Newsletter to Shareholders

2014 Winter

CONTENTS

MITSUI & CO.

Securities Identification Code: 8031

Corporate Profile (As of March 31, 2014) *As of October 1, 2014

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 130
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
First Half of the Year Ending March 31, 2015

Masami Iijima
President and Chief Executive Officer

I would like to express my gratitude to all our shareholders for your continued support of Mitsui & Co. The following is a report on financial results for the interim period of the fiscal year ending March 31, 2015.

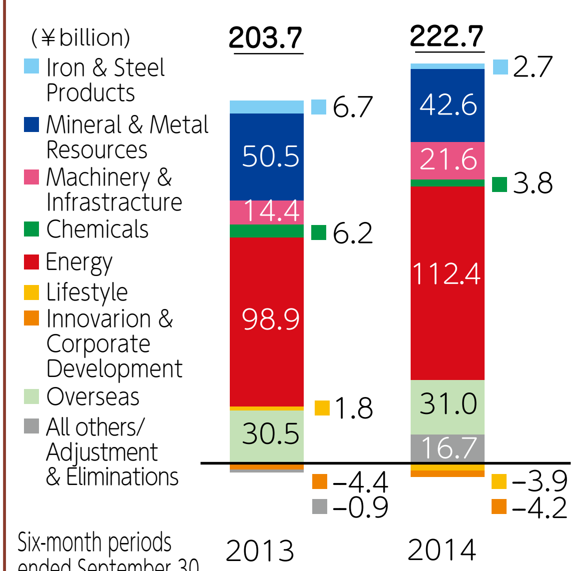
Consolidated interim financial results for the fiscal year ending March 2015

First half profit*1 of ￥222.7 billion, progressing in line with initial forecasts

Looking at the operating environment for the first six months of the fiscal year, although the U.S. economy continued to show firm growth, there was an overall slowdown in the global economy, with the pace of economic recovery slower than expected in Japan and Europe, and signs of stagnation in emerging countries becoming more prominent. There were also rising concerns about uncertainties that could negatively impact the global economy, such as the situation in Ukraine, the conflict in Syria and Iraq, and the spread of infectious disease. The U.S. economy is expected to continue to grow steadily in the second half of the fiscal year, backed by stable improvements in the employment environment and strong corporate earnings. Despite the prolonged impact of the consumption tax hike, the Japanese economy is expected to recover slightly as a result of an improved employment environment and improved corporate earnings. The outlook for the European economy is becoming increasingly unclear, due to factors such as a harsh employment environment and a slowdown in exports to Russia. The Chinese economic growth rate is gradually slowing as a result of adjustments made to combat excess production capacity and the softening of the real estate market, while emerging economies are experiencing delay in the improvement of weak fundamentals.

Amid this environment, Mitsui & Co. recorded first half profit of ¥222.7 billion, an increase of ¥19.0 billion from the ¥203.7 billion recorded for the previous period. At the end of

Profit by Operating Segment



	2013	2014
Forex(￥/US$)	99	104
Oil price(US$/bbl)	111	110

Please refer to page 14～15 for more information.

※1 In this news letter, "first half profit" means "profit for the six-month period ended September 30, 2014 attributable to owners of the parent" the interim period we have attained around 59% of the ¥380.0 billion profit forecast at the beginning of the fiscal year. Looking at results by segment, profit from the Energy Segment increased due to factors including higher production volumes at Australian crude oil and U.S. shale projects, and an increase in dividends from LNG projects. Further, overseas power generation projects performed strongly, and the trading volume of commercial ships also recovered, resulting in an increase in profit from the Machinery & Infrastructure Segment.

In the Mineral & Metal Resources Segment, however, an increase in production volumes of iron ore and other minerals failed to offset the impact of a tax system revision in Chile, an increase in tax burden due to the repeal of the Australian Mineral Resource Rent Tax, and a decline in iron ore and coal prices, resulting in a decline in net income. The Lifestyle and Iron & Steel Products Segments also declined.

Maintaining a solid financial position and strong cash flow generation

On our balance sheet, total assets increased to ¥12.3 trillion due to an increase in cash and deposits and the implementation of investments. Shareholders' equity was ¥4.1 trillion, largely impacted by the accumulation of retained earnings and the depreciation of Japanese Yen. Net DER*2, which is a measure of financial health relating to the balance between interest-bearing debt and shareholders' equity, improved to 0.78 times.

Cash flow from operating activities was ¥373.7 billion, while cash flow used in investing activities was ¥190.0 billion, a decline of ¥236.8 billion from the previous comparable period. As a result, there was a net inflow of ¥183.7 billion in free cash flow*3 for the period.

Progress with business activities, investments and financing

Reinforcement and expansion of a high-quality, competitive earnings base that supports Mitsui's corporate value

In our New Medium-term Management Plan, as part of efforts to develop stronger cash generation we have included initiatives to strengthen and expand the earning base of our existing business portfolio and also pursue investments in high- quality new projects that will be the driving force of future growth. In the interim period under review, our investments totaled ¥305.0 billion, and included developments in existing upstream crude oil and gas business, mine developments and expansion of harbor infrastructure in the iron ore business.

Promoting business development across segment boundaries among businesses in the key strategic domains

In the U.S., for example, we launched shale gas and oil business developments, conducted a chemical tank terminal expansion, and invested in plant equipment for a U.S. methanol production plant. Also, as part of efforts to strengthen our earnings base, we have constructed and launched operations of the Cameron Project U.S. natural gas liquefaction project to export LNG from the U.S. We have been involved in Cameron from an early stage, and in August this year we made the decision to implement our final investment in this project. This represents tangible progress in the development of the hydrocarbon chain, one of our key strategic domains in the new Medium-term Management Plan.

In Mobility, another of our key strategic domains, we invested in VLI S.A. ("VLI"), a general cargo operator with a vast rail network and port facilities across Brazil. We are utilizing our knowledge and proven experience in the rail sector, including the procurement of railcars and railroad equipment, as well as the functions of our harbor engineering subsidiaries, as part of efforts to raise our corporate value.

We are also linking our relationship with VLI to another key strategic domain—food and agriculture—using the company

※2 Net DER = net interest-bearing debt ÷ total Mitsui & Co. shareholders' equity
Net interest –bearing debt = interest –bearing debt –(cash and cash equivalents + time deposits)

for the transportation of produce in our agricultural production, collection and sales business in Brazil.

Also in food and agriculture, we have reached an agreement with U.S. company DuPont to acquire its copper fungicide business.

