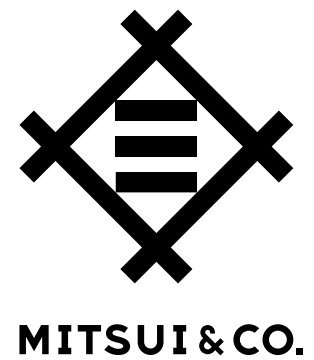
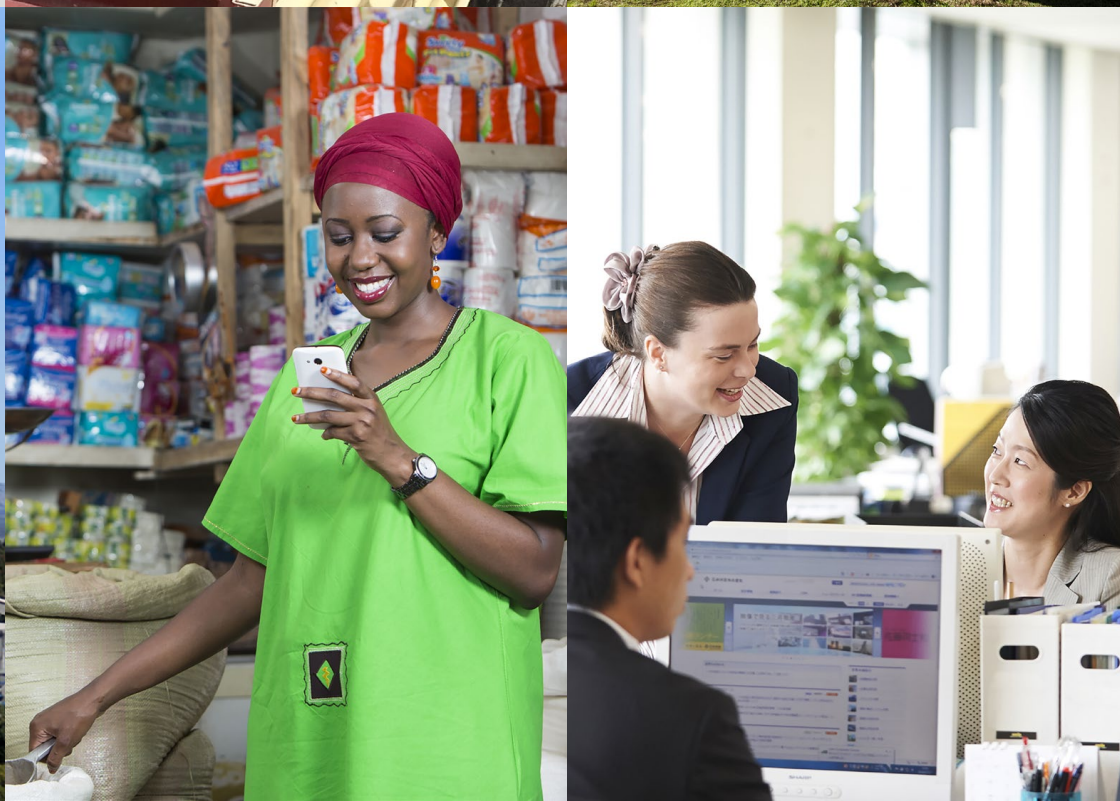


Doing Business
for a Better World



2016

Sustainability Report





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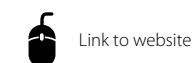


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Link to related information



Cover: Five Material Issues in the CSR Field

Mitsui & Co. has defined Five Material Issues in the CSR Field for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of a future where the aspirations of the people can be fulfilled, as set out in our corporate mission.

The images shown on the cover represent the Five Material Issues outlined in the Strategic Focus sections of this year's Report.



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Editorial Policy

Mitsui & Co. defines practice of CSR as contribution to the development of a sustainable society by creating new value through business activities that lead to the solution of various issues confronting contemporary society.

We have added a number of features to our “Sustainability Report 2016” to help stakeholders understand our CSR philosophy and activities.

- Mitsui & Co. has identified Five CSR Material Issues as a framework for our contribution to “*a future where the aspirations of the people can be fulfilled*”, as stated in our corporate mission. We recognize each of these material issues to be a societal priority that relates to all of our business activities. We also verify the main risks and opportunities for Mitsui & Co. based on the effects of these societal issues, and we disclose our approach to each issue.
- Specific information about our efforts to create value that will contribute to the solution of societal issues is disclosed in “Strategic Focus” for each of the Five CSR Material Issues, and in “Activities for FY Ended March 2016”.
- We have sought to make information accessible in ways that reflect the interests of stakeholders. On our website, we present our CSR concepts and policies and other key information, such as our main activities relating to the Five CSR Material Issues, and in the PDF version of our annual “Sustainability Report 2016”, we provide more details, including the aforementioned.



CSR Report 2016 and Website (CSR) Contents

Some CSR information is also included in our Annual Report so that you can understand our overall activities in conjunction with our financial information.

A Cautionary Note on Forward-looking Statements

This Sustainability Report contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui,” “Mitsui & Co.,” “Company”)’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) changes 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.

● Scope of Coverage in the Sustainability Report:

Mitsui & Co., Ltd. and major consolidated subsidiaries and associated companies. The scope of coverage for numerical data is provided individually in appended notes.

● Period Covered:

Mainly the fiscal year from April 1, 2015 to March 31, 2016, but also including some information about policies and activities for the fiscal year ending March 2017

● Independent Practitioner's Assurance

The “★” logo indicates that the sustainability information concerned has been given limited assurance, for the purpose of increasing its reliability, by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd. in its independent practitioner’s assurance report.

● Publication Date:

August 2016 (Previous publication date: August 2015; next publication scheduled for August 2017)

● Reference Guidelines

GRI G4 Sustainability Reporting Guidelines, 2013

For a comparison of the GRI guidelines and the content of this report, please visit the following website: (www.mitsui.com/jp/en/csr/gri_index/)



GRI Guidelines Comparison Chart

Environmental Accounting Guidelines (2005 version) established by the Ministry of the Environment of Japan

ISO 26000 (Guidance on Social Responsibility)

● Published by:

CSR Promotion Committee, Mitsui & Co., Ltd.

● Contact:

Corporate Planning & Strategy Division, Mitsui & Co., Ltd.

1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan

Nippon Life Marunouchi Garden Tower



: Csr@mitsui.com



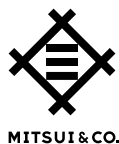
: 81 (3) 3285-1111



: 81 (3) 3285-9906



: www.mitsui.com/jp/en/csr/



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Corporate Information

Corporate Profile (as of March 31, 2016)

• Company Name

MITSUI & CO., LTD.

• Date of Establishment

July 25, 1947

• Head Office

1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan
(registered head office location)
Nippon Life Marunouchi Garden Tower

3-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan
JA Building

• Representative

Tatsuo Yasunaga, President and Chief Executive Officer

• Common Stock

¥341,482 million

• Number of Employees

6,006

Consolidated 43,611

• Number of Offices and Overseas Trading Affiliates

138 offices

Domestic: 12 (Head Office: 1 Offices: 6 Branches: 5)

Overseas: 126 (Overseas offices: 30

Overseas trading subsidiaries: 96 (Head Offices: 34))

(As of July 1, 2016)

• Worldwide Network

65 countries/regions

(As of July 1, 2016)



Worldwide Network

• Major Business Areas

Utilizing our global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Iron & Steel Products, Mineral & Metal Resources, Infrastructure Projects, Integrated Transportation Systems, Chemicals, Energy, Food, Food & Retail Management, Healthcare & Service, Consumer Business, IT & Communication Business, Corporate Development Business.

• Number of Affiliated Companies for Consolidation

Subsidiaries: Japan 68 Overseas 207

Equity Accounted Investees (associated companies and joint ventures):

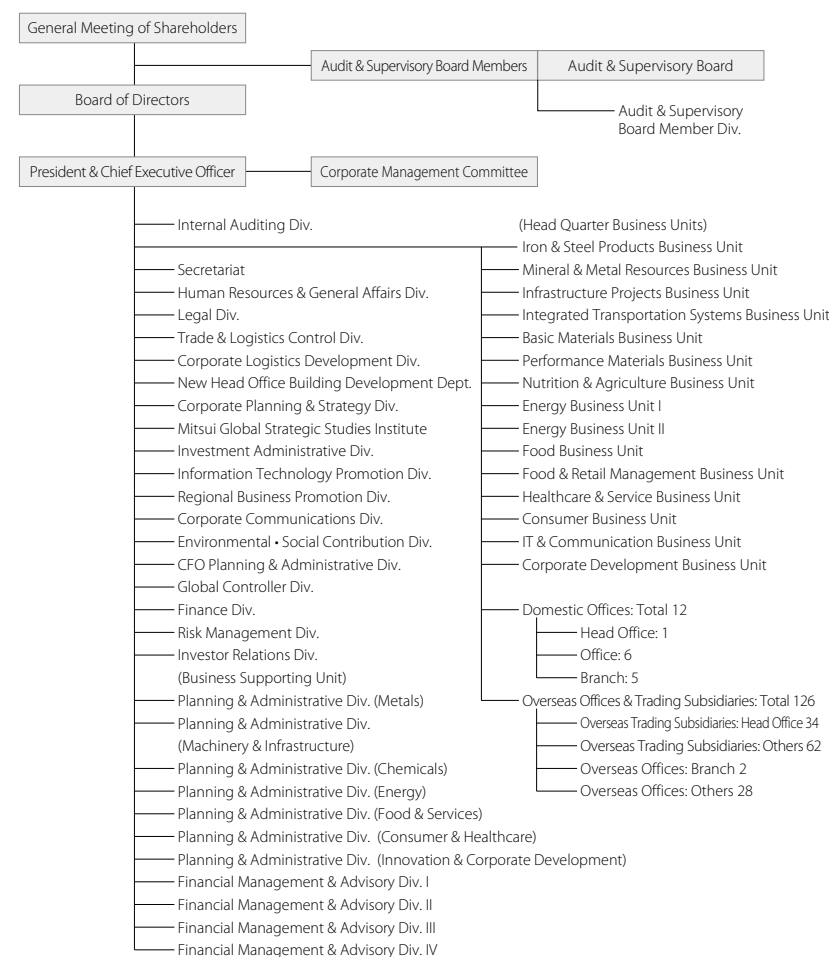
Japan 34 Overseas 153

Total Assets	¥10.9 trillion
Total equity*1	¥3.4 trillion
Revenue	¥4.8 trillion
Investments and Loans Result	¥600.0 billion
EBITDA	¥336.4 billion
Core Operating Cash Flow*2	¥471.7 billion

*1 Total equity attributable to owners of the parent

*2 Core Operating Cash Flow="cash flows from operating activities" - "changes in operating assets and liabilities"

• Organization Chart (As of July 1, 2016)





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Mitsui & Co's Approach to Business Development and Value Chains

The Medium-term Management Plan ("Challenge & Innovation for 2020—Demonstrating Mitsui Premium") identifies seven Key Strategic Domains in which Mitsui will implement strategic initiatives based on its unique strengths. Outlined below are areas in which Mitsui will develop business activities in its value chains in each of these domains.

Mitsui has defined Five CSR Material Issues as focal points for its efforts to provide solutions to increasingly diverse and complex societal issues, such as global warming, human rights and labor, urbanization, health and safety, energy, and food. Mitsui will work with its 462 group companies and around 22,000 business partners to respond to the needs of society.

P.13 Five Material Issues in the CSR Field

7 Key Strategic Domains	Related Product Segments ■ Iron & Steel Products ■ Mineral & Metal Resources ■ Machinery & Infrastructure ■ Chemicals ■ Energy ■ Lifestyle ■ Innovation & Corporate Development	Business Development						
		Resource Development	Construction, Operation	Manufacturing, Processing	Global Trading	Logistics	Wholesale, Retail, Trade Finance	Services
Hydrocarbon Chain Energy upstream to downstream and development of related businesses	■ ■ ■ ■ ■ ● ■	Crude oil, Gas, Coal	Crude oil and gas production facilities, Pipelines, Gas-fired power generation, LNG terminals	Petroleum products, Chemical products, LNG	Energy steel products, Sales of petroleum and chemical products, Trading	Storage, logistics networks, Oil and LNG carriers, Gas distribution, Chemical tank terminals	Product sales	IoT
Mineral Resources (Underground & Urban) and Materials Mineral mining to material processing, building a recycling-oriented society	■ ■ ■ ■ ● ● ■	Iron ore, Copper, Coal, Salt, Others	Collection facilities, Port facilities	Steel products processing, Green chemicals, Lightweight materials	Steel products, Resins, Scrap, Electronic materials		Commodity derivatives	IoT
Food and Agriculture Provide solutions for increasing and stabilizing food supply	● ● ■ ■ ● ■ ■	Grains, Salmon, Phosphate rock	Collection facilities, Port facilities	Edible oils, Refined sugar, Tea	Grains, Coffee, Fertilizers and agrochemicals	Marine transport, Rail transport	Fertilizers and agrochemicals	Agriculture IT
Infrastructure Contribute to nation building and develop business derived from infrastructure	■ ■ ■ ■ ■ ■ ■		IPP, Logistics infrastructure, Water supply and wastewater treatment, Various plants, Smart city development		Infrastructure steel	Power transmission	Retail sales of power and gas, Infrastructure funds	Port terminals, Engineering, Thermoelectric supplies, IoT
Mobility Services related to manufacturing, marketing and financing of transportation machinery	■ ● ■ ■ ● ● ■		Railways and ports	Automobiles, Automotive parts, Engine development	Automobiles, Construction and mining machinery, Ships, Aircraft, Rolling stock, Parts and components	Automobiles, Automotive parts	Distributors, Dealers, Sales finance, Leasing and rental	Ship ownership and operation, Freight and passenger transport, IoT
Medical / Healthcare Business development in healthcare and pharmaceutical value chain	● ● ● ■ ● ■ ■			Pharmaceutical products, Key raw materials for pharmaceuticals	Key raw materials for pharmaceuticals		Pharmaceutical products, Pharmacies, Funds for pharmaceutical development	Hospitals, Ancillary service businesses, Healthcare staffing services
Lifestyle Products and Value-added Services Consumer-linked businesses utilizing innovative functions (IT, finance, logistics)	● ● ■ ■ ● ■ ■	Paper-manufacturing resources, Lumber	Office buildings, Smart cities	Apparel OEM, Housing materials, Packaging	Construction materials, Paper materials	Logistics facilities	TV shopping, Fashion brands, Housing materials, Food distribution, Retail support, Electronic payment, Fund business	Senior living, Contract food services, Facility management, High-speed telecommunications, IoT



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Message from Our CEO



Mitsui & Co. will contribute to a better, more sustainable future where the aspirations of people can be fulfilled

Tatsuo Yasunaga
Representative Director
President and Chief Executive Officer
Mitsui & Co., Ltd.

Creating value through business activities

Societies everywhere face challenges as economic development continues. We are challenged by environmental problems such as global warming and loss of biodiversity, we find human rights violations persisting in different parts of the world, and the increasing global population is straining our energy, water and food resources. At the same time there is growing demand for power, transportation and communications infrastructure, along with fundamental community services such as education and healthcare. In the face of these challenges, we have seen developed and developing countries join together in a number of groundbreaking global initiatives, including the Paris Agreement decided at the 2015 UN Climate Change Conference (COP21) and the Sustainable Development Goals (SDGs) decided at the UN Sustainable Development Summit.

As these multilateral accords and other initiatives build momentum, we are doing our utmost at Mitsui & Co. to understand the real needs of the countries and regions in which we operate, aiming to ensure that we help meet these needs through our business activities while increasing our own corporate value.

Cultivating human resources and embracing diversity

People are our most valuable resource and the driving force of everything Mitsui & Co. does as a company. We have always focused on fostering the personal and professional development of Mitsui's people, and concomitant with globalization we are strengthening our employment and training initiatives in every region around the globe.



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The modern business world is large and complex, and operating as a global business requires a diverse range of people and abilities. We embrace this need for diversity as an opportunity to express the true abilities of our workforce. At the same time, we understand that we cannot rely only on business knowledge and expertise. We need people who combine business sense with integrity and humility. We need people who are strong individuals but who can work together as a tight-knit group—people who can earn the trust of business partners and customers with diverse values.

My aim is to ensure that we cultivate a workforce of people with the attitude and business ability to take on the challenges continually thrown up by a changing and globalized world—people who, with free-thinking creativity, can work together to turn these challenges into opportunities.

Contributing to a sustainable society

In October 2004, Mitsui & Co. announced its support for the UN Global Compact, a charter of voluntary principles for businesses and institutions concerning human rights, labor, the environment, and anti-corruption. Since then we have been working to realize the aims of the compact. We drew up our Basic CSR Policy in the same year and our Supply Chain CSR Policy in December 2007 and, while adapting to changes in social norms, we have been working to

ensure compliance with these policies throughout our group.

Similarly, after careful consideration of the core concerns and expectations expressed by our stakeholders, we have defined “Five Material Issues in the CSR Field” to be used as important management guidelines throughout the company. In 2016 we will continue to expand on concrete initiatives and engage all employees in addressing these issues.

In recent years there has been increasing interest in ESG investment indexes and other approaches that identify the extent to which companies are providing added-value to society through their business activities. At Mitsui & Co. we welcome this trend, and through “360° business innovation.” seek to extend our track record in Japan and worldwide as a company that is valued by society and contributes to a better, more sustainable *future where the aspirations of people can be fulfilled.*

Tatsuo Yasunaga

Representative Director
President and Chief Executive Officer
Mitsui & Co., Ltd.



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CSR at Mitsui & Co.

Contribution to Society

While modern society is becoming increasingly diverse and dynamic, undergoing ever faster change and growth as globalization and the integration of information and communications technologies accelerate, it is also facing a long and varied list of economic, environmental, and social challenges: climate change, food, energy, water, and other environmental and resource-related issues, and problems with human rights, including poverty, child labor, and educational inequality.

Our sustainable growth as a corporation cannot be achieved without improvement in the sustainability of society as a whole. We believe that our duty as a member of society is to assist the local communities, nations, and international society in which we operate as they take steps to overcome these challenges toward a better future.

Mitsui believes its corporate social responsibility is to continually contribute to society through its business activities. As we launch business, create new value, and build interpersonal relationships, we hope to contribute directly and indirectly to the healthy growth of local communities—domestic and abroad—and the global economy, for better standards of living for everyone.

Mitsui & Co.'s Core Values

The former Mitsui & Co.,* which was established in 1876, was disbanded as part of the dissolution of Japan's zaibatsu (industrial conglomerates) shortly after the end of World War II. The current Mitsui was founded by employees of the former Mitsui & Co. that shared the values of the original company: "Challenge and Innovation", "Open-Mindedness", and "Focus on Human Resources". The Mitsui of today continues to contribute to the creation of new value for society.

The way we work and the way we think are still very much based on the values espoused by Takashi Masuda, the first president of the former Mitsui & Co., and are reflected in our stance toward our work. The principles of Mitsui's CSR have always reflected its founder's values, a way of thinking unchanged to this day.

* The current Mitsui & Co., Ltd. was established through mergers of the various new companies that had been established after the disbandment of the former Mitsui by the order of GHQ, so legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

"Avoid infatuation with immediate advantage. To achieve enduring prosperity, harbor grand aspirations".

"I started Mitsui & Co. with the goal of realizing trade on a large scale, not in pursuit of money, but from the desire to work".

"Mitsui has a pool of very talented individuals. This is Mitsui's most important asset".

Takashi Masuda, the first president of the former Mitsui & Co.

Mitsui's Management Philosophy

In 2004, Mitsui systematically and clearly set forth in written form the implicit values we share, and issued our "Mission, Vision and Values (MVV)". We believe that sharing this management philosophy is even more important than ever as we work to create true value around the world through our global activities.

Mission, Vision and Values (MVV)

Mission

Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

Vision

Aim to become a global business enabler that can meet the needs of our customers throughout the world.

Values

- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.



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Creating Value with CSR at Mitsui & Co.

Companies can only be sustainable if the societies they operate in are sustainable, and unsustainable companies cannot fulfill their social responsibilities.

At Mitsui & Co., we try to anticipate changes in society with each era. We reflect on how we should advance our capabilities, and ceaselessly challenge ourselves to express our potential in ways that bring the most benefit to society.

We believe that we must continually improve the way we engage with environmental and societal issues, listen closely to our stakeholders, and ensure we have a clear understanding of key concerns, issues, and expectations. It is then our responsibility to contribute to addressing issues and meeting expectations in the most effective way possible.

We will continue to ensure that all of our employees share our Management Philosophy, as expressed in our Mission, Vision and Values, and to strengthen our robust management platform, including our governance and risk management systems. At the same time, working alongside our stakeholders, our aim is to pursue business in a manner expressed in our "360° business innovation." slogan.

This slogan symbolizes that one of our greatest strengths is our ability to connect ideas, information, customers and business partners to create new value around the world, and we believe that in doing so we can both meet our corporate social responsibilities (CSR) and contribute to *a future where the aspirations of people can be fulfilled*.

Basic CSR Policy

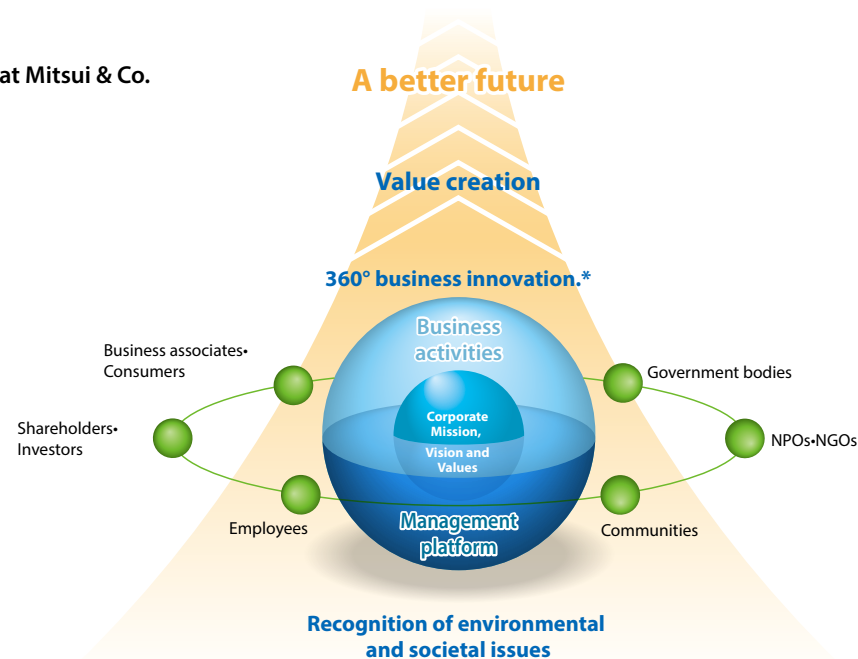
Mitsui & Co.'s Basic CSR Policy, which is built upon the foundation of our business activities and our management philosophy of "Mission, Vision and Values", was formulated in 2004 and reviewed in 2013 to reflect input from society and our stakeholders.

In addition, our "Long-term Management Vision" (formulated in 2009) for the Mitsui of 2020 upholds our goal of providing industrial solutions to meet the changing needs of the times. This goal sums up the core message of our corporate mission. To make this vision a reality, we will continue to practice our CSR policies, which is essential for realizing Mitsui's Medium-term Management Plan, "Challenge & Innovation for 2020—Demonstrating Mitsui Premium" (formulated in 2014).

Basic CSR Policy

1. We will conduct our business activities with honesty and integrity, make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world, and reinforce the importance of CSR with each of our employees. Based on our conscientious management, we will strive to enhance corporate value to stakeholders and to produce value to society.
2. We will make every effort to actively contribute to the achievement of a sustainable society through the promotion of sustainable development as well as maintaining a strong awareness of the importance of preserving the global environment. We will also emphasize the importance of interactive communication with stakeholders to understand their concerns and fulfill our accountability for our CSR activities.
3. We recognize the significance and importance of the human rights contained in the general principles of international standards such as the Universal Declaration of Human Rights. Throughout all occasions of our entire business activities, we will give due consideration to basic labor rights.
4. As a global company with operations throughout the world, we will support Mitsui & Co.'s group companies in the practice and implementation of our CSR policies, and will sincerely seek our business counterparties' understanding and cooperation to support this initiative.

CSR at Mitsui & Co.



* 360° business innovation. is our corporate slogan. It expresses our message of connecting ideas, information, customers, partners and business across the planet to create new possibilities.



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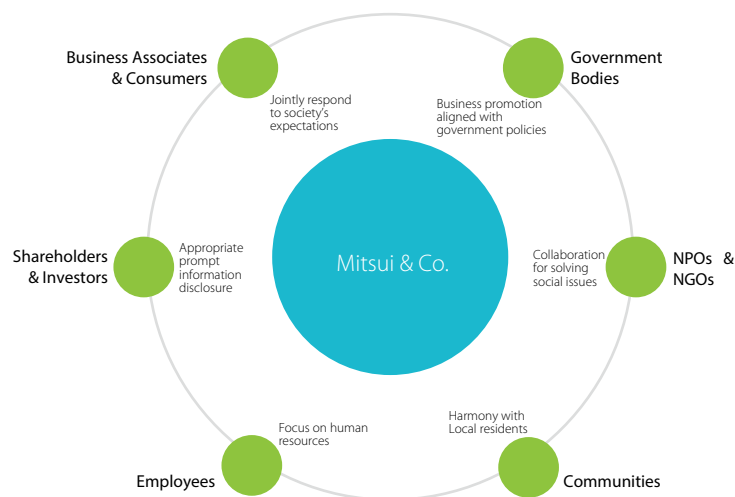
Interactive Communication with Mitsui & Co.'s Stakeholders

Mitsui & Co.'s Stakeholders

Mitsui closely monitors the effects of its diverse and global business activities on society, identifies and acknowledges stakeholders of particular interest, and strives to have interactive communication with them in all areas of its business operations.

In particular, we are committed to the development of relationships based on mutual trust with a diverse range of stakeholders, including local communities, NPOs and NGOs, government bodies, business associates and consumers, shareholders and investors, and employees through proactive information disclosures and continual communication with our stakeholders.

Through interactive communication with its stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of Mitsui. Based on this understanding Mitsui strives to respond to changes in market environments, constantly evolves, and, through its business activities and by exercising its unique capabilities, creates new value that is useful to society.



Initiatives in the Fiscal Year Ended March 2016

• Dialogue with Partners (Supplier On-site Surveys)

Mitsui & Co. conducts supplier on-site surveys each year under its Supply Chain CSR Policy. Any issues identified through on-site surveys and discussions are used to improve business operations.

In the fiscal year ended March 2016, we implemented an on-site survey concerning suppliers engaged in the forest resources business for pulp and paper manufacturing in Australia. During interviews at the companies concerned, we were told that there was strong pressure from investors to obtain forest certification under the international system administered by the FSC®, but that there were also cost issues, because certification did not result in price premiums. An external expert who was also present at the meetings commented that there are still few inquiries for FSC® certified products in the Japanese market.

Mitsui & Co. has obtained FSC® certification (License code FSC®C057355) for all of the forests that it owns (approximately 44,000 hectares). As the biggest supplier of FSC® certified forest products from privately owned forests in Japan, Mitsui & Co. also serves on the board of directors of FSC Japan and cooperates in efforts to promote the use of certified raw materials and paper in the Japanese market.

• Dialogue and Collaboration with NPOs and NGOs

A business corporation cannot find solutions to complex and multi-layered societal and environmental issues solely through its own efforts. There are NPOs and NGOs that engage in specialized frontline efforts to solve problems, and cooperation with these organizations is essential. Mitsui holds dialogues with these organizations to gain an understanding of their perceptions of issues and expectations toward business activities of corporations, and consider those points in the deliberations about changes to our activities, or other actions that may be required.

Through dialogue with NPOs and NGOs, we identify environmental and societal issues in the regions where we engage in or plan on doing business, in order to formulate strategic CSR programs that lead to the creation of corporate value through the challenge of resolving these issues. In the fiscal year ended March 2016, we commenced a forest conservation initiative in collaboration with environmental NGOs, with the aim of halting forest destruction, which is a cause of global warming, through a program designed to raise quality of life in local communities.

• Dialogue with Shareholders and Investors (ESG Investment)

During the fiscal year ended March 2016, we exchanged views about the initiatives and disclosures required for companies in relation to ESG investment with investors and ESG survey companies. We will continue our efforts to maintain high standards of accuracy, timeliness, and quality in our disclosure of information, and to foster good communication with the investment community.

• Dialogue with Academics and Other External Experts

Mitsui & Co. actively engages in dialogue with academic experts in the field of CSR research. In the fiscal year ended March 2016 we specifically obtained expert views in accordance with the GRI G4 Sustainability Reporting Guidelines, 2013, and we obtained advice about the importance of boundaries setting. Experts also expressed the view that we should provide a clearer statement of the relationships between CSR initiatives and the related product segments concerned. We are using this input to improve our CSR disclosures.



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Relationships with Stakeholders, Main Modes of Communication

Communities

We contribute to growth and prosperity through our wide-ranging business activities in countries and regions throughout the world. We also aim to achieve harmonious coexistence with local communities through contributions in such areas as local industry development, creation of employment opportunities, and the improvement of educational environments.

- Activities through the Mitsui & Co. Environment Fund
- Activities through Mitsui's Forests
- Activities through scholarships, Mitsui endowed lectures, and Japan studies programs
- Support for activities in overseas through various funds
- Support for Brazilian residents in Japan
- Employee participation in the Mitsui Global Volunteer Program (MGVP)
- Training programs for local government employees

NPOs & NGOs

We identify solutions for environmental and societal issues by networking and collaboration with various NPOs and NGOs. Through the Mitsui & Co. Environment Fund, we provide support for research and initiatives by NPOs and NGOs that are working to solve environmental problems.

- Periodic dialogue with NPOs and NGOs directed at joint work
- Participation in seminars hosted by NPOs and NGOs
- Questionnaires from NPOs and NGOs
- Activities through the Mitsui & Co. Environment Fund

Government Bodies

We are committed to compliance with related laws and regulations formulated by government agencies and local governments in the countries where we engage in business activities. Furthermore, through cooperation with governmental agencies and local governments, we propose and promote business projects that align with their policies and deliver the unique value that only Mitsui can offer.

- Participation in policy councils
- Participation in consultation and advisory meetings with government agencies and offices
- Training programs for local government bodies
- Activities through business and industry groups

Mitsui & Co.

Business Associates & Consumers

We contribute to the development of a sustainable society through our efforts to identify the needs and expectations of our business partners and consumers, supply safe and reliable products and services, and disclose accurate corporate information, and through initiatives to address problems in supply chains.

- Mitsui & Co. websites
- Corporate Brochure/Advertisements/TV commercials
- Recruitment pamphlets
- Annual reports
- Activities based on the Supply Chain CSR Policy
- Supplier questionnaire and on-site surveys
- Initiatives that align with our policies and rules on the handling of consumer products: "Consumer Product Handling Policy", "Consumer Product Handling Regulations"

Shareholders & Investors

We strive for continuous improvement of our corporate value and appropriate market recognition by fulfilling transparency and accountability in management with timely and accurate disclosure of information, and by engaging in interactive communication with shareholders and investors.

- General meetings of shareholders
- IR meetings (presentations on financial results and projects, briefings for individual investors)
- Securities Report
- Annual reports
- Newsletter to Shareholders
- Mitsui & Co. websites
- Surveys from ESG research organizations

Employees

Employees are our most important assets. We strive to carry out diversity management to enable each employee to exert his/her full potential to undertake new challenges, by promoting work style innovation and enhancing workplace environment human resources development programs, personnel systems, and other things.

- Intranet
- In-house newsletter of Mitsui & Co.
- Roundtable gatherings (conversations among officers and employees)
- Diversity Cafe
- Mitsui Environment Month
- Volunteer Month
- Training programs and seminars; awareness surveys
- In-house and external whistle-blowing channels
- Discussions with labor unions



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Participation in Initiatives

United Nations Global Compact

The United Nations Global Compact is a set of voluntary action principles for corporations proposed by the former UN Secretary-General Kofi Annan at the World Economic Forum held in Davos, Switzerland in January 1999. He proposed a means to harness the creative powers of the private sector to fulfill the wishes of underprivileged people and meet the needs of future generations. It is neither a regulatory means nor a legally binding code of conduct, but rather a strategic policy initiative that encourages corporations to come together as global citizens to solve the various problems that could arise as a result of economic globalization. Participating corporations are asked to support and put into practice ten universally accepted principles in the areas of human rights, labor standards, environment, and anti-corruption. As of April 2016, over 12,000 corporations, labor unions, and civil society organizations from around the world are participating in the Global Compact.

