Compliance

Our good reputation is the foundation of our business. We recognize that it is only through compliance that we can maintain our reputation and increase the trust placed in us by our customers. Therefore, we are working to heighten the awareness among all management and staff of the importance of high ethical standards and pursuing management based on best business practices on a global Group basis.

Further Pursuit of Compliance in Our Business

The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.”

The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.” (the “Guidelines”) specifically set down how every Mitsui employee should act in his/her daily activities, from the perspective of compliance with laws, internal regulations, and corporate ethics. The Guidelines aim to help us fulfill our corporate social responsibility (CSR) and win the trust of our stakeholders. They have been revised from time to time since their enactment in February 2001, to reflect changes in the law and best practices.

Our aim is to ensure that all Mitsui employees have a broad awareness of the Guidelines by providing training and e-learning, and all employees have pledged to comply with them. We have also introduced bespoke business conduct guidelines for each affiliated Group company, which are based on the Guidelines but tailored to the specific business structures of those companies. In addition, we have put in place the Guidelines in each of our overseas offices, reflecting the local laws, regulations, and customs of the countries in each region.

Compliance Program Chart

- Compliance Committee
  - Members: General Managers of Secretariat, Internal Auditing, Logistics Management, Human Resources & General Affairs, Legal, Corporate Planning & Strategy, Corporate Communications, CSR Promotion, Financial Planning and Investment Administration, and outside attorneys-at-law

- Chief Compliance Officer

- Compliance Officers
  - 14 business units
  - All corporate staff divisions and domestic offices

- Regional Chief Compliance Officers (CCO)
  - 3 overseas business units

- Business Units
  - Compliance managers at each division
  - Division employees
  - Receiver

- Compliance manager
  - Affiliated companies

- Business Units/Branches
  - Compliance managers at corporate staff divisions and branch offices
  - Division and office employees

- Overseas Subsidiaries
  - Regional compliance officers (RCo)
  - Overseas trading subsidiaries
  - Overseas trading subsidiary employees

- Commodity Units
  - Business division compliance officers (CDo)
  - Each business division
  - Overseas trading subsidiary employees
  - Receiver

- Compliance manager
  - Affiliated companies

- Non-business related compliance

• At least one compliance manager is named in each division and office. • At offices and branches in Japan, compliance management for the operational organizations is handled through the respective business unit lines, while that of administrative units and units overseen directly at the corporate level is handled by general managers of the office or branch, or general managers of the applicable corporate staff divisions.
The Compliance Program
The Compliance Department of the Mitsui Legal Division leads compliance efforts on a global basis under the direction and supervision of the Chief Compliance Officer (a member of the Board of Directors who is responsible for compliance) and with the support of the Compliance Officers appointed in each business unit in Mitsui’s Head Office and the Regional Chief Compliance Officers of our three overseas business units—the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific. The objectives of these efforts are to (i) heighten awareness of compliance on a Group-wide basis, (ii) strengthen and improve compliance programs and systems within Mitsui, and (iii) respond to specific compliance issues that arise. In addition, a Compliance Committee has been established as a forum for discussions relating to the promotion of compliance with laws and ethical standards across the Group as a whole. With the participation of external attorneys, the Compliance Committee discusses various issues that have arisen in the wider Group, and the outcome of these discussions is made available on the company intranet.

Specific measures include conducting thoroughgoing supervision at the working level, strengthening business process controls, and promoting the rotation and movement of personnel. These initiatives are implemented steadily with the aim of preventing misconduct.

Facilitating Good Communication and Improving the Internal Reporting System
We believe that the key to promoting compliance is maintaining an open working environment through transparent and open communication within the Mitsui community, which reflects our management philosophy and values, in order to prevent problems arising. If employees have any concerns about possible misconduct, they are responsible for promptly raising those concerns to and seeking guidance from their supervisors or other managers in an appropriate and timely manner.

Mitsui offers eight channels for raising compliance concerns, including internal reporting lines and reporting routes to external attorneys or using third party hotline service providers that offer an anonymous reporting route. Mitsui has published Internal Reporting System Regulations, in which it is clear that no employee should suffer any retaliation or prejudice for raising any compliance concern. Furthermore, we have made it possible for Group companies in Japan to refer compliance reporting to Mitsui’s designated external attorneys and third party hotline service providers as their own external reporting channels, and we are enhancing our system to allow employees of Group companies to raise concerns without fear of retaliation through providing guidance to Group companies on how to set up and manage internal reporting channels.

Overseas, our Regional Chief Compliance Officers are chiefly responsible for overseeing the implementation of reporting channels that make it possible for employees in overseas offices and affiliated Group companies in each region to report and seek guidance on compliance concerns, in line with local laws and customs.

Effective Education and Training
Mitsui provides a wide range of compliance training programs to employees to promote a high degree of awareness of business ethics throughout Mitsui and to ensure that all employees have the necessary skills and information available to them to ensure they work compliantly.