Strategic asset recycling

We have actively promoted the improvement of our portfolio through strategic asset recycling (asset sales and recovery of funds), acquiring a total of ¥120.0 billion through the sale of our stake in UK brand Burberry, and the recovery of funds from an acquisition finance business in the U.S. We will continue to actively pursue new investments and strategic asset recycling, and translate this into further development of our portfolio and strengthening of our earnings base.

Investments and Divestitures

Segment	Result Sep/2014 (¥billion)	Major Items
Iron & Steel Products	0	
Mineral & Metal Resources	40	Expansion and development of Australian iron ore operations
Machinery & Infrastructure	115	Integrated logistics company and FPSO lease in Brazil
Chemicals	15	Methanol production in U.S.
Energy	90	Developments in existing shale gas/oil and Thai businesses
Lifestyle	15	Additional acquisition of Fuji Pharma shares, Domestic real estate
Innovation & Corporate Development	5	Venture investment in U.S.
Overseas	25	Tank terminal expansion and senior living facilities in U.S.
Gross Investments & Loans	305	
Divestiture	-120	Burberry shares, Private equity-sponsored loans in U.S.

Full-year consolidated forecast for the year ending March 2015

Profit forecasts unchanged at ¥380.0 billion

Our full-year forecasts have been reviewed based on the operating environment, our current status of progress, and future business environment predictions, as mentioned at the beginning of this message. As a result, the segment breakdown has been revised as below. The full-year profit forecast remains unchanged at ¥380.0 billion.

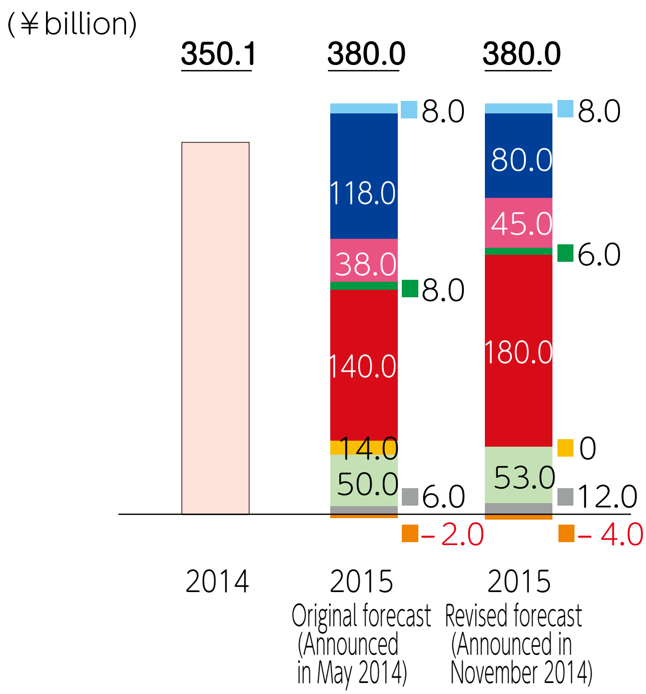
Profit from the Energy Segment is expected to exceed initial forecasts, due to an increase in production volumes and dividend income, in addition to the impact of exchange rates. Profit from the Machinery & Infrastructure Segment is also set to increase, due to continued strength in our overseas power gen-

※3 Free cash flow = net cash provided by operating activities + net cash used in investing activities eration business and commercial ship trading, and an increase in profit in our logistics infrastructure business.

However, profit from the Mineral & Metal Resources Segment is expected to fall short of initial forecasts, reflecting a drop in the overall commodities market including the price of iron ore, and the Chile tax revision, and despite an expected positive impact from an increase in production volumes and cost reductions. Profit from the Lifestyle, Chemicals, Innovation and Corporate Development Segments is also expected to fall short of initial forecasts.

We will continue to closely monitor commodities markets and exchange rate movements, while working prudently and steadily towards achieving our earnings forecast of ¥380.0 billion.

Forecast for Annual Operating Results by Operating Segment



	Result	Assumption	
Forex(¥/US$)	100	100	107
Oil price(US$/bbl)	110	104	103

	Original forecast	**Revised forecast**	Changes
Iron & Steel Products	8.0	**8.0**	±0
Mineral & Metal Resources	118.0	**80.0**	–38.0
Machinery & Infrastructure	38.0	**45.0**	+7.0
Chemicals	8.0	**6.0**	–2.0
Energy	140.0	**180.0**	+40.0
Lifestyle	14.0	**0**	–14.0
Innovation & Corporate Development	–2.0	**–4.0**	–2.0
Overseas	50.0	**53.0**	+3.0
All others/ Adjustment & Eliminations	6.0	**12.0**	+6.0
Total	380.0	**380.0**	±0

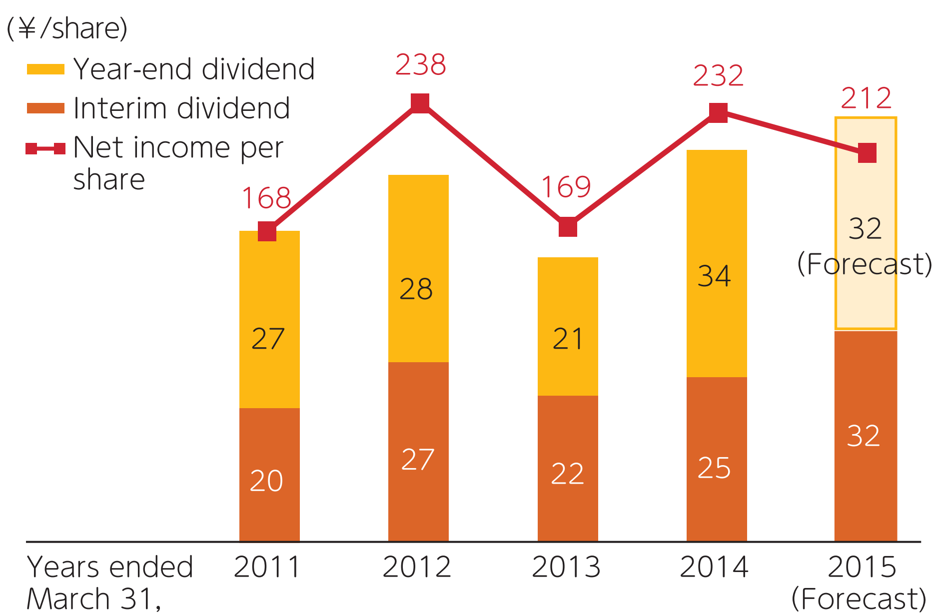
Dividends

Annual dividend forecast of ¥64 per share (increase of ¥5)
Interim dividend of ¥32 per share (increase of ¥7)

In order to maximize shareholder value, we seek to maintain an optimal balance between (a) achieving sustainable growth through strategic investments in areas of our core strength and growth and (b) paying out cash dividends as direct compensation to shareholders.

