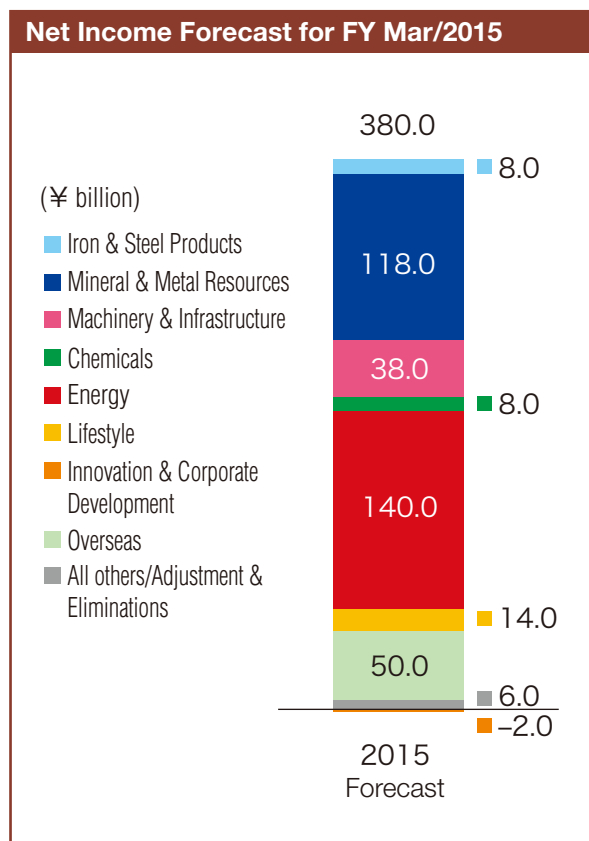
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|--|
| <p>stream oil & gas development, commercialization (LNG, Chemicals, Power Generation) transportation and associated businesses (ships, steel pipes, infrastructure)</p> |
| <p>development and production of mineral resources, processing, distribution and recycling of products focus on technical advancement, expand steel and chemical material business</p> |
| <p>fertilizer and food resources, Food product materials agricultural, food and nutritional sciences</p> |
| <p>power generation, water supply and port terminals port generation development of local economies</p> |
| <p>automobile, industrial machinery, ships, aircrafts, mass transit and rail transportation systems logistics business and expansion to other "Key Strategic Domains"</p> |
| <p>hospital business and surrounding healthcare services pharmaceutical development, manufacturing and marketing</p> |
| <p>retailing and food (distribution, data, e-commerce) real-estate, financial and related services</p> |
| <p>Resources 3 Machinery & Infrastructure 7 Innovation & Corporate Development 6 Lifestyle</p> |

across Mitsui's business units and functions. Our business resources will be allocated in accordance with these seven Domains.

For example, in the hydrocarbon chain, we aim to further strengthen our competitiveness and create new value by effectively implementing collaboration between our businesses in upstream oil and gas development, with oil and gas as a source for thermal power generation and chemical production, and also linking those businesses with peripheral businesses such as gas liquefaction, LNG transportation, and related infrastructure construction/material supply.

Targeting EBITDA of ¥1 trillion by fiscal year 2017, further reinforcement of earnings base

In formulating our plan, we assessed the competitiveness of



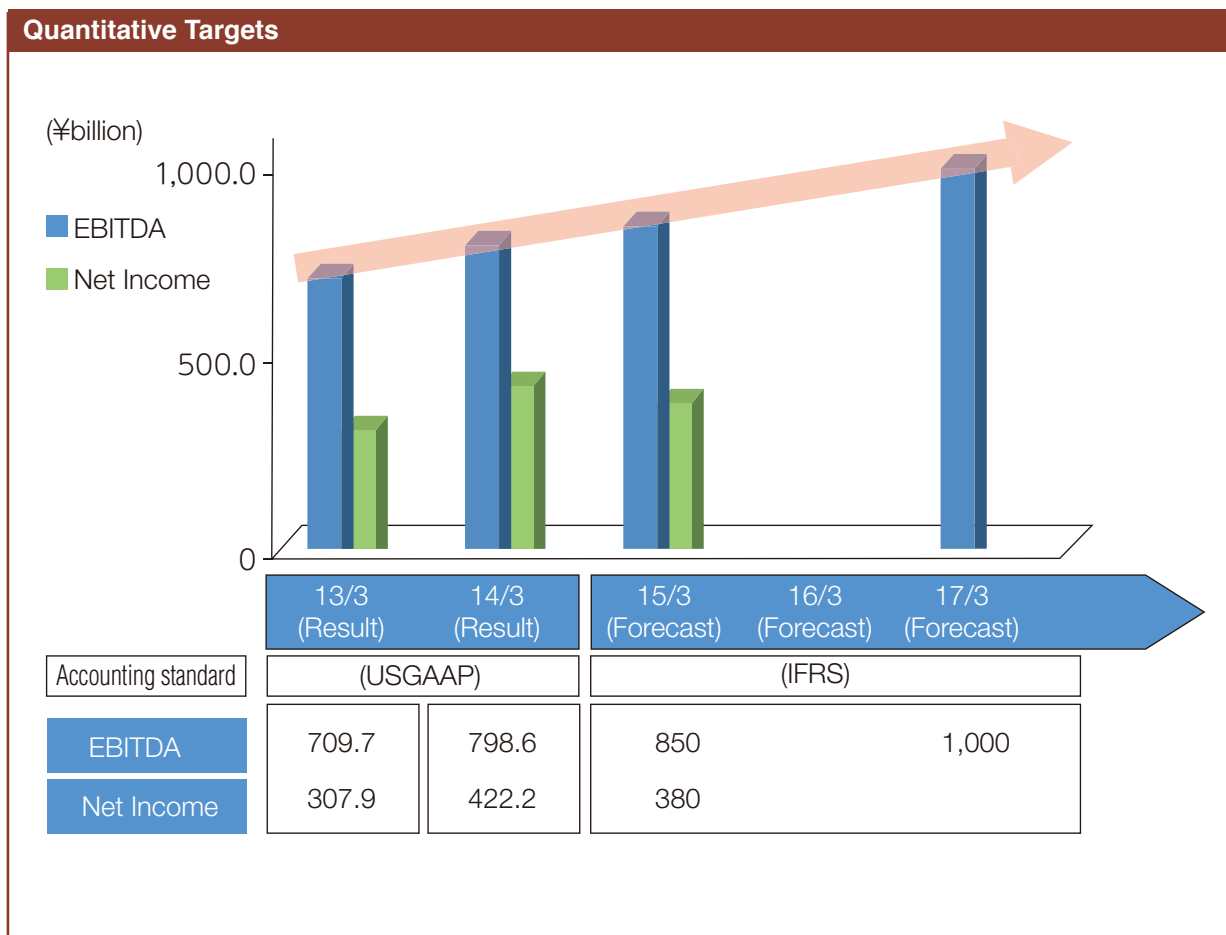
existing businesses and assets, as well as investment activities to date, and determined that we had the ability to generate strong cash flow into the future. We aim to strengthen this cash generation ability, focusing on enhancing the earnings base of existing business while fully executing projects in which our participation has been decided and profit contribution is expected within several years (known as “projects in the pipeline”). From the fiscal year ending March 31, 2015, we will use EBITDA*³ (earnings before interest, taxes, depreciation, and amortization) as a performance indicator, demonstrating our underlying earnings power and strong correlation to cash generation capability, and will aim to achieve EBITDA of ¥ 1 trillion by fiscal 2017. From fiscal 2015, we will adopt International

