



Mitsui & Co., Ltd.

Sustainability Full Report

2011



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Editorial Policy

What We Aim to Communicate in This Report

Mitsui makes use of the characteristics of printed material and the Web to present this report with the aim of disclosing information and increasing understanding among our stakeholders concerning our concept of CSR and our CSR activities.

Through this report, we endeavored to clearly explain Mitsui's CSR concept and our efforts to address economic, environmental, and social issues through our business activities. We believe that focusing on social issues with an eye towards the development of a brighter future and the provision of *Yoi-Shigoto* (good quality work) through our core business contributes to the creation of a sustainable society and puts Mitsui CSR into practice.

This CSR report is a crucial tool for presenting information on Mitsui's CSR concepts and activities, and for engaging in dialogue with stakeholders so we can build a better society. We would like to use feedback from readers of this report as a reference for future business activities, so please access the Mitsui website to share with us your opinions and impressions.

Message from Our CEO

Overcoming Unprecedented National Hardship to Restore Japan



In 2010, it seemed as though Japan's presence was rapidly fading against a backdrop of advances being made by emerging nations, particularly other Asian nations including China. Japan had already been losing national vigor when the Great East Japan Earthquake inflicted an even greater blow. The devastation of the earthquake and tsunami, and the impact of the subsequent Fukushima Dai-ichi Nuclear Power Plant accident, constituted the greatest crisis Japan has faced since World War II.

At the same time, this crisis has taught us the importance of nations and regions cooperating and helping each other in order to overcome difficulties at a time when the world economy is becoming increasingly globalized and borderless. With all this in mind, Mitsui fully appreciates its responsibility to contribute to the advancement of both Japan, which is taking steps toward recovery, and the world, which is coming to Japan's assistance in so many ways.

During the post-war restoration and subsequent high-growth period, Japan was built up through the indefatigable fighting spirit, diligence, and unceasing efforts of many of its people. Under the current unprecedented national crisis, it may be time for us to once again reflect upon our forbears' spirit and conviction, which brought about such a miraculous recovery in post-war Japan. As the trend toward globalization spreads further, what can Japan do to progress and regain a sense of importance, and what role should Mitsui, a globally operating company, play in that effort? These are the questions we must seriously contemplate with a sound sense of crisis and a view to taking appropriate actions.

Challenge and Innovation, Nurturing Human Resources, and Open-Mindedness

The principles of "Challenge and Innovation," "Nurturing Human Resources," and "Open-Mindedness" have been passed down through the history of Mitsui since its founding. As the trend toward globalization and a borderless world economy spreads further, ushering in a period of great transition, it is important for us to reflect daily upon these three core principles in order to build a 'stronger Mitsui' and 'a more distinctive and respected Mitsui' through continuous advances. To that end, we are committed to ambitiously carrying on in the same spirit as our forbears, pouring our hearts and souls into restoring Japan and helping the world advance.

Mitsui's CSR Is Putting *Yoi-Shigoto* into Practice

Yoi-Shigoto (good quality work) expresses the values that all Mitsui personnel should share as they conduct Mitsui's diverse range of activities around the globe. *Yoi-Shigoto* is work that is beneficial to society, that is useful to and creates added value for our customers and partners, and that provides motivation and a sense of satisfaction to all employees. I think fulfilling Mitsui's corporate social responsibility (CSR) means that each and every one of our personnel should share the values inherent in *Yoi-Shigoto* in their day-to-day work, fully comprehend the expectations and requirements of society through communication with all of our stakeholders, and then draw on our comprehensive capabilities as a *sogo shosha*, to make contributions to society.

Initiatives to Nurture Global Human Resources



All employees of the Mitsui global group are actively putting *Yoi-Shigoto* into practice in accordance with our company's corporate principles. Because we consider our human resources to be our company's treasures, we do not hesitate to invest in human resource development. To advance the human resource globalization policy and put it into practice, we will globalize Japanese employees and nurture human resources hired overseas.