In the New Medium-term Management Plan, we have set a target consolidated dividend payout ratio of 30%. Based on forecast annual profit of ¥380.0 billion, our annual dividend per share is expected to be ¥64 (an increase of ¥5). The interim dividend is set at half of the annual dividend, at ¥32 per share (an increase of ¥7).

Dividend



Annual dividend per share	￥47	￥55	￥43	￥59	￥64
Consolidated dividend payout ratio	23%*4	23%	25%	25%	30%*5

※4
Dividend payout ratio for the fiscal year ended March 2011 was 23% when calculated based on net income ￥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.

※5
Dividend forcast for the year ending March 2015 is calculated based on our financial outlook, with the target dividend payout ratio of 30%.

Continued innovation

As part of efforts to expand our earnings base, in the first half of the fiscal year we have promoted the steady development of existing business, and also launched strategic initiatives that leverage our company’ s strengths.

In May this year we launched the Mitsui & Co. Branding Project, through which we aim to gain a greater understanding from our diverse stakeholders, as we continue to pursue new value creation and take on challenges in a wide range of business on our way to reaching our goals for 2020.

For details on the Branding Project, please see the following page.

Thank you once again for your continued support and guidance of Mitsui & Co. We look forward to your ongoing interest.

Phase one of the Mitsui & Co. Branding Project

Introducing our new logo, slogan and statement

Becoming a leading global company

Masami Iijima
President and Chief Executive Officer Mitsui & Co.

On September 24, 2014, we announced phase one of the Mitsui & Co. Branding Project – the launch of a new logo, slogan and statement.

I hope that through this project we can enable our shareholders and other stakeholders around the world to gain a better understanding of the real Mitsui & Co. and be able to evaluate Mitsui & Co. more appropriately and grow their trust in us.

The "360° business innovation." slogan captures our ambition to innovate businesses and industries by envisioning new possibilities through connecting ideas, information, customers, partners and businesses throughout the planet.

In the future we intend to communicate the strength and originality of Mitsui & Co. clearly to our shareholders, and I am sure we can create new value through business innovation and gain recognition for Mitsui & Co. as a leading global company.

About the new logo

MITSUI&CO.

Earth, sky and people: the three elements of a Mitsui house seal that has more than 300 years of history. Based on three horizontal lines within a rotated square of overlapping bars, this logo defines Mitsui's visual identity on the global stage. We have updated the design with crisp, modern proportions while retaining its unmistakable heritage. We also created one unified global logo in English. By removing the "LTD." from MITSUI & CO., LTD. and emphasizing the '&' we have represented our philosophy of making connections between people, information, ideas, technologies and nations.

“I want to see Mitsui & Co. operating at the forefront of world business, engaging in the issues that matter most”

Art Director / Creative Director for the Mitsui & Co. Branding Project

Kashiwa Sato

As someone who has mainly worked on B to C corporate branding projects, turning my hand to the Mitsui & Co. brand was a considerable challenge.

In thinking about the project, I realized that there are some big issues at play here, and some hard questions that Japan has to confront. How can a nation establish a unique position in the emerging global community? What is the best way to earn trust and respect across many lines of business in the global arena?

Addressing these issues requires innovation and a linking of information and humanity in all its diversity. None of this can happen without the power of people. And all of this aligns perfectly with Mitsui & Co., a company whose people create new connections that often revolutionize business.

President Iijima and Mr.Sato (Left)

It seems clear to me that by operating at the forefront of global business, Mitsui engages early and directly with key issues in many different parts of the world. My hope is that through this project I can help Mitsui clearly express its vision while also revealing the essential nature of Mitsui as a company.

Kashiwa Sato Art Director / Creative Director

Mr. Sato established SAMURAI after a period working for Hakuhodo. His work has included the design of the symbol mark for the National Art Center, Tokyo; brand creative direction for companies including Uniqlo, Rakuten Group, Seven-Eleven Japan, and Imabari Towel; and total production of the Cup Noodle Museum and Fuji Kindergarten. He has won numerous prizes, including the Mainichi Design Award, and the Tokyo ADC Grand Prix. Mr. Sato is a Special Guest Professor at Keio University and Visiting Professor at Tama Art University. He is also a bestselling author of books including “Kashiwa Sato's Ultimate Method for Reaching The Essentials" and others. http://kashiwasato.com/

For the world. With the world.

We are Mitsui & Co., and we create value.
With the power of our imagination. With the strength of our will.
With the vitality of our spirit.

We drive innovation: we find new ways to
connect information, ideas, generations and nations.

We're building a better future for people and planet.
And for you.

MITSUI & CO.

Financial Highlights

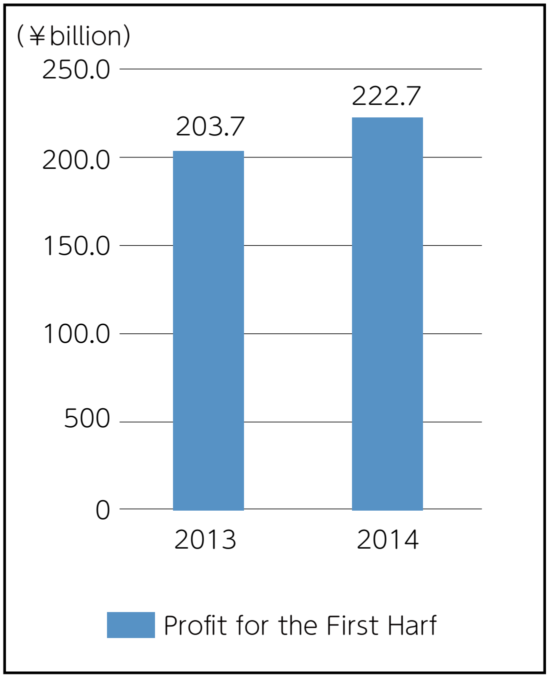
Overview of Result for the First Half of the Year Ending March 2015 (from April 1,2014 to September 30,2014)

Results of Operations

Profit for the First Half increased by ¥19.0

Profit for the First Half ¥222.7 (+9%Y-onY)

Profit for the First Half ending March 31, 2015 was ¥222.7 billion, an increase of ¥19.0 billion from the previous year, due to the depreciation of the Japanese yen, increase of volume in Metal & Mineral Resources and Energy segment as well as increase of dividend from LNG projects, in spite of a decline of iron ore and coal price. Further, solid performance in IPP business and recovery of trading volume in commercial ships also attributed to the increase of the Profit.