In October 2004, Mitsui pledged its support for the Global Compact. Mitsui has been participating as a member of the Global Compact Network Japan and is complying with the principles as part of its own corporate guidelines. Currently, Mitsui conducts a company-wide survey every other year in order to check compliance with the Global Compact principles, and is working to comply with and to put into practice the principles on a global group basis.



Ten Principles of the UN Global Compact

Human Rights <ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. 	Environment <ol style="list-style-type: none"> 7. Businesses should support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; and 9. encourage the development and diffusion of environmentally friendly technologies.
Labor <ol style="list-style-type: none"> 3. Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining; 4. the elimination of all forms of forced and compulsory labor; 5. the effective abolition of child labor; and 6. the elimination of discrimination in respect of employment and occupation. 	Anti-corruption <ol style="list-style-type: none"> 10. Businesses should work against corruption in all its forms, including extortion and bribery.

UN Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs)

In May 2008, Mitsui became a signatory to a proclamation promoted by then U.K. Prime Minister Gordon Brown, which encourages businesses to take action toward the attainment of the United Nations MDGs by 2015.

With the approach of the MDG deadline in September 2015, the United Nations held the Sustainable Development Summit, at which it announced the Sustainable Development Goals (SDGs) as a post-MDG program. The SDGs consist of 17 goals with 169 targets based on the concept of three-way harmony between the economic, society, and the environment. As a member of the Global Compact Network Japan, Mitsui is engaged in a range of activities, including research on recent initiatives by businesses and educational initiatives concerning the Global Compact. At the same time, placing high priorities on SDGs targets, Mitsui pursues subsidy programs closely connected to its business (with funds earmarked for external organizations), aiming to enhance business value via the provision of solutions to environmental and societal issues. In this way, we work toward the development of a sustainable society.



World Economic Forum

The World Economic Forum is an independent international organization, which engages leaders from the worlds of business, politics, academia, and other sectors of society to shape global, regional, and industry agendas in the spirit of global citizenship, through cooperation between the public and private sectors, for the improvement of the world situation.

As the only Japanese corporate member of the Oil & Gas Community of the World Economic Forum, Mitsui participates in discussions about important issues concerning the oil and gas industry.



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Japan Foreign Trade Council, Inc.: Global Environment Committee, CSR Study Committee

As a member of the Global Environment Committee of the Japan Foreign Trade Council, Mitsui monitors energy use for all trading companies ("shosha") and promotes reuse/reduce/recycle ("3R") activities. We also gather information about new energy technology through our business activities and contribute to the development of the trading company sector's voluntary action plan for environmental initiatives for a low-carbon, recycling-oriented society. In addition, we work actively to raise awareness and gather information by hosting study groups and presentations by experts on environmental laws and regulations.

Mitsui is also a member of the Japan Foreign Trade Council, Inc.'s CSR Study Committee, which studies CSR-related issues and conducts surveys and research about trends in Japan and overseas. We work with other members on activities that include the formulation and review of Supply Chain CSR Action Guidelines based on the principles of the Shosha's Corporate Code of Conduct (code of conduct for trading companies).

Japan Business Federation (Keidanren): Committee on Corporate Behavior & Social Responsibility, Committee on Gender Diversity, Committee on Environment and Safety, Committee on Nature Conservation

Mitsui is a member of Keidanren's Committee on Corporate Behavior & Social Responsibility, which works to ensure ethical behavior by businesses, promote CSR, and expand and encourage social contribution activities by businesses and business people, including support for disaster recovery efforts. We are also a member company of the Committee on Gender Diversity, which implements the Action Plan on Women's Active Participation in the Workforce and formulates an action plan to urge employers to promote women to managerial and executive positions. Mitsui is also a member of the Committee on Environment and Safety, which works toward the implementation of environmental policies designed to be compatible with economic activities, including the promotion of voluntary action plans, and countermeasures relating to warming, waste, recycling, and environmental risks. Moreover, since 2012, a Mitsui & Co. employee has been seconded to Keidanren's Committee on Nature Conservation, which works to conserve biodiversity and protect the natural environment.

Council for Better Corporate Citizenship

The Council for Better Corporate Citizenship (CBCC) was established by Keidanren (Japan Business Federation). As a CBCC member, Mitsui works to ascertain the views of various stakeholders, including overseas CSR-related organizations, by participating in presentations and seminars on CSR-related themes.

Japan Forum of Business and Society

Mitsui is a GOLD member of the Japan Forum of Business and Society (JFBS), an academic association which conducts academic research/discussion on the relationship between business and society focusing on global trends with encouraging cooperative relationship among academia, industry, government, labor and NPO/NGO. Human resource development of young researchers and practitioners is another major topic for the forum.

Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was established through a collaborative initiative by the Keidanren (Japan Business Federation), the Japan Chamber of Commerce and Industry, and the Keizai Doyukai (Japan Association of Corporate Executives). As a member company, Mitsui shares information and its own experience to contribute to developing biodiversity conservation initiatives that go beyond the boundaries of organizations and individuals, such as business corporations, business communities, NPOs, NGOs, researchers, and official agencies.

Forest Stewardship Council

The Forest Stewardship Council (FSC®) is an international non-profit organization with members that include environmental NGOs, private business corporations, and organizations representing indigenous communities. It promotes the sustainable use of the world's forests by certifying forests and the processes involved in the distribution and processing of lumber taken from those forests.

Mitsui has obtained FSC® forest management (FM) certification at all 74 of its forests, while Mitsui Bussan Forest Co., Ltd., a Mitsui & Co. subsidiary, has obtained Chain of Custody (CoC) certification for the processing and distribution of cut lumber. Mitsui & Co. is the biggest supplier of Japanese-grown lumber with FSC® certification. As a member of FSC Japan's Board of Directors, Mitsui & Co. is helping to promote the FSC® in Japan, and to study and prepare principles, standards and risk assessments for Japan.



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Five Material Issues in the CSR Field (Materiality)

Mitsui prioritizes corporate social responsibility (CSR) in its corporate management. We have identified Five Material Issues in the CSR Field for the company to focus on, with the aim of meeting the expectations of a variety of stakeholders and contributing to the creation of *a future where the aspirations of the people can be fulfilled*, as set out in our corporate mission.

We recognize these Five Material Issues as societal issues relevant to all of our business activities. We assess the risks and opportunities that arise from the effects of these issues and disclose our approach to each of them.



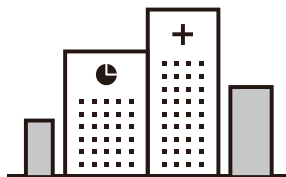
Protection of the Global Environment

P.14 Mitsui & Co.'s Approach



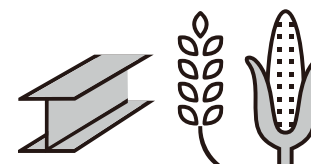
Respect for Human Rights

P.14 Mitsui & Co.'s Approach



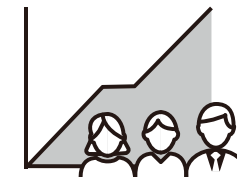
Enhancement of Local Industrial Bases
& Quality of Life

P.15 Mitsui & Co.'s Approach



Stable Supply of Resources
& Materials

P.15 Mitsui & Co.'s Approach



Corporate Governance
& Human Resource Development

P.16 Mitsui & Co.'s Approach

At the same time, as a management approach in line with the GRI Guidelines (G4 Guidelines), we define specific themes to work on and categorize each of our Five Material Issues accordingly and clearly indicate relevant policies and set targets. We strive to implement measures to address issues by identifying material aspects and boundaries, as indicated by the G4 Guidelines, through this approach.

Detailed reports on each of the themes addressed in "Five Material Issues in the CSR Field" (p. 14–16) can be found in "Activity Reports by Material Issue" (p. 17–79).



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Mitsui & Co.'s Approach



Protection of the Global Environment

Recognition of societal issues

- Global warming, climate change
- Loss of biodiversity
- Energy and water shortage
- Environmental pollution

As a corporation that operates across countries and regions around the world, we recognize the importance of giving consideration to impacts on the global environment.

Main risks and opportunities

- **Risks**
Negative impact on business activities brought about by abnormal weather due to climate change, and higher environmental costs resulting from ecosystem destruction, degradation, etc., as a consequence of business activities.
- **Opportunities**
Expansion of environment-related markets due to increased environmental awareness and the tightening of regulations, and expansion of business domains as a result of energy diversification.

Mitsui & Co.'s Approach

We will comply with environment-related laws, regulations, and treaties. We will work to prevent environmental pollution and curb greenhouse gas emissions, and to maintain biodiversity. We will be alert to environmental impacts and work to mitigate those impacts. We will use our integrated strengths and work in cooperation with our partners to achieve rational, long-term industrial solutions to environmental problems. We will continue to provide grants, through the Mitsui & Co. Environment Fund, for research and activities by NPOs, universities, etc., relating to the solution of environmental problems, efficient resource utilization, and harmonious coexistence between ecosystems and human beings.



Examples of how Mitsui & Co., Ltd. creates value for society through its business activities
P.18 Strategic Focus

Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Enhancement of Environmental Management System	• Environmental Policy	Overall Compliance	○ ○	
Initiatives toward Environmental Value Creation		Products and Services	○	○
Initiatives to Reduce Environmental Load, including Curbing Global Warming	[Targets set] • An annual reduction in energy consumption rate of at least 1% on average	Energy Emissions Transport Water	○ ○ ○ ○	○ ○ ○ ○
Initiatives for Preserving Biodiversity	• Environmental Policy • Forest Management Policy	Biodiversity	○	○
Addressing Environmental Issues through Contribution to Society	• Social Contributions Policy			



Respect for Human Rights

Recognition of societal issues

- Greater responsibility for human rights in the supply chain (security practices, labor practices, etc.)
- Consideration for indigenous people in conjunction with resources development

As a company with a diverse range of value chains in many countries and regions, we regard respect for human rights, including those of business associates and consumers, based on international standards as the foundation of CSR management.

Main risks and opportunities

- **Risks**
Disputes or protests concerning human rights issues in every spectrum of business that could hinder the start-up or continuation of business.
- **Opportunities**
Strengthening of the ability to ensure stable supply through consideration for human rights across all supply chains.

Mitsui & Co.'s Approach

Being aware of our role as a member of the international community, we will work to understand the culture, traditions, and practices of each country and region. We will also work to ensure that human rights are respected in the supply chain, and that there is no discrimination based on race, beliefs, gender, social status, religion, nationality, age, or mental or physical abilities. We will take action to rectify labor practices that violate human rights, such as forced labor and child labor.



Examples of how Mitsui & Co., Ltd. creates value for society through its business activities
P.39 Strategic Focus

Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Support for International Standards	• Basic CSR Policy	Security Practices Indigenous Rights	○ ○	○ ○
Promotion of Management System for Human Rights	[Targets set] • A CSR training participation rate of 90%	Investment Assessment	○ ○	



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Mitsui & Co.'s Approach



Enhancement of Local Industrial Bases & Quality of Life

Recognition of societal issues

- Ageing infrastructure in developed nations
- Infrastructure development in emerging countries
- Food safety and reliability
- Maintenance of health, securing of medical, nursing-care, and welfare services

We recognize the importance of contributing to the lives of people in the countries and regions where we do business, with respect to the enhancement of quality of life, development of local industries, development of the educational environment, and the creation of employment opportunities.

Main risks and opportunities

- **Risks**
Loss of credibility due to safety or health problems affecting infrastructure users or final consumers of products and services.
- **Opportunities**
Expansion of markets for the infrastructure development business to enhance quality of life, especially in emerging countries, and creation of markets by promoting ICT-based business to build urban social infrastructure in response to the move toward developing smart cities.

Mitsui & Co.'s Approach

Through our business activities, we will work to develop the infrastructure needed for growth and prosperity in countries and regions all around the world, including electric power, transportation and communications. We will also strive to improve basic services, such as healthcare and care for the aged, to create new value, envisaging a future in the next-generation business domains that embody innovation, and to develop local industries and create employment. We will also contribute to developing human resources with global perspectives and improving the educational environment through the hosting of endowed lecture programs at major universities and through a variety of education funds and scholarships.



Examples of how Mitsui & Co., Ltd. creates value for society through its business activities
P.44 Strategic Focus

Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Development of the Social Infrastructure		Indirect Economic Impacts	○	○
Provision of Safe, Reliable Products and Services	• Consumer Product Handling Policy • Consumer Product Handling Regulations	Customer Health and Safety	○	○
Participation and development in communities	• Social Contributions Policy	Local Communities	○	○
Contribution to Developing People with International Mindset	• Social Contributions Policy			



Stable Supply of Resources & Materials

Recognition of societal issues

- Population increase and expansion of demand for resources and materials
- Expanded responsibility for environmental and social aspects in supply chains

The establishment of supply sources for resources, such as energy, metals, water, food resources, chemicals, and materials, as well as the stable supply of these resources and materials have become important social priorities because of demand expansion driven by population growth and the desire for a better standard of living, especially in emerging countries.

Main risks and opportunities

- **Risks**
Suspension of business operations and instability in the supply of energy and food resources because of climate change and population growth.
- **Opportunities**
Sustainable resources development, reinforced competitiveness through consideration for the environment, labor and social aspects, and measures to ensure traceability across entire supply chains.

Mitsui & Co.'s Approach

We will work with suppliers, users, and business partners in Japan and overseas to engage in resource development, production, product distribution, processing, and recycling initiatives in various parts of the world. We will also build optimized supply chains through the improvement of infrastructure and logistics, including the development of railroad transportation and port facilities. At the same time, we will work to identify CSR priorities and achieve comprehensive improvements and solutions across the supply chain as a whole.



Examples of how Mitsui & Co., Ltd. creates value for society through its business activities
P.51 Strategic Focus

Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Resource Development, and the Securing and Stable Supply of Materials and Food		Indirect Economic Impacts	○	○
Promotion of Supply Chain Management	• Supply Chain CSR Policy	Supplier Environmental Assessment	○	○
		Supplier Assessment for Labor Practices	○	○
		Supplier Assessment for Impacts on Society	○	○
	[Targets set]	Supplier Human Rights Assessment	○	○
	• Ensuring that 100% of new suppliers are aware of the policy	Freedom of Association and Collective Bargaining	○	○
		Child Labor	○	○
		Forced or Compulsory Labor	○	○



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Mitsui & Co's Approach



Corporate Governance & Human Resource Development

Recognition of societal issues

- Malfunctioning of corporate governance and internal controls
- Stagnation in productivity due to cookie-cutter working styles
- Diversification and globalization of human resources

Corporate governance is the foundation for our efforts to make a continuing contribution to society through our business activities and maintain our status as a company trusted by society. We regard the enhancement of corporate governance and internal controls as key priorities, in addition to the fostering of human resources who support these efforts and constitute the foundation for all of our company's business activities.

Main risks and opportunities

• Risks

Corruption in business of high public significance in emerging countries and other markets, and suspension of business operations due to information security problems.

• Opportunities

Contributions to labor productivity improvement via innovation in working styles, promotion of fair and equitable treatment and meaningful human resources training, enhancement of individual competitiveness through promotion of diversity management, and creation of new business opportunities focusing on the solution of societal issues through heightened employees' CSR awareness.

Mitsui & Co's Approach

In order to maintain our status as a company trusted by society, we will work to maintain effective governance, ensure fair business practices, and prevent corruption. We will review working styles from the perspectives of productivity and efficiency, while creating an environment in which diverse individuals can reach their full potential. In this way, we will enhance our corporate competitiveness. Moreover, to strengthen the driving force of Mitsui & Co., we will further demonstrate our integrated strengths and our ability to connect at an even greater magnitude, and develop human resources capable of taking responsibility for global group management equipped with the capacity to create businesses that would make a meaningful contribution to the society.



Examples of how Mitsui & Co., Ltd. creates value for society through its business activities
P.60 Strategic Focus

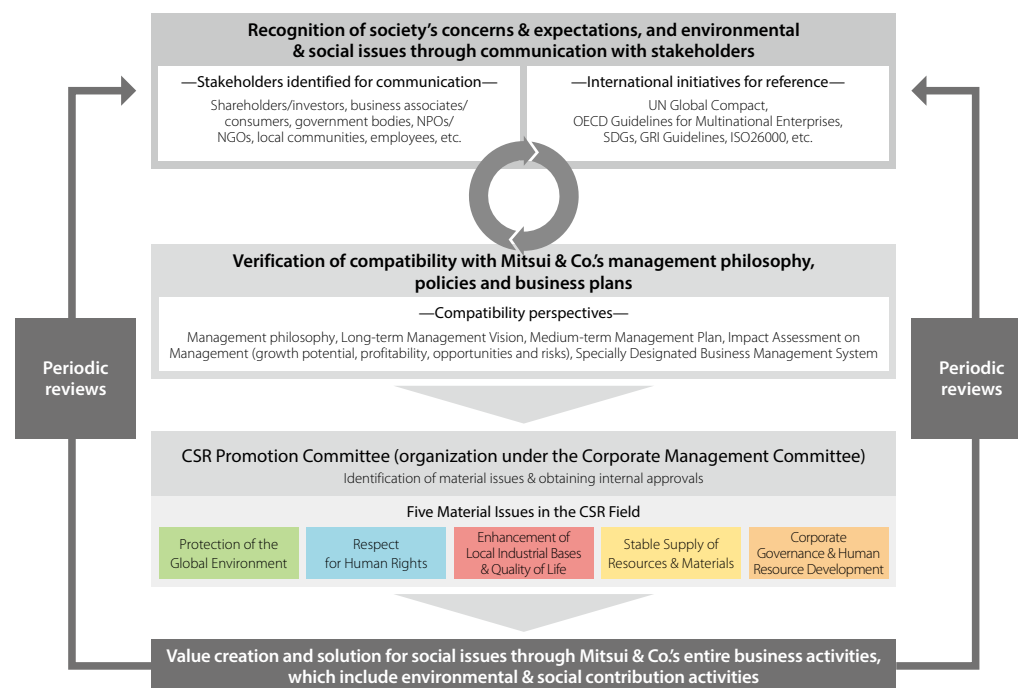
Theme	Related policies and guidelines, and targets set	GRI specific standard disclosures	Boundary	
		Identified material aspects	Within the organization	Outside the organization
Corporate Governance & Internal Controls	• Corporate Governance and Internal Control Principles			
Reinforcement of Sustainability Governance	• Specially Designated Business Management System			
Compliance & Risk Management	• Business Conduct Guidelines for Employees and Officers • Personal Information Protection Guideline • Rules on Information Management • Rules on IT Security	Anti-corruption	○	○
		Public Policy	○	○
		Anti-competitive Behavior	○	○
		Compliance	○	
Human Resources to Translate into Assets	• Three key policies of human resource system	Training and Education	○	
Human Resource Development		Diversity and Equal Opportunity	○	
Promoting Diversity Management	• Action plan for the Act of Promotion of Women's Participation and Advancement in Workplace • Voluntary action plans on promotion of women to managerial and board position	Equal Remuneration for Women and Men	○	
		Employment	○	○
		Occupational Health and Safety	○	
Occupational Safety and Health Initiatives	• Basic Policy on Health Management			

Identification and Review Processes for Material Issues

In specifying CSR Material Issues, Mitsui & Co. has taken into account its ongoing dialogue with business associates, NPOs & NGOs, experts, and others. Also, we have verified compatibility with international frameworks, such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, GRI Guidelines, and ISO26000, as well as with Mitsui & Co.'s key corporate initiatives and the strategy for each of the business domains.

Then, through discussions at the CSR Promotion Officer meetings and CSR Promotion Committee meetings, five CSR Material Issues (materiality) were identified as important management indices. These were approved by the Corporate Management Committee in March 2015 and then shared with all officers and employees.

The Material Issues will be periodically reviewed in order to meet the changing needs and expectations of society. We will strive to resolve societal issues through all of our business activities by creating value in a way that is unique to Mitsui & Co., and in doing so contribute to the realization of a sustainable society.



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Activity Reports by Material Issue



Protection of the Global Environment



Respect for Human Rights



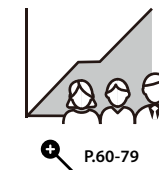
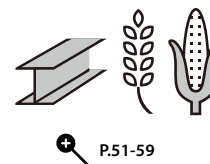
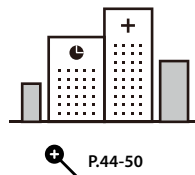
Enhancement of Local Industrial Bases & Quality of Life



Stable Supply of Resources & Materials



Corporate Governance & Human Resource Development





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Protection of the Global Environment

Strategic Focus

Key Strategic Domain: Hydrocarbon Chain

Related Product Segment: Energy

Aiming for zero-emission generation from coal-fired power stations through carbon capture and storage (CCS) with oxyfuel combustion to capture CO₂ and store it in compressed form underground

Amid the diffusion of renewable energies, reducing the environmental burden has become an urgent issue for the continued operation of coal-fired power stations, which have the merits of being a low-cost, stable source of power. As a solution to this problem, CCS with oxyfuel combustion, which is one of Japan's high-level clean coal technologies (CCT), is attracting attention.

Together with the Electric Power Development Company (J-Power) and IHI Corporation, Mitsui has jointly implemented and successfully completed the Callide Oxyfuel Project, a public-private initiative by Japan and Australia to implement oxyfuel combustion technology at the Callide-A coal-fired power station in Australia. By generating electricity through the burning of coal using oxygen instead of air, it is possible to reduce the total volume of gas emissions, boost CO₂ concentration in the emitted gas, thus making it easier to recover the CO₂, and also remove impurities in the series of processes, such as SO_x, NO_x, and mercury. The world's first test operation of this method on a utility boiler was completed successfully in February 2015. A CO₂ liquefaction device recovered 75 tons of CO₂ per day, of which a total of approximately 30 tons was transported by land and injected underground.

Based on the results of this project, Mitsui has also participated in a feasibility study at a coal-fired power station in Canada conducted by New Energy and Industrial Technology Development Organization (NEDO) of Japan. Since the incentive given by the Canadian Government for implementation of CCS for coal-fired power stations is applied in this new approach, and the effective use of CO₂ and N₂ discharged from the air separation unit can be expected to improve economic efficiency, we look forward to seeing the first commercial unit installed at the site.

Mitsui is continuing its efforts to promote the commercialization of coal-fired power generation with zero emissions of CO₂, SO_x, NO_x, and mercury and thereby contribute to the alleviation of global warming.

Amount of CO₂ recovered in the Callide Oxyfuel Project:

75 tons/day
(Approx. 11% of total gas emissions)

Share of coal-fired power generation worldwide:

41 %

(International Energy Agency, *World Energy Outlook 2015*)





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Mitsui & Co's Approach

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Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Enhancement of Environment Management Platform	<ul style="list-style-type: none"> ● Assessment and promotion of adopting ISO14001: 2015 ● Implemented seminars on environment and social due diligence relevant to business activities for officers and employees (approx. 200 participants in 3 seminars for business units; approx. 300 participants in 15 seminars in overseas locations) ● Development of renewed networking with international NPOs and NGOs to drive business-synergy creating CSR activities ● Implemented environment-related law seminars for officers and employees of Mitsui & Co. and its affiliates (approx. 110 people in 2 seminars) ● Implemented environment seminars entitled "Lecture on Environmental Waste and Tour of Processing Facility" for officers and employees of Mitsui & Co. and its affiliates (approx. 120 people in 2 seminars) ● Implemented a seminar during Mitsui Environment Month for officers and employees of Mitsui & Co. and its affiliates (approx. 320 people)
Initiatives toward Environmental Value Creation	<ul style="list-style-type: none"> ● Stable supply of high environmental-friendly automobile parts through an intensive collaboration with Gestamp (America) ● Investment and participation in Gonvarri Eólica (Spain) to supply materials for wind power generation-related infrastructure ● Establishment of J/V with Honest (Japan) and GEM (China) for remanufacturing auto parts by means of Japanese technology ● Promotion of renewable energy IPP business, such as solar power generation (Japan), wind power generation (Australia), and run-of-the river type hydroelectric power generation (Brazil), (Our equity-share power generation capacity: 2 GW) ● Promotion of smart-city business (Malaysia)

Theme	Business Activities
Initiatives toward Environmental Value Creation	<ul style="list-style-type: none"> ● Boosting modal shift by developing railway network and introducing highly fuel-efficient aircraft through our leasing expertise ● Promotion of green chemicals business, such as palm oil and other natural oil-derived oleo chemicals business (Malaysia, China) and corn-derived glucose based bio-chemicals business (Canada) ● Investment and participation in wood biomass power generation plant (Japan) ● Commencement of surface surveys and excavations for the promotion of geothermal power generation projects by Mitsui Oil Exploration (Japan) ● Completion of CCS demonstration at a coal-fired power station (Australia) ● Investment and participation in fuel and chemical products development business utilizing microbial fermentation (U.S.) ● Construction completion and operation commencement of a waste gas recycling plant for LNG project (Qatar) ● Sale of solar power generation unit (Sumisho & Mitsui Bussan Kenzai) for the residential market (over 1,000 houses) ● Acceleration of obtaining certifications (Mitsui Bussan Techno Products): for outdoor clothing fabric business, Bluesign® certification, which sets criteria aimed at abolition of child labor and forced labor, elimination of discrimination, freedom of association, labor health and safety, in addition to consideration of environmental aspects; for recycling business, GRS certification Sales promotion of such products (Europe, U.S., etc.) ● Promotion of Fujisawa Sustainable Smart Town project (Japan), (CO₂ reduction target: 70%; renewable energy utilization target: 30% and above)



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Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Initiatives toward Environmental Value Creation	<ul style="list-style-type: none"> ● Production and sales of lithium-ion secondary batteries for new-energy vehicles, such as electric, hybrid, and plug-in hybrid automobiles (China) ● Investment and participation in smartphone flea market app business, which contributes to the development of the "sharing economy" (Japan, U.S., etc.) ● Inhibition of N₂O emissions by optimizing the volume of fertilizers applied to farmlands (Canada, U.S., Brazil, Russia, etc.) ● Formation and sale of solar power infrastructure funds (Japan Alternative Investment) ● Investment in renewable energy projects through the Emerging Markets Infrastructure Fund ● Shortening of transportation distance for logistics services (Trinet group) by utilization of local ports (Japan)
Initiatives to Reduce Environmental Load, including Curbing Global Warming	<ul style="list-style-type: none"> ● Promotion of effective use of waste products, such as poultry manure as fertilizer and poultry manure-derived snow melting agent (Prifoods), and residual tea leaves as fertilizer material (Mitsui Norin) ● Verification by the Power and Energy Strategy Committee of mid- to long-term environmental changes in and future directions of environment, energy, and gas value chains, and the electric power industry, and implementation of relevant initiatives (4 times per year) ● Management of CO₂ Emissions, the Water Consumption Survey <ul style="list-style-type: none"> • For the Mitsui Group in Japan Mitsui will monitor changes in CO₂ emissions over the year, seeking areas where cuts can be made, as Mitsui aims for an annual reduction in the energy consumption rate of at least 1% on average from the fiscal year ended March 31, 2012 (Mitsui's Head Office, subsidiaries and associated companies, branches and other facilities) • For the Mitsui Group worldwide Mitsui will monitor changes in CO₂ emissions over the year (overseas subsidiaries and associated companies) • An investigation of the amount of water consumption in major domestic and overseas subsidiary companies has begun ● Absorption of CO₂ by appropriate management and maintenance of Mitsui's forests (Simulated gas absorption volume: about 160,000 tons per year)

Theme	Business Activities
Initiatives for Preserving Biodiversity	<ul style="list-style-type: none"> ● Support for the production of rice using farming methods that develop biodiversity, and sales promotion of the rice produced (Toho Bussan), (Japan)
Addressing Environmental Issues through Contribution to Society	<ul style="list-style-type: none"> ● Provision of grants to organizations such as NPOs and universities for their activities and research that contribute to environmental issues through the Mitsui & Co. Environment Fund, and employee participation in grant recipients' activities (grants totaling 220 million yen for 25 recipients; 377 persons participated in 8 activities) ● Implementation of school visit classes for elementary, middle, and high school students, utilizing Mitsui's forests (approx. 1,060 people in 14 classes) ● Implementation of forest experience events for shareholders, elementary school kids' family, employees' family and others, utilizing Mitsui's forests (approx. 420 people in 11 events) ● Endowed course at Keio University to contribute to human resources training in forestry and the wood industry (approx. 290 people) ● Implementation of a "wood-use (<i>kizukai</i>) summer seminar" in Fukushima for high school students to contribute to the region's recovery (16 people)



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A Message from Mitsui's Environmental General Manager

Hiroyuki Kato

Representative Director, Executive Vice President,
Environmental General Manager
Mitsui & Co., Ltd.



Society today faces the fact that the Earth is not a limitless frontier. Environmental issues on numerous fronts, such as climate change, energy sustainability, water resource management, sustainable food supply, and conservation of biodiversity, are all global issues that require efforts across multiple generations and regions. These issues will be difficult to resolve without initiatives involving partnerships between corporations, stakeholders, governments, and international institutions. Accordingly, enhancing business value in the context of a sustainable society calls for augmenting the collective value of a wide range of stakeholders in corporate activities.

In line with our Management Philosophy, we at Mitsui will actively contribute to protecting our irreplaceable Earth and fulfilling the dreams of its inhabitants. Mitsui's management is committed to addressing environmental issues. While actively engaging in dialogue with our stakeholders, we take proactive steps to address environmental issues on a global basis throughout the Mitsui & Co. Group to achieve harmony between economy and environment. It goes without saying that creating business that makes a positive contribution to the global environment entails far more than simply reducing environmental burdens across the entire spectrum of our business activities. We will continue taking on the challenge of achieving sustainable development by creating opportunities to resolve environmental and societal issues through our business activities.

Policy

Environmental Policy

Revised April 2011

Guiding Principles

1. Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues on a global group basis, in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.
2. Mitsui & Co. will make every possible effort towards realizing a "sustainable development" which is aimed at creating a harmony between the economy and the environment on a global group basis.

In view of the above principles, and in accordance with the Action Guidelines shown below, Mitsui & Co. will design, periodically evaluate, and continually improve an adequate risk management system, including response to matters such as global warming, nature conservation with consideration given to biological diversity, and the prevention of pollution, which will cover the wide range of activities that it undertakes on a global scale. At the same time, we will strive to ensure the development and dissemination of earth-friendly technologies and further reinforce our responsibility with respect to the environment on a global Group basis.

Action Guidelines

- 1. Compliance with relevant environmental laws and regulations**
We will comply with various relevant environmental laws and regulations, as well as all agreements signed by the company for promoting business activities.
- 2. Efficient utilization of resources and energy**
We will strive to reduce the burden on the environment within each of our workplaces and in our business activities through the efficient utilization of resources and energy, as well as the reduction, reuse, and recycling of waste and its proper disposal.
- 3. Environmental care for products and services offered, as well as existing and new businesses**
We will give the utmost consideration to the environment to the extent technologically and economically feasible by exercising an appropriate degree of influence in enlisting the understanding and support of involved business partners, as well as evaluating the impact that we have on the environment, not only in the prevention of pollution, but on such issues as global warming and the conservation of biological diversity as well.
- 4. Contribution to providing industrial solutions to environmental issues**
We will engage in business activities with the goal of providing rational and permanent industrial solutions, and contribute to the realization of "sustainable development" by exploiting our individual abilities and the collective strengths of our organization in cooperation with our global partners.



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Enhancement of Environmental Management System



System

Environmental Management System

Approach to Environmental Management

Since Mitsui & Co. acquired ISO14001 certification in 1999, we have maintained and utilized that certification with the aim of making continuous improvements through the PDCA cycle. From fiscal year 2016, we changed our management system in accordance with ISO14001:2015, and are now operating under that system. Specifically, we are strengthening the integration with business processes, the approach to business risks and opportunities, and awareness toward the importance of our stakeholders' perspectives in accordance with the purpose of the revision.