By globally expanding the concept of "Mitsui is people," which values and nurtures human resources that can contribute to society, we commit ourselves to improving the quality of our work so we can continue providing higher value to society.

In October 2004, Mitsui pledged its support for the Global Compact, which is championed by the United Nations and is a set of principles that private companies agree to accept as guidelines for action, focused especially on human rights, labor standards, the natural environment, and anti-corruption. Since then, Mitsui has been continuing activities to comply with and put these guidelines into practice. Also, in December 2007, we formulated our Supply Chain CSR Policy, and subsequently sent a letter to all the suppliers of Mitsui and its subsidiaries asking for their understanding and cooperation with this policy. Following the November 2010 issuance of ISO 26000, guidance on social responsibility, we are continuing initiatives in this area based on the core subjects and issues of this guidance, and, with the aim of making organizational improvements in supply chains that are linked to Mitsui's business activities, we are providing individual support for participants in these supply chains. In addition, in response to a call from then Prime Minister Gordon Brown of the United Kingdom in May 2008, Mitsui became a signatory to the proclamation of the United Nations Millennium Development Goals, which establishes objectives to be met by 2015, and we are implementing measures to attain these goals.

Globally speaking, the current world population of 6.9 billion is projected to increase to 9.3 billion by 2050 and increasing demand for resources such as food, energy, and minerals will likely cause various problems across the world. However, I believe that it is crucial for us to maintain the attitude that "we are all together on this earth" and to continue to identify forthrightly the many social issues that are becoming increasingly complex every day and take initiatives to address them boldly based on our traditional spirit of "Challenge and Innovation." As we at Mitsui fulfill our social responsibilities through the pursuit of *Yoi-Shigoto*, we will aim to contribute to the sustainable development of society.

Masami Iijima

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

CSR at Mitsui & Co.



Mitsui's CSR and Sustainability

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 societal challenges: climate change, food, energy, water, and other environmental and resource-related issues, problems with human rights, poverty, child labor, and educational inequality.

Our sustainable growth as a private 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 communities 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 core business as a *sogo shosha*. As we launch businesses, 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's Core Values : Origin in Its Founding Philosophy



The former Mitsui & Co., which was established in 1876, was disbanded at the time of the dissolution of Japan's zaibatsu (industrial conglomerate) shortly after the end of World War II, bringing to a close one of the company's history. Today's Mitsui was founded by employees sharing the same values as the former Mitsui & Co.—“Challenge and Innovation,” “Open-Mindedness,” and “Nurturing Human Resources”—employees who continue 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 founder of the former Mitsui, 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.

“Avoid infatuation with immediate advantage. For 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

Mitsui's Management Philosophy

For many years, Mitsui's way of thinking and the values it holds in business and work were never articulated on paper. So in 2004 we systematically and clearly set forth in written form the implicit values we shared, 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.



Contributing to Society through Our Core Business

In 2006, the year marking the 130th anniversary of the former Mitsui & Co.'s founding, we embarked on a company-wide initiative called "Yoi-Shigoto! Our Origins, Your Future." This initiative encouraged each employee to look back on our history since the founding of the former Mitsui & Co. and ask him or herself the question, "What 'Yoi-Shigoto' (good quality work) must Mitsui do for the future?" and "Can the work we are doing now really be considered good quality work?" Initiatives to reexamine the meaning of *Yoi-Shigoto* are still continuing, albeit in different forms, at the various units of Mitsui, including those of our overseas offices. Mitsui's social responsibility, and the core of CSR at Mitsui, is to continually deliver value to society—that is, to practice *Yoi-Shigoto* day after day, year after year—through our core business as a *sogo shosha*.

As the requirements and expectations of society change rapidly with the times and as various issues grow more serious, relations between society and companies will also change. What roles should companies play, not just now but in the future? What is a company's purpose in being as far as society is concerned? And what does society require of its companies? People working in companies must understand and be sensitive to these changing relationships between companies and society and continue to rethink their roles.