Financial Condition

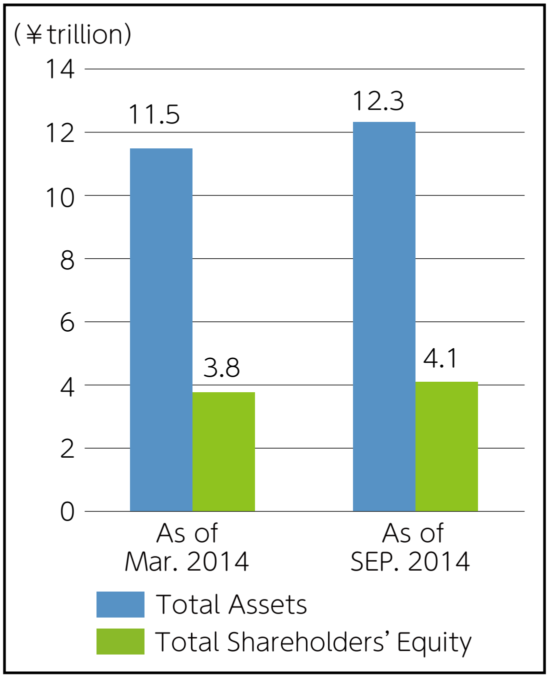
Total assets increased ¥0.8 trillion

Total Assets ¥12.3 trillion (+7%Y-onY)

Total Shareholders' Equity ¥4.1 trillion (+8%Y-onY)

Total assets were ¥12.3 trillion as of September 30, 2014, an increase of ¥0.8 trillion as of March 31, 2014. Increase due to the depreciation of the Japanese yen and increase in current assets due to the seasonal increase in inventory as well as investments.

Total shareholders' equity was ¥4.1 trillion, an increase of ¥0.3 trillion due to an increase in retained earnings and the depreciation of the Japanese yen.



※In this newsletter, "Total Shareholders' Equity" means "Total equity attributable to owners of the parent."

Continue to maintain strong financial position

Net Interest-bearing Debt	￥3.2 trillion (+0% Y-on-Y)
Net DER	0.78 times (+0.05 points Y-on-Y)

Net interest-bearing debt as of September 30, 2014 was ￥3.2 trillion, same as the figure as of March 31, 2014.

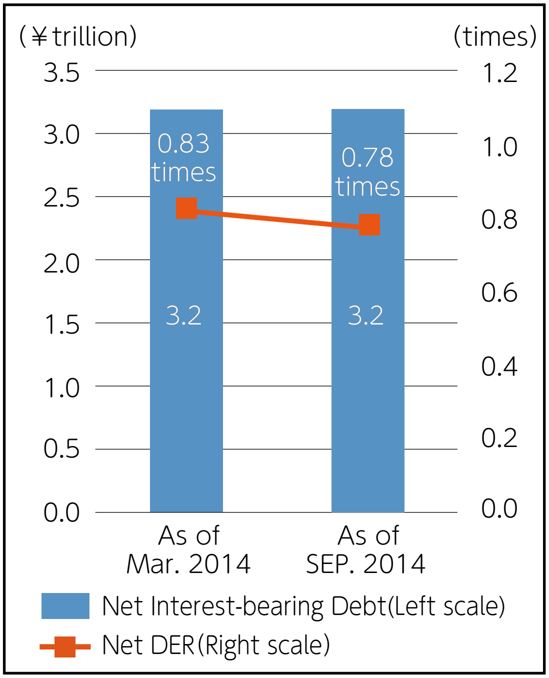
Net debt-to equity ratio(Net DER) was 0.78 times, 0.05 points lower compared to the level as of Mar 31, 2014.

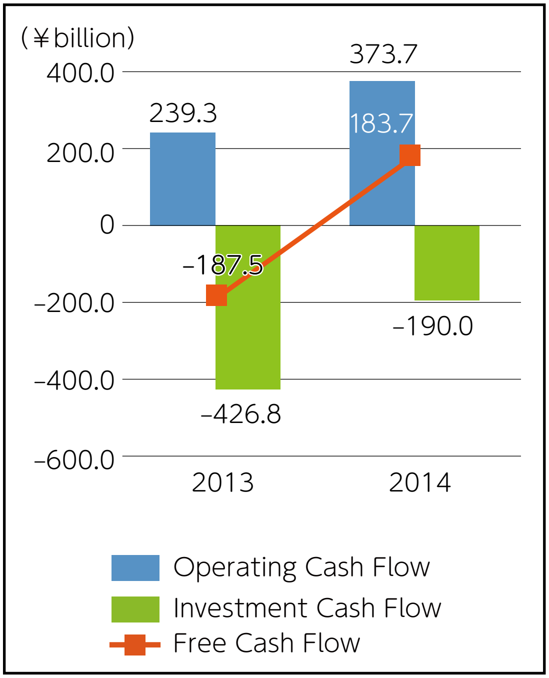
Cash Flows

Free cash flow was a net inflow of ￥183.7 billion

Operating Cash Flow	￥373.7 billion
Investment Cash Flow	–￥190.0 billion
Free Cash Flow	￥183.7 billion

Net cash provided by operating activities was ￥373.7 billion, an increase of ￥134.4 billion from the previous year, reflecting depreciation and amortization and increase of dividend income. Net cash used in investment activities was ￥190.0 billion.



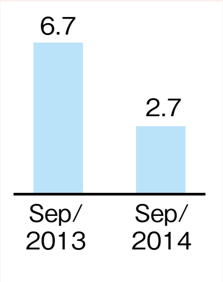


Segment Overview

■Overview of Result of the First Half of the Year Ending March 2015 (from April 1, 2014 to September 30, 2014)

Net Income | Investments and Loans

Iron & Steel Products Segment



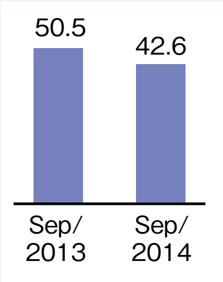
〔Summary of Increase/Decrease〕

- ↓ Line pipe to LNG projects shipped within Financial year ended March 2014
- ↓ Trading volume of other steel products declined

●Gross cash outflow **¥0 billion※**

※ the above figures are rounded to ¥5 billion

Mineral & Metal Resources Segment



〔Summary of Increase/Decrease〕

- ↓ Iron ore prices declined, volume increased
- ↓ Negative impact on deferred tax related Chile and Australia