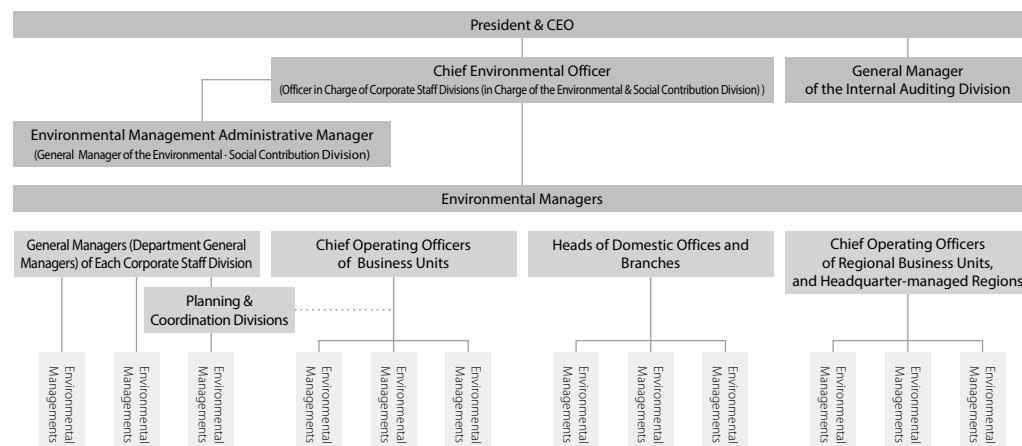


Environmental Management System

To facilitate effective environmental management, Mitsui & Co. has implemented an Environmental Management framework on a global basis across the entire Group, applicable to all operational areas.

A Chief Environmental Officer has been appointed to assist the President with his management responsibilities in relation to environmental issues, and the general manager of the Environmental · Social Contribution Division has been appointed to conduct environmental management. In addition, a number of environmental managers have been appointed, including the general managers of each corporate staff division, the Chief Operating Officers of each business unit, the general managers of each branch and office in Japan, the chief operating officers of overseas regional business units and headquarter-managed regions area unit leaders. This organizational framework enables environmental management on a Group-wide basis.

Environmental Management System information (as of April 2016)



System

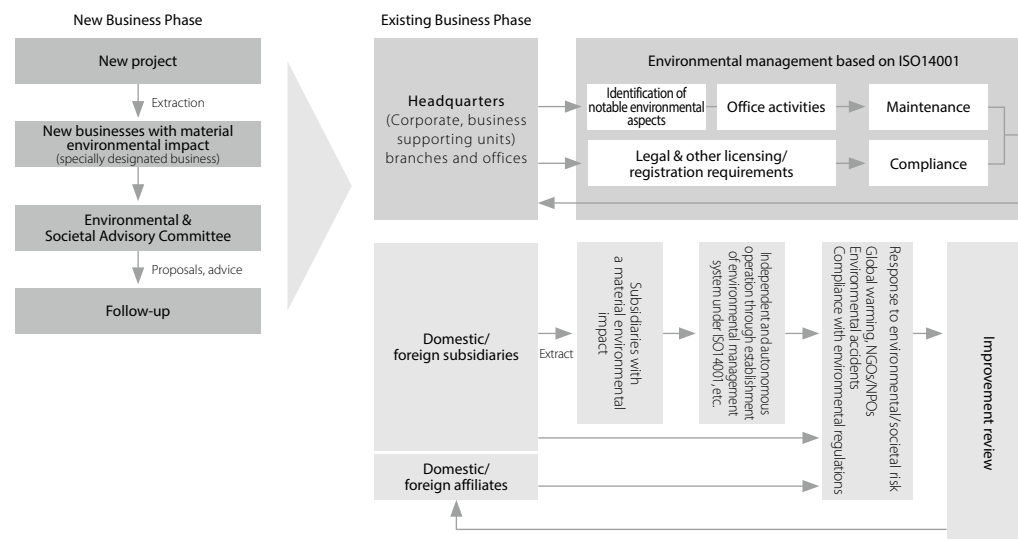
Addressing Environmental and Social Risks and Opportunities in Business

Mitsui & Co. is expanding its business globally through six business segments: metals, machinery and infrastructure, chemicals, energy, lifestyle, and innovation and corporate development. In conducting business in each of these areas, we divide our activities into a "new business phase" and an "existing business phase" as shown in the following diagram, and we have put in place mechanisms to ensure that the utmost consideration is given to the environment and society during our business activities in each of these phases.

In order to properly understand and manage the environmental and social risks involved in the various types of business we engage in, Mitsui & Co. encourages its subsidiary companies that have a significant environmental impact to establish environmental management systems that are in accordance with the international ISO14001 standards and international guidelines relating to environmental and societal concerns. While promoting autonomous environmental management by the subsidiaries themselves, we have also established a system for making improvements by following up and reviewing measures to prevent recurrence based on reports concerning environmental accidents.

Furthermore, in accordance with the SDG targets, we identify programs, such as biodiversity protection programs, which are closely related to our business, as "opportunities", and we introduced an internal subsidy system for such programs in 2016. Mitsui & Co. is seeking to build a sustainable society by simultaneously resolving environmental and societal issues and enhancing business value.

Addressing environmental and social risks in business (as of March 2016)





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Protection of the Global Environment

System Activity Environmental Management for New Business

Specially designated business management systems and Environmental & Societal Advisory Committee

New projects are examined internally, and must receive approval prior to their implementation. Reports will be made on an ad-hoc basis by the CSR Promotion Committee and the Environmental & Societal Advisory Committee, with final approval coming from the representative directors through *Ringi* (circular approval letter) approval. Members of the Environmental & Societal Advisory Committee will primarily be selected from among external experts, lawyers, and others who possess a broad range of perspectives on measures in global warming, environmental restoration, ambient water and air pollution, soil contamination, and environment impact assessment as well as stakeholders' concerns.

Use of environmental and social due diligence checklists

New business investment projects that will have a significant impact on the environment are investigated by experts. When conducting these investigations, we share and utilize environmental and social due diligence checklists listing the environmental and social risks for each business with reference to international standards relating to environmental and social concerns, for the purpose of identifying the environmental and social risks in advance, and at the same time helping to narrow down the matters to be investigated by the experts.

System Activity Environmental Management for Existing Business

Mitsui & Co's non-consolidated environmental management

Up until 2014, we had focused primarily on reducing paper, waste, and electricity in our office operations as a part of our activities based on ISO14001. In 2015, once the environmental awareness of the officers and employees had reached a certain level, we sought to link environmental activity more closely to our business operations. For this purpose, a company-wide environmental target of raising the environmental awareness of officers and employees in relation to business activity was set, and each division and office began undertaking target management in keeping with the conditions in their respective organizations. This resulted in raising the awareness of officers and employees in relation to the environmental and social risks associated with business activities, and the environmental target was achieved.

Environmental management for subsidiaries

We designated a number of our domestic & overseas subsidiaries to acquire ISO14001 certification, taking into account the type of business, the impact on environment/biodiversity, requests from stakeholders, etc. As of the end of March 2016, 35 subsidiaries had acquired ISO14001 out of the 41 which we had targeted to acquire ISO14001. The remaining 6 subsidiaries are currently establishing environmental management systems in line with international guidelines.

Every year, we hold ISO14001 training for internal auditors of ISO standards, which helps to improve understanding regarding the application of environmental management systems and to enhance knowledge of the problem

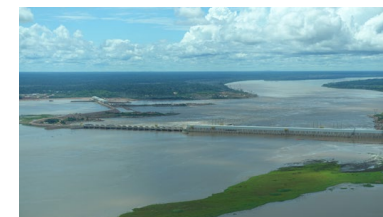
extraction in the environmental management system use. In addition, our Business Units observe and participate in subsidiaries' ISO14001 internal audits and external audits, enabling us to understand the status of their environmental management and provide accurate guidance and support.

Onsite environmental consultation

As a part of our stakeholder engagement, we visit business sites to examine how environmental and social issues are being addressed during business operations. In 2016, we visited the site of the Jirau Hydroelectric Power Plant, where we inspected the measures being taken in relation to the environment and local residents, and held talks with the people in charge of operating the project.

Example: Jirau Hydroelectric Power Plant (Brazil)

The Jirau Hydroelectric Power Plant, located on the Madeira River in the State of Rondonia in northern Brazil, generates power using the "run-of-river power generation" method, utilizing the natural flow of the river. The plant supplies electricity to approximately 10 million residents of the Greater Sao Paulo metro area, and contributes to limiting fossil fuels combustion as a means of generating power. Due to the scale of the project and its location on the Madeira River, which is a tributary of the River Amazon and which is rich in biodiversity, and taking into account also the crisis of substantial deforestation facing the Amazon region, the project is attracting close attention from the local community, NGOs, and other stakeholders. There are strict restrictions placed on the power sector in Brazil in relation to the environment and local communities, and companies are required to go through several stages of authorizations, including obtaining construction permits and operating licences. Companies are also required to conform to the Equator Principles. After commencing operations, companies are required to continue contributing to the environment and local communities, and to provide regular reports. Through such site inspections and by talking directly with the persons concerned at the frontline, Mitsui & Co. seeks to gain an accurate understanding of the situation on the ground, and to bring about better stakeholder engagement.



An aerial view of the power plant

Responding to environmental accidents

During the fiscal year ended March 31, 2016, there were no environment-related incidents at Mitsui and its subsidiaries.

Mitsui & Co. employs various measures to prevent recurrences of environmental accidents, including the use of collections of case studies to raise employee awareness. Any accident is promptly reported, and comprehensive steps are taken to prevent recurrence, beginning with the identification of the true cause of the accident and an assessment to determine appropriate corrective and preventive measures.



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System Complying with Environment-Related Laws and Regulations

Mitsui & Co. makes a serious effort to comply with environment-related laws and regulations in conducting its business. As a global group, we not only establish working practices to ensure the relevant compliance through our environment management system, but also conduct diverse training, research and site verification activities for our employees so that they can develop full awareness of various environment-related laws and regulations in domestic and international settings to ensure compliance with these laws and regulations.

We, and those of our subsidiaries with significant environmental impacts, endeavor to acquire ISO14001 certification or an equivalent, and implement proper working practices through our environment management system in line with the above certifications, to ensure environment-related compliance.

Energy saving laws and regulations

With the idea of compliance and environmental conservation in mind, we abide by energy saving laws and regulations (laws related to rationalizing energy use), and are involved in work related to environmental logistics and the implementation of energy saving use during shipping and logistics.

Since we handle more than 30 million gross ton-kilometers*¹ of domestic freight annually, Mitsui is classified as a Specified Consigner. We therefore calculate the total amount of freight based on Mitsui-owned cargo as well as freight arranged for transportation in Japan. When Mitsui became a Specified Consigner, to meet the requirements of the Energy Saving Act we began to carry out an array of company-wide initiatives to promote efficient energy use in our logistics business. These initiatives included making improvements to our operating systems and arranging seminars and other information events.

In each of our business units, we collaborate with our logistics partners and promote economical driving practices and other fuel-saving techniques. We also work to raise efficiency by using larger transport vehicles, introducing cargo consolidation arrangements, and reviewing transport routes. We implement energy saving measures through modal shifts, making use of rail and ship transport.

Each business unit is responsible for formulating and implementing specific energy reduction plans.*² These plans are gradually being implemented with the support of the Logistics Management Division as the administrative body, which consults with government and administrative agencies (Japan's Ministry of Economy, Trade, and Industry), compiling data, conducting checks based on the PDCA cycle, and holding in-house seminars, and the Environmental and Social Contribution Division, which is responsible for overall company-wide environmental management systems.

*1 Ton-kilometers are calculated by multiplying the number of metric tons of cargo by the distance they are transported (in kilometers).

*2 Plans are prepared on an annual basis, with monthly status reports.

Energy Reduction Policy

Selection of transportation method	Use of railways, shipping (modal shift) Use of sophisticated freight services
Measures to improve transportation efficiency	Use of shared/mixed loading Selection of appropriate vehicle class Optimization of routing and method Scaling up of vehicle size Use of most efficient freight vehicles Review of schedules to avoid congestion
Alliances between transportation service providers and users	Review of distribution frequencies Adoption of coordinated logistics planning
Measures to increase fuel efficiency	Eco-drive driving techniques Installation of fuel-saving equipment

Compliance with Waste Disposal laws

Mitsui operates in compliance with the Waste Disposal and Public Cleansing Law (also referred to as the "Waste Disposal Law" or "Waste Law"). Disposal of industrial and general waste generated through commercial activities is managed by Mitsui's Logistics Management Division, which formulates waste handling process flows, answers questions, and offers other ongoing support to business units within Mitsui. In addition, the Logistics Management Division holds periodic seminars to increase awareness and understanding of proper waste disposal practices, covering such matters as the selection of waste management subcontractors, manifest compilation and management, and other related issues. The division also holds seminars for associated companies, providing guidance from experienced personnel and offering other waste management related assistance, with the aim of promoting appropriate handling of industrial waste.

Responding to REACH regulations (Registration, Evaluation, Authorization, and restriction of Chemicals)

REACH is legislation developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH legislation became effective on June 1, 2007, with pre-registration completed by November 30, 2008 and the first full registration by November 30, 2010.

Under these regulations, compliance with the REACH law is required of all related businesses manufacturing in or importing into the EU. Mitsui has worked in cooperation with its European offices to complete a database on all the relevant chemical substances and to structure systems to confirm compliance with REACH regulations.



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Protection of the Global Environment

System Activity Environmental Education/Communication

As we work to accelerate environmental initiatives across the global group, it is vital that we raise the environmental awareness of each of our employees at all levels. We conduct seminars and training sessions to promote these messages internally.

Regular seminars and training sessions

At Mitsui, we work to raise awareness of environmental issues among employees of Mitsui, our subsidiaries and affiliated companies, through regular seminars, environmental law training sessions, and ISO14001 training programs.

Environmental education policy, planning and aims

Awareness activities (seminars, etc.)

New hires	Induction Course (Environment)
Accept	Induction Course for Temporary Staff (Environment) Induction Course for Contract employees, Secondees working at Mitsui (Environment)
Continuing education	Environment Month (Seminars, lectures) Environment Seminar

Environmental auditor training

ISO14001	Internal Environmental Auditor Training Course Internal Environmental Auditor Practical Course Environmental Legal Requirements Course ISO14001 Provisional Auditor Training ISO14001 Lead Auditor Training
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Environmental management	Environmental Management Representative Induction Course Plant visits (learning key aspects of environmental management)
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Training seminars on environmental laws and regulations

We hold seminars for employees of Mitsui, subsidiaries and affiliated companies on environmental laws and regulations. From fiscal year 2013, we began co-hosting these seminars with other trading firms, thereby helping to further environment-related compliance. In fiscal year 2015, approximately 110 people participated from Mitsui & Co. group companies. We also conducted a separate training seminar on the Waste Management and Public Cleansing Law, providing classroom training focused on precautions in regard to complying with the Law, as well as training that covered the procedures for on-site checks at waste disposal facilities and actual visits to such facilities.



Seminars and training sessions held in fiscal 2015

Title	Number of times per year	Target audience	Outline
Environmental law training	Held twice Approx. 110 participants	Mainly Mitsui, subsidiaries and affiliated company employees	Management methods based on ISO14001, recent environmental law trends, basic knowledge, and key law amendments, etc.
Internal environmental auditor training (ISO14001)	Held twice Approx. 50 participants	Mitsui, subsidiaries and affiliated company employees	For the purpose of improving the Company's environmental management and support systems based on ISO14001
Internal environmental auditor practical training (ISO14001)	Held twice Approx. 40 participants	Internal environmental auditors, department representatives in charge of self checks	Role-play based training which aims to improve the efficiency of internal audits and self checks
Environment seminar "Lecture on Environmental Waste and Tour of Processing Facility"	Held twice Approx. 120 participants	Officers and employees of Mitsui & Co. and its affiliated companies	Lecture on the responsibilities of Generator (waste-disposing parties) and precautions related to industrial waste. The tour of the processing facility aims to promote understanding of the importance and efficacy of on-site verification
ISO14001 revisions and Mitsui & Co.'s initiatives under these revisions	Held twice Approx. 100 participants	Environmental management managers	Aiming at overall improvement of the effectiveness of the global group's environmental management system by explanation of summary of ISO14001:2015 and next fiscal year's initiatives based on the revisions
Environmental and social due diligence seminar	Held 3 times (HQ Business Units) Approx. 200 participants Held 15 times (overseas offices) Approx. 300 participants	Mitsui & Co. officers and employees	Seminar on due diligence covering environmental and social risk analysis, etc. relating to the business activities of each business unit
New staff induction training (environment)	Held once Approx. 190 participants	New employees	In accordance with ISO14001 requirements, explain Mitsui & Co.'s environmental policy as part of the induction training conducted by the Human Resources & General Affairs Division designed to instill in employees the necessary understanding of the company's management philosophy (MVV), various rules, the importance of compliance, etc.
Temporary staff induction training (environment)	Held 10 times Approx. 50 participants	Temporary employees	
Induction training for general/seconded contract staff (environment)	Held 4 times Approx. 100 participants	General and seconded contract employees	

Mitsui Environment Month

Mitsui & Co. has designated June as the "Mitsui Environment Month" each year, during which a variety of programs for officers and employees of Mitsui & Co. and affiliated companies are held as a part of Mitsui's environmental education activities. During Mitsui Environment Month 2015, we held the following lectures and "Forest School" presentations about the company's forests.

Lecture: "Abnormal Weather and Global Warming as Seen Through Buzzwords" (Tsukasa Yoda, Meteorologist) ; Approx. 130 participants

Feedback responses via a questionnaire administered after the lecture included comments such as "The detailed explanation of the current state of global warming given through figures and simulations has made me realize again just how dangerous the situation is", and "I realized how essential it is to be more aware of energy saving in order to ensure a safe future for our children".



Tsukasa Yoda, Meteorologist

Lecture: "Innovative Ways of Thinking! Can We Solve Environmental Problems Through Sport?" (Shogo Sugiura, representative of Sugiura Environment Project) ; Approx. 80 participants

Forest School: "Let's Learn More! Mitsui & Co.'s Priceless Assets: The Multi-faceted Use of Mitsui's Forests" (Environmental-Social Contribution Div.) ; Approx. 100 participants



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Initiatives toward Environmental Value Creation



Environment-Related Business

Mitsui engages in a wide range of business in the world around us, and, under the Environmental Policy Action Guidelines, it positions active participation in finding industrial solutions for environmental issues as one of its highest management priorities. Accordingly, we carry out a broad spectrum of environment-related business activities on a global group basis. The increasing seriousness of global warming, population growth, resource depletion, and other issues is reflected in growing public interest in nature and biodiversity conservation, the low-carbon, recycling-oriented society, and renewable energy, and in an expanding range of initiatives targeting these issues. Outlined below are some of our efforts to find solutions for environmental problems.

Activity

Renewable Energy

Mitsui has set an objective of maintaining a constant ratio of renewable energy generation assets among its holdings of power generation assets as a policy for dealing with global warming and building a sustainable society. Accordingly, Mitsui is pursuing and strengthening its initiatives related to renewable energy projects in the United States, Europe, Australia, and other parts of the world.

As of March 31, 2016, renewable energy, including hydroelectric power, accounted for approximately 13% of Mitsui's total generating capacity of 41GW (including 11GW of equity-share capacity).

Project	Company name	Country	Generating capacity/Scale
Solar power generation business	Haneda Solar Power Co., Ltd.	Japan	2MW
	Tottori Yonago Solar Park	Japan	42.9MW
	Izumitsu Solar Park	Japan	19.6MW
	Tomato Abira Solar Park	Japan	111MW
	Kumamoto Arao Solar Park	Japan	22.4MW
	Omuta Miike Port Solar Park	Japan	19.6MW
	Hamamatsu Solar Park	Japan	43MW (Under Construction)
	Tahara Solar-Wind Joint Project	Japan	50MW
	Brockville Solar	Canada	10MW
	Beckwith Solar	Canada	10MW
	IPM Eagle Desarrollos Espana	Spain	1.5MW
Solar thermal power generation business	Guzman Energia S.L.	Spain	50MW
Wind power generation business	NS Wind Power Hibiki	Japan	15MW
	Tahara Solar-Wind	Japan	6MW
	Wind Farm Hamada	Japan	48MW
	Norway Wind	Canada	9MW

Wind power generation business	SOP Wind	Canada	40MW
	West Cape Wind	Canada	99MW
	Caribou Wind	Canada	99MW
	Harrow Wind	Canada	40MW
	PAR Wind	Canada	49MW
	Plateau Wind	Canada	27MW
	ELSC Wind	Canada	99MW
	Erieau Wind	Canada	99MW
	Cape Scott Wind	Canada	99MW
	Brazos Wind	U.S.A.	160MW
	Eoliatic del Istmo	Mexico	164MW
	Eoliatic del Pacifico	Mexico	160MW
	Zajaczkowo Windfarm	Poland	48MW
Biomass power generation business	Bald Hills Wind Farm	Australia	106.6MW
	Green Power Ichihara	Japan	50MW
Run-of-river hydroelectric power generation business	Tomakomai Biomass Power Generation Co., Ltd.	Japan	5.9MW (Under Construction)
	Energia Sustentavel do Brasi	Brazil	3,750MW (Under Construction)
	Spanish Hydro	Spain	84MW

Example: Mexico's Bii Stinu & Santo Domingo Wind Projects

Mitsui began participation in the Bii Stinu Wind Project (164MW) in February 2013 and in the Santo Domingo Wind Project (160MW) in December of that same year. Both projects are located in Oaxaca state in Mexico.



Bii Stinu Wind Project (Oaxaca, Mexico)

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Activity

Modal Shift

Building and improving the social infrastructure is a top-priority issue when it comes to economic growth and promotion of global industrial development in countries and regions around the world. To respond to these needs in various regions, Mitsui is strengthening its functions and capabilities on a global group basis. We have identified the railway freight transportation and railway passenger transportation businesses as key fields, and leveraging in particular the achievements of our long-term railway lease business, we are promoting initiatives to develop and operate a wide variety of railway projects as part of our on-going modal shift.

Business investment (Company name)	Main business	Country	Quantitative effects/ project size
Trinet Logistics Co., Ltd.	Tokyo Bay barge transportation (Ichi-hara to Yokohama)	Japan	92.3% reduction in CO ₂ emissions compared to truck transportation
MRC (Mitsui Rail Capital, LLC)	Freight wagon leasing business	U.S.A.	Four global basis (US, Brazil, Europe, Russia) Freight wagons: approx. 16,000 Locomotives: approx. 300
MRC-LA (Mitsui Rail Capital Participações)	Freight wagon rental business	Brazil	
MRCE (Mitsui Rail Capital Europe B.V.)	Locomotive leasing business	Europe	
MRC1520 (MRC1520 LLC)	Freight wagon leasing business	Russia	
VLI	Freight transportation business	Brazil	Operating a railway network of approx. 10,700 km and port terminals
SuperVia (Supervia Concessionária de Transporte Ferroviário S.A.)	Passenger railway transportation business (Rio de Janeiro suburban railway)	Brazil	Transportation record: Approx. 700,000 passengers per day (December 2015)
Via Quatro (Concessionária da Linha 4 do Metrô de São Paulo S.A.)	Passenger railway transportation business (São Paulo metro line no. 4)	Brazil	Transportation record: Approx. 700,000 passengers per day (December 2015)

Example: Railway Rolling Stock Leasing

Our rolling stock leasing business, in the United States, Brazil, Europe, and Russia, is helping its customers enhance the efficiency of their operations by meeting their needs for leasing different types of rolling stock as well as drawing on Mitsui capabilities as a general trading company to offer added value by providing operation and maintenance management services. This business conforms to the modal shift promotion policies for railway transportation that are being worked out by countries and regions around the world from the perspective of reducing greenhouse gas emissions and other aspects of global environment conservation.



Siemens Electric locomotive in Europe

Example: Passenger Railway Business

In the urban transport concession and PPP field, we began funding Brazil's São Paulo metro line no. 4 in 2007 and began operating the line in 2011. In addition, we began participation in four projects in 2014: the Rio de Janeiro suburban railway, the São Paulo metro line no. 6, the Rio de Janeiro LRT (light rail transport), and the Goiânia LRT. We effectively used the railway technology, know-how and other resources of Japanese railway companies and manufacturers to increase the value of these projects. At the same time, by developing the urban transportation infrastructure, we provide passengers with safe and secure transport and help alleviate the serious traffic congestion and air pollution problems in Brazilian cities.



Suburban railway in Rio de Janeiro ("SuperVia")



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Protection of the Global Environment

Activity

Recycling

In addition to development of underground resources, Mitsui has positioned the recycling of aboveground resources as an area for emphasis within its comprehensive energy and environmental strategy. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

Business investment (Company name)	Main business	Country	Business size
MM & KENZAI Corporation	Metal scrap collection and sales business	Japan	Handles 7 million tons/year of metal scrap
Kyoei Recycling Co., Ltd.	Industrial waste processing and gas production	Japan	Processing capacity of 27,000 mt/year, 140,000 Nm ³ /day
E.R. Japan Corporation	Recycling and reuse of used compact home appliances	Japan	Recycling capacity of 24,000 mt/year
Mitsui Bussan Metals Co., Ltd.	Non-ferrous metal scrap and non-ferrous metal product trading business	Japan	Handles 100,000 tons/year of non-ferrous metal scrap
Sims Metal Management Ltd.	General recycling business (metal scrap, electronic device recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 1.2 million tons/year of metal scrap, etc.
Wuhan GHM Auto Parts Remanufacturing Co., Ltd.	Remanufacturing of automotive parts	China	360,000 units of remanufactured automotive parts per year

Example: General Recycling Business for Metal Scrap, Electric Devices, etc.

In June 2007 Mitsui invested in Sims Metal Management Ltd., the world's largest recycler of ferrous and non-ferrous metal as well as electronics, and, as of March 2016, Mitsui was the largest shareholder with an approximately 18% stake. Today, Sims Metal Management has more than 240 locations on five continents with a focus on North America, and more than 5,000 employees. In addition to the metal scrap business, the company also operates the world's largest electrical and electronics recovery and recycling business, as well as New York City municipal waste processing business. Sims Metal Management is, therefore, continuing to grow as a total recycling enterprise.



Sims scrap yard (U.S.)

Activity

Paper Manufacturing Resource Business

Business investment (Company name)	Country	Business size (*target)
BTP (Bunbury Treefarm Project)	Australia	20,000 ha (*)
GTP (Green Triangle Treefarm Project)	Australia	10,000 ha (*)
AAP (Australian Afforestation Pty., Ltd.)	Australia	2,000 ha (*)
PTP (Portland Treefarm Project)	Australia	3,000 ha (*)
BFP (Bunbury Fibre Plantations Pty., Ltd.)	Australia	14,000 ha

Example : Forest Resources Business for Pulp and Paper Manufacturing

Since 1996, Mitsui has been engaged in two afforestation projects in Victoria and three in Western Australia with the aim of securing resources for pulp and paper manufacturing. By cultivating sustainable forests, these projects contribute to protecting valuable natural resources, absorbing and chemically immobilizing carbon dioxide, preserving biodiversity, and preventing soil erosion and salt pollution.



Forest Resources Business (Western Australia)



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Protection of the Global Environment

Activity

Other Environment-Related Business

Project	Main business
Materials for secondary battery use	Structuring systems for the stable production and supply of secondary battery materials, including principally those used in lithium-ion batteries
Rooftop gardening, green wall building, and greening at educational institutions	Proposal sales of greening (landscape)-related materials and development of sales business for greenery to improve the environment through Mitsui Bussan Agro Business Co., Ltd. (Japan)
High-pressurized tank for NGVs and FCVs	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells
Car-sharing business	Operation of a car-sharing business that utilizes high fuel-efficiency, low-pollution vehicles (Singapore)
Water treatment business in Mexico	Participation in four major water treatment projects (including one still under construction) in the State of Jalisco and other parts of Mexico through a consolidated subsidiary, Atlatec, S.A. de C.V. (headquartered in Mexico)
Water and sewer concession business in the Czech Republic	In September 2013, Mitsui and FCC Aqualia, a leading water management company in Spain, entered into a water concession business in Ostrava, Czech Republic. The project company is currently supplying drinking water, including bulk water, and sewage water treatment service for approximately 1.3 million users
Water treatment business in China	Galaxy NewSpring Pte. Ltd. established in August 2010 as a 50-50 joint venture with Hyflux Ltd., a leading provider of integrated water management solutions based in Singapore, currently operating drinking water, sewage treatment, and water recycling systems at 24 sites in China.
High-grade urea solution: AdBlue® business	See P.29
Solar power generation monitoring service	See P.29
Cloud-based energy saving service	See P.30
Investment for the development of microbe gas fermentation technology	See P.30
Precision agricultural solutions business	See P.30
Lithium ion secondary cell business in China	See P.30
The Callide Oxyfuel Project—Demonstration for zero-emission electricity generation with coal	See P.18 "Strategic Focus"

Example : High-grade Urea Solution AdBlue® Business

Mitsui Chemicals' AdBlue® is a detoxifying agent of water and nitrogen which works as a reduction agent for nitrogen oxides including gas emissions of trucks and buses. Mitsui is building and enhancing a nationwide network of sales and logistics locations and infrastructure as the sole agent of Mitsui Chemicals' AdBlue®. Mitsui contributes to the environment by steadily supplying AdBlue® for diesel vehicles supporting the gas emission regulations set down by the government. Demand for a stable supply of AdBlue® is expanding due to further tightening of automobile emission standards (2016 standards).



AdBlue® is a registered trademark of the German Association of the Automobile Industry (VDA).

Example: Solar Power Generation Monitoring Service

Solar power facilities are often thought to be maintenance free, but in fact, panels can be damaged or contaminated, equipment failures can occur, and facilities deteriorate with age. Therefore, making systems to rapidly detect these irregularities is essential. Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, uses its abilities in integration of information and communication technologies to provide cloud services for remote monitoring of solar power generation facilities.



Conceptual image of solar power generation facilities and a remote monitoring screen

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Example: Cloud-Based Energy Saving Services

Mitsui Knowledge Industry Co., Ltd., a consolidated subsidiary, uses information technology to provide energy saving services to commercial facilities, enabling customers to easily save energy while maintaining a comfortable environment.

Features of Energy Saving Services

- Automated remote control of air conditioning to eliminate wasteful energy consumption and cut costs.
- Effective use of existing air conditioning facilities without dependence on a specific manufacturer or energy source (electricity or gas).
- Fast and inexpensive installation.
- Real-time automated operation based on measured values.
- Control areas can be precisely divided for individual control of each area.
- Flexible control, even in environments susceptible to temperature changes, for efficient energy use without waste.



System overview and control screen

Example: Investment for the Development of Microbe Gas Fermentation Technology

Mitsui invested in the US venture company LanzaTech New Zealand Limited that is developing microorganism gas fermentation technology which converts carbon monoxide (CO) and carbon dioxide (CO₂) into fuel and chemicals such as ethanol and butadiene. We aim to develop businesses that can tackle global warming by commercializing technology that converts emissions containing carbon dioxide into energy.



Demonstration project with Shougang Steel in China

Example: Precision Agricultural Solutions Business

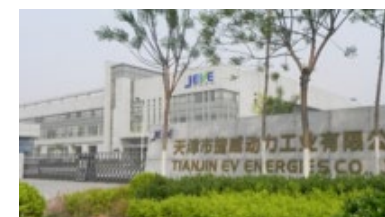
Mitsui has acquired an equity stake in Farmers Edge, a global leader in precision agriculture and independent data management solutions headquartered in Canada, which provides one-stop access to services ranging from farm analysis to consultation. It helps to raise crop yields and reduce costs by using satellite remote sensing, soil analysis and various other information resources to support the implementation of efficient fertilizer application plans. Using these methods, it has reduced fertilizer costs by an average of 5% and improved yields by an average of 9%. While the company provides these services mainly in Canada at present, it is also expanding into the United States, Russia, Brazil, and Australia. It provides services to a global customer base of over 2,200 farm operators.



Precision Agricultural Solutions

Example : Lithium-Ion Rechargeable Battery Business in China

Mitsui contributes to realizing a sustainable energy consumption society by providing solutions to save electricity through our business participation in Tianjin EV Energies Co., Ltd., which manufactures and sells lithium-ion rechargeable batteries for electric automobiles, hybrid automobiles, plug-in hybrid automobiles and other applications in China.