Financial Reporting Standards (“IFRS”) for our consolidated financial statements instead of the Generally Accepted Accounting Principles in the United States (“USGAAP”). In this, the first year of the new Medium-term Management Plan, we are forecasting net income of ¥380.0 billion.

Pursue both growth investments and investor return

During the three years of this plan, we are targeting recurring cash flow of ¥1.0 to ¥1.4 trillion (refer to top of right page), and will balance allocation between growth investments and shareholder return.

For shareholder returns, we have raised our consolidated dividend payout ratio to 30%. Based on this new consolidated



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

Core Operating Cash Flow ¥1.8~2.0 trillion
 Investment/Divestiture (Existing Business & Project in the pipeline) ¥-0.6~0.8 trillion

¥1.0~1.4 trillion*4

New Investments Return to Shareholders

dividend payout ratio and our forecast for full-year consolidated net income of ¥380.0 billion, we currently envisage an annual dividend of ¥64 per share (a ¥5 increase from the previous year) for the fiscal year ending March 31, 2015. We will continue to consider share buybacks as appropriate, after due con-

sideration future investment requirements, free cash flow level, interest-bearing debt, ROE and other aspects of the operating environment.

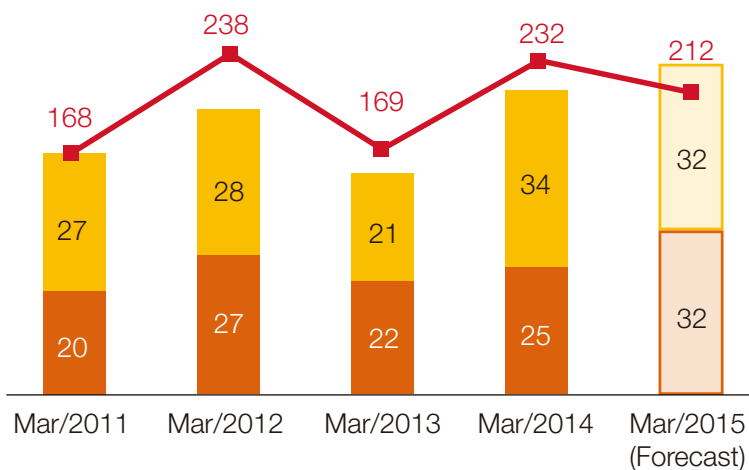
Striving to demonstrate Mitsui Premium

Through mutual collaboration between our business segments in line with our key strategic domains, we will work towards our vision for 2020, striving to meet the needs of our customers and partners and create new value that makes full use of Mitsui's unique capabilities. In doing so, we aim to demonstrate the Mitsui Premium and provide value to shareholders and other stakeholders, including the nations and communities in which we do business.

Annual Dividend for the Year Ending Mar/2015

(¥/share)

■ Year-end Dividend
 ■ Interim Dividend
 ■ EPS



Annual dividend per Share
 Consolidated dividend payout ratio

¥ 47

23%
*5

¥ 55

23%

¥ 43

25%

¥ 59

25%

¥ 64

30%
*6

*5. Based on net income of ¥367.9 billion which excludes the impact of recognized subsequent events relevant to the settlement of the oil spill incident in the Gulf of Mexico.

*6. Dividend payout ratio of 30% is assumed, based on Net Income forecast of ¥380 billion and number of issued shares of 1.79 billion.

*4. This figure may change due to borrowing repayment of interest-bearing debt.

Financial Highlights

Overview of Result for the Year Ended March 31, 2014
(from April 1, 2013 to March 31, 2014)

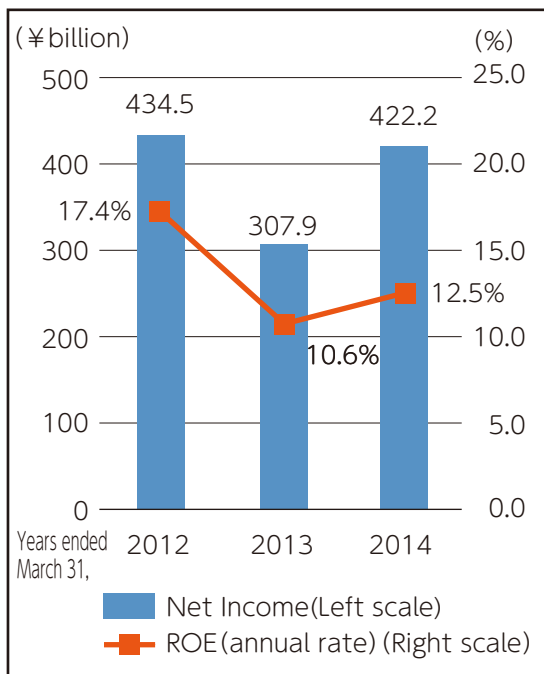
Results of Operations

Net Income increased by ¥114.3 billion

Net Income ¥422.2 billion (+37% Y-on-Y)