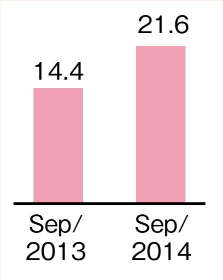
●Gross cash outflow **¥40 billion**

- ・Expansion and development of Australian iron ore operations

●Divestiture

- ・Redemption of preferred shares of Valepar
- ・Sales of stake in Silver Bell Mining

Machinery & Infrastructure Segment



〔Summary of Increase/Decrease〕

- ↑ IPP : Mark-to-market on derivatives increased
- ↑ Recovery of trading volume in commercial ships

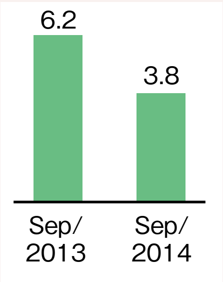
●Gross cash outflow **¥115 billion**

- ・Integrated logistics company in Brazil
- ・FPSO lease in Brazil

●Divestiture

- ・Finance lease receivables

Chemicals Segment



〔Summary of Increase/Decrease〕

- ↓ KPA : Shutdown at end Financial year ended March 31, 2014 due to asset transfer
- ↓ Unfavorable market conditions in US chlor-alkali business

●Gross cash outflow **¥15 billion**

- ・Methanol production in U.S.

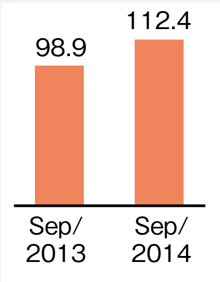
●Divestiture

- ・Sales of asset of KPA

(¥ billion)

Net Income	Investments and Loans

Energy Segment



〔**Summary of Increase/Decrease**〕

↑ Dividend from LNG projects increased

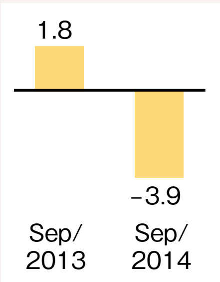
↑ Oil & gas:Increases due to the depreciation of Japanese yen and increase in sales volume

● **Gross cash outflow** **¥90 billion**

・Developments in existing shale gas/oil

・Thai businesses

Lifestyle Segment



〔**Summary of Increase/Decrease**〕

↓ Underperformed operations at grain business in Brazil

↓ Impairment loss on equity investment

● **Gross cash outflow** **¥15 billion**

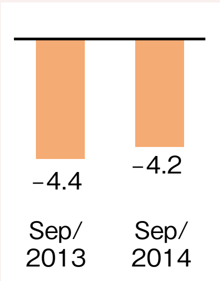
・Additional acquisition of Fuji Pharma shares

・Domestic real estate

● **Divestiture**

・Sales of Burberry shares

Innovation & Corporate Development Segment



〔**Summary of Increase/Decrease**〕

↑ Recovery of derivatives trading

↓ Impairment loss on equity investment

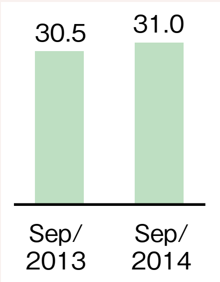
● **Gross cash outflow** **¥5 billion**

・Ventures investment in U.S.

● **Divestiture**

・Private equit-sponsored loans in U.S.

Overseas* Segment



〔**Summary of Increase/Decrease**〕

↑ Americas : Sales of stake in Silver Bell Mining

↓ Asia Pacific : Decrease in Australian iron ore business

● **Gross cash outflow** **¥25 billion**

・Wind Power generation business in Australia

・U.S. Tank operation

● **Divestiture**

・Sales of stake in Silver Bell Mining

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

Infrastructure Projects Business Unit

Atlatec, S.A. de C.V.

Using Specialist Functions to Resolve Water Issues

Mitsui's e Affiliates

AGUA PRIETA wastewater treatment plant

Mitsui & Co. 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 introduce Mexico-based ATLATEC, S.A. de C.V., which is developing a range of water businesses, including sewage and industrial wastewater treatment.

About ATLATEC, S.A. de C.V.

Mitsui's consolidated subsidiary ATLATEC, S.A. de C.V. ("ATLATEC") is a water treatment engineering company based in Monterrey, Mexico, that was acquired jointly with Mitsui's affiliated company Toyo Engineering Corporation (85% shareholding) in 2008.

ATLATEC, originally the wastewater treatment division of the Mexican chemical manufacturer, was spun off and has been operating as an independent company for more than 50 years. In addition to one-stop plant design, equipment procurement and construction, the company has expertise in water treatment plant operation and maintenance, and it has built and currently operates 28 water treatment facilities, most of which are in Mexico.

Since becoming a Mitsui subsidiary, ATLATEC has received orders for several large-scale water treatment projects, primarily in Mexico, and is working to help resolve water issues in Mexico and around the world.

Global Water Issues

In the 21st century, water has become a global issue inextricably linked with food and energy. Today, the world's population has grown to 7.0 billion, from 2.5 billion in 1950, and it is forecast to increase by an additional 30%, to 9.6 billion, by 2050. This growth is bringing about a sharp rise in demand for water. Approximately 70% of water usage is for agriculture and food production, and large quantities of water are needed to meet the food requirements of the growing population.

In addition, the amount of water being used by people in their daily lives and by industry is expanding in line with economic growth and rising standards of living, and increases in the amount of water being supplied are accompanied by corresponding growth in the volume of industrial wastewater, residential sewage and other water-carried waste. In some regions of the world, the construction of water treatment facilities has not been able to keep pace with this growth, and wastewater and sewage are being released untreated into rivers, creating hygiene and environmental problems as well as preventing the reuse of downstream water.

Mitsui's Activities

In light of this situation, we estimate that water-related businesses represent a market worth ¥40 trillion to ¥50 trillion annually, the majority being in the areas of fresh water supply and waste and sewage treatment. These areas are seeing increased use of private-sector capital and privatization around the world, in the pursuit of greater efficiency in the use of private-sector capital, human resources and advanced technologies. Mitsui's participation in water-related businesses began with a fresh water supply business in Izmit, Turkey, in 1995 and a wastewater treatment business at an oil refinery in Mexico in 2003. These initial activities were followed by our acquisition of a 35% share (currently 26%) of a fresh water supply business in Thailand in 2006 and participation in fresh water supply and wastewater treatment businesses in China in 2010 and the Czech Republic in 2013. ATLATEC, which we acquired in 2008, was our partner in the Mexican oil refinery project.