Tianjin EV Energies factory



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Initiatives to Reduce Environmental Load, Including Curbing Global Warming (With Environmental Data)

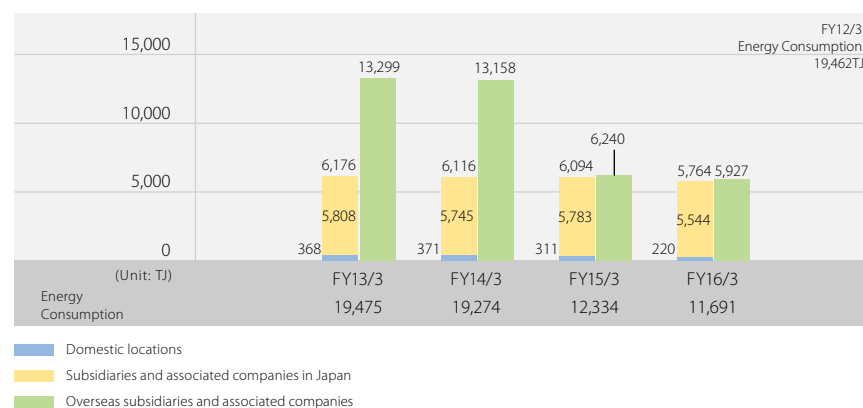


Activity Management of Greenhouse Gas (GHG) Emissions

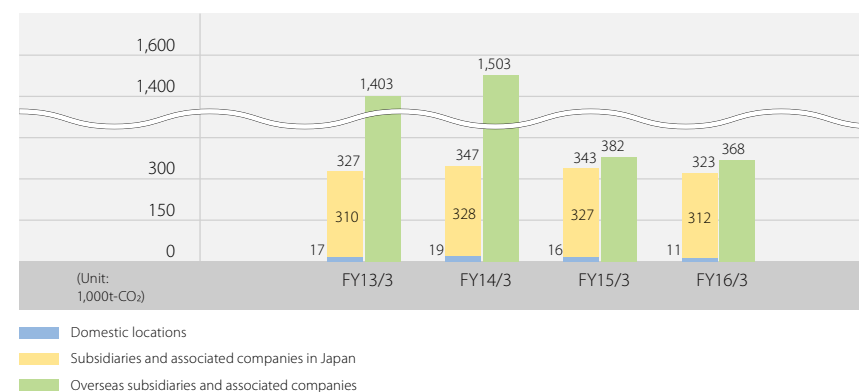
Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions on a global Group basis. From the fiscal year ended March 31, 2006, Mitsui has continually surveyed its domestic GHG emissions in order to understand its fixed quantity of emissions year by year. Mitsui has also announced its objective of reducing energy consumption (intensity target) since the fiscal year ended March 31, 2012 for Mitsui itself as well as for its domestic subsidiaries, by an average of over 1% per year. In this way the entire group is promoting the reduction of GHG emissions from energy sources. In addition, Mitsui has begun surveying the GHG emissions of its overseas subsidiaries since the fiscal year ended March 31, 2009 and we are continuing to consider new initiatives to reduce GHG on a global Group basis. An investigation of the water amount of consumption in a main domestic and abroad subsidiary company is begun from fiscal year ended March 31, 2016.

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 and 3410 was given by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.

Energy Consumption★



CO₂ Emissions★



	FY2013	FY2014	FY2015	FY2016
SCOPE1	1,364	1,460	384	317
SCOPE2	366	390	341	374
Total	1,730	1,850	725	691

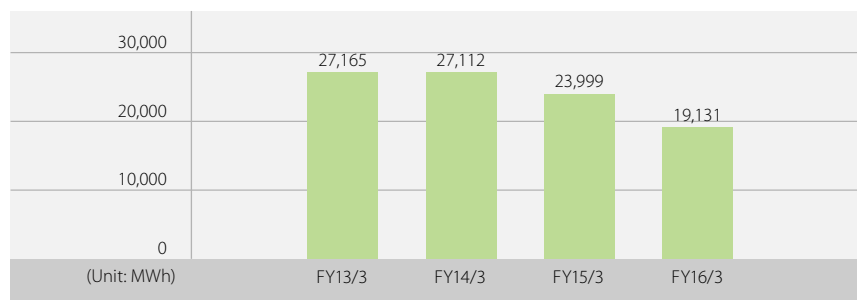
(Unit: 1,000t-CO₂)



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Electricity Consumption★



Water Consumption

FY16/3	(Unit: Thousand m ³)
Subsidiaries and associated companies in Japan	15,549
Overseas subsidiaries and associated companies	13,761
Total	29,310

< Scope of coverage >

1 Figures for Energy Consumption, CO₂ Emissions and Water Consumption:

* Domestic locations are based on the computation criteria stipulated in the Act on the Rational Use of Energy. The scope includes not only Mitsui's Head Office, subsidiaries, and branches, but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices, and training centers.

* Subsidiaries and associated companies in Japan are domestic subsidiaries as specified in the Financial Instruments and Exchange Law. Estimates are based on the computation criteria stipulated in the Act on the Rational Use of Energy.

* Overseas subsidiaries and associated companies are overseas subsidiaries included within the scope of consolidation. Estimates are based on the computation criteria stipulated in the World Business Council for Sustainable Development (WBCSD) and GHG protocols "Emission Factors from Cross Sector Tools (April 2014).0", "GHG emissions from purchased electricity (Version 4.7)" and Act on the Rational Use of Energy.

* We reviewed the data in FY15/3 in accordance with surveying in FY16/3, also expand the scope of coverage, including some estimates from FY16/3.

2 Figures for Electricity Consumption: It is based on the computation criteria stipulated in the Act on the Rational Use of Energy. The scope includes not only Mitsui's Head Office, subsidiaries, and branches, but also buildings owned in Mitsui's name in Japan as well as rental buildings, offices, and training centers.

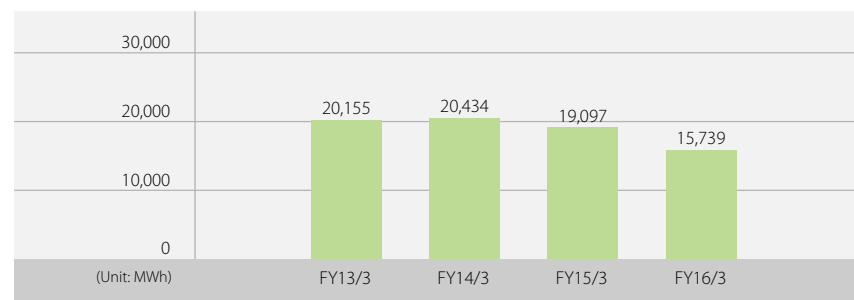
Activity

Reducing the Environmental Impact of Offices

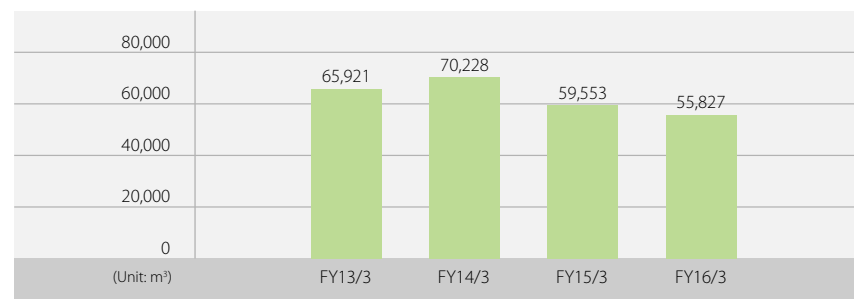
All employees at Mitsui strive to reduce the burden on the environment not only when conducting business, but also in their office activities through the efficient utilization of energy resources, as well as the reduction, reuse, and recycling of waste and its proper disposal.

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 and 3410 was given by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.

Electricity Consumption★



Water Consumption★

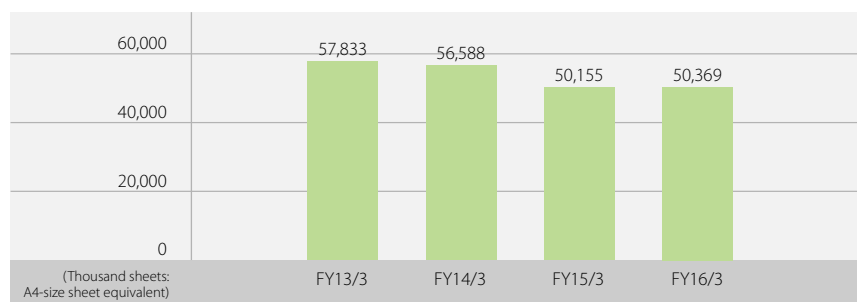




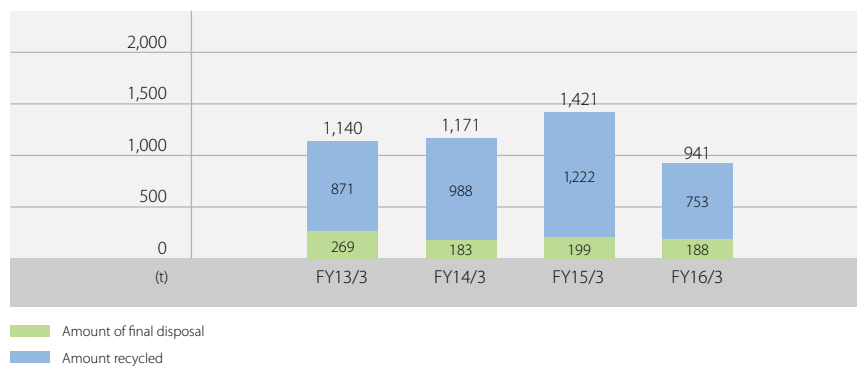
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Paper Consumption★



Waste★



	FY13/3	FY14/3	FY15/3	FY16/3
Recycling rate (%)	76.4	84.4	86.0	80.0

* Figures for Electricity Consumption and Paper Consumption are for all offices in Japan (Mitsui & Co., Head Office Building (Tokyo), 6 Offices, 5 Branches).

* Figures for Water Consumption and Waste are for the following Mitsui & Co. Head Office Building (Tokyo) and Mitsui-owned buildings (Osaka and Nagoya). Also we reviewed the data in FY15/3 in accordance with surveying in FY16/3.

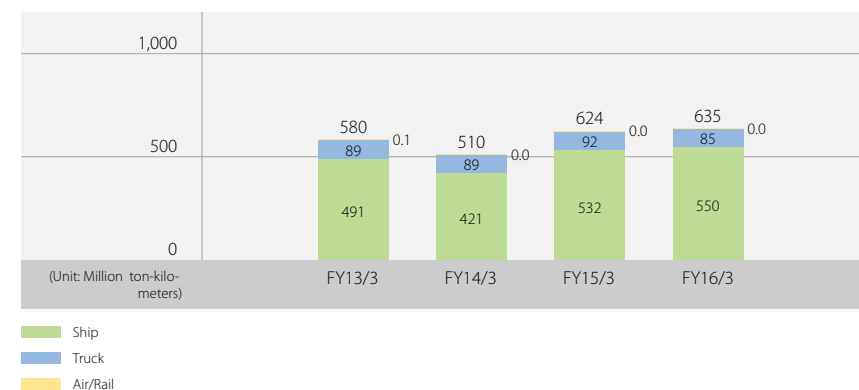
Activity

Work in Environmental Logistics

At present, we handle a diverse range of freight, including iron and steel, other metals, chemical products, and foods. We handle a total of 635 million ton-kilometers*1 of domestic freight annually. About 87% is carried by ship, about 13% by truck, and the remainder by rail or airplane.

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 and 3410 was given by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.

Freight Volumes Handled by Mitsui★



Result for Fiscal Year Ended March 31, 2016*2★

Specific consumption*3	18.3
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*1 Ton-kilometers are calculated by multiplying the number of metric tons of cargo by the distance they are transported (in kilometers).

*2 Results based on the Act on the Rational Use of Energy were reported in June 2016.

*3 Specific consumption: An expression of energy efficiency, calculated as energy used (liters of oil equivalents) divided by thousand ton-kilometers, where a smaller number represents higher transportation efficiency.



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Activity

Environmental Accounting/Environmental Liabilities

Environmental conservation costs

The cost of environmental conservation for all of Mitsui's domestic offices during the fiscal year ended March 31, 2016 is outlined below.

(Unit:1,000JPY)

Category	Investments	Expenses
Business areas costs	552,832	554,748
Upstream/downstream costs	0	86,523
Administration costs	146	531,445
Social activity costs	0	666,309
Other cost	11,410	1,268
Total	564,388	1,840,293

* Based on the Environmental Accounting Guidelines (2005 version) published by the Ministry of the Environment of Japan Scope of coverage: All offices in Japan
Target period: April 1, 2015– March 31, 2016

Environmental conservation/Economic effects

Mitsui's environmental conservation and economic effects for paper consumption and energy consumption, during the fiscal year ended March 31, 2016 are shown below.

	Environmental conservation effects	Economic effects (Unit:1,000JPY)
Paper consumption	△214 Thousand sheets	2,887
Electricity consumption	3,598 MWh	74,664

* Environmental conservation/Economic effects are calculated by Actual numerical results for the previous year - Actual numerical results for this year
Scope of coverage:
Paper: All offices in Japan / Sheet: A4-size sheet equivalent
Electricity consumption: Mitsui & Co. Head Office Building (Tokyo), Mitsui-owned buildings (Osaka and Nagoya)

Assessment of environmental liabilities

Currently, demands are being placed on corporate management to make proactive efforts regarding environmental issues. Mitsui endeavors to understand the environmental risk—particularly asbestos, PCB, and soil pollution—of tangible fixed assets such as the land and buildings of Mitsui itself, as well as those of its domestic group subsidiaries, through on-site investigations. It also works to respond in a timely manner in order to ensure its usefulness during decisions and judgments related to management policies, in addition to responding to legal requirements.

Activity

Activities to Prevent Global Warming through Business

Environmental conservation is an integral part of economic and social activities. To achieve sustainable development, we must carry out development in a way that meets the needs of the present generation without reducing the capacity to meet the needs of future generations.*1

Mitsui & Co. concluded an equity participation agreement with New Forests Pty Limited ("New Forests", head office: Sydney, Australia), which manages forest assets in Oceania, Asia, and North America. Through this relationship, Mitsui & Co. aims to participate in the stable supply of forestry resources while contributing to sustainable social development.

New Forests was founded in 2005. The forestry funds that it manages and invests in under trust amount to A\$2.8 billion (approximately ¥240 billion), and its forestry plantations and other assets cover a total area of 600,000 hectares. In Oceania, the company invests its forestry funds mainly in plantations to produce materials for paper manufacturing and construction. New Forests is helping to ensure stable supplies of timber resources to Asian markets, where demand is expanding in step with rising living standards. It also invests in sustainable forestry resource initiatives, including rubber plantations, in Southeast Asia. New Forests is also active in North America, where in addition to its forestry assets, it also manages a fund that sells greenhouse gas emission rights to meet the needs of energy utilities and other organizations.

New Forests combines its global business development and management capabilities with a commitment to the United Nations Principles for Responsible Investment,*2 which form the basis for its forestry asset investment and management policies. In principle, all of its investment and business activities are subject to verification by independent organizations.

This investment will allow Mitsui & Co. to support the sustainable development of forestry resources to meet anticipated demand growth, while also making a positive contribution in a field that is closely linked to the global environment.

*1 The final report of the 1987 United Nations World Commission on Environment and Development (WCED) (the Brundtland Commission)

*2 United Nations Principles for Responsible Investment: Published by the United Nations in April 2006, these six principles define the philosophy needed to reflect perspectives relating to the environment, society, and corporate governance (ESG) priorities in the investment decision-making processes of institutional investors, and in policies on share ownership.



Management of forest land in new forests in Australia

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Initiatives for Preserving Biodiversity

Activity Conservation of Biodiversity through Business: Tree-Planting Program in Australia

Mitsui is carrying out a eucalyptus tree-planting program in Australia, together with partners such as Nippon Paper Industries Co., Ltd., for the stable provision of wood chips (the raw material for paper). Australia was chosen for its very flat topography compared to mountainous Japan, and because its tree-planting areas are highly productive and intensively managed—so much so that they are often called “tree farms.” The trees grow for approximately 10 years between planting and harvest, known as one ‘rotation’. After harvest, reforestation (or coppice regeneration) is done so as to grow subsequent rotations of trees in a sustainable manner.

As of the end of March 2016, the total forested area, both solely possessed as well as jointly owned and operated with partners including Nippon Paper Industries Co., Ltd., was approximately 200 km², equivalent to an area slightly larger than Washington D.C. Since tree planting commenced in 1996, the current areas are in their second rotation after the first-rotation forestation was logged, with full consideration for the environment over the long term.

These tree-planting areas have all acquired either FSC® (Forest Stewardship Council) certification (an international certification) or the international Program for the Endorsement of Forest Certification (PEFC), in order to promote sustainable forest management. With periodic certification audits, the following items are observed in respect to criteria set by the relevant certification bodies, and work is undertaken while taking the needs of biodiversity and conservation into consideration.

1. Compliance with local laws and regulations
2. Monitoring of the forest's health, results of forestry operations, and production results
3. Creation of and adherence to long- and short-term forest management plans
4. Forest management that takes into consideration the environment and local communities

As an example of our adherence to these criteria, we are being careful not to disrupt the many kinds of flora and fauna that live in the wetland and headwater ecosystems of the land we manage. We are also actively preventing the supplanting of native vegetation by controlling specific invasive weeds.

All forest management activities near water and tree-planting areas are carried out with reference to the database of rare species (for native reptiles, mammals, birds, fish, etc.) of Australia's Department of Sustainability, Environment, Water, Population and Communities. As a



Tree-planting areas in Australia

result, these activities also serve to protect native species, headwaters, and water quality.

The greatest threat to biodiversity is posed by bushfires. To prevent these, we install mandatory firebreaks throughout the tree farms, maintain a fire truck response system, and operate a continuous monitoring network. In cooperation with neighboring farmers, we make use of the Australian location to allow sheep to graze the forest undergrowth, helping prevent the spread of fire at the same time as reducing the need for weed killers and other such chemicals.



Sheep that contribute to preventing the spread of fires



Protection of the
Global Environment

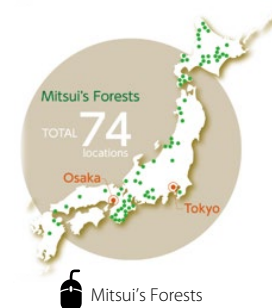
Policy

About Initiatives at Mitsui's Forests

Overview of Mitsui's Forests

Mitsui owns forests in 74 locations in Japan, from Hokkaido in the north to Kyushu in the south. Mitsui's forests cover a total area of approximately 44,000 hectares, which is equivalent to about 70% of the area of Tokyo's 23 wards, and 0.1% of Japan's territory. We have worked under our Forest Management Policy to nurture these forests and make productive use of the benefits that they provide. Mitsui gives its forests the status of “assets with a high degree of public use that benefits the whole of society”. Forests provide timber, which is a renewable resource. When properly managed and developed, they also provide a wide range of public benefits. For example, forests help to clean the atmosphere by absorbing carbon dioxide and emitting oxygen. They also clean and enhance water resources, while their water storage capacity helps to prevent natural disasters and maintain ecosystems. Based on a quantitative assessment using Forestry Agency data, the estimated value of Mitsui's forests is ¥120 billion per year. One example of that value is the fact that our forests absorb and fix around 160,000 tons of carbon dioxide annually. Furthermore, around 14,000 hectares of our forests have been officially designated as “Water Conservation and Water Replenishing Forests” because of their role in securing water resources and preventing floods.

Recognizing these public benefits provided by its forests, Mitsui sees itself as having an important social responsibility, as a forest owner, to maintain and manage these forests properly over the long term.





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Policy

Forest Management Policy

Adopted July 2009

1. Guiding Principle

In line with its Management Philosophy, Mitsui will actively contribute to protecting our irreplaceable Earth and fulfilling the dreams of its inhabitants, and we are committed to carefully nurturing our forests to pass them on to the next generation.

2. Management Policy

Mitsui gives its forests the status of "assets with a high degree of public use that benefits the whole of society". As well as providing the reusable natural resource of lumber, forests can fulfill a range of socially beneficial functions if properly managed and enhanced on a consistent basis; for instance, they can purify the atmosphere by absorbing carbon dioxide to produce oxygen, and they can act as a reservoir that stores and purifies rainwater. On the other hand, if forests are neglected and not adequately maintained, they may increase the likelihood of natural disasters and develop into a source of other social problems. Aware of the social value that its forests possess, Mitsui regards their long-term ownership and maintenance as an important social responsibility. So as to maximize the socially beneficial functions of our forests, we work to enhance these functions based on the FSC®'s Forest Management Principles and Criteria, and also SGEC's Forest Management Certification Principles and Indicators.

3. Policy

In its concrete activities in the context of its forest holdings, Mitsui will act conscientiously on the basis of the management policy outlined above, giving full consideration to their social significance and maintaining a strong awareness of their environmental impact. Accordingly, we will redouble our efforts in the following areas:

- Offering Forest Environmental Programs to stakeholders
- Research work and concrete action to preserve biodiversity
- Achieving sustainability in the production of wooden material as a reusable natural resource and promoting its utilization as wood biomass

Policy

Forest Social Value

Appropriate forest management is just part of our commitment. We are also actively engaged in initiatives to utilize forest resources on various levels. As part of our contributions to society and to local communities, we use our forests for environmental education activities. Resources from our forests are also used to support cultural activities and traditional events in surrounding areas, as well as reconstruction in areas affected by the Great East Japan Earthquake of 2011. Mitsui supports the campaign to promote the use of Japanese-grown timber as a way of revitalizing the Japanese forestry industry and providing additional impetus for regional development. We use Japanese-grown timber from our forest in our offices. We utilize Mitsui's forest resources for a wide range of other purposes. For example, wood biomass is a dependable source of fuel for local biomass power generation projects.

In the area of environmental education, Mitsui's forests are used for field studies that teach people about the role of forests, for forestry experience programs, and for various other activities within and beyond the Mitsui organization. We also provide "Visiting Lectures" at elementary and junior and senior high schools throughout Japan to present lessons about the functions and management of forests and the role of forestry.

We are also helping to protect culture. We have entered into agreements with the Biratori Ainu Association and the town of Biratori in Hokkaido concerning the protection and fostering of Ainu culture and the reconstruction of traditional Ainu living spaces. Under those agreements, we are helping to protect and foster Ainu culture. Under an agreement with the Kyoto Model Forest Association, we are supporting efforts to ensure the continuation of traditional events in Kyoto by protecting and nurturing forests in the region.

We also contribute to local communities through forestry activities in forests owned by Mitsui. We have started to promote the use of wood biomass as an alternative to fossil fuels. For example, we are providing steady supplies of wood biomass from Mitsui's forests for a biomass power generation project, which will become operational in December 2016, in Tomakomai, Hokkaido.



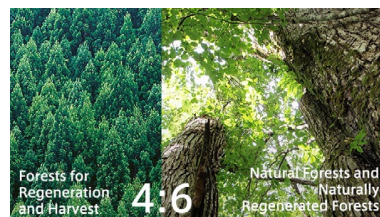
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System Cultivating Different Types of Forests: Forest Management Zoning

Mitsui's forests are divided into Forests for Regeneration and Harvest (approximately 40%) and Natural Forests and Naturally Regenerated Forests (approximately 60%). Forests for Regeneration and Harvest are forests that have been planted and cultivated by human hands, and follow a repeated cycle of planting, cultivating, harvesting, and utilization for the production and supply of lumber resources. Natural Forests are forests that have been cultivated through natural action, while Naturally Regenerated Forests are forests that have grown back mainly through natural action following deforestation due, for instance, to a natural disaster or tree-harvesting. Forests in these categories are maintained in their natural state. Areas within these forests that are particularly important from the viewpoint of biodiversity are designated as Biodiversity Conservation Forests (approximately 10% of all Mitsui's forests).

Mitsui manages Mitsui's forests in accordance with the Forest Management Zoning categories as shown below. Appropriate management is applied to each forest category.



Management zoning categories of Mitsui's forests (as of December 31, 2015)

Category			Definition	Area (ha)
Forests for Regeneration and Harvest	Harvest-oriented Sustainable Cycle Forests		Forests for the production and supply of lumber resources through the repeated cycle of harvesting, planting, and cultivating.	6,839
	Natural Restoration Forests		Forests to be restored as Naturally Regenerated Forests consisting of coniferous and broad-leaved trees.	10,631
Forests for Regeneration and Harvest, Natural Forests and Naturally Regenerated Forests	Biodiversity Conservation Forests	Special Conservation Forests	Forests judged to have irreplaceable biodiversity value at the regional and national level and requiring stringent protection.	324
		Environmental Conservation Forests	Forests confirmed to support a large number of rare creatures whose habitat requires protection.	875
		Water and Soil Conservation Forests	Forests with plentiful water stocks that form a water resource, reduce the risk of natural disasters, or have other major socially beneficial functions which contribute to the safeguarding of the water supply and the preservation of ecosystems.	3,164
		Cultural Conservation Forests	Forests requiring protection due to the particularly high value of their "cultural services"—functions that nurture traditions and culture and form part of the "ecosystem services" that are dependent on biodiversity.	117
Naturally Regenerated Forests	Productive Naturally Regenerated Forests		Forests to be cultivated for tree species useful as a source of lumber.	1,814
	General Naturally Regenerated Forests		Forests not composed of productive species but to be cultivated for increased social value.	19,149
	Other Naturally Regenerated Forests		Naturally Regenerated Forests other than in the above categories.	1,504
Total				44,417

Approximately 70% of Japan's land area is covered by forests, 40% of which are Forests for Regeneration and Harvest, or forests created and tended by human hands. When considering the benefits of forests in Japan, working out how to maximize the benefits of Forests for Regeneration and Harvest is very important. Forests for Regeneration and Harvest need to be constantly tended by human hands. Forests for Regeneration and Harvest, when not managed properly, tend to become dark and overgrown. When managed well, Forests for Regeneration and Harvest are bright and open to sunlight. In such forests, which are bright because they are well-managed, underbrush grows, animals thrive, and new soil is created. As a result, groundwater is purified and nutrients are carried to the rivers and the sea. These forests also store water, thus preventing floods and other natural disasters. The economic benefit of this is that trees grow well and provide lumber. When forests are not properly managed and therefore are dark, they not only fail to provide these benefits but also lose the biodiversity and end up actively contributing to regional environmental degradation.

System

Forest Certification

Forest certification is given based on assessments regarding whether fixed criteria are met concerning forest management methods. The spread of such certification prevents unregulated deforestation, preserves healthy forests, and helps protect the global environment.

In December 2009, we achieved certification for all Mitsui forests under the FSC® international forest standards. We took this step to obtain independent assessment and certification as confirmation that our forests are being managed appropriately and with care for biodiversity. Mitsui was the first private company in Japan to obtain this certification for large-scale forests covering an area of over 10,000 hectares.

The FSC® certification is a type of certification established by the Forest Stewardship Council (FSC®), an international NGO with a membership system that operates an international forest certification system. FSC® has 10 principles and 70 criteria for Forest Management from a wide perspective of multi-stakeholders. Certification criteria focus not only on whether the forest manager is carrying out appropriate management from an economic standpoint, but also look at consideration for the environment, maintaining favorable relationships with regional communities near the forest and other factors. When Mitsui completed the certification procedures, a survey was given to stakeholders in our 74 forestlands across Japan. This survey confirmed that Mitsui and our subsidiary Mitsui Bussan Forest Co., Ltd., which manages the forestlands, have built a favorable relationship with all local communities.

Among the different types of FSC® certification, Mitsui has received Forest Management (FM) certification, while Mitsui Bussan Forest has received Chain of Custody (CoC) certification for the processing and distribution of cut lumber. As a result, Mitsui became the largest supplier of domestic FSC®-certified wood in Japan.





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Addressing Environmental Issues through Contribution to Society



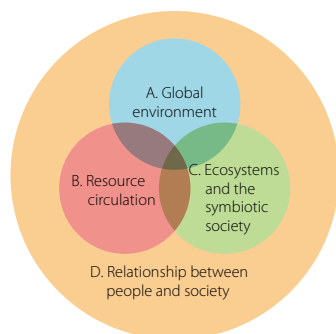
Activity Overview of The Mitsui & Co. Environment Fund

In July 2005, Mitsui launched the Mitsui & Co. Environment Fund as a grant program that aims to contribute to the sustainable development of society and address global environmental problems by supporting various activities and research projects.

Since FY2011, when the Great East Japan Earthquake occurred, Mitsui has been engaged in recovery efforts aimed at achieving the sustainable development of society through initiatives to mitigate and resolve environmental problems caused by the earthquake.

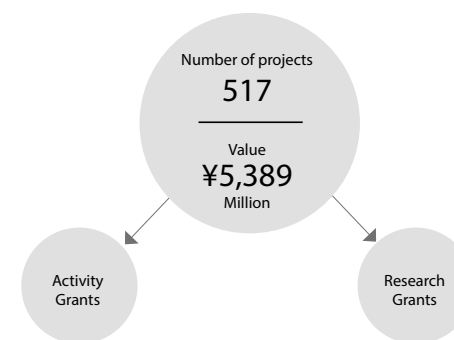
In addition to its financial support for the activities and research conducted by NPOs, universities, and other groups or organizations, the fund is also encouraging Mitsui & Co.'s officers, employees and their families to participate in the activities, conducted by groups or organizations that received our grants, as volunteers.

Launched	July 1, 2005
Screening structure	CSR Promotion Committee, Project Deliberation Panels, Project Selection Meeting (composed of outside experts, Mitsui management, and staff)
Grant program	<ul style="list-style-type: none"> • Activity Grants • Research Grants For practical activities or research providing concrete proposals, which contribute to the sustainable development of society and address global environmental problems.
Focus fields	A. Global environment B. Resource Circulation C. Ecosystems and the Symbiotic Society D. Relationship between People and Society
Eligible groups or organizations	NPOs, NGOs, general incorporated associations & foundations, public interest incorporated associations & foundations, special civil foundations, universities



Sustainable development of society

Activity Grants Awarded of The Mitsui & Co. Environment Fund



Grants Awarded

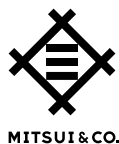
(Unit: "Number": number of project, "Value": ¥ million)

	Activity Grants		Research Grants		Total	
	Number	Value	Number	Value	Number	Value
FY06/3	15	117	—	—	15	117
FY07/3	18	217	—	—	18	217
FY08/3	48	437	23	456	71	893
FY09/3	51	523	24	368	75	891
FY10/3	34	311	17	213	51	524
FY11/3	28	244	22	285	50	529
FY12/3*	52 (43)	528 (463)	46 (34)	603 (481)	98 (77)	1,131 (944)
FY13/3*	36 (22)	237 (157)	14 (2)	112 (13)	50 (24)	349 (170)
FY14/3	20	165	15	150	35	315
FY15/3	21	118	8	85	29	203
FY16/3	15	155	10	65	25	220
Total	338	3,052	179	2,337	517	5,389

* Figures in parentheses show Restoration grants for the Great East Japan Earthquake. However, since FY14/3, we have continued to support restoration projects within the framework of regular programs, without providing a separate additional framework. The total value of the restoration projects since FY12/3 is ¥1,288 million.



The Mitsui & Co. Environment Fund



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Respect for Human Rights

Strategic Focus

Key Strategic Domain: Food and Agriculture

Related Product Segment: Lifestyle

Food product industry responds to the growth in demand in the halal market, and demonstrates respect for the needs of different cultures

As the world population expands, the growth rate is expected to be particularly high among Muslims. According to the Pew Research Center, it is estimated that Muslims will number 2.2 billion people in 2030, accounting for one-quarter of the world's population. As a consequence, demand for halal foods sanctioned by Islamic law is going to increase.

In 2015 Mitsui, together with Kagome Co., Ltd. and Longson Food Products Sdn. Bhd., a Malaysian condiment manufacturer, established Kagome Longson Pdn. Bhd. to manufacture and sell processed tomato products and condiments for the halal market. This company's products have obtained Malaysian halal certification, which is highly trusted around the world, verifying that its products contain no alcohol, pork, or other prohibited ingredients and that all manufacturing processes comply with Islamic standards.

In the region of the Association of Southeast Asian Nations (ASEAN), where economic development and population growth are continuing, there are around 240 million Muslims accounting for over 40% of the region's total population of about 600 million people, so the halal market can be expected to expand further. In addition, as Western restaurant chains open outlets, the market for pizza sauce and other tomato products and condiments can be expected to grow as well.

Taking advantage of our global procurement capabilities and networks, Mitsui is supplying food products that devout Muslims can consume with complete peace of mind, and at the same time, through our response to the Westernization of eating habits, contributing to the diversification of food beyond religion and culture.

Muslims in the ASEAN region

Approx. **240** million

(40% of total population) Source: Pew Research Center, 2010

World halal food market in 2013

US\$ **680** billion

Source: Halal Industry Development Corporation



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Mitsui & Co.'s Approach

Being aware of our role as a member of the international community, we will work to understand the culture, traditions, and practices of each country and region. We will also work to ensure that human rights are respected in the supply chain, and that there is no discrimination based on race, beliefs, gender, social status, religion, nationality, age, or mental or physical abilities. We will take action to rectify labor practices that violate human rights, such as forced labor and child labor.

Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Support for International Standards	<ul style="list-style-type: none"> ● Contribution to sustenance and enhancement of living environments via various business activities around the world related to water, power generation, gas, and other areas ● Promotion and support of the sale of RSPO (Roundtable on Sustainable Palm Oil) certified palm oil ● For outdoor clothing fabric business (Mitsui Bussan Techno Products), further promotion of Bluesign® certification, which sets criteria aimed at the abolition of child labor and forced labor, elimination of discrimination, freedom of association, labor health and safety, in addition to consideration of environmental aspects ● Continuation of our donation activities for school lunches in developing countries through AIM Services "Table for Two" (approx. 500,000 meals) ● Designation of Mitsui's Saru forest, for which an agreement has been concluded with the Biratori Ainu Association and the town of Biratori, as an Important Cultural Landscape Site selected by the Agency for Cultural Affairs because of the cultural scenery of the Saru river basin, which is characterized by Ainu traditions and modern-era reclamation

Theme	Business Activities
Promotion of Management System for Human Rights	<ul style="list-style-type: none"> ● Inculcation of the mindset for developing human resources based on understanding of individuality through interviews and dialogue with individuals, paying great respect to their diversity ● Collection of a commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all the applicable employees and officers ● Provision of e-learning opportunities about compliance for those who have not taken the same before ● Implementation of the Compliance Review Week, in which we held seminars and opportunities to share information and exchange opinions ● Implementation of the Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the Survey ● Formulation of the plans for compliance activities for FY 2017/03 ended based on the review of FY 2016/03 ended activities undertaken by the Compliance Committee (once a year) ● Promotion of compliance activities in affiliate companies in accordance with those of Mitsui & Co., Ltd. ● Visits to key affiliate companies to provide advice on the development and operation of compliance activities (8 companies) ● Conveyance of alerting messages about compliance (via intranet, meetings, etc.). Sharing information about actual disciplinary cases through reporting lines



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Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Promotion of Management System for Human Rights	<ul style="list-style-type: none"> ● Implementation of the e-learning course "CSR at Mitsui & Co." (for 8,806 officers and employees in Japan and overseas, taken by 92.8% of the targeted people) ● Implementation of the e-learning course "CSR Risk Management—Human Rights" (for 5,000 officers and employees in Japan, taken by 98.3% of the targeted people) ● Implementation of a workshop facilitated by an external expert on the theme of business and human rights at the CSR Promotion Officers Meeting ● Enhancement of the efficacy of the professional advices concerning environmental and social risk management through the Environmental & Societal Advisory Committee



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Support for International Standards



Policy

Human Rights Initiatives

Conducting business globally in many countries and regions of the world, Mitsui considers the protection of human rights in accordance with international standards to be its CSR management platform. Mitsui's Basic CSR Policy states, "make prudent efforts to understand the culture, traditions, and customs of countries and regions around the world" and "recognize the significance and importance of the human rights contained in international standards".

The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." prescribe and require Mitsui employees and officers to observe: full consciousness of their role as members of international society; understanding of and respect for the cultures, customs, and history of individual nations; protection of human rights; and eschewing any form of discrimination based on race, creed, gender, social status, religion, nationality, age, or physical or mental ability. Furthermore, regarding measures to prevent any kind of discrimination and sexual harassment, we are raising employee and officer awareness by providing compliance seminars and other opportunities tailored to each job level.

We also support various international standards, such as the Universal Declaration of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work.

Policy

Universal Declaration of Human Rights

The Universal Declaration of Human Rights is a common standard of objectives for all peoples and all nations to respect human rights and freedoms. The Declaration was proclaimed on December 10, 1948 at the third United Nations General Assembly and occupies an important position in the history of human rights.

Following this declaration, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) were adopted by the 21st United Nations General Assembly on December 16, 1966. They both recognize the majority of the rights indicated in the Universal Declaration of Human Rights. Japan ratified both treaties in 1979.

Mitsui supports the Universal Declaration of Human Rights, the ICESCR and the ICCPR.

Policy

ILO Core Labour Standards

The International Labour Organization (ILO) was founded in 1919 as an international organization responsible for drawing up and overseeing international labor standards. The ILO is a tripartite agency that brings together representatives of governments, employers, and workers to shape programs together on the subjects of human rights, occupational safety and health, hiring policies, and the development of human knowledge for the adoption of ILO agreements and recommendations.

In 1998, the ILO established the ILO Declaration on Fundamental Principles and Rights at Work. As the basic rights of workers (ILO Core Labour Standards), they are defined in the 8 conventions in 4 fields (freedom of association and the right to collective bargaining C87/C98; the prohibition of all forms of forced labor C29/C105; elimination of the worst forms of child labor C138/C182 and non-discrimination in employment C100/C111).

Mitsui supports the 8 conventions constituting the ILO Declaration on Fundamental Principles and Rights at Work.

Activity

Respecting Indigenous Peoples

When conducting operations, Mitsui strives to comply with all laws of the applicable country or region, and to respect the human rights and cultures of its indigenous peoples in accordance with international standards such as the United Nations Declaration on the Rights of Indigenous Peoples and the Convention concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention: C169).

For example, in our forest resources business for pulp and paper manufacturing in Australia, we are exercising due diligence by assessing the level of impact that Mitsui's projects might have on the indigenous Aboriginal population. As part of our research into available solutions in the event that any problems are discovered, we conduct advance surveys from the viewpoint of cultural protection to ensure that our operations will not destroy Aboriginal historical sites. In our iron ore mining operation in Brazil, we maintain close communication with the indigenous Parketêjê people to foster mutual respect.

In Japan, Mitsui has entered into agreements with the town of Biratori in Hokkaido, where a part of Mitsui's forests is located, and with the Biratori Ainu Association to cooperate in activities to protect and pass on Ainu traditional culture through the conservation of forests.



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Activity

Guidelines for Appointing a Security Firm

The UN Code of Conduct for Law Enforcement Officials was adopted in December 1979 so that the UN can promote and ensure that law enforcement authorities such as the police and the military in member countries take on appropriate roles as well as respecting and protecting human dignity. The Principles on the Use of Force and Firearms by Law Enforcement Officials was also adopted in August/September 1990 as the standard for the use of force and firearms by law enforcement officials.

Mitsui bases its appointment of security firms on these codes of conduct and principles.

Promotion of Management System for Human Rights



System

Management System for Human Rights and Labor Conditions

Mitsui conducts an internal survey in alternate years concerning compliance with the UN Global Compact, to raise the awareness of management and employees regarding human rights and labor issues at its business units, corporate staff divisions, and domestic and overseas organizations (branch offices and consolidated subsidiaries).

1. Do you fully understand the UN Global Compact?
2. Have there been any violations of the 10 principles of the UN Global Compact? If so, report the details of the violation and what measures were taken to handle the situation.

As a consequence of this survey, if it is found that we have a unit, a division, or an organization that materially lacks an understanding of the UN Global Compact, we will take measures, such as providing additional training seminars.

In addition, we continue to hold e-learning courses, in-house seminars and other training activities to remind employees of the importance of addressing and managing risks related to human rights and labor problems in the supply chain.

In the fiscal year ended March 2016, 8,806 (92.8%) of our officers and employees in Japan and overseas underwent an e-learning program entitled "CSR at Mitsui & Co.", which included content relating to human rights issues in supply chains. In addition, 5,000 (98.3%) of our officers and employees in Japan completed the "CSR Risk Management—Human Rights" e-learning program. We also invited an external lecturer to lead a workshop on the theme of business and human rights at a meeting of CSR Promotion Officers.

With regard to our main suppliers, we promote initiatives for improving our supply chain management by conducting supplier surveys which involve sending out questionnaires and carrying out on-site surveys based on a checklist. In the fiscal year ended March 2016, we sent questionnaires to 39 of our suppliers, and conducted on-site surveys at suppliers of pulp and paper manufacturing resources. Through these surveys, we confirmed their compliance with our Supply Chain CSR Policy, which covers human rights, labor conditions, and other aspects.

Moreover, through our participation in working groups of Global Compact Network Japan, such as the Human Rights Due Diligence (HRDD) Working Group and the Supply Chain Working Group, we learn about international trends related to human rights, and can make use of the information we obtain from other companies to enhance our CSR promotion activities.

We continue to deepen our awareness of human rights and labor issues in reference to international guidance, such as the UN's Guiding Principles on Business and Human Rights, in part, by inviting outside experts to hold seminars.



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Enhancement of Local Industrial Bases & Quality of Life

Strategic Focus

Key Strategic Domain: Lifestyle Products and Value-added Services

Related Product Segment: Innovation & Corporate Development

Developing the high-speed mobile data communication business in sub-Saharan Africa with the aim of reforming education, healthcare, agriculture, etc.

The countries lying south of the Sahara Desert, a region known as sub-Saharan Africa, continue to face serious poverty and economic disparities. However, with their abundant natural resources and growing populations, they are on the threshold of achieving spectacular economic growth. In the process of realizing such growth, the enhancement of infrastructure, improvement of agricultural productivity, and training of human resources are going to be essential.

In 2015 Mitsui invested in the Afrimax Group, which is developing fourth-generation long-term evolution (4G LTE) high-speed mobile data communication service in sub-Saharan Africa. Although mobile phone penetration in the region has reached around 70%, broadband is still lagging and Internet penetration is only about 7%. By 2019, however, the volume of mobile data traffic is expected to increase by about 20 times over the 2013 level. This project is responding to the growing demand by contributing significantly to improvement of the information and communications environment. Based on our track record with LTE business in Indonesia, which started in 2013, Mitsui is striving to meet the rising demand and enhance the Internet environment.

The improved social infrastructure and human networks created by this project will also form the platform for Mitsui's business in Africa. Utilizing the wide-ranging business channels and development capabilities that are our strengths, we aim to develop business in such fields as education, healthcare, and agriculture and thereby contribute to the development of sub-Saharan Africa.

Internet penetration in sub-Saharan Africa

Approx. **7** % (2013 figure)

Source: Broadband Commission,
The State of Broadband 2014: Broadband for All

Projected mobile data traffic in sub-Saharan Africa in 2019

20 times more than
in 2013

Source: Ericsson,
Sub-Saharan Africa Mobility Report Appendix

* This project was developed under the new Business Innovation Project framework. It is designed to promote new business endeavors which is to enhance Mitsui's new regional strategies, new business focus areas and challenge for new business model, and which have the potential to generate excellent returns over the mid and longer term.



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Mitsui & Co.'s Approach

Through our business activities, we will work to develop the infrastructure needed for growth and prosperity in countries and regions all around the world, including electric power, transportation and communications. We will also strive to improve basic services, such as healthcare and care for the aged, to create new value, envisaging a future in the next-generation business domains that embody innovation, and to develop local industries and create employment. We will also contribute to developing human resources with global perspectives and improving the educational environment through the hosting of endowed lecture programs at major universities and through a variety of education funds and scholarships.

Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Development of the Social Infrastructure	<ul style="list-style-type: none"> ● Promotion of water supply and sewerage business (Mexico), port container terminal operations (Indonesia), international cargo terminal operations (Japan), and co-generation business (Thailand, Brazil), etc. ● Job creation in local communities through infrastructure business around the world ● Promotion of efficient operations of airline and railway companies through the lease of aircraft and rolling stock ● Improvements of transportation methods and logistics in emerging nations through sales, financing, and leasing of automobiles, motorcycles, trucks, and buses ● Support for improvement of local communities' industrial bases and livelihoods through sales and maintenance of mining and construction machinery ● Reduction of transportation costs for grains, steel products, fertilizers, etc. through integrated logistics business operations (Brazil) ● Contribution to the ensuring of safe and reliable railway transportation by developing the network of urban transportation infrastructure for passenger (Brazil) ● Promotion of tank terminal business in distribution collection sites that serves as the basic distribution infrastructure for the petrochemicals industry (U.S., Belgium) ● Development of communications infrastructure and spread of internet use through engagement in high speed mobile data communications business (Sub-Saharan Africa, Indonesia)

Theme	Business Activities
Development of the Social Infrastructure	<ul style="list-style-type: none"> ● Contribution to the enhancement of the distribution network for consumer products through TV shopping business (India, China) ● Support for overseas market development (Asia, Latin America) by local companies and promotion of consumer goods logistics (Trinet group), (Asia, mainly in Japan) ● Meeting demands for developing infrastructure through heavy lifting & transport (Huatiang Holdings), (Southeast Asia, mainly Singapore)
Provision of Safe, Reliable Products and Services	<ul style="list-style-type: none"> ● Establishment of a fund to widely spread breast cancer screening (Singapore) with a plan for providing free-of-charge treatment for breast cancer patients (120 people in 2 years starting from 2016) ● Contribution to providing required medical treatment for people afflicted by large-scale floods through the support of IHH group's Global Hospital (India) ● Promotion of pharmaceutical development which contributes to enhancement of patients' quality of life (NovaQuest) ● Support for the development of pharmaceuticals, IT, and agrochemicals through NovaQuest and venture capital investments undertaken by MGI
Participation and Development in Communities	<ul style="list-style-type: none"> ● Support for community revitalization by holding the Mitsui Foods Food Show for the exhibition and sales of products from regions throughout Japan (Japan) ● Continuous support for food education activities through the Kids Kitchen Association (Mitsui & Co., Mitsui Foods, Bussan Food Service) ● Promotion of SENDAI UMINO-MORI AQUARIUM operations (Japan), (approx.1,496,700 visitors for the initial fiscal year: July 1, 2015-March 31, 2016)



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Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Participation and Development in Communities	<ul style="list-style-type: none"> ● Support for developing reliable, safe childcare environments with a special focus placed on the personality and development stage of each child, via the promotion of the communication app "Kids Note" service business for childcare facilities, such as kindergartens, and guardians (Japan)
Contribution to Developing People with International Mindset	<ul style="list-style-type: none"> ● Continuation of personnel exchange training program with Baosteel (China), (Total since 1992: 82 trainees from China and 502 dispatched to China; in FY 2016/03 ended 2 trainees from China and 4 dispatched to China) ● Continuation of personnel exchange training program with Vale (Brazil) (10 trainees dispatched to Vale) ● Promotion of support, through Vale and Valepar, for activities such as education programs that contribute to society, Japanese language courses, and introduction of Japanese culture (Brazil) ● Implementation of science educational programs at primary schools attended by the children of workers in iron ore mines (Mitsui Iron Ore Development), (Australia) ● Implementation of scholarship programs and Japanese language education for the local community and workers in coal mines (Mitsui Coal Holdings), (Australia) ● Participation in the scholarship program run by Takatuf Oman to support Omani students to study abroad (Oman) ● Donation to education-contributing events held at The Petroleum Institute in Abu Dhabi (UAE) ● Scholarships to study abroad programs in Japan for faculty members of the Universidade Lurio (Mozambique) ● Teaching and training cybersecurity experts by dispatching lecturers for universities and devising curriculums (Japan)

Theme	Business Activities
Contribution to Developing People with International Mindset	<ul style="list-style-type: none"> ● Continuation of support for human resources development of junior and senior high school students as part of our initiatives for recovery of the region from the Great East Japan Earthquake (940 participants) <ul style="list-style-type: none"> • "Visiting Lecture Project" featuring people who were profiled in the TV program "Textbook for Our Future", as the lecturers for the Project (Japan: 6 schools in Iwate, Miyagi and Fukushima Prefectures) • "English Conversation Project" for which employees are serving as volunteer teachers (Japan: Onagawa Town) ● Provision of scholarships for Brazilian students as part of our support activities for Brazilians living in Japan (440 students in 26 schools) ● Implemented the Young Professional Leadership Program for Japanese and U.S. professionals through participation in the TOMODACHI Initiative arranged by the U.S. government and US-Japan Council (19 participants in total from Japan and the U.S.) ● Continued implementation of Mitsui endowed courses at Peking University (China) and St. Petersburg State University (Russia), (6 times in total) ● Support for short-term training programs in Japan for university students from Australia and Russia (11 trainees) ● Support for Indonesian students to study in Japan through the Mitsui Bussan Scholarship Program for Indonesia (12 students) ● Provision of scholarships and accommodation for overseas students through the Mitsui Bussan Trade Promotion Foundation (10 students) ● Continuation of SASUGAKU Academy classes (Education for Sustainability) to support children's "power to create a sustainable future" (25 children) ● Support for construction of a dormitory for nurses (Ghana) through the Mitsui Global Volunteer Program (program participants: 6,375; donations: ¥6,375,000)



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Development of the Social Infrastructure

Initiatives Through Business

Mitsui will continue to contribute to the enhancement of people's quality of life through its business activities in such areas as electric power, water treatment, water supply and sewerage systems, logistics, railroads, healthcare, and communications, by developing infrastructure that is essential for the growth and advancement of countries around the world and local communities.

In the area of electric power and renewable energy, while we engage in power generation and gas distribution, we recognize the reduction of greenhouse gas emissions as a material issue and are reinforcing our environmental business, such as solar photovoltaic and solar thermal power projects, wind power projects, and biomass related plant projects.

There is a growing need for improvements in convenience and safety, against the backdrop of growing population, rising living standards, and changing lifestyles. Mitsui is responding to that need by developing and operating sewage and water supply systems, desalination systems, and wastewater treatment facilities, and by engaging in urban development projects, such as the development of logistics and industrial facilities, especially seaport and airport projects, and smart city development projects, to respond to changing societal needs.

In the Mobility domain, with regard to ship business, Mitsui is focusing on vessel ownership and operation and the LNG carrier business, to adapt to tighter environmental regulations and growth and change in maritime cargo traffic. As for railroads, which form a major artery for land transportation, we export freight cars and related facilities and undertake rail transportation infrastructure projects using Japanese institutional finance. Other business activities in this area include rail leasing, the general freight business, and passenger transportation.

Mitsui is also taking initiatives for basic services, such as medical care and nursing care, which address the problems posed by aging societies throughout the world, changes in disease incidence patterns, and other issues. In addition to the development of hospitals and clinics, and related business, especially in Asia, we are also helping the pharmaceutical industry to develop and manufacture new drugs by providing solutions across the entire value chain, from drug development to manufacturing and distribution.

Mitsui also promotes the utilization of ICT in such areas as high-speed communications, electronic settlements and other communications and service platform businesses, especially in emerging countries, aiming for the enhancement of quality of life and social infrastructure. At the same time, in our effort to build new social systems, we strive to create new business, including medical healthcare services, agriculture, and energy management.

Provision of Safe, Reliable Products and Services



Enhancement of Local Industrial Bases & Quality of Life

Policy

Ensuring Safety and Consumer Confidence

The Consumer Affairs Agency was established in September 2009 in order to proceed with the measures to protect and enhance consumer benefits and deliver a society where every consumer can enjoy a safe, secure and prosperous life. Likewise, Mitsui & Co. is also well aware of that consumer safety, confidence and security are of major importance in conducting its business.

With such concerns in mind, Mitsui has established its Consumer Product Handling Policy and Consumer Product Handling Regulations, and has also prepared detailed regulations for each business unit 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. Food Business Unit Food & Retail Management Business Unit place maximum priority on food safety and security and accordingly has established internal rules and committee for food sanitation, maintains a food-safety database, and monitors related activities overseas down to the food production stages.

To manage the risk against food safety and security, we have been holding ongoing food safety seminars for our employees and those of Mitsui subsidiaries and associated companies, and have been redoubling efforts to ensure that details on labels such as country of origin, product quality, and product grade are accurate, and to facilitate product traceability.

When it comes to product safety and peace of mind, consumers can rest assured that the overriding priority that Mitsui places on ensuring the safety and security of consumer products and food extends to all of the items that we handle.

The Consumer Product Handling Policy

Placing More Emphasis on the Consumer and Ensuring Product Safety

Whether engaging in manufacturing, importing, or domestic marketing of consumer products, Mitsui reaches beyond its goal of providing products that offer cost savings or superior performance, and thereby additionally emphasizes a consumer-oriented approach by which the utmost priority is placed on handling safe products that consumers can use with total confidence. This policy is aligned with our management philosophy comprising our Mission, Vision and Values (MVV).

Developing and Operating a Risk Management System

To ensure that the Consumer Product Handling Policy functions in practice, we have developed a sound risk management system and are working to maintain and improve systems used in collecting, disseminating, and disclosing information on accidents involving products, and arranging for product recalls in the event of product-related accidents.



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Participation and Development in Communities



Policy

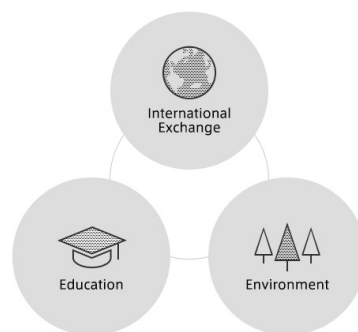
Social Contribution Concepts

Today's increasing trend towards globalization, advances in IT, and other developments in society have brought considerable diversity and change to the world we live in; as we pursue greater convenience and enrichment in our lives, we also face a broad range of issues, including global warming and other environmental problems, poverty, and educational inequality. Mitsui & Co. works to address local and global societal issues through various social contribution activities.

Mitsui's Operational Guidelines for Social Contributions Policy specify three areas of focus: international exchange, education, and environment.

Within these three areas, Mitsui utilizes its strengths and know-how by focusing its social contribution activities on multicultural symbiosis, human resource development with an international perspective, and the global environment. By continuing our initiatives in these fields, working together and sharing them with society, we believe our activities will have follow-on effects that will lead on to solutions to larger-scale social issues.

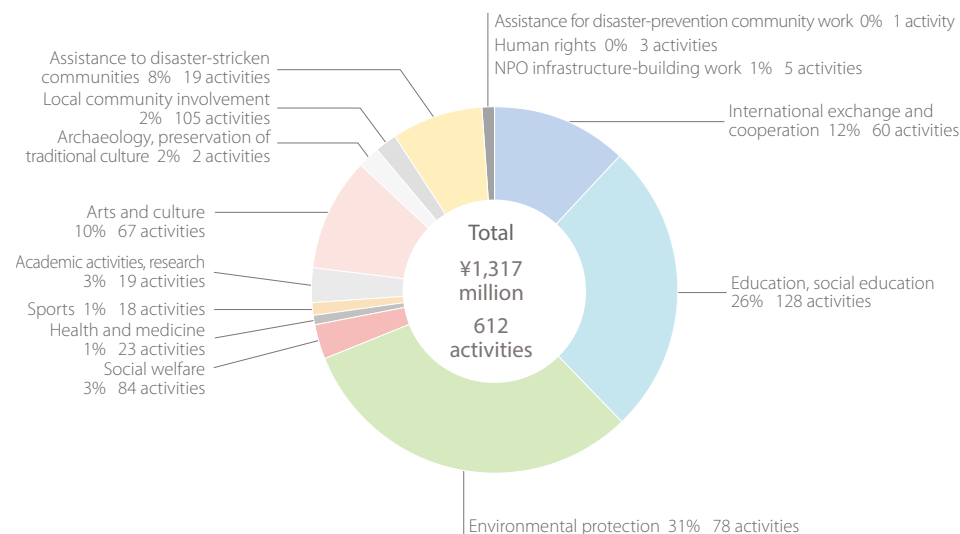
In addition, we are planning and promoting volunteer programs with the hope of building interest and sensitivity towards social issues amongst our executives and employees and management personnel.



Activity

Social Contributions (Fiscal Year Ended March 31, 2016)

The breakdown of social contribution expenses, which totaled ¥1,317 million on 612 activities, is shown below. Percentages are based on monetary amounts.



Policy

Social Contributions Policy

Revised July 2015

Guiding Principles

We will build a congenial relationship with our stakeholders by striving to create harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.

Action Guidelines

1. In order to respond in an appropriate manner to the needs of the global environment, and of international and regional society, Mitsui actively promotes social contributions.
2. Mitsui will establish the three important areas of "International exchange", "Education" and "Environment" for its social contributions, and will implement social contribution activities befitting of Mitsui & Co.
3. In addition to the making of economic contributions, such as donations, etc., Mitsui also aims to carry out proactive social contributions that involve the participation of its executives and employees.
4. Mitsui promotes social contributions with an emphasis on transparency and accountability in respect of its stakeholders. It also aims for the continued improvement of activities through communication and cooperation with its stakeholders.



Social contribution activities



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Contribution to Developing People with International Mindset



Activity

TOMODACHI - Mitsui & Co. Leadership Program

Mitsui & Co. is participating in the TOMODACHI Initiative, which aims to foster young generations of people who will contribute to the strengthening of the Japan-U.S. relationship in the future. This initiative is spearheaded by a public-private partnership involving the U.S. government and the U.S.-Japan Council, a public interest corporation, while drawing its inspiration from the spirit of cooperation and friendship between Japan and the U.S. in Operation TOMODACHI, launched after the Great East Japan Earthquake of 2011 to provide assistance in devastated areas through the joint efforts of the U.S. military and the Japan Self-Defense Forces.



Under the TOMODACHI - Mitsui & Co. Leadership Program, launched in 2013, ten young professionals selected from both Japan and the U.S. spend approximately one week visiting the other country. Members of the American and Japanese delegations interact with one another, engage in dialogue with top government officials and industry executives and young professionals in leadership roles, and tour local sites of interest. Through the program, they develop extensive professional networks while forming the broader knowledge and perspectives necessary for the next generation of global leaders who will take an active part in strengthening U.S.-Japan relations. The network of Japanese and U.S. delegations has expanded to a total of 59 members over the past three years.

Mitsui has decided to implement this leadership program for another three years beginning in 2016. Under this program, we plan to select some of the members of the Japanese delegation from the three prefectures (Iwate, Miyagi and Fukushima) that were devastated by the Great East Japan Earthquake, while arranging a visit by the American delegation to the areas affected by the disaster. Through the creation of new opportunities for exchange and communication of information regarding the region within Japan and abroad, we will strengthen the program as a disaster reconstruction support initiative that also contributes to promoting tourism and industry in the region.

Activity

Mitsui SASUGAKU Academy 2015

Mitsui named the program "SASUGAKU" (Education for sustainable development), which develop children's capability of learning, thinking and communicating, they surely take on the very important role to create the sustainable society, and has designed Mitsui SASUGAKU Academy from 2014, which is the 5-day capacity building program for primary schoolchild upper grade, by taking up Mitsui's business activities the teaching materials.

The theme of the program in 2015 was "my occupation in 2050" and "creating the future city in 2050". The participants challenged to create the city they would like to live in the future, by referring to Mitsui's project developing a sustainable and environmentally-conscious city (smart city) in the Iskandar region of Malaysia.



Activity

Mitsui Bussan Scholarship Program for Indonesia

Our relationship with Indonesia reflects the culmination of many years of conducting business with the nation. Aspiring to build even stronger ties between Japan and Indonesia, Mitsui & Co. established the Mitsui-Bussan Scholarship Program for Indonesia in 1992 to support exceptional individuals who will someday contribute to the further development of their country.

A distinguishing feature of the scholarship is that, rather than targeting international students already studying in Japan, it is awarded instead to high school students in Indonesia who are excellent in both performance and personality and show a strong desire to study in a Japanese university, providing such recipients with support for their studies and living expenses for five and a half years, including the time needed to prepare for university entrance exams. Selected on the basis of test and interview results, recipients of the scholarship come to Japan after graduating from high school. They initially spend one and a half years learning Japanese and studying for university entrance exams. They then take university entrance exams for the university faculties/departments that they hope to enter, and subsequently begin attending university after passing the respective exams.

This scholarship program goes beyond providing financial backing; it also involves fine-tuned support extending to care for the psychological needs of recipients. For instance, staff members affiliated with the program meet with recipients monthly to check on their studies and living situations, and also create opportunities for recipients to interact with other current recipients and former recipients who have already graduated.

The scholarship program has thus far seen the successful graduation of 26 former recipients, and currently provides support to 10 individuals. We remain committed to this and similar initiatives even beyond Japan and Indonesia that further educational opportunities for individuals who are poised to play a role on the global stage.



- Other Scholarship Programs
 - Mitsui Bussan Trade Promotion Foundation
 - National University of Singapore
 - Royal University of Phnom Penh (Cambodia)



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Activity

Scholarships for Brazilian Children in Japan

From 2005 till 2008, Mitsui & Co. donated education-related materials to 30 Brazilian schools.

The recession triggered by the economic crisis that followed the collapse of Lehman Brothers in the autumn of 2008 also impacted Brazilians living in Japan who were contributing to the Japanese economy. Many of them lost their jobs and returned to Brazil. An increasing number of families also became unable to send their children to Brazilian schools in Japan because of the high tuition fees.

Mitsui responded to this situation by establishing a scholarship program in place of the previous support activities that had been based on the donation of teaching materials to schools. Under this new program, we began to provide scholarships to subsidize the cost of monthly tuition fees for children attending Brazilian schools in Japan.

As of the end of March 2016, 440 children were attending school thanks to this scholarship program.



Activity

China: Lecture Program at Peking University (Peking University-Mitsui Innovation Forum)

In 2006, in conjunction with Peking University, Mitsui & Co. established an endowed lectureship called the Mitsui Innovation Forum at Peking University. This 10-year program, ongoing until 2015, brings in heads of leading companies and distinguished Chinese and Japanese scholars to present their views on "innovation" to an audience of young people who are poised to forge China's future. Six lectures are held annually, featuring two speakers from Japan and four from China. All of the lectures have attracted audiences numbering between 200 and 300 people, comprised of Peking University undergraduate and graduate students, graduates of the university, as well as individuals affiliated with leading corporations, and students from neighboring universities. Moreover, the vibrancy and enthusiasm of the Chinese youth attending the lectures has been clearly apparent, with some post-lecture question and answer sessions running for almost a full hour. We remain committed to this program in hopes not only that it will help to educate individuals, but also that it will lead to a deeper mutual understanding between Japan and China and encourage interaction between the two nations.



Activity

Educating the New Generation Who Will Drive Reconstruction in the Tohoku Region

Over the five years that have passed since the Great East Japan Earthquake, Mitsui & Co. has continued to work toward ensuring steady reconstruction and development in the disaster-affected area through its contribution to community revitalization. Our recovery support activities continue to be focused in particular on the education of the new generation of people who will drive the reconstruction process.

Under the "Visiting Lecture Project" launched in 2014, a textbook has been prepared featuring 12 individuals out of the roughly 300 people that have been profiled in the "Textbook for Our Future" program on the BS12 Channel, which is operated by a Mitsui subsidiary. The 12 selected individuals visit schools, where they act as teachers for a day, and hold classes that encourage children to think about making a contribution to the region and regional revitalization as a key factor in their future career choices. To date, approximately 2,000 students at a total of 15 schools in Iwate, Miyagi, and Fukushima Prefectures have taken part in this project.

Mitsui also supports the efforts of Katariba, a certified non-profit organization that operates its afterschool "Collaborative School" in Onagawa Town in Miyagi Prefecture. Katariba provides English conversation classes for junior high school students, with the goal of nurturing globally active human resources. A total of 53 students have participated in this program since we began our support in 2014.

The students learn practical English through classes provided via Skype. They also broaden their horizons by taking part in a short-term residential study program in Japan during the summer vacation. Mitsui staff act as volunteer teachers for career education classes, during which they share their experiences of living and working overseas, and work together with students to envision students' futures in which they can make use of the English they have learned.

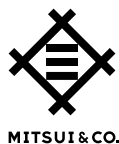
Mitsui will continue to support education in disaster-affected areas through career education programs designed to motivate children to build their own career paths and futures.



Visiting lecture project



English conversation class project



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Stable Supply of Resources & Materials

Strategic Focus

Key Strategic Domain: Mobility

Related Product Segment: Machinery & Infrastructure

Participating in a newly emerging economy's integrated logistics business to support the stable supply of resources and food at the transport level

Although Brazil has an abundant supply of mineral and metal resources, agricultural products, and other export items, its domestic transport infrastructure is lagging. Reliance on trucks is higher than in developed countries, and expensive transport costs are an issue.

In 2014 Mitsui invested in VLI S.A., a Brazilian integrated logistics enterprise set up by the major iron ore extractor Vale S.A., and provides integrated logistics services using 10,700 kilometers of railroads connecting to port terminals. Mitsui's participation has enhanced business value through the utilization of our knowledge and experience in such areas as the procurement of rolling stock and equipment, as well as our port engineering subsidiary.

Mitsui has been involved in the iron ore business in Brazil since the 1970s and, in collaboration with Vale, has engaged in mine development and infrastructure construction taking local communities and the global environment into consideration. The latest venture into the logistics business aims for the stable supply of not only raw materials for steelmaking and steel products but also other resources and food, such as grain and fertilizer. The modal shift from trucks to rail will also help to alleviate Brazil's serious traffic congestion and air pollution.

While contributing to the solution of environmental and social issues, Mitsui is promoting the response to increased demand for resources and food due to world population growth by supporting the stable supply of resources and food on the logistics side.