A vital process in striving to make *Yoi-Shigoto* a reality is the personal process of heightening one's sensitivity to social and environmental issues, going beyond the minimum obligations that companies have of complying with laws and social ethics to ask the questions, "What significance does my work have in society?" and "How can I benefit society?"

Of course, there is no one business or project that, in and of itself, represents *Yoi-Shigoto* or Mitsui's CSR. Our social responsibility, rather, is to ensure that we do good quality work that delivers value to our customers and to society at large.

Mitsui's CSR and Corporate Sustainability

If society is not sustainable, the companies in society will not be sustainable. Also, if a company is not sustainable, it cannot fulfill its social responsibilities. We believe that *Yoi-Shigoto*, the core of our CSR approach, creates value in society, and profits will follow as a result of fulfilling our responsibilities to society. Our view is that it is important to think of these issues in this order and that practicing *Yoi-Shigoto* will lead to the sustainability of Mitsui's activities.

Through Mitsui's many years of development as a company, we have constantly sought to anticipate what the future will bring, how society and the nation will evolve, and understand how Mitsui should change. In parallel with this, we have also been constantly concerned about how Mitsui should wield its potential and best draw on its resources, and how it should further advance its functions and capabilities.

To help create a better world, we now need to look ahead to understand what Japan and the world will be like in the future, to think of what Mitsui can do to best contribute to this future by identifying impending issues as well as formulating a sound vision, and to plan steps to take in our day-to-day work to best contribute to this future. As we work toward making this vision a reality, creating new value through *Yoi-Shigoto* will enable us to contribute to the creation of a sustainable society as we put Mitsui's CSR into practice.

CSR Policy and the CSR Promotion Framework

Basic CSR Policy

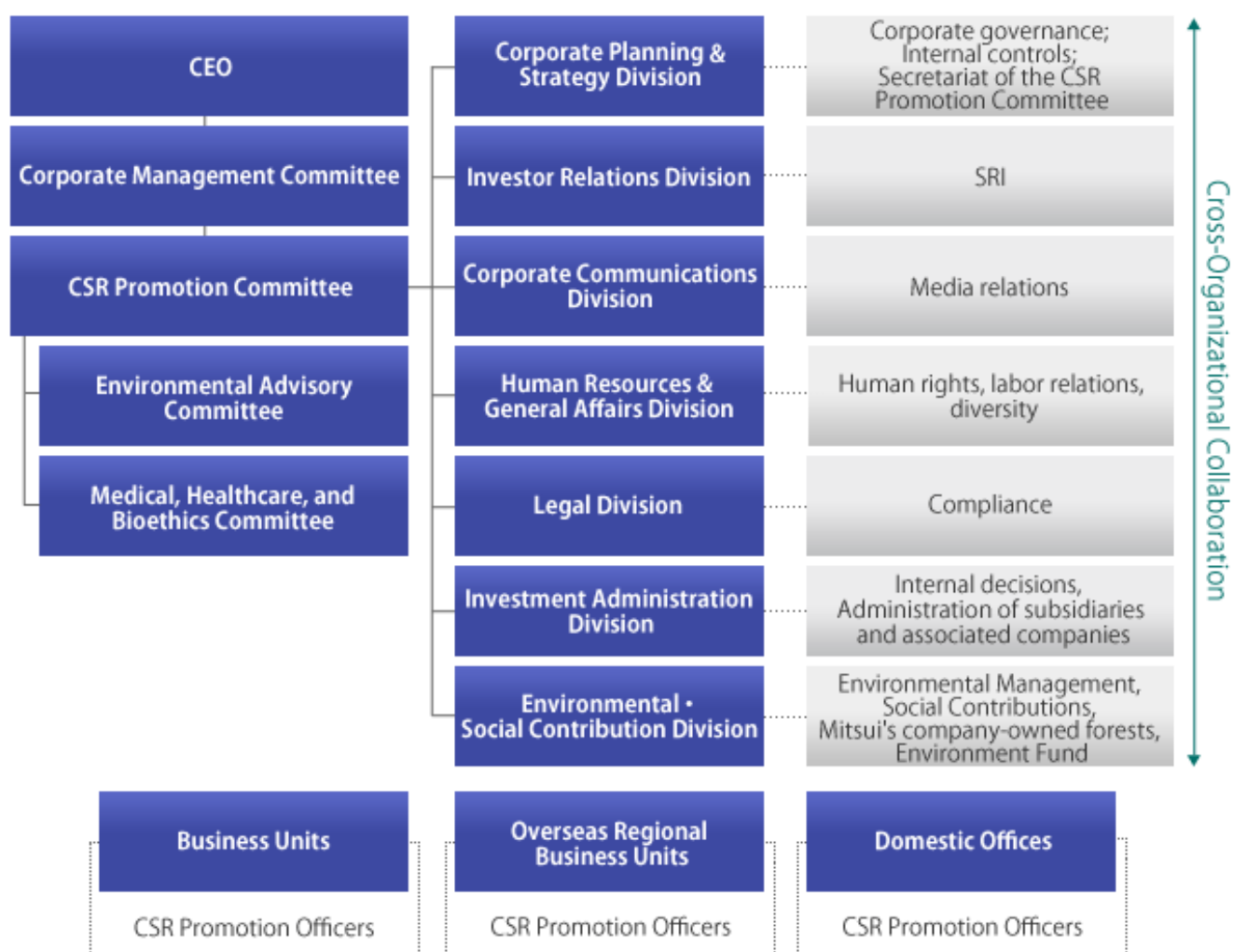
1. We will fulfill our role in the economy and continually strive to improve our corporate value by engaging in conscientious activities giving full consideration to the social significance of Mitsui & Co.'s presence and a strong awareness of our ties with the environment.
2. We will raise the awareness of each employee with regard to CSR and solidify our management base for practicing CSR through strengthening corporate governance and fully reinforcing internal control. We will also make efforts towards actively contributing to society.
3. We will place importance on interactive communication with our stakeholders. We will fulfill our accountability with respect to CSR and continually work to improve our CSR activities based on the responses of our stakeholders.