Mexico's Water Issues and ATLATEC

To address increasing concerns related to serious environmental pollution and unsanitary living conditions in Mexico, former president Felipe Calderón set a target raising the percentage of wastewater treated to 60% as part of a national infrastructure plan, and many local governments auctioned rights for private-sector wastewater treatment businesses as a way to promote the swift building of treatment facilities. After its joint acquisition by Mitsui and Toyo Engineering, ATLATEC won the rights to build three wastewater treatment plants, including one world-class facility, leveraging its own specialties in wastewater treatment plant design, equipment procurement, construction,

EL AHOGADO wastewater treatment plant

and operation and maintenance, along with Toyo Engineering's expertise in project management and Mitsui's capabilities in project formulation and fund procurement.

ATLATEC's first two projects after being acquired by Mitsui and Toyo Engineering were orders from the water commission of the State of Jalisco for projects in Guadalajara, Mexic's second-largest city: the EL AHOGADO wastewater treatment project (total outlay: roughly ¥7 billion; daily treatment capacity: 190,000 tons) and the AGUA PRIETA wastewater treatment project (total outlay: roughly ¥18 billion; daily treatment capacity: 730,000 tons). The AGUA PRIETA wastewater treatment plant, which commenced operations in 2014, is Mexico's largest, and this facility

Atotonilco wastewater treatment plant (under construction) and the EL AHOGADO wastewater treatment plant, which commenced operations in 2012, are treating almost all of the wastewater draining from the greater Guadalajara metropolitan area.

ATLATEC's third project, the Atotonilco wastewater treatment plant in Hidalgo state (total outlay: approximately ¥80 billion), will be one of the world's largest when completed, with daily treatment capacity of 3.6 million tons. Hidalgo is one of Mexico's leading agricultural regions, and currently untreated wastewater from Mexico City is used for irrigation, making the treatment of this wastewater a pressing issue. Construction is moving forward, and when the wastewater treatment plant commences operations in 2015 it will treat approximately 60% of the sewage generated by Mexico City's 20 million residents, making a significant improvement to the local environment.

Contributing to the Resolution of Global Water Issues

ATLATEC is also developing water businesses outside Mexico. In addition to being contracted for the operation of the wastewater treatment plant in the Caribbean nation of Trinidad and Tobago in 2005, the company received a preliminary order in August


Wastewater treatment plant in Trinidad and Tobago

2014 from the country's water authority for the construction and operation of the Saint Ferdinand wastewater treatment plant. The total outlay for the project is estimated at approximately ¥10 billion, with operations scheduled to commence in 2017.

With the size of the global market for water-related businesses expected to grow going forward, Mitsui and ATLATEC intend to continue pursuing water businesses along with partner companies to contribute to the resolution of water issues around the world.

Message from the CEO

Atlatec, S.A. de C.V.

Alejandro Garza

Beginning with the construction of Central and South America's first industrial wastewater treatment plant in Monterrey in 1956, ATLATEC has anticipated social trends by promoting the efficient use of water in Mexico.

As part of this process, we became an independent company, and since then we have been involved in the construction and operation of more than 90 wastewater treatment plants, guided by our mission to "Contribute to sustainable development by delivering integrated water solutions for the global community." Since our acquisition by Mitsui and Toyo Engineering in 2008, we have established a position as Mexico's largest water engineering company and received the order for the construction and operation of the world-class Atotonilco wastewater treatment plant. Also, in recognition of our many years of involvement in water businesses, in March 2014 we received an award for our social contribution as a company.

Supported by Mitsui's global comprehensive strengths, everyone at ATLATEC will continue to work toward the resolution of global water issues.

NEWS FLASH

Mineral & Metal Resources

Commencement of Commercial Operations of Automotive Steel Service Center in Brazil

MAG Aliança Automóveis do Brasil SSC S.A. ("MAG") , which was established as a 50-50 joint venture by Mitsui & Co. and ArcelorMittal Gonvarri Brasil S.A. ("AMG") for processing and supplying steel products mainly to the automotive industry, commenced commercial operation. MAG is located in Nissan Brazil's Supplier Park in the city of Resende, Rio de Janeiro, Brazil, where Nissan has been producing since February 2014. MAG has an annual production capacity of 160,000 tons.

Brazil accounts for 60% of the entire South American automobile market, making it the world's fourth largest automotive powerhouse. With domestic sales likely to reach 5 million units in 2017, it is expected to grow to become the world's third largest automobile market. The Brazilian government is strongly implementing a growth strategy of the domestic automobile industry, and this is expected to drive the increase in demand for steel processing over the medium- to long-term future.

Mitsui & Co. has accumulated operational and trading know-how through its involvement in the operation of steel processing centers around the world. By combining this expertise with AMG's extensive experience in the Brazilian steel business, we aim to build a value chain in Brazil stretching from steel processing through to parts production.

MAG's Steel Service Center

Machinery & Infrastructure

Mitsui Signs Finance Agreements for Safi IPP Project in Morocco

Mitsui & Co. has signed project finance agreements for a coal-fired power project near the city of Safi, Morocco, through a power generation company jointly established with the French company GDF SUEZ S.A., and the Moroccan company Nareva Holding S.A.

This project will result in the construction of Africa's first ultra-supercritical coal-fired power plant*, with a generation capacity of 1,386MW (two 693MW units). The plant will become operational in 2018 and will produce power for 30 years. The total cost of the project is estimated at around US$2.6 billion (approximately ¥280 billion). Electricity generated by the plant will be supplied to Morocco through the Moroccan state-owned utility, l'Office National de l'Électricité et de l'Eau Potable. Morocco faces a tight power supply and demand situation. When completed, the new power plant will meet around 25% of the country's power needs and will make a significant contribution to economic development as a backbone supplier of electricity.

* A coal-fired power generation facility with the latest technology, and a higher level of efficiency than conventional coal-fired power plants.

Rendering of the coal-fired power plant at Safi

Chemicals

Mitsui & Co. Signs a Memorandum of Understanding with Mitsubishi Rayon on Production and Sale of MMA Monomer in the U.S.

Mitsui & Co. and Mitsubishi Rayon Co., Ltd. have agreed to commence feasibility studies to pursue methyl methacrylate ("MMA") monomer business in the U.S. and signed a memorandum of understanding for the establishment of a joint venture company.

MMA monomer is the raw material for acrylic resin, which is used in applications that include automobile lamp covers, signboards, aquarium water tanks, light-guide plates for LCD backlights, paint and building materials. Worldwide demand is currently in excess of 3 million tons and is expected to expand in the future.