ROE (annual rate) 12.5% (+1.9% Y-on Y)

Net income for the year ended March 31, 2014 was ¥422.2 billion, an increase of ¥114.3 billion from the previous year. This increase was due to increases of dividend from LNG projects, recovery of trading volumes in chemicals and steel products, in addition to an increase of gains of sales of shares and depreciation of Yen. Return on equity (ROE) was 12.5% on an annual basis.



Financial Condition

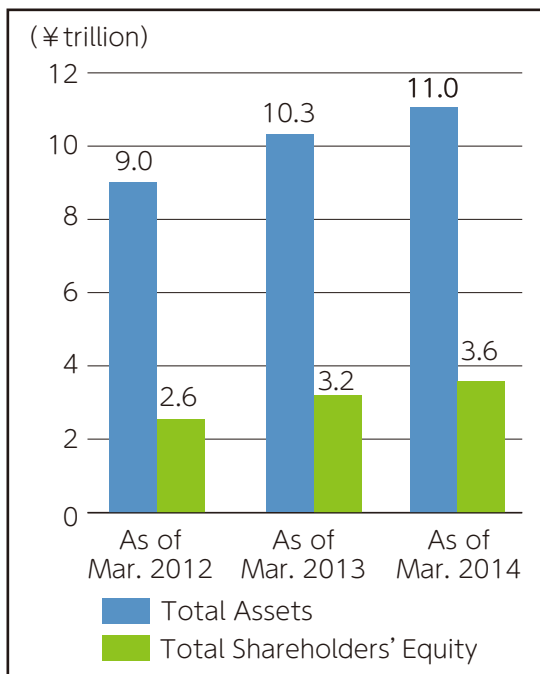
Total Assets increased by ¥0.7 trillion

Total Assets ¥ 11.0 trillion (+7% Y-on Y)

Total Shareholders' Equity ¥3.6 trillion(+13% Y-on Y)

Total assets of March 31, 2014 increased by ¥0.7 trillion from that of March 31, 2013, to ¥11.0 trillion, due to new investments and expansion of existing projects as well as depreciation of Yen.

Total shareholders' equity was ¥3.6 trillion, an increase of ¥0.4 trillion due to an increase in retained earnings and foreign currency translation adjustments.

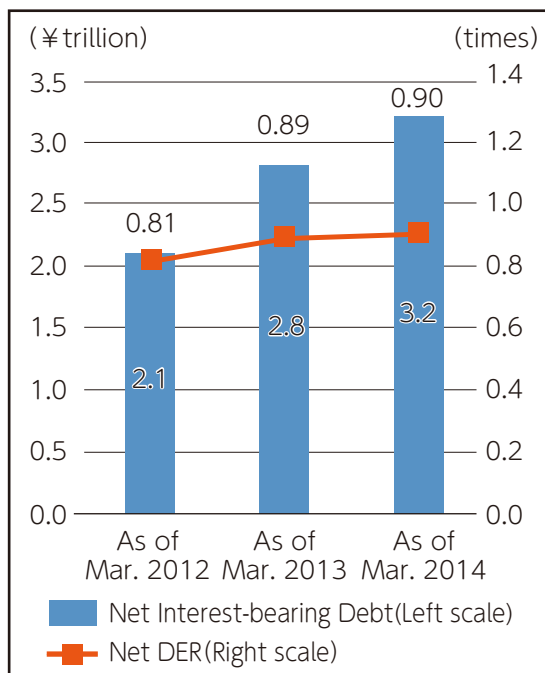


Continue to maintain strong financial position

Net Interest-bearing Debt ¥3.2 trillion(+14%Y-on Y)

Net DER 0.90 times(+0.01 points Y-on Y)

Net interest-bearing debt as of March 31, 2014 was ¥3.2 trillion, an increase of ¥0.4 trillion due to increases in investment activities. Net debt-to-equity ratio(Net DER) rose by 0.01 points, to 0.90 times from the level as of March 31, 2013.



Cash Flows

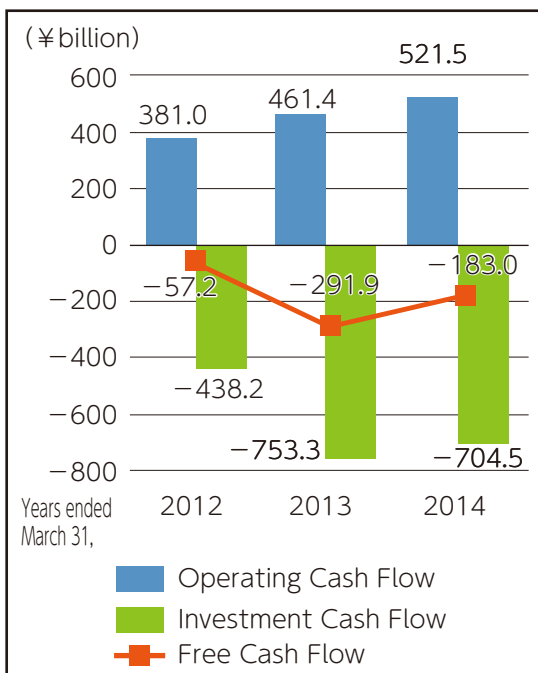
Free Cash Flow was net outflow of ¥183.0 billion

Operating Cash Flow ¥521.5 billion

Investment Cash Flow – ¥704.5 billion

Free Cash Flow – ¥183.0 billion

Net cash provided by operating activities increased by ¥60.1 billion, to ¥521.5 billion, reflecting our operating income and dividend income. Net cash used in investing activities was ¥704.5 billion mainly attributable to expenditures in new business and expansion.