Developing the CSR Promotion Framework

In 2004, Mitsui formed the CSR Promotion Committee as an advisory body to the Corporate Management Committee to develop Mitsui's internal framework with respect to CSR and 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 the company's social values and initiatives.

Furthermore, with the objective of inculcating the importance of CSR-oriented management and *Yoi-Shigoto* throughout the Company and planning and promoting activities in an integrated manner with our business locations in the field, we have appointed 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.

CSR Promotion Framework



CSR Promotion Committee

The CSR Promotion Committee submits proposals to the Corporate Management Committee on CSR-related management policies and business activities, inculcates the importance of CSR-oriented 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 (oversees the Corporate Planning & Strategy Division), and its deputy-chairman is the executive officer in charge of corporate staff divisions, including 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 Administration Division, and the Environmental/Social Contribution Division—serve as its members. The committee has the following duties:

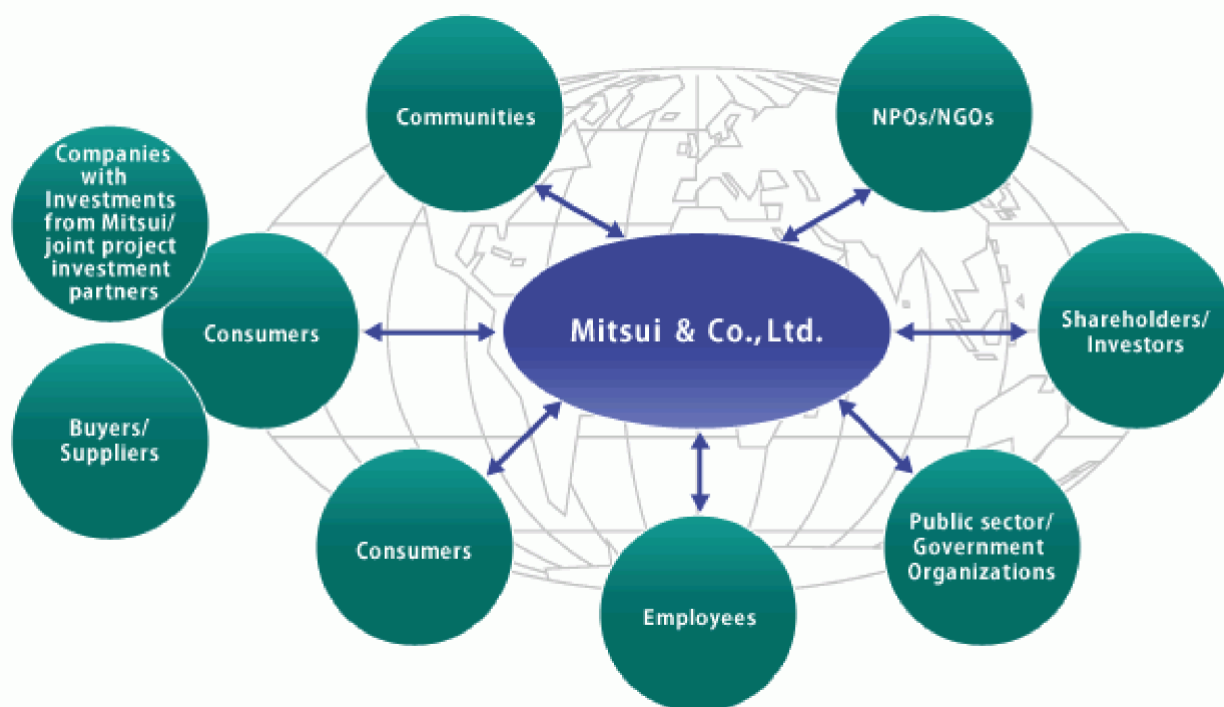
1. Develop fundamental policies on the management of the Company’s CSR and fundamental plans for activities promoting CSR
2. Configure and establish an internal corporate structure for the management of the Company’s CSR
3. Determine the key issues to focus on each year for activities to promote the CSR measures of the Company and ensure progress on these
4. Respond to issues related to CSR, both within and external to the Company
5. Decide whether to support individual proposals qualified as Specially Designated Businesses, and determine necessary precautions for projects that will be supported

Furthermore, the Environmental Advisory Committee and the Medical, Healthcare, and Bioethics Committee have been established under the CSR Promotion Committee, with the objective of responding to various CSR related issues.

Mitsui's Stakeholders

Mitsui closely monitors the effects of its diverse and global business activities on society and works to identify its stakeholders who are especially interested.

Through interactive communication with our stakeholders, each of Mitsui's employees and officers is endeavoring to acquire a firm understanding of what society expects from and requires of them. Based on this understanding they will strive to respond to changes in market environments, constantly develop themselves, and through Mitsui's core business, create new value that is useful to society and befitting of the Mitsui name.



Declarations to Society



United Nations Global Compact

In October 2004, Mitsui pledged its support for the Global Compact, which is a set of autonomous principles for action championed by the United Nations. Mitsui has been participating as a member of the Global Compact Japan Network and is complying with the principles as part of its own corporate guidelines. Currently, Mitsui conducts an annual company-wide survey 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.

What is the United Nations Global Compact?

The United Nations Global Compact is a set of voluntary action principles for corporations proposed by the former U.N. 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 December 2010, approximately 8,700 corporations, labor unions, and civil society organizations are participating in the Global Compact.



Ten Principles of the Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

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.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Attaining U.N. Millennium Development Goals (MDGs)

To decrease worldwide poverty by half, one of the goals of the United Nations Global Compact is the attainment of the U.N. Millennium Development Goals (MDGs). In May 2008, Mitsui became a signatory to a proclamation promoted by then U.K. Prime Minister Gordon Brown. The proclamation encourages businesses to join the U.N. in taking action to attain the MDGs by 2015, with various initiatives being undertaken to achieve this goal.