The U.S. has an advantage in terms of access to competitively priced chemical raw materials benefited from the shale gas/oil revolution. The U.S. company Dow Chemical will supply the joint venture with ethylene, the main raw material, through Mitsui & Co. The plan calls for the production of highly competitive MMA monomer using the Mitsubishi Rayon Group's Alpha technology, an innovative ethylene-based MMA monomer production method. The target is to commence operations at the end of 2018 with production capacity for 250,000 tons of MMA monomer per year.

Acrylic resin sheets used for aquarium water tanks

Energy

Final Investment Decision for U.S. LNG Export Project

Mitsui & Co. and its partner companies have made a final investment decision in the natural gas liquefaction business at the Cameron LNG Terminal in Louisiana, U.S. Through this project, Mitsui & Co. will acquire a 16.6% interest in Cameron LNG, which will build and operate natural gas liquefaction facilities with production capacity of 12 million tons per year. Cameron LNG has signed project financing agreements totaling US$7.4 billion (approximately ¥740 billion) for this project.

Mitsui & Co. will secure natural gas liquefaction capacity of 4 million tons per year over a 20 year period from the start of LNG production under this project. Feed gas sourced within the U.S. will be transported to the Cameron LNG Terminal, where it will be liquefied by Cameron LNG, and the LNG will be sold to users mainly in Japan.

Through this project, Mitsui & Co. aims to contribute to the reliable supply of energy to the global market, including Japan, by ensuring stable production of LNG.

At the signing ceremony for the final investment decision with the other Cameron LNG partners

Lifestyle

Participation in Logistics Facility Development Business in China

Mitsui & Co. and Mitsubishi Estate Co., Ltd. have reached agreement on joint participation in the logistics facility development business in China in partnership with Beijing Properties (Holdings) Limited ("BPHL"). Affiliated to the People's Government of Beijing Municipality, BPHL is a real estate development company listed in Hong Kong. Mitsui & Co. and Mitsubishi Estate will jointly acquire 35% of the shares in China Logistics Infrastructures (Holdings) Limited ("CLI"), which is a wholly owned subsidiary of BPHL. Mitsui & Co.'s total investment in this acquisition is expected to amount to approximately ¥9 billion.

There is growing demand for more efficient logistics facilities in China because of the expansion of domestic consumption and the rapid development of e-commerce and other business activities. CLI owns logistics facilities in Shanghai and Tianjin and will expand the scale of its assets by developing and acquiring logistics facilities in major Chinese cities with a view to the securitization of its assets.

Mitsui & Co. will use its expertise gained through its involvement in logistics facility development, trading and financing to expand its real estate activities in the Chinese and other Asian countries' markets.

A major CLI-owned logistics facility in Shanghai

Innovation & Corporate Development

Participation in Data Center Service Business in Indonesia

Mitsui & Co. and its subsidiary, Mitsui Knowledge Industry Co., Ltd., have jointly reached an agreement concerning investment in the data center service business of the Lippo Group, a major Indonesian conglomerate.

Indonesia has a population of 240 million. Smartphone market penetration is expanding rapidly, and there has been a dramatic increase in high-capacity data communication. There has also been growth in demand for data centers capable of processing large volumes of data at high speed.

Mitsui & Co. has decided to respond to this demand by jointly investing in a high-performance data center with the Lippo Group and Mitsui Knowledge Industry, which has expertise based on its involvement in the data center business in Japan. Mitsui & Co. has already collaborated with the Lippo Group in a number of business areas, including satellite broadcasting and high-speed communications. The data center will also support business activities in these areas through its role as IT infrastructure, and we aim to contribute to the improvement of the communications environment in Indonesia through this project. The data center is expected to be in operation around the end of 2015.

Rendering of the data center

Mitsui & Co. Hosts "Sus-gaku (Education for Sustainable Development)" academy Program

Over a five-day period starting on July 23, 2014, Mitsui & Co. hosted a "Sus-gaku (Education for Sustainable Development)" academy program for 30 children in grades four through six of elementary school. The participants were invited from a group of applicants that responded to general advertising.

The purpose of this Education for Sustainable Development is to enhance their ability to build a sustainable future. We all need to find solutions to the many issues facing the world, especially those of the global environment, and this program helps to develop our capacity to think, act and learn through taking ownership of these problems and searching for answers. Our Work in the Future was the theme for these activities, using business activities and environmental and social contribution initiatives of Mitsui & Co. as the basis. We will continue to work through various activities to support children to develop the skills needed to build a better future.

EVP Kinoshita (left front) with "Sus-gaku" academy participants

Donation for Construction of Child Development Support Center in Iitate-mura, Soma-gun, Fukushima Prefecture

Iitate-mura was designated as a total evacuation area after the Great East Japan Earthquake. Around 60% of the approximately 6,700 residents were forced to evacuate to various locations within Fukushima City. Evacuees living under prolonged refugee conditions, especially mothers of pre-school children, have frequently asked the village office to provide a facility for regular medical checks for their children and obtain counseling on parenting. In responding to such calls Mitsui & Co. has decided to make a donation to the village to cover the cost of building a child development support center. The center, which is currently under construction in Fukushima City, will consist of a relocatable temporary building. Local timber from Fukushima Prefecture will be used extensively in the building to create a sense of warmth. In addition to regular medical examinations, the building will be used as a meeting place for mothers and pre-school children.

Promoting Human Networking between Japan and the U.S. through the TOMODACHI Initiative

The TOMODACHI Initiative is a public-private partnership program established after the Great East Japan Earthquake under the leadership of the U.S.-Japan Council and the Embassy of the U.S. in Japan. Its purpose is to foster next-generation leaders for Japan and the U.S.

Mitsui & Co. supports the aims of the TOMODACHI Initiative and has established its own exchange program for young people from the U.S. and Japan. The themes for 2014 were the entrepreneurial spirit, innovation and industrial development. Ten young adults were sent to the U.S. and Japan from each other, where they met with senior representatives of each country's political and business communities and networked with the respective leaders. President Iijima gave a presentation about the program at the USJC Annual Conference held in October, 2014.

President Iijima with U.S.-Japan Council President Irene Hirano Inoue (right) at the USJC Annual Conference

Belgium, the Netherlands and Luxembourg

Benelux-The Foundation of the European Union

Benelux comprises the three adjacent, relatively small, constitutional monarchies of Belgium, the Netherlands and Luxembourg. The name Benelux is taken from the first two or three letters of each country's name, Belgium, the Netherlands and Luxembourg.

Geographically located between France and Germany, the Benelux countries are politically and economically linked as a result of both historical and geographic factors. These three countries were among the six members of the European Coal and Steel Community, which was established following the end of World War II and was the predecessor of the European Union (EU). The three countries were also founding members of the EU and continue to proactively promote European integration today as the center of EU government, with six of the seven major EU institutions, including the European Parliament, the European Council and the European Commission, headquartered in these countries.