In the fiscal year ended March 31, 2010, we provided such training for employees at all levels, including new employees, line managers, operations staff, and administrative staff, as well as for Mitsui employees moving overseas or being seconded to Group companies. The training included briefings on important laws and regulations in both Japan and overseas. Mitsui also provides an extensive program of compliance training for executives and employees of Group companies.

In addition, during the fiscal year ended March 31, 2010, Mitsui provided lessons on the Compliance Handbook for Mitsui employees in Japan and, to enable employees to confirm their understanding of the content of the handbook, also provided a test on the Company’s website. Through these activities, we are working to ensure that all management and employees have the minimum knowledge related to compliance that they need for the conduct of day-to-day business activities.

We also provide compliance training for overseas operations and Group companies, taking into account the specific characteristics of the regions in which they are located.

Compliance Awareness Survey
In order to understand and monitor the level of compliance awareness among executives and employees, we conduct a Compliance Awareness Survey annually and use the survey results to address issues and implement a variety of measures to promote further awareness or to reduce compliance problems. Last year, we included 135 Group companies in Japan in the survey. The response rates to the survey were 93.0% from staff within Mitsui and 94.9% from our Group companies.

In Mitsui’s parent company, most of the responses to inquiries related to “freedom and openness of the workplace,” “dilemmas,” “hidden problems,” “someone to answer questions when rules are unclear,” and “not overlooking compliance problems” were positive, and the awareness survey made it possible to see that compliance has become an integral part of the thinking of employees. In Group companies also, compared with the fiscal year ended March 31, 2009, there have been improvements in the answers to inquiries related to “behavior that reflects an awareness of the Code of Conduct,” “awareness of whom to discuss issues with and where to obtain answers,” “organizational systems functioning to ensure compliance,” “treatment of feedback results after the previous survey,” “making sure all your subordinates are aware of and understand the Code of Conduct and compliance,” and “guidance of superiors related to compliance and related matters.” We are also in the process of rolling out the Compliance Awareness Survey to our overseas offices and Group companies.

Other Initiatives
In addition to the previously mentioned initiatives, to ensure adherence to compliance best practices at the Group level, we
hold study meetings and conduct other activities for the compliance officers of subsidiaries and affiliates related to the practical aspects of compliance issues that Group companies have in common. These include the issues of harassment and the internal “whistle-blower” system for gathering early warning information on possible compliance violations. The objective of these activities is to raise the level of knowledge and practical skills among personnel in charge of compliance in Group companies and encourage the self-motivated and proactive design and operation of compliance programs. In addition, we are continuing to conduct compliance-related meetings attended by Chief Compliance Officers and the presidents of domestic Group companies with the objective of sharing information on issues at the working level. During the fiscal year ending March 31, 2011, we will continue initiatives emphasizing communication with the aim of providing support for designing and operating autonomous, implementable compliance programs in Group companies. The objective of these activities will be to emphasize making compliance an integral part of everyday activities in Group companies.

Efforts to Protect Personal Information

We have developed a system for managing personal information protection, which is based on our Privacy Policy (Personal Information Protection Guidelines) and Regulations for the Protection of Personal Information. Under this system, we have appointed a member of senior management with the title of representative director, executive vice president, and Chief Operating Officer to serve as Chief Privacy Officer (CPO) and have established the CPO Office. This office engages in a wide range of activities to address various issues, including making all personnel aware of personal information protection and responding to requests for related information and questions that arise in daily operations.

As a general trading company, we and our subsidiaries and associated companies handle a wide range of products. Particularly in our B-to-C (Business to Consumer) consumer goods business fields, we handle large volumes of personal information and must take extreme care to ensure that this data is protected. When information leakages occur, we form issue management teams to respond to such incidents, and, to forestall the occurrence of future incidents, we have appointed Personal Information Management Officers in each domestic division to monitor the status of personal information management.

To ensure the security of information, we have introduced entry and exit control systems that employ ID cards and entry cards equipped with ICs and have implemented measures to prevent the leakage of information from office PCs, including the encryption of data.

In March 2010, a notebook PC containing personal information was lost at one of our subsidiaries. This company received advice from its committee, which includes outside experts in the personal information protection field, and, based on this advice, they reviewed and have made improvements in information management systems. They are also implementing measures to give further thorough training and guidance to their personnel in this area.

To strengthen systems for management on a consolidated Group basis, including Mitsui’s subsidiaries and associated companies, we are continuing to take steps to tighten information security and give more in-depth education and training to personnel to prevent a recurrence of such issues.

Initiatives to Ensure the Safety and Peace of Mind of Consumers

To ensure the safety and peace of mind of consumers, Japan has established a Consumer Agency as a government organization to have jurisdiction over laws that have close relationships with the lives of consumers. The ultimate objective of these laws is to offer consumers safety and peace of mind, and Mitsui is aware that consumer safety and security are major requirements for the conduct of its business operations.