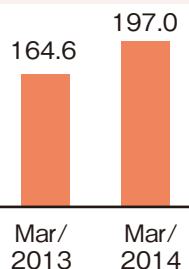
Segment Overview

Overview of Result for the Year Ended March 2014 (from April 1, 2013 to March 31, 2014)

| Net Income by Operating Segment | Investments and Loans by Business Area |
|--|---|
| <p>Iron & Steel Products Segment</p> <p>(Summary of Increase/Decrease) ↑ Exchange gains on foreign exchange contracts for trade settlement ↑ Reversal effect of impairment loss on listed shares in an iron & steel company ↑ Sales of shares in overseas iron & steel company</p> | <p>Metals Business Area*¹</p> <ul style="list-style-type: none"> ● Gross cash outflow ¥255.0 billion <ul style="list-style-type: none"> Expansion of Australian iron ore mines. Acquisition of share in Jimblebar Automotive components Caserones copper development in Chile ● Divestiture <ul style="list-style-type: none"> Valepar preferred shares Overseas iron & steel company <p>*¹ Metals Business Area includes Iron & Steel Products and Mineral & Metal Resources segments</p> |
| <p>Mineral & Metal Resources Segment</p> <p>(Summary of Increase/Decrease) ↓ Vale's participation in the federal tax settlement ↓ Impairment loss on Caserones copper project in Chile ↑ Australian iron ore operations</p> | <p>Machinery & Infrastructure Business Area</p> <ul style="list-style-type: none"> ● Gross cash outflow ¥290.0 billion <ul style="list-style-type: none"> Hydro IPP in Brazil Australian IPP / power & gas retail Roiling stock for leasing ● Divestiture <ul style="list-style-type: none"> Refinancing of FPSO Roiling stock for leasing |
| <p>Machinery & Infrastructure Segment</p> <p>(Summary of Increase/Decrease) ↑ Overseas power generation business ↑ Solid performance at Auto related business in South America and Asia ↓ R&D cost for aircraft engine development with GE</p> | <p>Chemicals Business Area</p> <ul style="list-style-type: none"> ● Gross cash outflow ¥40.0 billion <ul style="list-style-type: none"> Tank terminal expansion in U.S. Methanol production in U.S. ● Divestiture <ul style="list-style-type: none"> Shares in Daicel |
| <p>Chemicals Segment</p> <p>(Summary of Increase/Decrease) ↑ Recovery in trading activities for petrochemical materials ↑ Gain on the sales of shares in Daicel ↑ Reversal effect of impairment loss on shares in Mitsui Chemicals</p> | |

(¥ billion)

Net Income by Operating Segment



Energy Segment

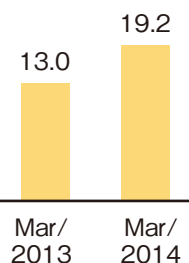
(Summary of Increase/Decrease)

- ↑ Increase in dividend income/Equity in Earnings of Associated Companies from LNG projects
- ↑ Sales of oil field interests

Investments and Loans by Business Area

Energy Business Area

- **Gross cash outflow** **¥340.0 billion**
 - Onshore oil field development in Italy
 - Shale gas/oil development in U.S.
 - Expansion of oil & gas
- **Divestiture**
 - Egyptian/New Zealand oil field interests



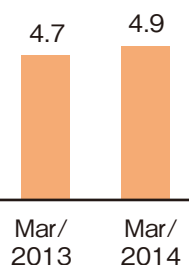
Lifestyle Segment

(Summary of Increase/Decrease)

- ↑ Gain on sales of shares and the office building
- ↑ Reversal effect of impairment of shares of Mitsui Sugar

Lifestyle Business Area

- **Gross cash outflow** **¥60.0 billion**
 - U.S. Healthcare staffing
 - Senior facilities/housing in U.S.
- **Divestiture**
 - Sales of office building



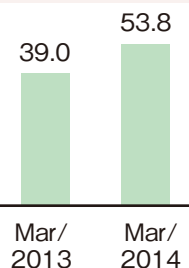
Innovation & Corporate Development

(Summary of Increase/Decrease)

- ↑ Gain on sales of share in QIWI, Brightstar
- ↓ Impairment loss on shares in TPV Technology

Innovation & Corporate Development

- **Gross cash outflow** **¥25.0 billion**
 - High-speed mobile service in Indonesia
- **Divestiture**
 - QIWI shares
 - Brightstar shares



Overseas*

(Summary of Increase/Decrease)

- ↑ Asia Pasific: Earnings of iron ore subsidiaries in Australia increased
- ↑ Europe, the Middle East and Africa: Sales of office building

Investments and loans of three overseas segments are included in those of six business areas.

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



Mitsui Norin Co., Ltd.

The Power of Tea: Delivering Tastiness, Relaxation and Healthy Living



The Fujieda Plant

Mitsui & Co., Ltd. has more than 400 affiliated companies in Japan and around the world, and its daily business involves coordination with and among these companies. In this issue, we spotlight Mitsui Norin, which offers a wide range of tea-related products, including “Nittoh Black Tea”.

Mitsui Norin

For many years, Mitsui Norin Co., Ltd. (“Mitsui Norin”) has manufactured and sold tea-related products and raw materials. The company markets “Nittoh Black Tea”, which was Japan’s first domestically produced black tea; household products; commercial products; and raw materials for tea-based beverages. Moreover, it is engaged in research and development focused on the beneficial properties of tea’s components, particularly those of catechin, and sells related products.

At the Fujieda Plant in Shizuoka, theutama Plant in Yamanashi and the Hiroshima Plant in Hiroshima, Mitsui Norin manufactures more than 1,000 different types of products annually under a strict quality control system. Also, the company’s food general research center develops new products and conducts basic research on the properties of tea’s components with a view to developing products that feature those properties.