VLI's railway network

Approx. **10,700** km
(about 35% of Brazil's railway network)

Logistics volume in this project

34.85 billion ton-km
(2015)





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Stable Supply of
Resources & Materials

Mitsui & Co.'s Approach

We will work with suppliers, users, and business partners in Japan and overseas to engage in resource development, production, product distribution, processing, and recycling initiatives in various parts of the world. We will also build optimized supply chains through the improvement of infrastructure and logistics, including the development of railroad transportation and port facilities. At the same time, we will work to identify CSR priorities and achieve comprehensive improvements and solutions across the supply chain as a whole.

Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Resource Development, and the Securing and Stable Supply of Materials and Food	<ul style="list-style-type: none"> ● Stable supply of the materials, such as rails, steel pipes, steel sheets, rebars, required for infrastructure projects around the world ● Investment and participation in Gonvarri Eólica (Spain) to supply materials for wind power generation-related infrastructure ● Stable supply of metal materials, such as cobalt and lithium, for secondary batteries for EcoCars and hard metal tools for automobile manufacturing ● Continuation of iron ore project development and securing of stable supply of iron ore (Australia, Brazil) ● Promotion of the Moatize coal mine project (Mozambique) ● Promotion of effective use of copper resources by engaging in the concentrate ore blending business, which operates a process that adjusts the concentration level of complex ore and clean ore ● Continuation of copper project development and securing of a stable supply of copper (Chile) ● Promotion of energy-related infrastructure business, such as natural gas distribution business (Mexico, Brazil), gas-fired power generation business (Myanmar), and sales of electricity from renewable energy sources (Japan) ● Stable supply of various commodities, including LNG from Mitsui project, through the possession and operation of an LNG carrier fleet (17 ships; our equity-share of LNG production volume: about 5 million tons per year, approx. 6% of the entire LNG imports into Japan)

Theme	Business Activities
Resource Development, and the Securing and Stable Supply of Materials and Food	<ul style="list-style-type: none"> ● Promotion of efficient transportation through sales of marine ships (52 newly-built ships) ● Contribution to stable supply of natural resources through sales and maintenance of mining machinery (in 6 countries) ● Contribution to improvement of agricultural productivity through sales and maintenance of agricultural machinery (Asia) ● Reduction of transportation cost for grains, steel products, fertilizers, etc. by engaging in integrated logistics business operations (Brazil) ● Securing of material ingredient sources for fertilizers by engaging in phosphorus ore deposit development, etc. (Peru) ● Promotion of fertilizer distribution business (Japan), animal feed additives manufacturing business (U.S.), and agrochemicals sales business (U.S., Europe) ● Global, highly sophisticated hybrid distribution of ammonia and sulfur ● Expansion of a diverse and stable supply and securing of energy sources such as crude oil, petroleum products, and LNG around the world. Expansion of upstream oil and gas assets production volume [Equity-share production: 254,000 barrels/day (FY 2015/03 ended) → 258,000 barrels/day (FY2016/03 ended)] ● Development and launch of LNG projects (Mozambique, U.S., etc.) ● Promotion of E&P business via affiliated companies (Australia, Middle East, Asia, Europe, U.S., etc.)



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Stable Supply of
Resources & Materials

Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Resource Development, and the Securing and Stable Supply of Materials and Food	<ul style="list-style-type: none"> ● Maintenance of FSC® CoC certification (by Mitsui Bussan Packaging: FSC® C009939) to ensure that the supply chain of certified paper contributes to sustainable forest resources management ● Maintenance of FSC®/CoC certification (Mitsui & Co.'s Life Essentials Business Div., Forest Resources Marketing Dept.: FSC® C104107; Mitsui Bussan Woodchip Oceania Pty. Ltd.: FSC® C107463) and PEFC/CoC certification, to contribute to ensuring responsible management and handling of forest resources ● Stable supply of wood products from T.M. Baikai (Russia) for the Japanese, Chinese and Russian markets (approx. 110,000 m³) ● Securing and stable supply of food [grain trading volume: 17.5 million tons/year (FY 2015/03 ended)→18 million tons (FY 2016/03 ended)] ● Promotion of large-scale agriculture being conducted by Agricola Xingu (Brazil) ● Increased supply of food resources through the provision of precision agriculture solutions (Canada, U.S., Brazil, Russia, etc.) ● Promotion of international transportation services (Trinet group) ● Provision of hedging functions through commodity derivatives business (Japan, U.K., U.S., Singapore) ● Continuation of forest management and lumber production in accordance with FSC® certification and SGECC for all Mitsui's forests (approx. 44,000 ha) ● Stable supply of ligneous resources through production of round raw timber from Mitsui's forests, which constitutes about 0.1% of entire domestic wood consumption in terms of round timber (approx. 62,000 m³) ● Supply of round raw timber from Mitsui's forests as wood fuel for a wood biomass power generation plant in Tomakomai (Japan), which is scheduled to be operational in 2016 (approx. 10,000 m³)

Theme	Business Activities
Promotion of Supply Chain Management	<ul style="list-style-type: none"> ● Expansion of the scope of suppliers from whom we will obtain written consent to our "Supply Chain CSR Policy", by including vendors with whom we have a transaction history of 3 years or more, in addition to our new suppliers (Mitsui Bussan Inter-Fashion), (241 companies for FY 2016/03 ended with the accumulated number of 4,391) ● Implementation of supplier questionnaire surveys concerning our Supply Chain CSR Policy (39 suppliers) ● Implementation of on-site survey of suppliers of pulp and paper manufacturing resources



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Resource Development, and the Securing and Stable Supply of Materials and Food

Initiatives through Business

Mitsui has built optimal supply chains, spanning all stages from upstream to downstream, including production, distribution, processing, and logistics, and contributes to the stable supply of energy, metals, food, chemicals and other resources and materials.

As part of its efforts, Mitsui engages in investment and trading business in such areas as oil, natural gas/LNG, and coal, to secure and supply the energy resources needed by industrial society. In particular, we participate in natural gas/LNG development projects in various parts of the world to ensure stable supplies of this clean energy resource. Our extensive involvement covers the entire value chain, from production to marketing. We are also strengthening our oil trading capabilities through our business in Asia. In addition, looking ahead toward the realization of the low-carbon society, we are engaging in the commercialization of renewable energy technologies, such as bio-fuels, and the creation of business models for hydrogen transportation and storage.

Mitsui actively participates in the development of iron and steel raw materials and non-ferrous metals resources. We endeavor to ensure stable supplies of mineral and metal resources, such as iron ore and copper, for Japan and other markets around the world. We are also building a supply network of metal scrap and rebuilt automotive parts in preparation for the global recycling society of the future. With iron and steel products, we are building supply structures for infrastructure projects to meet buoyant demand in rapidly growing emerging economies. At the same time, we procure and supply iron steel products for a wide range of industrial sectors, including the motor vehicle industry and the energy sector.

In the automotive sector, we not only export vehicles, but also conduct local logistics business in respective regions, and have built a stable global chain spanning from production to finance. As regards our rail transport business, in addition to the export of freight cars and related equipment, we also engage in leasing business and other services to meet a variety of needs across the railroad value chain.

In our food business, against the backdrop of world population growth widening the gap between food supply and demand, and expanding regional imbalances in supply capacity, we strive to ensure the stable and efficient supply of safe, reliable food resources. We place particular importance on traceability management for grain crops, such as wheat, corn, and soybeans, starting at the production and harvest stages.

Mitsui is also deepening its engagement in the agricultural sector, including the manufacture of the nutritional element methionine, as well as the development of phosphate rock fertilizer resources, and global trading of fertilizer raw materials, such as sulfur and sulfates. We are also developing our chemicals business through wide-ranging transactions and investments that contribute to various industries, including new initiatives focused on carbon fiber and green chemicals.

Promotion of Supply Chain Management



Stable Supply of
Resources & Materials

Policy

Supply Chain CSR Policy

Mitsui has built diverse value chains throughout the world and provides a wide range of functions and services. In conducting business globally, we are fully aware of our responsibilities, such as complying with laws, respecting human rights, and maintaining safe and sanitary working conditions, giving comprehensive consideration to reduction of the environmental burden, and ensuring safety and consumer confidence. Together with our business partners, we endeavor to solve various issues present in our supply chains in order to meet society's expectations.

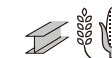
In order to correctly assess and solve CSR-related supply chain issues, Mitsui formulated its Supply Chain CSR Policy in December 2007, and has since worked to ensure that all of Mitsui's business partners fully understand our standards and cooperate in the implementation of the policy. We are working to ensure compliance with and implementation of this policy while conducting reviews based on society's changing expectations and demands, and we revised the policy in September 2011 and November 2013. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and identifying key CSR issues based on the characteristics of each supply mode, country, and industry.

Supply Chain CSR Policy

1. Mitsui & Co., Ltd. will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of its businesses, consistent with the wishes of its stakeholders.
2. Mitsui & Co., Ltd. will strive to support improvements in the supply chains by seeking understanding and implementation of the following principles by its business associates:
 1. To engage in fair trade, prevent corruption, and comply with all applicable laws and regulations
 2. Not to be complicit in human rights abuse and violations
 3. To prevent discrimination with respect to hiring and employment
 4. To respect the rights of employees to associate freely and bargain collectively
 5. To appropriately monitor employees' working hours, holidays, and leaves of absence, and prohibit unlawful excessive work
 6. To prevent forced labor, child labor, unlawfully-cheap labor, physical discipline, and physical, sexual and other forms of harassment
 7. To ensure a safe and sanitary work environment
 8. To reduce and mitigate business impact on the global environment
 9. To ensure the safety and reliability of products and services
 10. To disclose adequate and timely information relevant to the above



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Stable Supply of
Resources & Materials

Activity Current State of Implementation of Supply Chain CSR Policy

We attach great importance to interactive communication with suppliers. We also conduct supplier questionnaire surveys and on-site surveys based on our Supply Chain CSR Policy.

1. Company-wide uniform supplier communication forms

Beginning in the fiscal year ended March 2009, we started sending letters (in Japanese, English, Chinese, French, Spanish, and Portuguese) to all suppliers of Mitsui's business units, overseas offices, and subsidiaries (more than 38,000 suppliers in total) requesting their understanding and cooperation in regard to our Supply Chain CSR Policy, in a move to ensure that all Mitsui suppliers are fully aware of this policy. In addition, we conduct internal examinations in alternate years, to verify that the letters were dispatched to the suppliers.

2. Supplier questionnaire surveys

In promoting compliance with this policy, we consider interactive communication with our suppliers to be very important. We work to build relationships of trust, and strengthen our supply chains by working jointly on ideas for improvements with our partners, wherever needed.

For this reason, we regularly conduct questionnaire surveys targeting the suppliers of Mitsui and its subsidiaries to confirm (1) the status of their compliance with our Supply Chain CSR Policy, and (2) whether they have CSR policies related to the areas of "legal compliance", "protection of human rights", "workplace safety and health", and "product and service safety and security".

In the fiscal year ended March 2012, Mitsui conducted supplier questionnaire surveys for coffee, cocoa, and other agricultural products (39 companies), as well as for consumer products such as apparel (153 companies). In the fiscal year ended March 2015, as part of a new initiative, we selected our main suppliers from all our business domains for the survey (72 suppliers in FY ended March 2015, 39 suppliers in FY ended March 2016). While all the companies we surveyed responded that they were "in compliance", we requested suppliers that were not equipped with a CSR policy to formulate one.

3. On-site survey of suppliers

In addition to the above-mentioned supplier questionnaire surveys, we also conduct on-site surveys of suppliers in order to conduct interviews with responsible persons and check the situation at the operation sites, in accordance with the checklist for compliance with the Supply Chain CSR Policy.

In the fiscal year ended March 2015, we conducted on-site surveys of coffee bean farms in Brazil that supply coffee beans to us and to our subsidiary Mitsui Alimentos. In the fiscal year ended March 2016, our targeted supply source was suppliers of pulp and paper manufacturing resources, and we visited the plantation sites of vendors in Australia that supply raw timber to us and to our subsidiary South West Fibre to conduct on-site surveys. In addition to the raw timber suppliers, we conducted on-site surveys of other suppliers in the supply chain together with external experts to check operation site situations with regard to such areas as "legal compliance", "environment", "labor practices", and "traceability maintenance". No violations of our Supply Chain CSR Policy were found.

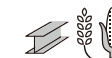
Activity Future Actions

We will continue taking appropriate measures to ensure that all suppliers of Mitsui and its subsidiaries understand our Supply Chain CSR Policy, and that we grasp the actual situation of the business, with regard to how the supply chain follows our CSR Policy. We will also continue sending out letters to new suppliers to obtain their agreement to follow our Supply Chain CSR Policy prior to starting business relationships with them. In the event that we discover violations of this policy in our supply chain, we will urge the supplier to remedy and improve the situation, while providing support to the suppliers as needed. However, if there are no improvements to the situation by the suppliers, we will determine carefully whether to continue our business with that supplier.

To increase the sensitivity of all employees with respect to human rights, labor, and other issues in our supply chains, and to prevent problems, we will continue to heighten employee awareness and provide training seminars (683 participants in the fiscal year ended March 2016).



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Stable Supply of
Resources & Materials

Activity

Summary of Supplier On-site Survey (Procurement of pulp and paper manufacturing resources)

Mitsui conducts interviews with supplier representatives and on-site surveys, along the lines of the checklist prepared in accordance with the provisions set forth in our Supply Chain CSR Policy, and reviews their CSR initiatives surveys.

In March 2016, we conducted a survey of forests, processing/exporting companies, raw timber suppliers, and forest management contractors at six locations in the Green Triangle region of western Victoria, Australia, from where Mitsui & Co. and our subsidiary (South West Fibre) procure pulp and paper manufacturing resources. Mitsui Bussan Woodchip Oceania Pty. Ltd., a wholly owned subsidiary of Mitsui & Co., provides overall management of our forestry investment business in Australia. Australia is an important business base in our supply chain, with shipments from there accounting for around 75% of our total procurement of paper resources.

The survey consisted of on-site inspections of forest plantations, the processing facility (woodchip crusher), and the

stockyard, and interviews with representatives of log suppliers and forest management contractors. The purpose of these activities was to check various aspects of suppliers' operations, including environmental performance, labor practices, and regulatory compliance.

Results from the survey showed that all suppliers were acting appropriately, and no items that did not meet the requirements of our Supply Chain CSR Policy were identified. We will continue to carry out on-site surveys as part of our supply chain CSR management.



Woodchips are the main raw material for pulp and paper production.

Results of Supplier On-site Survey

Environment

- **Biodiversity:** The forest plantations are habitats for large numbers of koalas, which are attracted to eucalyptus trees (*Eucalyptus globulus*). Australia is promoting harmonious coexistence with wildlife, and Australians have a particularly strong affection for the koala. Our suppliers place great importance on measures to protect these animals. To ensure their safety, spotters are deployed in the forests to check that no koalas are present in the area before trees are cut. The suppliers are actively working with the state government and research organizations to protect koalas in forest plantations. In addition, they cooperate in research concerning protection of koalas in the plantation area, and koala movements after trees have been logged. The suppliers also exercise care over other rare flora and fauna and indigenous cultural sites.
- **Noise:** Noise levels are not high in nearby affected areas. The suppliers maintain good relations with local communities by limiting working hours and maintaining good communication.
- **Irrigation:** The forests are not irrigated, for economic reasons, including direct costs.



Care is taken over koalas and other rare flora and fauna.

Labor Practices

- **Working hours:** Logging is carried out during a single shift lasting 10.5 hours from early morning. The suppliers control total monthly working hours, including days on which operations are not possible due to the weather or other factors.
- **Workers:** The workforce, including field workers, is made up of local people. The suppliers do not employ low-wage foreign workers.
- **Management of labor safety and health:** We confirmed that safety measures are being implemented in factories and stockyards, including the use of helmets and masks, and the provision of fire extinguishers. Safety manuals have been compiled for work in the forests, and the employees have a high awareness of safety.
- **Creation of amiable working environments:** Offices are thoroughly cleaned and hygienic. Many female workers are playing active roles in the business. There are plans to create a better workplace environment by expanding the office space to keep pace with the growing volume of work.



Eucalyptus plantations are properly managed.

Regulatory Compliance

- We confirmed that the suppliers are complying with local laws and regulations relating to the environment, working hours, employment and other matters, and that they have the required operating licenses.

International Certification and Traceability

The supplier has obtained forest certification (FSC® CoC) for the plant. Around 80% of the lumber procured is FSC® certified. Timber procured from uncertified private growers is directly checked by Mitsui's woodchip processing company, South West Fibre Pty. Ltd., to ensure that it is controlled wood and that the level of care is equivalent to FSC® certification. We checked the documentation for certified products and controlled wood, including that procured from unincorporated plantations. Supplier (forest) traceability is being ensured in lot units.

Carrying Out the Supplier On-site Survey

C.E.O. Dr. Naoki Adachi, Response Ability, Inc.

To carry out this survey, we traveled to the State of Victoria in Australia, the region which is the main source of woodchips for paper manufacturing handled by Mitsui & Co., and visited a subsidiary of Mitsui & Co. and that subsidiary's direct suppliers, as well as the forest plantations that supply the raw timber, to conduct on-site surveys.

Many operators in Australia have obtained FSC® or AFS forest certification. The woodchip processing company we visited has also obtained FSC® CoC certification. The raw materials are being handled appropriately, including measures to ensure traceability, and we did not find any issues in other areas, such as labor safety and health.

In recent years, there has been an increase in the number of wild koalas living in forest plantations. I was impressed to observe that far from treating the presence of these animals as a problem, the operator sees it as a natural occurrence and is taking steps to ensure their safety. I even felt that it would be appropriate to emphasize the care taken over this aspect when marketing paper made from these raw materials to Japanese consumers.

The thing that raised my concern was the decline in rainfall due to climate change. At present, this factor has had little effect on forest management, but I hope that thought will be given to measures to minimize the future impact and to reinforce the supply chain to ensure a stable supply of paper resources to Japan.



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Stable Supply of
Resources & Materials

Examples: Assessing and Solving Supply Chain Issues

Intensifying Supply Chain CSR Initiatives

Apparel Operations

Mitsui Bussan Inter-Fashion Ltd. (MIF)—a Mitsui subsidiary that handles the production and procurement of apparel and fashion goods—outsources the production of goods for apparel companies to subcontracted suppliers in Japan and overseas.

MIF established a “Supply Chain CSR Policy” in October 2008, and the company has promoted various initiatives to deepen understanding of the policy by its officers and employees, and sent notices to its suppliers, including manufacturing subcontractors both within Japan and overseas, to make sure they understand this policy and agree to it. In 2014 MIF went one step further by adding the phrase, “we understand the policy and observe it”, to the notice when the company sends it to new suppliers to obtain their consent. MIF sends out the revised notices also to the existing suppliers, which had already consented to the policy, to make sure that they practice the policy in their operations.

With global society’s ever increasing expectations for companies’ commitment to sustainable procurement, MIF took into consideration the CSR trends brought about by the changes in the surrounding environment and implemented the following supply chain CSR initiatives in the fiscal year ended March 31, 2016.

As part of the in-house efforts to increase understanding of supply chain CSR initiatives, MIF implemented a CSR e-learning course for all officers and employees. At the same time, the company requested its 241 main suppliers to agree to the revised consent form, which includes the phrase “we understand the policy and observe it” to replace the previous form, which just stated “we understand the policy”, and obtained consent from all of them.

If an infringement to the Supply Chain CSR Policy or related laws and regulations has occurred at a supplier, MIF has a system in place to support and follow up the supplier for them to take remedial actions and make improvements.

MIF continues its efforts to increase suppliers’ awareness by keeping communication with and providing feedback to suppliers on a regular basis, in order to support developing an appropriate labor environment, and MIF strives to create a sustainable supply chain environment.

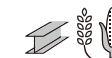


Visit to the manufacturing plant of a Japanese supplier

Supply Chain CSR Activities at MIF

October 2008	MIF established its Supply Chain CSR Policy. The company began sending notices to its suppliers, including contracted manufacturers in Japan and overseas, to request their understanding of and support for MIF’s Policy, and began obtaining their written confirmation.
August 2014	MIF conducted a questionnaire survey of its 93 main suppliers concerning the utilization of the Technical Intern Training Program. MIF started to require its suppliers to understand and comply with its Supply Chain CSR Policy, and started to obtain written consent from its 26 main suppliers and new suppliers.
January 2015	MIF required the aforementioned 26 suppliers to conduct a CSR self-check concerning their compliance with the Policy.
September 2015	MIF asked the 241 suppliers from which it had obtained “written confirmation” to replace these with “written consent”.
As of March 31, 2016	MIF had obtained “written confirmation” and “written consent” from a total of 4,391 (1,172*) suppliers: 3,444 (849*) in Japan, and 947 (323*) overseas. *Figures in parentheses indicate the number of “written consents” obtained.

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 Stable Supply of
Resources & Materials

Examples: Assessing and Solving Supply Chain Issues

Initiatives designed to ensure a stable supply of green coffee beans

Food and Food Products

The production volume of coffee, a product enjoyed by people throughout the world, is greatly affected by natural events including frosts and droughts, as well as climatic conditions such as rainy and dry seasons, and this has a major effect on the market price. Thus, it is difficult to purchase coffee at a stable price and maintain a balance between supply and demand.

Mitsui & Co. plays the role of liaison between producers and consumers in the supply chain. Mitsui & Co. works to improve relations with suppliers around the world in order to guarantee a stable supply of high-quality green coffee beans carefully selected from regions around the world, such as Central and South America, Southeast Asia, and Africa.

In particular, our base of operations in Brazil, Mitsui Alimentos (a wholly owned subsidiary), has built alliances with superior producers, and, by ensuring traceability, transparency and identifiability at all stages of business in the supply chain, has created a stable supply system for high-quality green coffee beans.

For example, Mitsui & Co. is cooperating with Mitsui Alimentos to provide comprehensive marketing and sales support to Bau Farm in the Cerrado region. We have maintained an excellent relationship with Bau Farm for over 20 years by providing financial support as needed for the development of new plantations, and by entering into long-term agreements as the basis for stable business. Leveraging this excellent relationship, we are devising new initiatives for further expansion of the business.

Bau Farm is owned by Mr. Tomio Fukuda, a second-generation Japanese-Brazilian. As a former engineer, Mr. Fukuda is totally committed to the production of excellent coffee based on the quality control concepts of kaizen and "5S". This approach has allowed Bau



Farm to become one of Brazil's leading specialty coffee farms. With assistance from Mitsui & Co., Bau Farm is building new sales channels in Asian and European countries, as well as Japan.

Bau Farm values its employees and improves the quality of its products by improving the quality of the labor. Mr. Fukuda believes that "careful work comes from motivation, and motivation is created by the good treatment and education of employees". The owner's philosophy is reflected in the efforts made by the employees themselves to improve the working environment and consistently apply the 5S methodology. Employees also gain a deeper understanding of the world of coffee through training and workplace education, giving them relevant knowledge and experience of the product and about trends in coffee-consuming countries. This commitment to high-quality employee education has enabled Bau Farm to maintain a stable workforce, giving it an important advantage over other coffee farms.

Moreover, under the slogan of "kaizen", the Farm actively introduces new technologies to produce even better coffee. Bau Farms' another distinctive characteristic is its commitment to constantly trying new ideas that utilize new methods and kinds of coffee tree trees. For example, by installing an irrigation system for avoiding drought damage, Bau Farm also increases the efficiency of its workforce by controlling the flowering period of the plants in order to stagger the harvest periods. It has also introduced GPS for effective soil improvement.

The green coffee beans that Mitsui & Co. supplies to consumers embody the producer's determination to grow high-quality beans through initiatives such as these. We bring the owner of Bau Farm to Japan once every two years to engage in direct dialogue with coffee shop proprietors and beverage manufacturers. These visits provide excellent opportunities to gain a deeper understanding about the needs of consumers. Similarly, when Mitsui & Co. customers who handle Bau Farm coffee visit Brazil, we create opportunities for them to visit the farm so that they can learn more about the place where the coffee is grown. Through initiatives such as these, Mitsui & Co. works to bring producers and consumers together in a value chain based on face-to-face communication.

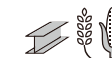
Mitsui & Co. will continue its efforts to provide consumers throughout the world with stable supplies of high-quality coffee, and to contribute to the success of producers through its business activities.



Bau Farm is owned by the Fukuda family.



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Stable Supply of
Resources & Materials

Examples: Assessing and Solving Supply Chain Issues

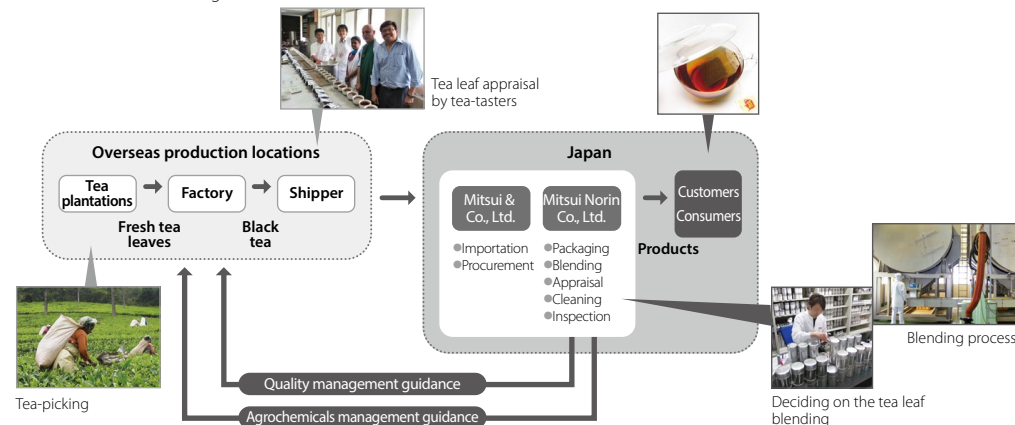
Tea Leaves Procurement in Consideration of Quality, Safety, the Environment and Work Conditions Food and Food Products

Mitsui Norin Co., Ltd., our subsidiary, markets "Nittoh Black Tea", which is a very familiar brand in Japan. The company procures tea leaves from tea producers around the world to meet a wide range of customer needs. At present, it procures tea leaves from approximately 450 tea producers in eight countries, including India, Sri Lanka, Kenya, and Indonesia. Mitsui Norin designates as its preferred suppliers those tea producers which give appropriate consideration to quality and safety, the environment, and work conditions, for example by carrying out controls based on Rain Forest Alliance certification and Hazard Analysis and Critical Control Point (HACCP) certification, being committed to Fair Trade, and engaging in organic cultivation.

In the Darjeeling district of India, for example, one producer makes various efforts to improve both the work conditions of employees and the profitability of the business, for example by introducing a small hydroelectric generator on the farm, entrusting its management and operation to the workers, growing and selling organic produce such as ginger and oranges, and producing honey. The producer also raises cows on the farm to provide milk to children to enhance the quality of life of the workers and their families, and uses the manure as fertilizer for organic cultivation to contribute to reducing environmental load.

Mitsui & Co. and Mitsui Norin undertake comprehensive quality control in all phases of the value chain. To ensure complete traceability in all product stages from procurement of raw materials to manufacturing, inspection, shipment, and delivery, both companies together created an original traceability system. In tea producing regions, Mitsui & Co. and Mitsui Norin periodically visit tea farms to conduct on-site surveys of tea growing environments, quality control, and agrochemical controls and other aspects. As regards agrochemical controls, both companies conduct tests for residue agrochemicals on the tea leaves at a third party contract institution, in addition to on-site visits and confirmations at the tea farms.

The Black Tea Manufacturing and Sale Business Value Chain



Improving Procurement Reliability Through Legal Compliance and the Forest Certification System Lumber Procurement

Significant deforestation and reduction and degradation of biodiversity and forest ecosystems caused by illegal logging have become major environmental issues globally. In 2006, as a countermeasure against illegal logging, the Japanese government enacted the Green Purchasing Law, which requires that government agencies only purchase lumber that is certified to have come from legal logging in sustainably managed forests.

As one of Mitsui's missions is to ensure the stable supply of building materials, paper resources, and other wood products, we cooperate with suppliers from around the world to ensure that our purchases contain no illegally logged lumber.

For example, in our forest resources business for pulp and paper manufacturing in Australia, Mitsui implements environmental management and operation procedures based on the two major forest certifications, the Forest Stewardship Council (FSC®) and the Pan-European Forestry Council (PEFC), and we conduct regular checks to ensure that only reputable plantation operators are used, that operations do not result in environmental destruction, for example through chemical soil contamination, and that the obligation to replant logged areas is being fulfilled. In addition to Australian companies, in 2014 Trans Pacific Fibre, a forest resources business for pulp and paper manufacturing joint venture company in Chile, obtained both FSC® and PEFC certification.

Increased awareness of environmental conservation has led to increased numbers of companies and consumers who choose products with the above-mentioned forest certifications when they purchase wood and paper products. Mitsui & Co. cooperates with its partners and manufacturers to increase the use of FSC® and PEFC certified products in the supply chain, in order to create products that are in accordance with higher awareness of environmental conservation.



Woodchip processing plant
(Bunbury Port in Western Australia)



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Corporate Governance & Human Resource Development

Strategic Focus

Realizing diversity management by building an environment in which individual employees can fully display their abilities

Mitsui aims to boost the competitiveness of the company by realizing diversity management in which employees with diverse backgrounds, including such factors as nationality, gender, and sense of values, tolerate and stimulate one another, thereby generating new values in business and creating innovations.

In order to realize such diversity management, we are implementing "work style innovations" by reviewing conventional patterns of work from the perspectives of efficiency and productivity and introducing reforms as necessary.

In the fiscal year ended March 2016, we conducted an employee opinion survey on work styles targeting employees in Japan. The survey, which we plan to conduct on an annual basis, serves as the starting point for implementing the plan-do-check-act (PDCA) cycle aimed at improving work styles in each workplace.

As a new measure starting in the fiscal year ending March 2017, we introduced a "mobile work scheme" enabling employees to work at home outside working hours. We also introduced measures enabling employees to take annual paid leave, nursing care for child and family leave in units of one hour.

We plan to introduce various other measures in the future as well and build a workplace environment that, through the realization of varied work patterns with high levels of efficiency and productivity, enables employees to engage in their jobs with greater motivation and dedication and thus strengthens the competitiveness of the company as a whole.

From Mitsui Employee Opinion Survey on Work Styles 2015

Ratio of employees feeling motivation in their work

70.6%

Ratio of employees feeling personal growth through work

75.2%



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Corporate Governance & Human Resource Development

Mitsui & Co.'s Approach

In order to maintain our status as a company trusted by society, we will work to maintain effective governance, ensure fair business practices, and prevent corruption. We will review working styles from the perspectives of productivity and efficiency, while creating an environment in which diverse human resources can exert their capabilities to the full. In this way, we will enhance our corporate competitiveness. Moreover, to further demonstrate our integrated strengths and our ability to connect at an even greater magnitude, we will develop people that will assume global-group managerial positions, equipped with the capacity to create useful and meaningful business for local communities, to strengthen the driving force of Mitsui & Co.

Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Corporate Governance & Internal Controls	<ul style="list-style-type: none"> ● Implementation of highly transparent disclosure of information and disciplined employee conduct related to internal controls ● Implementation of the assessment of effectiveness of the Board of Directors, in response to the adoption of the Corporate Governance Code ● In communicating with investors, extensive explanation of the issues such as progress on the Medium-term Management Plan announced in May 2014, changes in the business environment (mainly regarding prices of natural resources and their impact), and the managing strategy of the new president ● Grand prize runner-up in Nikkei Annual Report Awards 2015 (Annual Report 2015)
Reinforcement of Sustainability Governance	<ul style="list-style-type: none"> ● Improvement of traceability of food and food products, utilizing a food safety management database ● Execution of Food Sanitation Management Committee meetings and Food Safety seminars (committee meeting: 12 times; seminar: 11 times) ● Implementation of the e-learning course "CSR at Mitsui & Co." (for 8,806 officers and employees in Japan and overseas, taken by 92.8% of the targeted people) ● Implementation of CSR seminars for officers and employees in overseas offices (3 regional BUs, 4 offices directly overseen) ● Implementation of an internal survey on the penetration level of the UN Global Compact principles ● Based on the Specially Designated Business Management System, promoting the business with potential-risk analysis related to the environment, society, and governance, and implementation of measures to increase the internal penetration level of the Specially Designated Business Management System and the level of understanding at the business frontlines

Theme	Business Activities
Reinforcement of Sustainability Governance	<ul style="list-style-type: none"> ● Increase in the applicability of expert advice on environmental and social risk management issues through the work of the Environmental & Societal Advisory Committee ● Implementation of seminars on environment and social due diligence, relevant to business activities, for officers and employees (approx. 200 participants in 3 seminars for business units; approx. 300 participants in 15 seminars in overseas locations)
Compliance & Risk Management	<ul style="list-style-type: none"> ● Collection of commitment to comply with the Business Conduct Guidelines for Employees and Officers and the Standards for Discipline of the Employment Regulations from all the applicable employees and officers ● Provision of e-learning opportunities about compliance for those who have not taken the same before ● Implementation of the Compliance Review Week, in which we held seminars and opportunities to share information and exchange opinions ● Implementation of the Compliance Awareness Survey (for domestic employees and officers). Formulation and implementation of compliance activities based on the results of the Survey ● Formulation of the plans for compliance activities for FY 2017/03 ended based on the review of FY 2016/03 ended activities undertaken by the Compliance Committee (once a year) ● Promotion of compliance activities in affiliate companies in accordance with those of Mitsui & Co., Ltd. ● Visits to key affiliate companies to provide advice on development and operation of compliance activities (8 companies) ● Conveyance of alerting messages about compliance (via intranet, meetings, etc.). Sharing information about actual disciplinary cases through reporting lines



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Activities for FY Ended March 2016

Business Area > ● Metal ● Machinery & Infrastructure ● Chemicals ● Energy ● Lifestyle ● Innovation & Corporate Development ● Corporate & Others

Theme	Business Activities
Compliance & Risk Management	<ul style="list-style-type: none"> ● Reinforcement and development of the risk management framework by carrying out drills arranged by the Emergency Response Headquarters pursuant to the Rules on Safety Measures
Human Resources to Translate into Assets	<ul style="list-style-type: none"> ● Continued strenuous efforts for hiring of global human resources of new graduates, mid-career hires, global staff, PhD-level personnel, etc., and rolling out advertisements for recruitment, with the aim of securing a diverse range of human resources
Human Resource Development	<ul style="list-style-type: none"> ● Review of the Overseas Dispatch Program for young employees, aiming for strengthening of global human resources development ● Streamlining and value enhancement of human resources development programs toward the creation of time for business offensives that realize new business ● Inculcation of the mindset for developing human resources based on understanding of individuality through interviews and dialogue with individuals, paying great respect to their diversity ● Optimization of our human resources portfolio toward full mobilization of all employees through implementation of fine-tuned human resources management ● Review of and improvements in the personnel system, which reflect the needs of the business frontlines ● Personnel deployment and resuming employment of administrative staff aimed at revitalization of the function of offices and branches in Japan ● Promotion of various revitalization measures such as training programs targeting senior human resources.
Promoting Diversity Management	<ul style="list-style-type: none"> ● Implementation of initiatives for enabling our diverse human resources to take more active roles • Implementation of “work style innovations” based on the results of an employee opinion survey on working styles (Tokyo Head Office and domestic offices and branches) • Implementation of Female Business Staff Training (at Tokyo Head Office) to support female employees to take more active roles (36 participants in 2 seminars)

Theme	Business Activities
Promoting Diversity Management	<ul style="list-style-type: none"> • Discussion meeting with non-Japanese employees at Head Office to support them to take more active roles (1 meeting with 10 participants) • Recognition as a Nadeshiko Brand company for two consecutive years, by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange ● Promotion of employment of disabled people • Continued employment of disabled people, including new hires, which resulted in keeping the employment rate of persons with disabilities (2.53%) above the statutory employment rate. • Development of the working environment for disabled employees by installing automatic doors at a special-purpose subsidiary established for the employment of people with disabilities • Seminar on employment of people with disabilities (Tokyo Head Office and domestic affiliates), (1 seminar with participation of 31 companies) • Mitsui & Co. group joint recruitment interview (Tokyo Head Office and domestic affiliates), (1 seminar with participation of 4 companies)
Occupational Safety and Health Initiatives	<ul style="list-style-type: none"> ● Unification of reporting routes concerning emergency response to the occurrence of safety-related incidents ● Promotion of measures to cope with the situation in which our Headquarters are temporarily located in two different offices • Operation of BCP (business continuity planning) by using the permanent BCP room and improvements to issues through drills arranged by the Emergency Response Headquarters • Implementation of security measures and workplace patrols, and provision of various office services aimed at realization of a safe, comfortable working environment ● Commencement of individual healthcare counseling toward the accomplishment of Health Management; promotion of employee medical checkups (achievement rate: 100%) with reinforced collaboration with Mitsui Health Insurance Society Health Management



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Corporate Governance & Internal Controls



Policy

Corporate Governance Approach

We are making efforts to enhance our corporate governance framework and develop and improve our internal controls on a global group basis, to make Mitsui & Co. a company that is trusted by society.

We recognize that ensuring thorough compliance with respect to internal controls is a particularly important issue.

System

Corporate Governance and Internal Control: Systems and Implementation

Corporate governance framework

Mitsui & Co. has chosen to base its corporate governance framework on a corporate auditor system, headed by the audit & supervisory board. To achieve effective corporate governance for shareholders and other stakeholders, the Company has established the following governing bodies:

1. The Board of Directors is Mitsui & Co.'s ultimate decision-making body for business execution and oversight. To ensure that those functions are fulfilled, Mitsui appoints no more than the number of directors necessary to enable effective deliberations, and conducts annual assessment of the Board in order to validate its effectiveness, whose summary of the result is disclosed. Mitsui has also established the Governance Committee, Nomination Committee, and Remuneration Committee as advisory bodies to the Board of Directors, with external directors and external audit & supervisory board members serving as members of these committees.
2. The audit & supervisory board members audits the execution of the duties of the Board of Directors as an independent body and reports to shareholders. In pursuit of this objective, the audit & supervisory board members carry out multifaceted, effective auditing activities, such as attending important internal meetings and auditing various types of reports, and develop necessary measures in a timely manner.

To ensure transparency and accountability, key requirements of corporate governance, Mitsui is endeavoring to strengthen management oversight and supervision, taking into account the perspectives of external directors and external audit & supervisory board members. At the same time, the Company is developing its internal control framework with respect to information disclosure, and, based on the general rules of fair disclosure, executives and employees are responsible for ensuring accountability. Furthermore, to separate the functions of business execution and oversight, Mitsui has broadly transferred the authority for business execution to the Company's executive officers, with the Board of Directors responsible for overseeing the execution of business by the executive officers. The chief operating officers of the Company's 15 Headquarters business units and 3 overseas regional business units also serve

concurrently as executive officers, supporting a dynamic approach to business execution across the consolidated group.

At the time of the General Meeting of Shareholders in June 2016, there were 14 directors, five of whom were external directors.

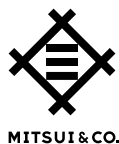
We have five audit & supervisory board members, two full-time and three external, and we have established an audit & supervisory board member Div. as a framework to provide added support to the audit & supervisory board members in the execution of their duties. Audit & supervisory board members attend the meetings of the Board of Directors and other important in-house meetings, overseeing procedures and resolutions, and visit offices in and outside Japan and important subsidiaries and associated companies.

Business execution and internal control system

In the fiscal year ended March 31, 2012, we adopted the so-called "J-SOX" standards defined in Japan's Financial Instruments and Exchange Act as the basis for the evaluation of our internal control systems. We are determined to maintain highly effective internal control systems that are compliant with the new global standards and in keeping with the values of Mitsui & Co., and to ensure that all employees, including those working for subsidiaries and affiliated companies, are fully aware of and comply consistently with the basic principle that without compliance there will be no work and no company.

At the core of our internal control system, the Internal Control Committee, chaired by the president, establishes basic internal control policy and carries out company-wide internal control evaluations and improvements. The Compliance Committee, Disclosure Committee, and J-SOX Committee all operate under the Internal Control Committee.

Furthermore, to respond to the increasingly diverse kinds of risks associated with our business, we have established the Portfolio Management Committee, which monitors the Company's entire portfolio, makes proposals on the Company's overall portfolio strategy, and conducts individual discussions on important projects. In addition, we have formed the Crisis Response Headquarters, an ad-hoc body reporting directly to the president, which exercises swift, precise decision making when there is a need for a swift response, and the CSR Promotion Committee, which met a total of two times during the fiscal year ended March 31, 2015, and promotes company-wide CSR management, builds our internal CSR-related systems, and works to heighten the awareness of CSR among employees, the Power and Energy Strategy Committee, which carries out medium- and long-term macro analysis of the environment, electricity, and energy segments and discusses strategic approach in those segments, and the Business Innovation Committee, which promotes initiatives for next-generation innovation business. Moreover, we have formed the Information Strategy Committee, which formulates policies related to company-wide information and IT strategies and prepares major policies related to promoting the enhancement of the management platform and information strategy and monitors the implementation of those policies, and the Diversity Promotion Committee, which analyzes and addresses current issues to realize a full mobilization of our diverse workforce.



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Corporate Governance & Human Resource Development

Current status of the internal auditing structure

The Internal Auditing Div., which reports directly to the president and has a staff of about 60, conducts regular audits, including audits of subsidiaries inside and outside Japan. Internal auditors make independent and objective evaluations of such areas as management and operational effectiveness, compliance, and the reliability of financial reporting. The audit results are reported to the president, and follow-up reports from the audited department are requested on items where improvement is deemed necessary.

Furthermore, we have established an internal auditing section in each business unit. Each department and branch carries out self-auditing on their own initiative, and combined with Internal Auditing Div. audits, this contributes to further improving the effectiveness of our internal controls.

Initiatives to enhance corporate governance over the last fiscal year

As we have terminated our registration with the US Securities and Exchange Commission (SEC), the current fiscal year is the fifth year that we have adopted the J-SOX standards as the basis for the evaluation of our internal control systems. As with last year, we took great care to maintain the same high level of transparency, information disclosure and internal control discipline as under the US standards. According to our compliance to the Corporate Governance Code from June, 2015, we are continuing to provide direct briefings to shareholders and others concerning our corporate governance systems.

Corporate Governance and Internal Control Principles

Mitsui & Co., Ltd. has enacted the following "Corporate Governance and Internal Control Principles" in April 2006 (Revised: November 2015)

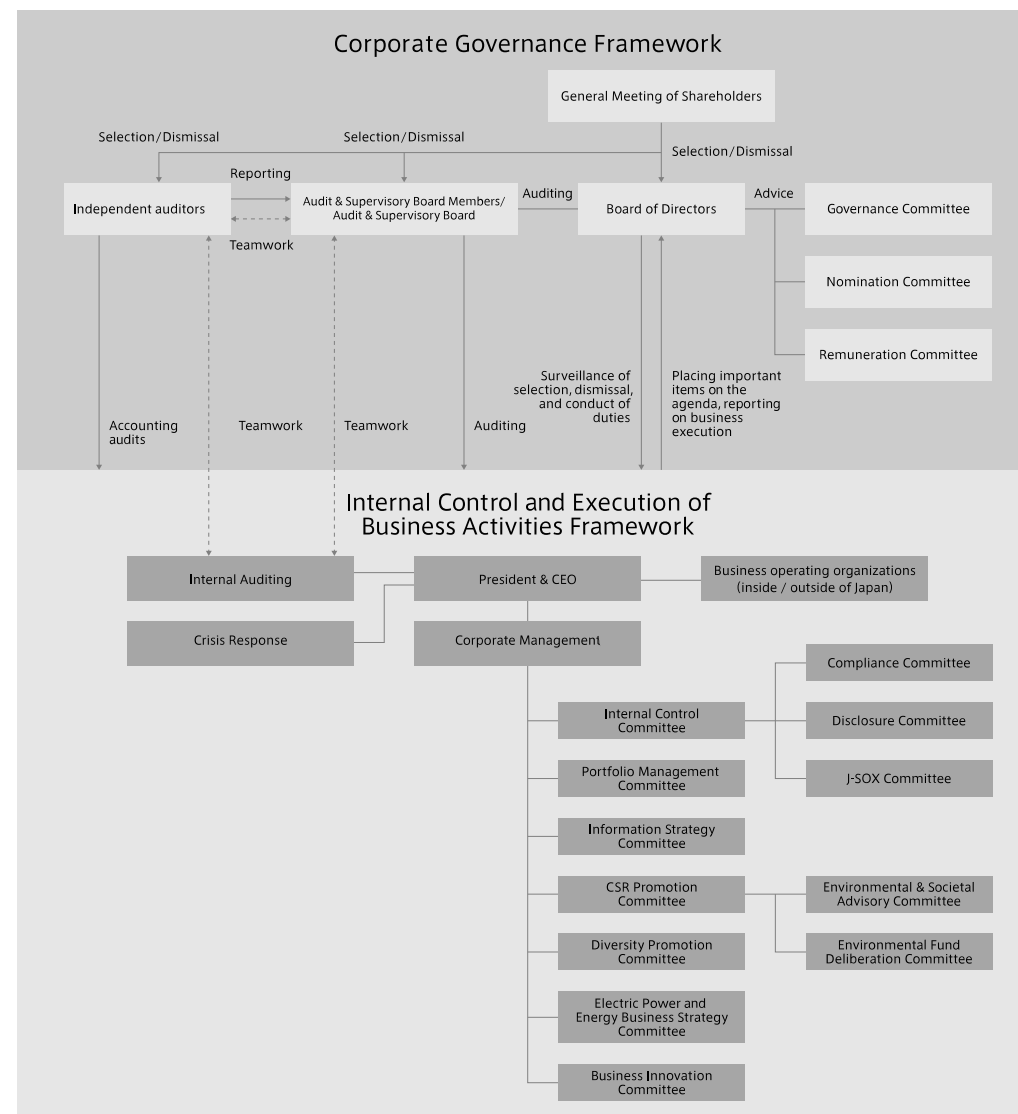


Mitsui & Co., Ltd. Corporate Governance and Internal Control Principles

Risk Management

The Chief Operating Officers of business units and regional business units manage risks arising from the operation of Mitsui's businesses within their authorization delegated from the management. When a business unit or a regional business unit takes risks greater than the scope of authority granted to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a Representative Director in charge, or a Senior Management Officer in charge in accordance with the standards of the internal approval system. In business fields considered typically to have higher levels of risks, including environment-related business and business with a high public profile, a particularly careful investigation is carried out through the Specially Designated Business Management System.

Construction and maintenance of the risk management systems and response to significant risks on a companywide level are handled by such organizations as the Portfolio Management Committee, the Internal Control Committee, the CSR Promotion Committee and the Crisis Management Headquarters. The corporate staff divisions are responsible in their respective fields for surveillance of the risk position of the Company as a whole, risk control within the prescribed range of their authority, and assistance of the relevant Representative Directors and Managing Officers.





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Reinforcement of Sustainability Governance



System

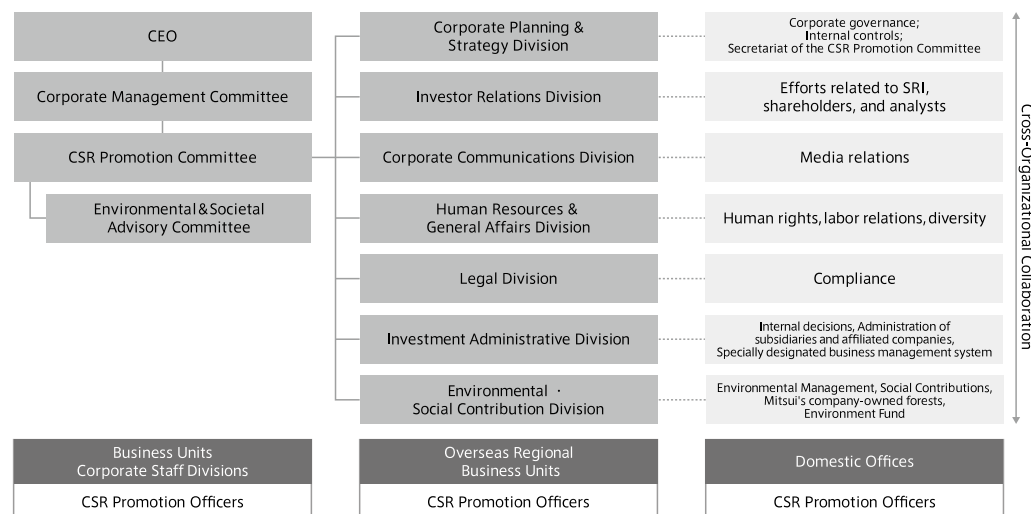
Developing the CSR Promotion Framework

In 2004, Mitsui formed the CSR Promotion Committee as an organization under the Corporate Management Committee to develop Mitsui's internal framework with respect to CSR, and to work to raise CSR awareness among employees. Mitsui also promotes CSR-related activities based on cross-organizational collaboration to meet the needs and expectations of society in relation to companies' social values and initiatives.

As a measure to facilitate planning and promotion of CSR activities, such as practicing CSR management and raising CSR awareness in the organization, together with the staff in the workplaces of each unit, we appoint CSR Promotion Officers in each of the corporate staff divisions, business units, overseas regional business units, and domestic offices, and are building our internal CSR network.

In the fiscal year ended March 31, 2016, CSR Promotion Officers meetings continued to be held quarterly, where we shared various information on CSR issues such as policies relating to CSR initiatives formulated by the CSR Promotion Committee, supplier survey results, and initiatives relating to supply chain management, and also deliberated on issues such as our CSR Material Issues, conducting case studies based on our actual business operations. In addition, external instructors were invited to lead a workshop on business and human rights under the theme of "human rights due diligence" at a meeting of CSR Promotion Officers.

Moreover, Mitsui CSR Promotion Officers in business units and corporate divisions took the initiative in organizing various CSR awareness-raising programs, such as in-house CSR seminars and lectures by people from partner companies and external experts, to inspire employees to consider CSR issues in their day-to-day business.



System

CSR Promotion Committee

The CSR Promotion Committee submits proposals to the Corporate Management Committee regarding CSR-related management policies and business activities, inculcates the importance of CSR management throughout the Company, makes recommendations with respect to "Specially Designated Businesses", and conducts other related activities.

The committee's chairman is the executive officer in charge of corporate staff divisions (overseeing the Corporate Planning & Strategy Division), and its deputy chairman is the executive officer in charge of corporate staff divisions (overseeing the Human Resources & General Affairs Division and the Legal Division). The general managers of each corporate staff division - the Corporate Planning & Strategy Division (secretariat), the Investor Relations Division, the Corporate Communications Division, the Human Resources & General Affairs Division, the Legal Division, the Investment Administrative Division, and the Environmental - Social Contribution Division - serve as committee members. The committee has the following duties:

1. Develop fundamental policies on the management of the Company's CSR and fundamental plans for activities promoting CSR
2. Configure and establish an internal corporate structure for the management of the Company's CSR
3. Determine the key issues to focus on each year for activities to promote the CSR measures of the Company and ensure progress on these
4. Respond to issues related to CSR, both within and outside the Company
5. Decide whether to support individual proposals qualified as Specially Designated Businesses, and determine necessary precautions for projects that will be supported
6. Approve important matters pertaining to the Mitsui & Co. Environment Fund
7. Decide and report whether to support an exceptional acquisition of forests or the disposal of company-owned forests, which is out of the scope of "Rules on the Management of company owned forests"

Furthermore, the Environmental & Societal Advisory Committee has been established under the CSR Promotion Committee. Committee members are selected from among outside individuals who are familiar with technology and social trends in a broad range of fields — including environmental policy, human rights and other matters — attorneys, and other knowledgeable individuals.

CSR Promotion Committee Meetings in the Fiscal Year Ended March 2016

Meeting 1 (May 29, 2015)

Reports were made on ESG investment surveys, Mitsui & Co. Environment Fund programs regarding officers and employees participation programs, and other points.

Meeting 2 (December 4, 2015)

Reports were made on the progress made in CSR promotion activities in the fiscal year ended March 2016, preparations for the ISO revision for the next fiscal year, continuous *kaizen* initiatives on environmental and social risk management, and other matters.

Meeting 3 (March 3, 2016)

Report were made on the results of CSR promotion activities in the fiscal year ended March 2016 and the action policy for the fiscal year ending March 2017. There were also deliberations on the results of The Mitsui & Co. Environment Fund programs for the fiscal year ended March 2016, and policies for the fiscal year ending March 2017.



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Corporate Governance & Human Resource Development

System

CSR-Related Risk Management

Business opportunities and the risks associated with doing business have increased and are becoming more diverse due to economic globalization, progress in information technology, and the increasing awareness of CSR. Based on this understanding, Mitsui recognizes the necessity of comprehensively managing risk from both quantitative and qualitative perspectives, by responding appropriately to changes in social conditions and business models. With this awareness, we have designated the business domains listed in the table below, which have high qualitative risks, including risks related to the natural environment, society, and governance, as specially designated business, 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, approach the CSR Promotion Committee as well as the Environmental & Societal Advisory Committee for advice as to whether or not to proceed with the proposed projects and for recommendation on how improvements can be made. Ultimately, the final decisions on whether or not to proceed with any given project are made by representative directors after respective proposal documents have been circulated to the relevant departments. The members of the Environmental & Societal Advisory Committee are selected from among outside individuals who are familiar with technology and social trends in a broad range of fields — including global warming, environmental restoration, and environmental policy related to water, energy, human rights and other matters — attorneys, and other knowledgeable individuals.

In the fiscal year ended March 31, 2016, 15 projects were individually assessed under the Specially Designated Business Management System. By business domain, 1 of these projects was environment-related business, 2 were the medical/healthcare/bioethics-related business, 11 were the businesses receiving subsidies, and 1 was the businesses with a high public profile and/or a potentiality of extraordinary reputation risk.

In this fiscal year, we continue to conduct a more comprehensive and well balanced management of risks on specially designated business at the earlier stage of business development process with support from those units.

Furthermore, we have established the Rules on ODA Business Management for promoting ODA business, which has a high public profile and, therefore, requires operation processes that are highly transparent.

Under this system, as necessary, Mitsui's ODA Projects Evaluation Committee considers these projects and engages in appropriate risk management practices.

Business Domains Subject to Specially Designated Business Management System

Business Domain		Key Points for Screening
		Applicable to All Four Business Domains <ul style="list-style-type: none"> Significance and social value of the business itself Significance of Mitsui engaging in respective business
1	Environment-related business All businesses that have serious influences on the environment Examples: coal fired power plant business, offshore oil field business, etc.	<ul style="list-style-type: none"> Contribution of such business to the environment and society Measures to mitigate environmental impact (incl. Climate change, Biodiversity loss, Water risk), and safety assurance For development business, appropriate consideration and understanding of human rights belonged to local residents and other related parties Compliance with environmental laws, regulations and guidelines, etc.
2	Medical/healthcare/bioethics-related business Businesses related to the medical and healthcare fields, businesses related to the development of technologies involved in genetic analysis, genetic recombination, and related areas, and businesses related to products that use such technologies. Examples: Business with a high public profile in the medical and healthcare fields (a dialysis, pharmaceutical drug manufacturing business), development of new drugs using genetic analysis technology, etc.	<ul style="list-style-type: none"> Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI) Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.
3	Businesses receiving subsidies Example: Businesses that are eligible for direct or indirect subsidies from the Japanese government or other governments	<ul style="list-style-type: none"> Evaluation in light of Mitsui's management philosophy (MVV) Social impact and ensuring accountability and process transparency Determination of interests of stakeholders, and resultant considerations and responses Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile
4	Businesses with a high public profile and/or a potentiality of extraordinary reputation risk Businesses which have high-risk cases that may be in conflict with public order and morality, Mitsui's management philosophy, or other CSR-related matters. Examples: business with sensitive personal information, social infrastructure businesses, etc.	<ul style="list-style-type: none"> Evaluation in light of Mitsui's management philosophy (MVV) Social impact and ensuring accountability and process transparency Determination of interests of stakeholders, and resultant considerations and responses Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile



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Compliance & Risk Management



Policy

Compliance Approach

Our sound reputation is the foundation of our business. As such, we recognize that it is only through compliance that we can maintain that reputation and gain even more trust from our customers.

To that end, we are working to heighten awareness among all management and staff of the importance of upholding high ethical standards and are accordingly striving to build a global compliance framework that advances best business practices.

Policy

System

Building a Better Compliance Framework

Business Conduct Guidelines for Employees and Officers

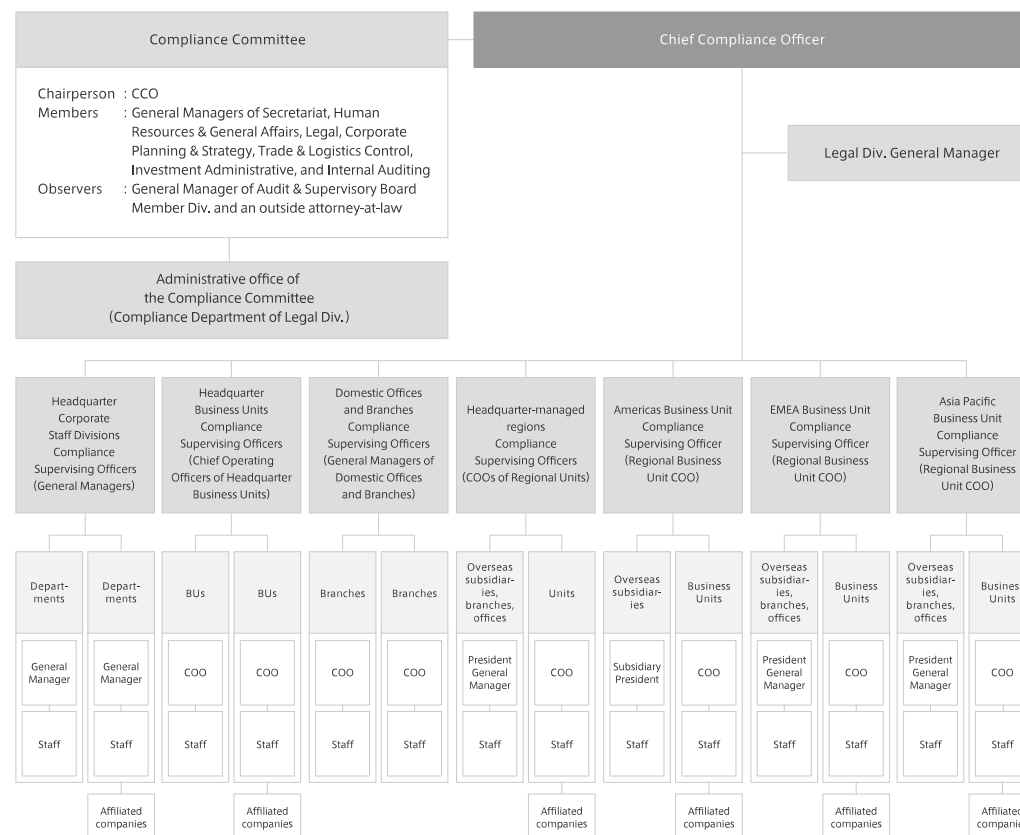
The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." specify how every Mitsui employee should act in his or her daily activities, from the perspective of compliance with laws, internal regulations, and corporate ethics. The Business Conduct Guidelines help us fulfill our 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 develop a broad awareness of the Business Conduct Guidelines through training and e-learning opportunities, and to see that all employees have pledged to comply with them. We have also introduced bespoke business conduct guidelines for each of our Group companies, which are based on the Business Conduct Guidelines but tailored to the specific business structures of those companies. In addition, we have put in place the Business Conduct Guidelines in each of our overseas offices, reflecting the local laws, regulations, and customs of the countries in each region.

Business Conduct Guidelines for Employees and Officers

1. Compliance with the Law and Respect for Human Rights
2. Office Environment and Sexual Harassment
3. Compliance with Antitrust Law
4. Conflicts of Interest between Employees and the Company
5. Gifts and Favors
6. Treatment of Company Information
7. Compliance with Procedures for Export and Import and Other Applicable Laws
8. Company Fund and Financial Reporting
9. Political Donations and Other Contributions
10. Social Contributions
11. Protection of the Environment
12. Action against Corporate Racketeering and Industrial Espionage
13. Reporting and Sanctions

The Business Conduct Guidelines booklet also covers management philosophy, report submission and consultation with others, the compliance program, the UN Global Compact, basic CSR policy, environmental policy, and social contribution policy.





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Corporate Governance & Human Resource Development

The Compliance Program

The Compliance Department of the Mitsui Legal Division leads compliance efforts on a global and Group-wide basis under the direction and supervision of the Chief Compliance Officer (CCO) and with the support of the Compliance Supervising Officers appointed in each of Mitsui's domestic and overseas business units, in Mitsui branches and offices, and in other such entities. The objectives of these efforts are to: (i) heighten awareness of compliance issues, (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 discussion outcomes are made available on the company intranet.

Specific measures carried out with compliance in mind include conducting thoroughgoing supervision at the working level, preventing corruption through management of business entertainment for public officials and appointment of agents, strengthening systems to comply with applicable competition laws, strengthening business process controls, and promoting the rotation and movement of personnel. Such initiatives are implemented on an ongoing basis, and with the aim of preventing misconduct.

Facilitating Communication and Improving the Internal Whistleblowing System

We believe that the compliance function essentially calls for us to prevent compliance-related incidents from arising by maintaining an open working environment that is facilitated by transparent and open communication within the Mitsui community, and which reflects our management philosophy and values. Accordingly, we require that employees who have concerns about possible misconduct promptly raise those concerns with their supervisors or other managers, and duly seek their guidance, in an appropriate and timely manner.

Mitsui offers eight channels for raising compliance concerns, including internal reporting lines and reporting routes involving external attorneys or third-party hotline service providers that promise anonymity. Mitsui has published Whistleblowing System Regulations clearly stipulating that no employee will suffer any form of 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 whistleblowing channels.

Overseas, our regional Compliance Supervising 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 & Co. provides employees with a wide range of compliance training programs 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 that work practices remain in compliance.

In the fiscal year ended March 31, 2016, 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. Mitsui also provides an extensive program of compliance training for executives and employees of Group companies. In November 2015, we conducted the "Compliance Review Week", in which we held a seminar about compliance issues that everyone may come across, in addition to sharing information and exchanging opinions.

In addition, during the fiscal year ended March 31, 2016, we provided lessons involving the Compliance Handbook for Mitsui employees which explains the contents of the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.", and also conducted online testing to ensure that employees in Japan who had not taken the testing last year understood the Handbook content. Through such activities, we are working to ensure that all management and employees have adequate knowledge related to compliance that they need to conduct of day-to-day business activities.

We also provide overseas operations and Group companies specifically-tailored compliance training that takes into account particularities 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 have conducted Compliance Awareness Surveys as appropriate not only in Mitsui & Co., Ltd., but also in our overseas offices and major subsidiaries. We use the survey results to address issues and implement a variety of measures to promote further compliance awareness and to reduce compliance problems.

Other Initiatives

In addition to the previously mentioned initiatives, we also visit individual key subsidiaries and associated companies to ensure adherence to best compliance practices at the Group level. In so doing, we gain a better understanding of compliance issues facing each company, thereby enabling us to offer advice geared toward helping those companies design and implement compliance programs that can be run autonomously and independently.

Throughout the fiscal year ending March 31, 2017, we will continue initiatives that call for even better communication needed to support more effective and more fully-instilled compliance program design and implementation in order to further make compliance an integral part of daily Group-wide operations.



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Corporate Governance &
Human Resource Development

System Protecting Personal Information and Information Risk Management

Protecting Personal Information

We appointed a Chief Privacy Officer (CPO) and established a CPO office to work for heightening awareness among all management and staff of the importance of personal information protection in accordance with our Personal Information Protection Guideline and Regulations on the Protection of Personal Information.

As we have a broad spectrum of involvement in diverse commodities and services, we handle a large amount of personal information, particularly in B-to-C (business to consumer) business fields. Accordingly, we take extreme care to ensure that all data is protected. From the perspective of accident prevention, in addition to our education and training system, we appoint Personal Information Management Officers in each division. The Officers regularly review the status of personal information management in the daily course of business and enhance it as needed.

Information Risk Management

Based on the understanding that the proper management of information, which is an important business resource, is indispensable to us, we established the Information Risk Management Subcommittee under the Information Strategy Committee, which the Chief Information Officer (CIO) chairs. In accordance with our Information Security Policy, we have strengthened our Rules on Information Management and our Rules on IT Security, and we maintain and enhance our Information Risk Management System.

Cyber Security

With the advancement of role of ICT in business, both our own and that of our affiliates, we established the Cybersecurity Department for dealing with cyber risks. It implements countermeasures and reviews preparedness in anticipation of possible cyber-attacks.