Mitsui & Co.'s History in Benelux

Our activities in Benelux began with the opening of a representative office in Belgium in 1961, followed by the opening of a representative office in the Netherlands in 1969. These two offices were subsequently merged, and, after being upgraded to a branch office, Mitsui & Co. Benelux S.A./N.V. ("Mitsui Benelux") was established with its head office in Brussels in 2011, the 40th anniversary of Mitsui's presence in the region.

Focusing on logistics for materials, including chemical and steel products that utilize top-tier, multilingual human resources, Mitsui Benelux's operations have shown steady growth, building on the company's strengths in logistics with the Port of Antwerp at the forefront. Today, Mitsui Benelux is one of Mitsui's 56 companies in the EU, which include leasing and other operating companies and numerous investment holding companies.

Growing together with the EU

With countries newly joining the EU and the market growing and becoming increasingly integrated, the scope of Mitsui Benelux's business development and affiliates in the region is expanding. Going forward, our regional headquarters and affiliated companies will work together to grow existing businesses and enter new fields, focusing on the EU region.

Basic data

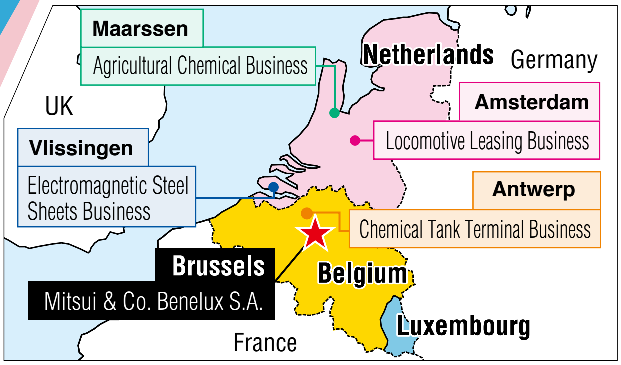
	Belgium	The Netherlands	Luxembourg
Capital	Brussels	Amsterdam	Luxembourg
Population	11,200,000 (*1)	16,790,000 (*2)	540,000 (*1)
Nominal GDP	US$506.6 billion (*2)	US$800.0 billion (*2)	US$59.8 billion (*2)
Land area	30,528 square kilometers	41,864 square kilometers	2,586 square kilometers

Source: Ministry of Foreign Affairs of Japan *1. 2014 figure *2. 2013 figure

Challenge & Innovation

Major Business Activities in Benelux

Mitsui & Co. is developing a diverse range of businesses throughout Benelux. In addition to the projects introduced below, we also have a joint venture business with a Japanese chemical products manufacturer.



Agricultural Chemical Business in the European Market

Mitsui made its full-scale entry into the agricultural chemical business in Europe with the establishment of the operating company that would become Certis Europe B.V. ("Certis") in the Netherlands in 1992. The business grew through the acquisition of agricultural chemical sales rights and intellectual property rights related to agricultural chemical manufacturing. Today, the company has offices in six countries, including the Netherlands, engaged in agricultural chemical sales tailored to each country's climate, soil and agricultural products.

Certis's unique strength lies in the ability to combine sales of microbe-based biopesticides and agricultural chemicals to provide farmers with environmentally friendly pest control programs.

Farmer spreading agricultural chemicals purchased from Certis

To maintain this unique position, it is very important the company stays competitive across a wide range of product groups. Certis not only offers a European sales network to technologically advanced Japanese agrichemical manufacturers, it also contributes to the stable supply of safe and reliable agricultural chemicals through the marketing of very safe agricultural chemicals.

European Processing and Sales Center for Electromagnetic Steel Sheets

Since its establishment in 1991, EURO-MIT STAAL B.V. ("EMS"),a 90%-owned steel sheet processing center in the Netherlands, has been an important strategic center in the value chain for Mitsui's electromagnetic steel sheet business in Europe.

EMS's steel sheet cutting equipment

Electromagnetic steel sheets undergo special processing so that they can be used in the iron core of power transformers. EMS procures coils of electromagnetic steel sheets, primarily from Japanese steel manufacturers, cuts and shapes the coils into sheets at its plant according to customer specifications, and sells the sheets to the world's largest transformer manufacturers, including companies like ABB. The use of high-quality Japanese steel material, processed utilizing EMS's sophisticated technology, allows the company to provide products that earn a high degree of customer satisfaction.

Going forward, EMS plans to enhance its functionality and facilities to better cater to customer needs, with the aim of further bolstering its position as an electromagnetic steel sheet processing center in Europe based on its steel sheet cutting equipment.

Locomotive Leasing Business in Europe

Mitsui Rail Capital Europe B.V. (“MRCE”) was established as a wholly owned subsidiary in the Netherlands in 2004, marking the launch of Mitsui’s locomotive leasing business in Europe. Since the establishment of the EU, the volume of goods transported within Europe has expanded, leading to a rise in truck transportation and, in turn, increased traffic congestion and air pollution. To address this issue, railway businesses that have become independent of national railways are being deregulated to increase the use of rail transportation. This deregulation has led to the creation of more than 100 private rail transportation companies, many of which lease their locomotives from MRCE.

Locomotives owned by MRCE

MRCE expanded its business in 2006 with the acquisition of a railway leasing subsidiary from Siemens AG. Today, MRCE’s locomotives pull freight and passenger trains across continental Europe’s 210,000-kilometer railway network, which is roughly eight times the size of Japan’s network. MRCE owns approximately 300 locomotives, making it one of Europe’s largest locomotive leasing companies that also provides maintenance services.

Chemical Tank Terminal Business at the Port of Antwerp

With the acquisition of a 50% share of ITC Rubis Terminal Antwerp NV (“ITC Rubis”) from Rubis of France in 2008, Mitsui became engaged in the operation of a chemical tank terminal business at the Port of Antwerp in Belgium.

ITC Rubis tank terminal

Since commencing operations in 2010, the terminal has grown to comprise 34 liquid storage tanks and 4 gas storage tanks on a site covering approximately 110,000 square meters, primarily handling the shipment and storage of petrochemicals and gas chemicals for European chemical products manufacturers.

The Port of Antwerp plays an important role connecting Europe’s inland transportation network with international shipping routes. The port is Europe’s second largest in terms of the volume of cargo handled and is a hub for Europe’s chemical industry. One of the world’s largest sluice gates is scheduled to open at the port in 2016, and the importance of the port is seen increasing the role played by ITC Rubis going forward.