Enriching Everyday Life

Mitsui Norin’s household tea brand “Nittoh Black Tea” began as Japan’s first domestically produced black tea, “Mitsui Black Tea”. The company not only

sold the product in Japan but exported it overseas, where it earned a strong reputation for quality. Subsequently, the brand name changed to “Nittoh Black Tea”, which became the favorite of a wide range of consumers.

The history of “Nittoh Black Tea” is the history of black tea’s popularization in Japan. When black tea was unfamiliar in Japan, the company opened a tearoom, the Nittoh Corner House, in Hibiya, Tokyo, so that people could experience the deliciousness of black tea and learn how to enjoy it. During this period, the stylish, glass-walled tearoom became popular, helping to spread black tea culture in Japan. The company then began operating a tearoom onboard Odakyu Electric Railway’s “Romancecar” limited express train, which attracted media attention as a “mobile tearoom”.

NITTOH BLACK TEA

日東紅茶



A product from the current “Nittoh Black Tea” lineup

.Other initiatives to disseminate knowledge about black tea included having the “Nittoh Black Tea” Kitchen Car, which was fitted with preparation equipment, tour Japan and hold black tea tastings and classes. To this day, the company continues to publicize black tea’s appeal through tea classes for general consumers, which are conducted by employees equipped with tea instructor certification from the Japan Tea Association.

Initially, Mitsui Norin only sold loose tea leaves in tins. However, it has steadily developed products to cater to customers’ changing and diversifying needs. Currently, the company offers products in a variety of formats, including loose tea leaves, tea bags, powders, liquids and concentrates. A longstanding favorite among powdered products is “Royal Milk Tea”, which conveniently lets customers enjoy authentic milk tea. Further, one of the company’s instant green teas, “Kyusu No Iranai Ryokucha Desu”, is consumed by astronauts working onboard the International Space Station. Powdered in a split second using a spray-dry method so that customers can conveniently savor the aroma of tea leaves and their true flavor, this green tea earned certification as Japanese space food from the Japan Aerospace Exploration Agency in 2007.



A pouch of powdered green tea floating inside Japan’s Kibo laboratory

(source: Japan Aerospace Exploration Agency and National Aeronautics and Space Administration)



Delivering Tastiness and Peace of Mind

Many different regions around the world produce tea. Well-known teas include Keemun from China, Dar-

jeeling from India and Uva from Sri Lanka, which are the world’s three great black teas. Mitsui Norin imports tea leaves from India, Sri Lanka, Kenya, China, Indonesia and other countries. The company’s 14 tea tasters appraise tea leaves sent from production areas around the world, expertly evaluating the



Tea tasters appraise tea leaves

characteristics and quality of leaves, which vary depending on the natural environment, the cultivation method, the production period and weather conditions. The tasters pour boiling water into a row of tea-cups each containing three grams of tea leaves. After three to five minutes, they evaluate the taste, aroma and water color (the color of the extracted tea). During busy periods, they taste more than 200 cups of tea per day. The tasters also blend different types of tea leaves to maximize their best features, reproduce flavor and fragrance consistently, ensure tastiness and stabilize quality. Measurements using gauges cannot reproduce the flavor and aroma of a delicious tea. The skill and experience of expert tea tasters, whose keen senses can detect subtle differences in tea leaves, underpin the deliciousness of Mitsui Norin’s products.

In addition, to provide customers with products they can drink with confidence, the company regularly visits tea plantations in production areas, checks the status of production and carefully selects tea leaves that are safe for purchasing by appraising and analyzing all raw tea leaf samples. Well-equipped plants in Japan operate under a strict quality control system and use advanced quality control technology to process these leaves into a wide range of tea-related products. For all its tea products, the company can trace the country, plantation and period in which the tea leaves were

picked; the blend composition; and how the product was packaged and shipped.

Catering to Demand for Healthy Living

As well as being a popular product that gives comfort in everyday life, tea can be used for functional products by taking advantage of the properties of its components. For many years, Mitsui Norin has been researching these properties. At an early stage, the company began focusing on tea catechin and has been scientifically explaining its properties ever since. A collective term for the polyphenol in tea, catechin is the main component of tea's astringency. Polyphenol is a pigment component that plants produce to protect themselves from ultraviolet rays and oxidization. Green tea contains particularly high concentrations of catechin. It has become clear that among the different types of polyphenol catechin is a powerful antioxidant and helps maintain health when ingested as a food. By using production technology that removes more than 99% of the caffeine from tea and increases catechin concentration, Mitsui Norin developed a condensed tablet that enables easy catechin ingestion. The product's name, "Katsuryoku Catechin", expresses a com-

mitment to helping people stay active as they age.

Other initiatives include the development of Polyphenon E, a superhigh-purity catechin extract, by Mitsui Norin Food Research Laboratories. A new drug mainly comprising Polyphenon E acquired approval from the U.S. Food and Drug Administration in 2006. Also, clinical trials of Polyphenon E for the prevention and treatment of lung cancer, prostate cancer and other cancers are under way overseas, and investigations for the development of new pharmaceuticals are being conducted.



"Katsuryoku Catechin", which contains green tea polyphenol

Inquiries: Mitsui Norin Tea Wellness Customer Center
Telephone: 0120-321-951 (9:00 ~ 18:00, excluding Saturdays, Sundays, public holidays and year-end and New Year holidays)
Website: <http://www.mitsui-norin-teawellness.com>

Message from the CEO



Mitsui Norin Co., Ltd.
Takayuki Shibamura,
(appointed July 1, 2014)

Mitsui Norin has advanced in step with the development of Japan's black tea culture. We provide an extensive product lineup that ranges from much loved household products for consumers, such as "Nittoh Black Tea" and "Mitsui Meicha," through to beverage raw materials and commercial

products for business customers. At Mitsui Norin, we strive to provide safe, delicious tea, and through tea we aim to help people live richer, healthier lives. To realize these aims, we are enhancing our quality control system, which begins with tea plantations in production areas and the strict selection of raw materials. Furthermore, we use expert tea tasters to ensure the delicious flavor of our products. Also, we are developing new product formats, such as powders and concentrates, and we are commercializing products that include catechin, a functional component of tea. We will exploit the traditions and technological capabilities that we have fostered over many years to continue creating premium value and enriching people's lives through tea.