Mitsui has established its Consumer Product Handling Policy and Consumer Product Handling Regulations for the proper management of consumer products. In addition, detailed regulations have been prepared for each business unit, all of which we use to ensure the appropriate handling of consumer products.

Moreover, in the foods area, Mitsui works to secure food products to supply Japan, which has the lowest rate of food self-sufficiency among the industrialized countries. Mitsui’s Foods & Retail business segment places maximum priority on food safety and security and has established internal rules and criteria for safe management, created a database, and monitors related activities overseas down to the food production stages.

Mitsui also places utmost priority on ensuring the safety and security of items in addition to consumer products and food.

The Consumer Product Handling Policy

Placing More Emphasis on the Consumer and Ensuring Product Safety

In its manufacturing, import, and domestic marketing of consumer products, Mitsui not only aims to handle products that are inexpensive or perform well; the Company also gives serious consideration to the consumer, and places priority on handling safe products that consumers can use with peace of mind. This policy is aligned with our management philosophy comprising our Mission, Vision and Values (MVV) and ties in with our aspiration to do Yoi-Shigoto (good quality work).

Developing and Operating a Risk Management System

To ensure that the Consumer Product Handling Policy functions in practice, the Company has developed an appropriate risk management system and is working to maintain and improve the system for collecting, disseminating, and disclosing information on the occurrence of accidents involving products, and arranging for product recalls when accidents involving products occur.
CSR-Related Risk Management

Business opportunities and the risks associated with doing business have increased and become more diverse due to economic globalization, progress in information technology, and the increasing awareness of CSR. Based on this understanding, Mitsui recognized the necessity to comprehensively manage risk from both quantitative and qualitative perspectives, by responding appropriately to changes in social conditions and business models. With this awareness, we designated the four business domains listed in the table below, which have high qualitative risk, including risks related to the natural environment, society, and governance, as Specially Designated Businesses, and we have been endeavoring to develop such businesses with due caution under our Specially Designated Business Management System. Specifically, when beginning new projects, we conduct internal assessments and, wherever necessary, seek the advice of the CSR Promotion Committee as well as the Environmental Advisory Committee and the Medical, Healthcare, and Bioethics Committee regarding whether to proceed with the proposed projects and recommendation on how improvements can be made. The final decisions on whether to proceed or not are made by representative directors after the circulation of proposal documents to related departments. The members of the Environmental Advisory Committee are selected from among outside persons who are familiar with technology trends in a broad range of fields—including global warming, environmental restoration, and environmental policy related to water, energy, and other matters—attorneys, and other knowledgeable individuals. The members of the Medical, Healthcare, and Bioethics Committee are chosen from outside experts in medicine, health maintenance, and bioethics and from among attorneys, persons knowledgeable in pharmaceutical administration and regulation, and others.

In the fiscal year ended March 31, 2010, we made decisions on whether 133 different projects were appropriate to be Specially Designated Businesses, and, as a result, 57 projects were individually assessed under the Specially Designated Business Management System. By business domain, eight of these projects were environment-related businesses, one was an R&D-oriented manufacturing-related business, and 39 were businesses with a high public profile. In addition, nine other projects were classified in both environment-related and high public profile categories, but there were no projects in the domain of bioethics-related businesses.

Furthermore, we have established the ODA Business Management System for promoting ODA business, which has a high public profile and, therefore, requires operation processes that are highly transparent, and conducting necessary risk management activities. Under this system, as necessary, Mitsui’s ODA Projects Evaluation Committee considers these projects and implements appropriate risk management.

### Four Business Domains Subject to Specially Designated Business Management System

<table>
<thead>
<tr>
<th>Business Domain</th>
<th>Key Points for Screening</th>
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<tr>
<td>1) Environment-related business</td>
<td>• Contribution of said business to the environment and society</td>
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<td>• Measures to mitigate environmental impact, and ensuring of safety</td>
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<td>• For development business, appropriate consideration and understanding of related parties such as local residents</td>
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<td>• Compliance with environmental laws, regulations and guidelines, etc.</td>
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<td>2) R&amp;D-oriented manufacturing</td>
<td>• Examination of feasibility of technologies</td>
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<td>• Checking of management system for performance and quality assurance, etc.</td>
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<td>3) Bioethics-related businesses</td>
<td>• Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI)</td>
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<td>• Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.</td>
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<td>4) Businesses with a high public profile</td>
<td>• Evaluation in light of Mitsui’s management philosophy (MVV)</td>
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<td>• Social impact and ensuring accountability and transparency of processes</td>
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<td></td>
<td>• Determination of interests of stakeholders, and resultant considerations and responses</td>
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<td></td>
<td>• Responsibility and capability as the operator of a business with a high public profile over the medium-to-long term</td>
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