Information Security Policy



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Human Resources to Translate into Assets



Policy

Human Resources Approach

We regard our employees as one of our most important stakeholders. Our human resources are Mitsui's most important asset. We have developed a variety of human resources development programs with the aim of training highly creative people not only with business skills and know-how but also with essential qualities such as integrity, ambition, humility, gratitude, and diligence to contribute to a better society. We are also promoting diversity further, including expanding opportunities for female employees.

Our goal is to create an environment in which all employees are motivated to work with vitality and achieve growth as the company grows.

Policy

Basic Policy

Mitsui & Co., with its long history and traditions, has held the belief that human resources are its greatest asset and has always maintained its objective of training and developing human resources who can contribute to society. This is why it is often said that "Mitsui is people". To implement its management philosophy and to realize one of its mission statements, "We're building a better future for people and planet", Mitsui considers it most important to continue to raise the quality of individual personnel through human resource training and development activities.

Policy

Key Elements of Mitsui & Co's Human Resource System

Mitsui & Co. has long maintained its belief that "human resources are our greatest asset" (focusing on human resources) and embraced the values of "Human Resources", "Open-mindedness", and "Challenge and Innovation." Mitsui & Co.'s human resource system emphasizes such philosophy and values as it strives to be a company where employees are motivated to work with vitality. Mitsui positions its human resource system as a "means for fulfilling its corporate mission and realizing its management philosophy" and focuses on the following three key policies.

Three key policies of human resource system

1. Dissemination of Mitsui & Co's Management Philosophy Comprising Its Mission, Vision and Values (MVV)

Through introducing an appraisal standard that does not focus simply on short-term quantifiable performance, but places importance on how an employee's work contributes to achieving our management philosophy over the medium-to-long term in the personnel system, we will ensure thorough dissemination and sharing of our MVV broadly among employees.

2. Development of Human Resource

We will develop human resources who can take the leadership in implementing our management philosophy.

3. Appropriate Appointment and Allocation of Personnel

We appoint and allocate human resources effectively from a company-wide perspective, based on appropriate human resources management.

Policy

Diverse Range of Human Resources

To expand our activity domains to global growth markets and develop deep-rooted businesses around the world, it is essential to appoint the personnel who are thoroughly familiar with each country and region.

In addition, to respond quickly and appropriately to the continuously changing business environment and to keep generating Yoi-Shigoto, we must draw on the combined capabilities of a diverse range of human resources, regardless of place of hire, gender or nationality.

We are also working on creating a corporate culture and relevant systems where highly qualified personnel throughout the world can be active on a various fields.



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Human Resource Development



Corporate Governance & Human Resource Development

Policy Mitsui & Co.'s View on Human Resource Development

At Mitsui & Co. there is a saying, "The individual builds the business, and the business cultivates the individual". As the words signify, the company's priority mission is to develop talented human resources by encouraging each individual to create business. Indeed, it would be no exaggeration to say that this is the company's ultimate raison d'être. For this reason, the cornerstone of our human resource development is on-the-job training (OJT). We also implement comprehensive off-the-job-training by various forms of training to support and supplement human resource development through OJT.

System Human Resource Development Programs

We have built a human resources development program for every job grade and band, from fundamental training for new employees through to leadership level employees. The aim is to foster human resources capable of global group management. Training includes milestone training, optional training, and training by invitation. We also provide training programs for senior employees (over 48 years old), which are designed to support them devise the direction of their career autonomously and to adapt to the change of environment and their roles. In addition to enhancing these training programs, we have also developed our professional training programs with the goal of raising the level of specialist skills in each field. An introduction for each training program can be found on the company's intranet, along with an explanation and overview of our human resources training philosophy. We also encourage our employees' self-motivated participation.

We have introduced the Mitsui Global Leadership Program (MGLP), which is designed to enable employees to conduct business on a global basis. Programs include overseas dispatch programs such as the Foreign Language & Business Culture Training, Business School Dispatch, and Overseas Developmental Dispatch, through one of which all business staff shall be dispatched overseas within seven years of joining the company. We also offer programs that foster next-generation leaders with the capacity for global management, such as the Mitsui-Harvard Business School Global Management Academy (GMA), and Executive Education (EE), which is a short-term program for dispatching mid-level employees to business schools in Europe and the U.S.

Activity Main Human Resources Training Programs and the Number of Participants/Dispatched Employees

Category	Training Programs	Outline	Number of participants FY16/3
Compulsory training	Management Tr, Line Manager Tr, Leadership Tr, Managerial Staff Preparation Tr, Administrative Staff Tr, Female Business Staff Tr, New Hire Induction Tr, Mid-career Hire Tr	The aim is to foster global group management resources. Participants acquire the management approach, business skills, and mindset required for each milestone, such as new grades and bands.	921
Bussan Academy	Marketing, Management Strategy, Finance, Logical Thinking, Mindset, Communication, Philosophy, History	Professional training with the aim of improving self-development and specialist knowledge. This is optional training that can be taken as needed from options in a broad range of fields.	1,157
Subject to selection criteria	Career Design Tr	Training programs for senior employees, which are designed to support them devise the direction of their career autonomously and to adapt to the change of environment and their roles.	261
Optional/ by invitation training	Project Manager Development Academy, Cross-industrial Exchange Program, MOC (Mitsui Open College), etc. Approximately 60 training programs	A variety of training programs, including a cross-industrial exchange program (which aims to promote understanding of different corporate cultures, expand horizons, and build human networks).	4,693
Mitsui Global Leadership Program	Foreign Language & Business Culture Tr, Business School Dispatch, Overseas Developmental Dispatch, GMA, EE	This is a practical program operated on an invitation/ optional basis. Program participants are sent overseas and are surrounded by talented people from around the world, with the aim of developing the mindset and skills needed to become next-generation leaders in global group management.	188



Human resource development program (FY17/3)



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Corporate Governance &
Human Resource Development

System Development of Human Resources Capable of Taking Responsibility for Global Group Management

We also focus on the development of human resources capable of taking responsibility for global group management, which is a key pillar of Mitsui & Co.'s consolidated management.

Since 2002, we have offered a well-developed program of both short-term and medium to long-term training at the Mitsui & Co. Headquarters for the employees of our overseas trading subsidiaries. Short-term programs include JTP (Japan Trainee Program), GMP (Global Managers Program), and GLP (Global Leaders Program), which are offered as milestone training in three stages: the first few years after joining the company; prior to appointment as a manager; and after appointment as a manager. Medium to long-term programs are held for a period of one to three years, and include LBP (Japan Language and Business Program), which provides Japanese language lessons and practical business training, and BIP (Business Integration Program), which provides strictly practical business training.

In order to support human resources development at each group company, and the building of human networks, Japanese group employees are given milestone training, such as Division General Manager Training, Department Manager Training, and New Hire Induction Training, in addition to the optional training offered through the Bussan Academy as described above.

Since 2011, in partnership with the Harvard Business School, we have held the Mitsui-HBS Global Management Academy (GMA) described above, with the goal of integrating employees of the Headquarters, overseas offices, and group companies, and a diverse program has been implemented. Participants have included global group employees, as well as the employees of overseas partner companies.

System Appraisal

Mitsui & Co. positions its appraisal process as a means of encouraging employees to understand its corporate Mission, Vision, and Values (MVV), and for developing more employees who embody these values and can create Yoi-Shigoto. The objectives of conducting the appraisal process are not only to enhance employee understanding of Mitsui's management philosophy and motivate employees to meet management objectives, or to provide input for fixing compensation or assigning new positions, but also to promote human resource development through the appraisal process. Employees meet periodically with their managers for appraisal meetings and receive comprehensive feedback on their performance and specific contributions. These meetings create an effective framework for human resource development.



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Promoting Diversity Management



Corporate Governance & Human Resource Development

Policy

Mitsui & Co.'s Diversity Management Vision

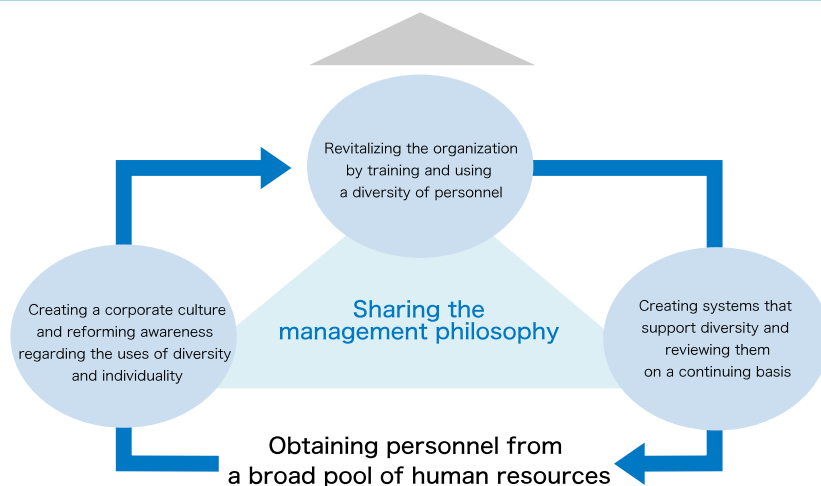
People who work for Mitsui & Co. come from a wide variety of backgrounds in terms of gender, nationality, values and other attributes. We carry out diversity management initiatives to enhance Mitsui's competitiveness through its continued evolution as a company within which people can create new value by learning from each other and working hard together, with mutual understanding and respect for diversity.

We strive to build a foundation on which we can realize this vision, primarily through the sharing of our management philosophy, by fostering a corporate culture within which diverse individuals can reach their full potential, by reforming employee mind-set, and by creating and continually reviewing work-related systems to support diversity, while training and deploying diverse human resources and working to enhance our corporate competitiveness by realizing the full strategic mobilization of our diverse workforce.

The Diversity Management that Mitsui Is Aiming For

Increasing Competitiveness by Combining the Capabilities of Diverse Human Resources

- Development of personnel who promotes innovation with strong capabilities for flexibly adapting to and coping with change in an environment characterized by the globalization of business activities and expansion of business domains.
- To be a company that can attract human resources, draw out the individuality, and maximize potential of each and every staff member.



These diversity management initiatives are coordinated by the Diversity Management Department, which was established in October 2005. The Diversity Promotion Committee, which was formed in April 2006 to advise the Corporate Management Committee, regularly deliberates and makes decisions on diversity management policies and measures.

Activity

Work Style Innovation

We see diversity management as a way to enhance corporate competitiveness through the full strategic mobilization of our diverse workforce. As part of the continuing evolution of this concept, we review our traditional work styles from the perspectives of productivity and efficiency, and where necessary we introduce innovations based on new policies implemented across our entire corporate organization.

By implementing Work Style Innovations, we aim to create workplace environments in which individual employees can reach their full potential and are strongly motivated about their own work. The ultimate goal is to strengthen our overall competitiveness as a company.

Activity

Employee Opinion Surveys

We regularly conduct employee opinion surveys as a source of information that can be used to improve our management and organizational strengths. In addition to the usual questions, a survey carried out in October 2015 also focused on work styles. Questions and responses covered a variety of topics, including the individual employees' view on work styles in general, work styles trends in workplaces, as well as factors that could hinder highly efficient and productive ways of working (All responses were submitted anonymously, and the response rate was 78.3%).

Results from these surveys are fed back to each workplace. After discussions among employees, optimal improvement measures are implemented as required in each workplace. We will conduct this survey annually going forward as part of a continuing PDCA cycle leading to improvement initiatives.



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Corporate Governance & Human Resource Development

Policy

Career Development Initiatives for Female

We regard career advancement for female as a particularly urgent priority under our diversity management policy, the aim of which is to enhance corporate competitiveness by realizing the full strategic mobilization of its diverse workforce. We strive to develop an environment in which female employees can reach their full potential, implementing initiatives for human resources development and their career advancement.



P.78 Performance data related to diversity

Activity

Initiatives

Training for female business staff (career vision training)

This training is provided for female business staff during the Career Development Program (CDP) and immediately after its completion. The most important aim of the training is to help participants to prepare for the diversification of options in anticipation of life events and other factors by developing specific ideas about their future career paths through dialogue with senior executives and discussions with colleagues working in the same environment, so that they can build long-term careers with Mitsui.

Female mentor system

The female mentor system has been introduced to provide a venue for helping female employees learn about the significance of working for Mitsui, and discover new ideas about career formation, through communication with more experienced female coworkers. The system provides a way to seek advice about matters ranging from minor problems relating to day-to-day activities to career planning. A wide range of female employees are selected as mentors from those who have worked overseas, have experienced various life events, and are active in frontlines in the sales divisions or as secondees. Employees can choose their mentor depending on the type of advice that they need (Mitsui has also established mentor systems for non-Japanese employees and young employees).

Diversity Cafe

Accompanying changes in the social milieu, such as a greater diversity in people's sense of values, the number of dual income households where husbands and wives both hold jobs, and the demographic aging of the population, there has been an increase in the number of employees seeking new kinds of career paths and wanting to maintain a balance between their work and their private lives. We provide venues such as the Diversity Cafe for employees to come together and have the opportunity to learn from each other's experiences and to discuss and share information on matters of common interest. The theme for discussion in 2015, mainly for our female employees, was "The experience of Administrative Overseas Trainees".

Activity

Childcare and Family Care Support

To help employees balance their working life with childcare and family care needs, Mitsui has introduced systems of short-time and staggered working hours in addition to its leave system. From 2007, we started to provide partial pay for childcare leave and moderate the eligibility requirements to allow employees to take childcare leave even if their spouse is a full-time housewife, thereby creating an environment that has encouraged male employees to take childcare leave. Furthermore, to support a smooth return to work, we have contracted with an outside nursery school located near the office and offer childcare services to the employees. Before returning to work, a three-party meeting will be arranged between the employee, his or her supervisor, and staff from the Human Resources & General Affairs Div. This way, the employee receives advice about career planning and learns about the support systems available to facilitate the balancing of working and taking care of children. As a result of this series of policies and initiatives, we have been recognized by Japan's Minister of Health, Labour and Welfare as a company that is actively providing childcare support with respect to caring for children.



Kurumin logo

The "Kurumin" logo may be placed on the products of businesses that have been officially recognized by Japan's Minister of Health, Labour and Welfare as actively providing childcare support. The logo shows an infant safe and sound, wrapped in a protective blanket, which represents the concern and care of the workplace and society.



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System

Work-life Balance Support Systems

	Name of System
Pregnancy	Pregnancy Leave Late arrival at work or early departure from work Exemption from overtime work Re-assignment other job duties that are less strenuous
Childbirth	Maternity Leave Childbirth Attendance Leave
Childcare	Childcare Leave Nursing Care for Child Leave Staggered working hours for childcare Short-time working for childcare Exemption from overtime work Restrictions on overtime work Exemption from late night overtime work
Family Care	Family Care Leave Nursing Care for Family Leave Staggered working hours for family care Short-time working for family care Exemption from overtime work Restrictions on overtime work Exemption from late night overtime work
Career Support	Re-employment system for ex-employees who had to resign due to the transfer of their spouse
Others	Long-term leave for self-development Volunteer Activity Leave Jury Duty Leave

System

Employees Taking Childcare or Family Care Support



P.79 Performance data related to childcare or family care

System

Re-employment System for Ex-employees Who Had to Resign Due to the Transfer of Their Spouse

A re-employment system was introduced in 2007 that enables employees who had to resign from Mitsui due to the transfer of their spouse to become re-employed.

Year of Retirement/Registration		2007 (FY08/3)	2008 (FY09/3)	2009 (FY10/3)	2010 (FY11/3)	2011 (FY12/3)	2012 (FY13/3)	2013 (FY14/3)	2014 (FY15/3)	2015 (FY16/3)	Total
Number of registered ex-employees	Business staff	1	3	2	3	2	4	3	3	7	28
	Administrative staff	6	3	4	1	1	5	7	16	11	54
	Total	7	6	6	4	3	9	10	19	18	82

System

Hiring of Disabled Persons

In 1981, in accordance with the then Law for the Employment Promotion of the Disabled, we established Mitsui Bussan Business Partners Co., Ltd. (formerly Bussan Service Co., Ltd.), a trailblazing special-purpose subsidiary for the employment of people with disabilities. A large number of disabled persons are currently employed and posted in accordance with the "normalization" policy, co-working with non-handicapped persons in a variety of personnel and administrative capacities including printing, mailing, various kinds of data processing, business travel arrangement and settlement, personnel, payroll and benefits administration and office layout management. For over 20 years we have exceeded the statutory employment rate for people with disabilities. As of March 2016, 2.53% of Mitsui's employees were disabled.



P.79 Performance data related to hiring of disabled persons



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Occupational Safety and Health Initiatives



Corporate Governance & Human Resource Development

Policy

Core Principles

Employee health is the most important asset for Mitsui & Co. We implement the following activities in accordance with our basic policies to ensure that our employees can continue to work with confidence in any social and business environment.

Basic Policy on Health Management

1. We promote health and productivity management. We place great importance on the maintenance and enhancement of employee health, and position health management as a management priority. By putting this commitment into practice, we aim to maintain and enhance employee health and improve corporate productivity.
2. We create workplace environments in which employees can work safely, healthily, and energetically.
3. We build an organization with high health literacy, in which individual employees are aware of the need to protect their own health themselves, and take the initiative to maintain and enhance their own mental and physical health.
4. We ensure that personal health information is handled in compliance with the laws and regulations and appropriately used and managed.

System

Employee Health Management

We have established a clinic in our Tokyo Head Office and a medical treatment room in the Osaka Office. The clinic in the Tokyo Head Office covers a diverse range of specialist areas, including internal medicine, surgery, ophthalmology, E.N.T. and radiology, and is equipped to provide medical consultations for employees. It also provides Ningen Dock (a comprehensive medical examination), and medical check-ups for employees who are about to travel overseas or have returned from overseas assignments, as well as inoculations. In addition, managerial dietitians help employees to avoid lifestyle diseases and metabolic syndrome by providing nutritional guidance. We have also enhanced support for female employees through the establishment of women's and motherhood health advisory service allowing access to individual consultation with female doctors.

We provide useful health-related information as well as guidance on access to various types of health advice via the intranet. Employees can also view their own health check histories.

Also, for the sake of the health preservation of employees, we hold a monthly Hygiene Committee composed of members recommended by management and labor, and discuss ways to improve working environment, ways to develop an appropriate framework, and other related matters based on the advice provided by qualified industrial physicians and hygiene experts.

We also place great importance on health management for both employees stationed overseas and their families. Consultation services are available at any time if employees on overseas assignment or members of their family experience physical or mental health issues.

Inoculations and medical check-ups are provided for employees and their families before they leave for overseas assignments. They also participate in training programs about health management while overseas, including the prevention of infectious diseases and the maintenance of physical and mental health. These programs are designed to raise each individual's awareness of health management, and to provide information about access to medical services and support systems while overseas.

We also support health management for employees working overseas, and their families, in partnership with emergency health care service companies.

System

Mental Health

Employees are able to obtain advice easily and at any time via a dedicated consultation service. Through consultations with health nurses and industrial physicians, employees can receive support that meets their individual needs. Employees also have access to counseling by specialists at the company clinic. In addition, we have established outside advice lines through which not only employees, but also their families can seek advice anonymously via telephone and email, or arrange consultations.

We also provide mental health training for managerial staff and other training programs for employees, including managerial staff, in order to prevent either the supervisors or their subordinates from suffering mental health problems.

* Since 2012, we have held mental health seminars for managerial staff in each unit. As of March 2016, a total of 37 seminars had been held.

System

Medical Examinations

Regular medical examinations are implemented in-house at multiple times to make it easier for employees to take such medical examinations. We are working to ensure the prevention or early discovery of lifestyle diseases and other conditions, and to provide enhanced advisory services through a fine-tuned approach that includes Ningen Dock at outside medical institutions for employees aged 35 and older under a program operated collaboratively with Mitsui Bussan Health Insurance Society. Also in collaboration with Mitsui Bussan Health Insurance Society, we provide special health maintenance advice to employees aged 40 and older. In the fiscal year ended March 2016, almost 100% of employees underwent medical examinations.



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System

Security Management

Mitsui & Co. promotes various kinds of businesses through its 139 points of global operations (as of April 1, 2016), and a large number of employees go on a business trip to many parts of the world almost every day. It is one of the most important tasks for the company to ensure the security of employees and families home and abroad.

In cooperation with domestic and foreign offices, and security companies concerned, Mitsui obtains and analyzes the latest situation about politics, the peace and order of each place changing every day, and shares such information with the related staff, in order for the employees to raise awareness of the security.

Mitsui has also prepared the system corresponding to the situations such as accidents, injuries, and diseases, in cooperation with emergency health care service companies.

For the employees, as well as families, who will be dispatched to the overseas, the company has the programs for security measures.

Assuming a large-scale disaster, Mitsui regularly performs trainings for Business Continue Plan placing human life as a first priority, and the company makes efforts to raise the crisis response capabilities by solving problems extracted through the training.

System

Joint Efforts with Labor Unions

To create an environment in which each and every employee is able to work energetically in pursuit of "Yoi-Shigoto" and in which the employees and company can continue to grow together, we actively discuss a variety of common issues with the Mitsui & Co. Labor Union. Mitsui also holds labor-management discussion meetings to confer on, business activities and plan, various personnel-related systems and human resources development, and provides a venue for exchanging views on a variety of matters with managements in each Branches and each Business Unit (in total twelve times in 2015), with the aim of maintaining a healthy and cooperative relationship between management and labor.

Data of Personnel Affairs



Corporate Governance & Human Resource Development

Figures concerning employees (As of March 31)

	Non-consolidated				
	Total employees	Male	Female	Average age of employees	Average number of years of service
2014	6,160	4,503	1,657	42.4	19.0
2015☆	6,085	4,447	1,638	42.4	19.0
2016★	6,006	4,377	1,629	42.4	18.9

Number of employees by operating segments (As of March 31, 2016)

(Unit: persons)

	Non-consolidated	Consolidated
Iron & Steel Products	327	1,519
Mineral & Metal Resources	245	429
Machinery & Infrastructure	788	16,172
Chemicals	569	2,274
Energy	420	764
Lifestyle	808	9,778
Innovation & Corporate Development	406	3,571
Americas	230	3,829
Europe, the Middle East and Africa	158	874
Asia Pacific	236	1,280
Others	1,819	3,121
Total	6,006	43,611



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Number of Employees by Region (As of March 31, 2016)

	Headquarter-hired staff (HS)★	Non-Headquarter-hired staff (NS)
Japan	4,791	—
Americas	334	622
Europe, the Middle East and Africa	223	777
Asia Pacific	507	1,757
Others	151	—
Total	6,006	3,156

(Unit: persons)

NS dispatched to the Head Office (As of March 31, 2016)

	(Unit: persons)
Japan Business Integration Program trainees (BIP)	13
Japan Language & Business Program trainees (LBP)	7
Intra-company transferees	9
Total	29

(Unit: persons)

Number of hires by gender (Non-consolidated)

	New-graduates			Mid-career			Total
	Male	Female	Total	Male	Female	Total	
2014 (FY15/3)☆	103	55	158	24	5	29	187
2015 (FY16/3)★	94	57	151	35	6	41	192
2016 (FY17/3)*1	113	78	191*2				191

*1 Figures as of April 1, 2016

*2 Includes employees who will join us on October 1, 2016 (Male: 3; Female: 1)

Average personnel turnover (Non-consolidated) (Over the last three years)

Average personnel turnover	4.79%
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Performance data related to diversity

Proportion of female permanent staff and managers (Non-consolidated) (As of July 1)

(Unit: persons)

	Permanent staff			Managerial staff			Business staff			Administrative staff
	Total	Female	Percentage of Female	Total	Female*3	Percentage of Female	Total	Female	Percentage of Female	Total
2014☆	6,122	1,661	27.1%	3,299	76	2.3%	4,921	460	9.3%	1,201
2015★	6,021	1,648	27.4%	3,353	126	3.8%	4,841	468	9.7%	1,180
2016★	5,952	1,653	27.8%	3,472	168	4.8%	4,791	492	10.3%	1,161

*3 Includes 1 female General Manager (M1).

Proportion of female and non-resident executive officers (Non-consolidated) (As of July 1)

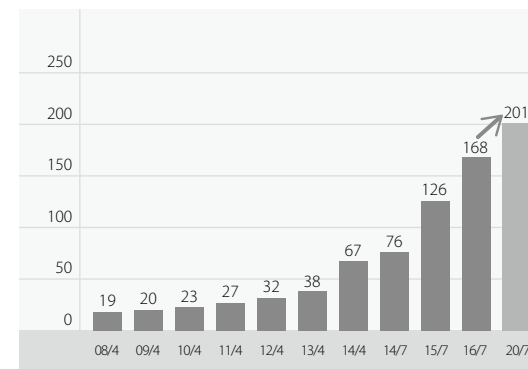
(Unit: persons)

	Director					Corporate Auditor		
	Total	Female	Percentage of Female	Non-resident	Percentage of Non-resident	Total	Female	Percentage of Female
2014☆	13	1	7.7%	0	0%	5	1	20.0%
2015★	14	2	14.3%	1	7.1%	5	1	20.0%
2016★	14	2	14.3%	1	7.1%	5	1	20.0%

Actual status of promoting career advancement for female (Non-consolidated)

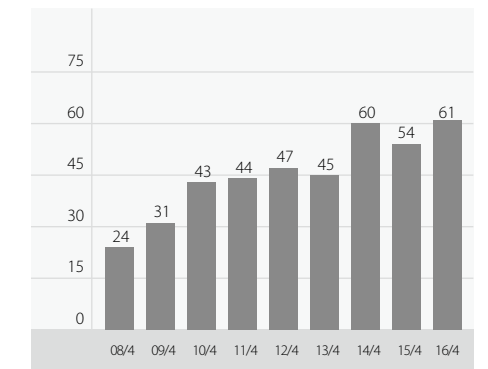
Female managerial staff

(Unit: persons)



Female employees dispatched overseas (As of April 1)

(Unit: persons)





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Average age and average length of service of full time employees (Non-consolidated) (As of March 31)

	Average age			Average length of service (yy-mm)		
	Male	Female	Total	Male	Female	Total
2014	42.7	40.5	42.2	19-4	17-11	18-11
2015	42.6	40.6	42.1	19-2	17-10	18-9
2016	42.5	40.6	42.0	18-11	17-10	18-7

Employees taking childcare or family care support (Non-consolidated)

(Unit: persons)

		2013 (FY14/3)			2014 (FY15/3)★			2015 (FY16/3)★		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Child care	Childcare Leave	3	46	49	12	40	52	13	49	62
	Nursing Care for Child Leave	35	106	141	47	111	158	42	107	149
	Short-time working for childcare	9	117	126	13	135	148	11	137	148
	Staggered working hours for childcare	4	0	4	4	1	5	7	1	8
	Childbirth Attendance Leave	74	—	74	91	—	91	93	—	93
Family Care	Family Care Leave	0	1	1	0	1	1	1	0	1
	Nursing Care for Family Leave	36	59	95	31	52	83	42	59	101
	Short-time working for family care	1	2	3	0	0	0	0	0	0
	Staggered working hours for family care	0	0	0	0	0	0	0	0	0

Employment ratio of people with disabilities (As of June 1)

	Employment ratio of people with disabilities	Legally stipulated ratio
2014	2.54%	2.00%
2015	2.45%	2.00%
2016	2.51%	2.00%

Concerning the data marked with ★, an independent practitioner's assurance report prepared in accordance with the international standard ISAE 3000 was given by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd. Please refer to independent practitioner's assurance report at the link below for details.

The independent practitioner's assurance report on the data marked with ☆ shall be referred to P.131 of our Sustainability Report 2015.



Contents	Corporate Information	Message from Our CEO	CSR at Mitsui & Co.	Five Material Issues in the CSR Field	Evaluation by Society	Independent Practitioner's Assurance Report
	Activity Reports by Material Issue	Protection of the Global Environment	Respect for Human Rights	Enhancement of Local Industrial Bases & Quality of Life	Stable Supply of Resources & Materials	Corporate Governance & Human Resource Development

Evaluation by Society

External Recognition

ESG (environmental, social, and governance) investment involves the selection of investment targets through the evaluation of corporations based on conventional financial analyses and investment standards, as well as on how well they fulfill their social responsibilities. Mitsui has been selected for inclusion in major world ESG investment indices—the Dow Jones Sustainability World Index and the FTSE4Good Index Series. In addition, we were selected in the “Competitive IT Strategy Company Stock Selection”, and as a “Nadeshiko Brand” company for being “exceptional in encouraging women’s success in the workplace”.



Dow Jones Sustainability World Index

The Dow Jones Sustainability World Index is a global stock index developed jointly by Dow Jones & Company in the U.S. and RobecoSAM AG in Switzerland. Major corporations around the world are evaluated in terms of their economic, environmental, and social performance. Mitsui was one of 317 companies (which included 20 Japanese companies) that were selected for 2015.



RobecoSAM Sustainability Award

RobecoSAM carries out surveys and analyses for the Dow Jones Sustainability Indices. From each industry, it recommends companies that have undertaken outstanding environmental, social, and economic initiatives. A total of 464 companies (including 47 Japanese companies) were selected worldwide for the RobecoSAM Sustainability Awards 2016. In the Trading Companies & Distributors category, Mitsui was selected as one of the companies to be ranked Silver Class, which is awarded to companies that are within a 1%–5% range of the score of the Industry Leaders.



FTSE4Good Index Series

The FTSE4Good Index Series is a stock index developed by FTSE Russell, which is a wholly owned subsidiary of the London Stock Exchange. FTSE Russell evaluates major corporations around the world from the aspects of environmental, social, and governance criteria, including the labor standards applied throughout their supply chains, as well as on the basis of corporate sustainability. It selects companies that satisfy its standards as constituents of the index.



Competitive IT Strategy Company Stock Selection

The “Competitive IT Strategy Company Stock Selection” is designated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for companies that undertake strategic IT utilization initiatives, from among all the enterprises listed on the Tokyo Stock Exchange. Mitsui was selected for the fiscal year ended March 2016 and the fiscal year ending March 2017.

Nadeshiko Brand

The Nadeshiko Brand is a designation jointly awarded by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) to companies listed on the First Section of the TSE that have shown excellence in promoting career advancement for women. Mitsui was awarded this status in the fiscal years ended March 2015 and March 2016.



Awards Received in the Past Five Years

Fiscal Year Ended March 2016

- Ranked second in the 18th Nikkei Annual Report Awards (2015) by Nikkei, Inc.

Fiscal Year Ended March 2015

- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Ranked first in the “18th Environmental Management Survey” Trading Company category by Nikkei, Inc.
- Ranked first in the “2014 Award for Excellence in Corporate Disclosure” (Commerce industry category) by The Securities Analysts Association of Japan.
- Received the “2014 IR Special Award” by the Japan Investor Relations Association.
- Received the 20th Nikkei BP Advertising Award’s Excellent Business Expert Award (2014) by Nikkei Business Publications, Inc. (Mitsui’s Forests)

Fiscal Year Ended March 2014

- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Ranked first in the “17th Environmental Management Survey” Trading Company category by Nikkei, Inc.
- Received the Award for Special Merit in the 48th Industrial Advertising Award (2013) in the Newspaper Category by Nikkan Kogyo Shimbun Ltd. (Mitsui’s Forests)
- Received the 19th Nikkei BP Advertising Award’s National Geographic Japan Award (2013) by Nikkei Business Publications, Inc. (Mitsui’s Forests)

Fiscal Year Ended March 2013

- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Ranked first in the “16th Environmental Management Survey” Trading Company category by Nikkei, Inc.

Fiscal Year Ended March 2012

- Ranked first in the “Toyo Keizai CSR Ranking” Wholesale Category by Toyo Keizai Inc.
- Ranked first in the “15th Environmental Management Survey” Trading Company category by Nikkei, Inc.
- Received the Award of Excellence in the Sustainability Reporting Award Category of 15th Green Reporting Award and Sustainability Reporting Award by Toyo Keizai Inc.
- Received the Award of Excellence in the 2012 Key Firm of Integrity Award by Integrex Inc.



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(TRANSLATION)

Independent Practitioner's Assurance Report

August 1, 2016

Mr. Tatsuo Yasunaga,
President and Chief Executive Officer,
Mitsui & Co., Ltd.

Hiroshi Inanaga
Chief Executive Officer
Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the sustainability information (the "sustainability information") indicated with ★ for the year ended March 31, 2016, including "Proportion of female permanent staff and manager" and "Proportion of female and non-resident executive officer" as of July 1, 2016, included in the "Sustainability Report 2016" and "Data of personnel affairs" created for the Company's webpage (the "Report") of Mitsui & Co., Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the sustainability information in accordance with the calculation and reporting standard adopted by the Company (indicated with the sustainability information). CO₂ quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's sustainability information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

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MITSUI & CO., LTD.