Metals Business Area

Expansion of West Angelas Mine in Western Australia

Robe River Iron Associates (“Robe J/V”) of Australia, an iron ore business jointly operated by Mitsui, Nippon Steel & Sumitomo Metal Corporation, and Rio Tinto, one of the world’s leading mineral resources companies, has decided to develop untapped iron ore reserves within the West Angelas Mine and expand its production capacity.

Production of iron ore from the undeveloped reserves is slated to commence in January 2015. Through an integrated operation with ongoing mining operations of the West Angelas Mine, annual production capacity of the West Angelas mine is planned to be increased to 35 million tons per annum (mtpa) from current 29 mtpa, achieving an increase in Robe J/V’s overall annual production capacity by 6 mtpa.

The total cost for developing the new iron ore reserves is estimated at A\$642 million (approximately ¥57.8 billion), of which Mitsui plans to invest A\$212 million (approximately ¥19.1 billion) in proportion to its equity interest.

Through the Robe J/V, Mitsui will continue its efforts to achieve stable supply and procurement of iron ore to meet expected further increases in demand.



West Angelas Mine

Machinery & Infrastructure Business Area

Participation in large wind farm project in Mexico

Mitsui acquired a 50% stake in the Santo Domingo Wind Farm Project in Mexico from EDF Energies Nouvelles S.A. (“ED-FEN”) of France, a major renewable energy generation, operation, and maintenance company.

With a total project cost of 5 billion Mexican pesos (approximately ¥38 billion), the new facility, which has capacity to generate 160 MW of electricity, started operation in April 2014 after having received the investment from Mitsui.

This marks the second joint project in Mexico between Mitsui and EDFEN, following the Bii Stinu Wind Farm Project (164 MW), which the two companies have been operating jointly since 2013.

Mitsui is the second largest independent power producer (IPP) in Mexico, given its participation in six gas-fired power plants, in addition to wind power generation business.

In Mexico, the company has built a diverse infrastructure business platform and is engaged in various business operations, such as gas pipelines and LNG receiving terminals, gas distribution in major Mexican cities, effluent treatment for refinery plants, and water supply and sewage treatment for municipalities.



Bii Stinu Wind Farm

Chemicals Business Area

Promotion manufacturing and sales of detergent raw materials business in Thailand

Mitsui and Thaioil Group have established a joint venture in Thailand for manufacture and sales of the detergent raw material linear alkyl benzene (LAB).

This marks the first LAB manufacturing operation in Thailand's history, and the plant is targeted to launch production in 2015 with an annual production capacity of 100 thousand tons. The required contracts for project financing have been concluded with local banks.

LAB is a primary active ingredient in laundry detergent for removal of dirt and stains that readily dissolves in water and has strong cleaning power. Demand for LAB is expected to increase steadily throughout Southeast Asia, due to the region's growing population and rising standard of living.

In Malaysia, Mitsui is also conducting business in detergent raw materials based on natural raw materials derived from palm oil. By promoting petrochemical-based LAB in Thailand, the company aims to strengthen its detergent raw materials business and, at the same time, contribute to enabling people to enjoy a higher quality of life.



A currently operating LAB plant with a similar design

Energy Business Area

Investment in venture company LanzaTech, developer of microbial gas fermentation technology

Mitsui invested US\$20 million (¥2 billion) in U.S. venture firm LanzaTech, by subscribing tonew shares.

LanzaTech is developing a technique for manufacturing valuable fuels, such as ethanol, and commodity chemicals, such as butadiene, through a process of gas fermentation whereby waste gases are converted into commercially useful hydrocarbons. The company conducted and concluded demonstration testing in 2012 with two Chinese steelmakers, BaoSteel and Shougang, involving production of ethanol from steel mill waste gases (mainly carbon monoxide and hydrogen). Now, LanzaTech is working to launch the first-ever commercial scale production using the technology, aiming at commencement of plant operations in 2015.

Moreover, the company's current efforts to develop technologies for converting carbon dioxide and other gasses into products show promise of eventually developing into commercially viable technologies that could form the basis for an innovative business venture that could play a role in the prevention of global warming.

Mitsui, through the equity participation in the company, aims to create new business in manufacturing next-generation fuels and commodity chemicals derived from waste gases that weigh heavily on the environment.



LanzaTech plant

Lifestyle Business Area

Capital and business alliance with Fuji Pharma

Mitsui agreed to underwrite a capital increase of ¥2.7 billion in generic drug manufacturer Fuji Pharma Co, Ltd. (Mitsui's stake is 22% after the transaction.)

Fuji Pharma boasts a substantial share of the Japanese market for diagnostic drugs and pharmaceuticals used in the field of obstetrics and gynecology, and it has advantages in the area of injection agents where high-caliber quality control practices are essential. The company is expanding into Asian markets, drawing on pharmaceutical manufacturer OLIC (Thailand) Limited, which it acquired in 2012, and is working to achieve further growth.

Once a patent on a pharmaceutical product expires, a generic drug that is relatively less expensive can be manufactured by other companies. Along those lines, Japan's Ministry of Health, Labour and Welfare also aims to bring about more widespread availability of generic drugs as one means of curbing rising medical costs in Japan, particularly as the nation's population ages.

Mitsui aims to contribute to bringing about more widespread availability of generic drugs by leveraging its global network to introduce overseas pharmaceutical products promoted by Fuji Pharma, and enabling Fuji Pharma to expand its operations abroad.



Fuji Pharma plant

Innovation & Corporate Development Business Area

Launch of new high-speed data telecommunications service in Indonesia

Indonesian mobile telecommunications operator PT Internux, in which Mitsui has an equity stake, has launched a high-speed LTE* mobile data telecommunication service in the Greater Jakarta area.

There are more than 250 million mobile phone subscribers in Indonesia, while the net number of subscribers has reached 170 million (70% penetration rate). Meanwhile, smartphone use is particularly on the rise in Indonesia, with such devices expected to account for 40% of the cell phone market in 2015.

Amid accelerating growth in use of social networking services (SNS), demand for high-bandwidth data communications is expected to surge, with increasingly widespread use of services to share still images and video footage over the mobile internet, as smartphones become more popular.

PT Internux aims to tap into Indonesia's robust demand in that market by offering impressive transmission speeds and quality services, while playing a part in upgrading the nation's telecommunications environment.

* LTE, or "Long-Term Evolution", is 3.9G LTE, an advanced 3rd generation (3G) standard for wireless, high-speed data communications.



A ceremony held in Jakarta to mark the Start of BoLT! services



Initiatives to support Brazilian residents of Japan

Mitsui maintains strong ties with Brazil through its various business projects in that nation. Beyond business activities, we provide support, out of our desire to contribute to Brazilian society, to Brazilians who live in Japan, primarily in the area of education, as a means of contributing to communities in both Japan and Brazil.

One example in this regard is our Conference for the Future of Children, first held in 2009. The conference provides a forum for presenters to inform parents, guardians, and educators about the realities of children who face challenges due to language barriers. Participants are also provided

with suggestions regarding Japanese language learning, as well as concrete advice from an educational and psychological perspective. Last year, the conference was conducted 20 times in 11 different cities throughout Japan. We have also been operating our Scholarship Program for Brazilian Pupils in Japan continuously since 2009, with the aim of providing financial assistance to Brazilian students.

Going forward, we remain committed to offering activities that benefit both of our nations and lead to fostering harmonious multiculturalism.

CSR

Social and Environmental Activities



Conference for the Future of Children held in Isezaki City, Gunma Prefecture in October 2013



Support for disaster recovery efforts by helping to revitalize the forest industry in Rikuzentakata City

Mitsui has been actively taking part in various efforts to help communities recover from the Great East Japan Earthquake of March 2011.

Rikuzentakata City, in Japan's Iwate Prefecture, lost most of its public facilities in the tsunami caused by the massive earthquake. To help with recovery efforts, Mitsui donated a temporary facility called the Rainbow Library to the city in November 2011. It is constructed with lumber from the company-owned forests located in the vicinity. Mitsui also contributed a wood deck to the local fishermen's group Association of Hama-no-miçanga Tamaki (bracelet) Craftsmen in September 2012. The buildings now act as places where local residents of all ages gather.

The two structures were built by the area's "Kesen carpenters", who have been active in the Kesen region of Iwate since Japan's Edo period (1603–1868). Their craftsmanship, displayed in everything from shrines and temples, to wood fittings and sculptures, has long been a source of pride for Japan, and an association of woodworkers was established to impart their techniques and

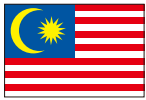
traditions to the next generation of craftsmen. However, their efforts to pass on their skills and traditions were hampered after their meeting house was destroyed in the tsunami. To address that situation, Mitsui contributed a meeting house to the association in March 2013, and in June 2014, a model home was also donated for use by the association to help it secure orders for building new houses during the recovery stage. We hope that an increasing number of houses made with locally produced lumber will enable craftsmen to impart traditional woodworking techniques to the next generation, revitalize the local forest industry, and generate employment for those living in disaster-affected areas. Mitsui remains committed to its efforts to help with recovery initiatives through activities with local residents.



Meeting house contributed to the association of Kesen carpenters

Challenge & Innovation

—Global Business Activities—



Malaysia



At the Heart of Southeast Asia

Situated at the center of Southeast Asia, Malaysia has a tropical rainforest climate and comprises the Malay Peninsula and part of Borneo. With a population of 29.33 million in 2012, approximately one-quarter the size of Japan's population, Malaysia is a multiethnic country that includes ethnic Malays, Chinese and Indians as well as many indigenous peoples. The range of religious beliefs in the country reflects this diversity. As well as Islam, which is the state religion, Buddhism, Hinduism and Christianity have a significant presence. The country's languages are similarly varied, with Chinese and Tamil spoken in addition to the official Malay.

Along with neighbours Indonesia and Singapore, Malaysia has been a member of the Association of Southeast Asian Nations (ASEAN) since its formation. Over the past two years, the country has achieved real GDP growth of more than 5%, and its economy is expected to continue growing steadily. The country's top export and import trading partners in 2012 were Singapore, China and Japan, and as such Asia's economy influences Malaysia significantly.



Kuala Lumpur Branch Operations

In 1963, Mitsui & Co., Ltd. opened a Kuala Lumpur branch to facilitate exports and imports between Japan and Malaysia and support the company's Malaysian operations. The branch celebrated its 50th anniversary in 2013. By collaborating closely with Tejana Trading & Management Services Sdn. Bhd., the branch conducts domestic transactions in Malaysia and other trading. Currently, the branch, which has 107 personnel, is investing in businesses with partners in a wide range of areas—

such as chemicals, infrastructure projects, healthcare, environmental businesses and palm oil related businesses that include plantation management—and expanding and advancing trading and marketing activities throughout the country.



Initiatives Going Forward

The 1980s saw Japanese companies' investment in Malaysia surge. After peaking in the mid-1990s, investment levels stagnated for a time due to the Asian currency crisis. Since then, however, the number of Japanese companies choosing Malaysia as an overseas investment destination has been increasing for various reasons. Such reasons include the country's membership of ASEAN, political and economic stability, infrequent natural disasters and friendly relations with Japan as well as India's expanding market and steps to avoid risk associated with China. Also, Malaysia is keen to attract investment from Japan, with an emphasis on such areas as the aerospace, electronics and medical equipment industries. In addition to its existing initiatives, Mitsui will actively unearth new projects with a view to contributing to the further economic development of Malaysia and Southeast Asia as a whole.

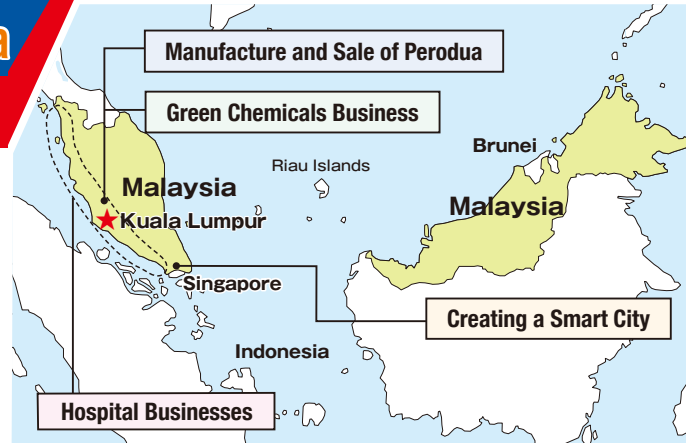
Basic Data

| | |
|----------------------|--|
| Population | : 29.33 million (2012) |
| System of government | : Constitutional monarchy (five-year term) |
| Currency | : Ringgit |
| Nominal GDP | : USD303.5 billion (fiscal 2012) |
| Land area: | : 329, 735 square kilometers |
| Official language | : Malay |

Source: Ministry of Foreign Affairs of Japan

Major Business Activities in Malaysia

Mitsui has a variety of businesses in Malaysia. In addition to the businesses introduced here, we conduct trade in a range of areas, including steel products, ships and food. Also, we are involved in joint ventures with government-owned strategic investment fund Khazanah Nasional Berhad, one of Malaysia's flagship investment funds. We will continue working to discover joint initiatives with major local companies.



◆ Developing Hospital Businesses in Asia through Joint Investment with Government-Owned Strategic Investment Fund Khazanah

In 2011, Mitsui took a stake in IHH Healthcare Bhd. ("IHH"), Asia's largest private hospital group. Across Asia, primarily in its home markets of Malaysia, Singapore and Turkey, IHH operates hospitals, clinics, medical schools and



other medical businesses. In emerging countries, medical needs are increasing as societies age, populations grow and lifestyles change due to economic development. Mitsui will take advantage of networks that it has developed through a variety of businesses to support the expansion of hospital businesses and their ancillary businesses in Asia. At the same time, through IHH we will help increase the quality and quantity of medical treatment in Asia's emerging countries by introducing Japan's advanced medical treatment and building hospital-related ancillary businesses, such as specialist clinics, medical examination centers and facilities for the elderly.

Gleneagles Kuala Lumpur, an IHH-operated hospital

◆ Working with Daihatsu Motor to Help Develop the Automotive Industry

In 1993, Mitsui and Daihatsu Motor Co., Ltd. entered into a joint venture with local companies in Malaysia to establish a company for the manufacture and sale of automobiles, Perusahaan Otomobil Kedua Sdn Bhd ("Perodua"). We are comprehensively involved in the value chain, from supplying manufacturing companies with raw materials for automobile steel plate through to retail. As well as having stakes

in companies that manufacture Perodua models, including their engines, Mitsui has an interest in Daihatsu



The Perodua Alza 7 seater

◆ Creating a Smart City in the Iskandar Region

Mitsui has a 20% interest in Medini Iskandar Malaysia Sdn Bhd, which is undertaking an urban development in the Medini area of Malaysia's Iskandar region. (A subsidiary of



A conceptual image of the completed smart city

Khazanah, our partner in the development of hospital businesses, has a 60% interest in the company.) Through Medini Iskandar Malaysia, we are developing an environmentally friendly smart city.

Covering an area roughly equivalent to that of Tokyo and situated next to Singapore, the Iskandar region has progressed dramatically in recent years. The region's population is expected to double from its 2005 level to 3 million by 2025, making urban development an urgent task.

By introducing outstanding technology, mainly from Japanese companies, and exploiting information and communications technology, Mitsui aims to develop a sustainable, environmentally friendly smart city that not only is reliable, safe and convenient but has efficient energy and water supplies, transportation and other social infrastructure.

◆ Advancing the Green Chemicals Business through Palm-Oleo

In 1989, Mitsui established Palm-Oleo Sdn. Bhd. in Malaysia as a joint venture with a local palm plantation business. Palm-Oleo's chemical manufacturing operations use oil palm as a raw material in the manufacture of fatty acids, glycerin and other chemicals. Chemicals made from biomass raw materials, such as palm oil and sugar cane, instead of fossil fuels are known as green chemicals. These chemicals have attracted attention in recent years because they have a low environmental burden and help prevent global warming. Furthermore, for some of its raw materials Palm-Oleo voluntarily uses environmentally responsible palm oil that the Roundtable on Sustainable Palm Oil has

A palm plantation



certified.

Through our partnership with Palm-Oleo, we will help supply raw materials for a range of environmentally friendly products that consumers worldwide need—from lubricant oils through to additives for rubber and tires.

(Malaysia) Sdn. Bhd., which was established in 1980 as a wholesaler and retailer of automobiles. Daihatsu (Malaysia) not only has the highest unit sales of Perodua models but wholesales and retails Daihatsu Motor's commercial vehicles and retails trucks manufactured by Hino Motors, Ltd.

Currently, Perodua manufactures and markets three models. In 2013, Perodua sold approximately 200,000 cars, giving it the largest share of Malaysia's automotive

market, at roughly 30%, for the eighth consecutive year. Moreover, plans call for the establishment of a new plant in summer 2014, which will raise the company's international competitiveness and production capacity.

Mitsui will continue working with local shareholders and Daihatsu Motor to strengthen Perodua's business foundations.