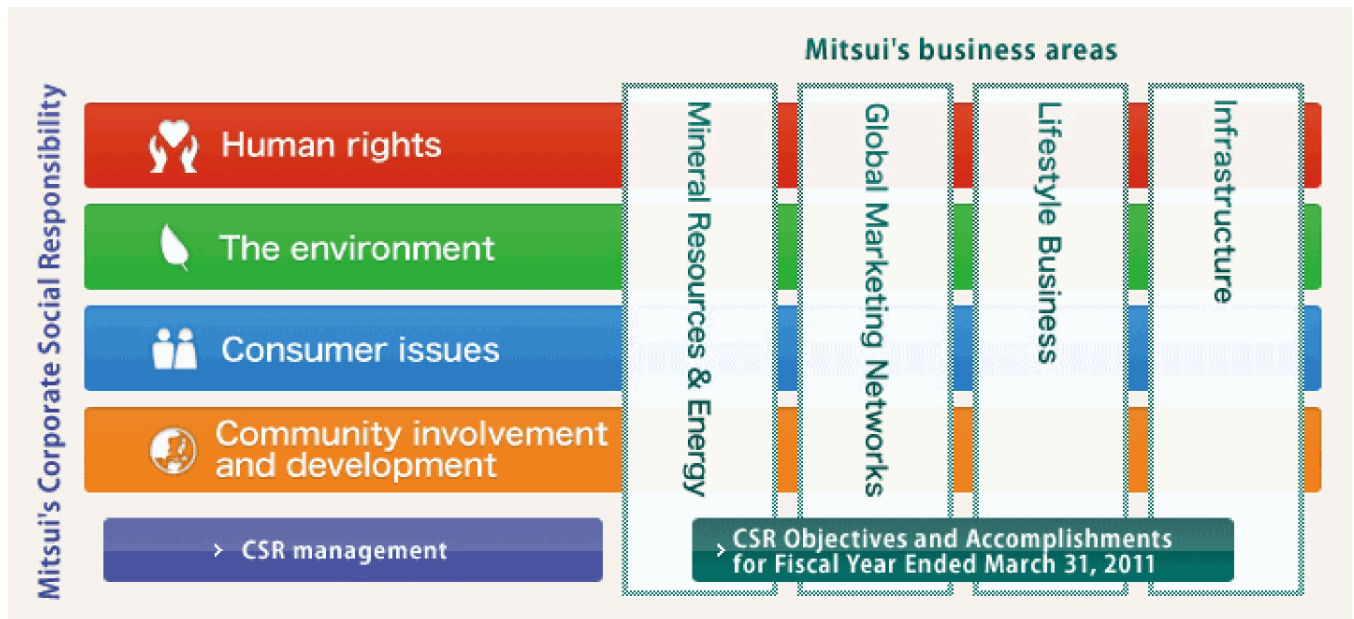
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Mitsui's business activities comprises the following four areas: mineral resources and energy, global marketing networks, lifestyle business, and infrastructure.

To fulfill our corporate social responsibility through our business activities, we are particularly focusing on four areas (human rights, the environment, consumer issues, and community involvement and development) out of the core subjects specified in ISO 26000, and have formulated the Mitsui CSR Matrix.



Mitsui's CSR Matrix

Business Topics and Corporate Social Responsibility in Each Business Area

We present specific examples of CSR initiatives through our respective operations in each of Mitsui's business fields, especially in the four subject areas we consider to be especially important: human rights, the environment, consumer issues, and community involvement and development.

Mineral Resources & Energy



Metal recycling and securing a stable supply of iron ore

- Speaking out and taking action to protect human rights
- Development that respects biodiversity
- Creating local employment and protecting local culture
- Stably supplying what the world needs

Global Marketing Networks



Promoting environment-friendly lifestyle that uses Green Chemicals

- Developing a comprehensive value chain from biomass resources
- Providing products that are socially and environmentally useful
- Helping improve the quality of life in emerging economies
- Developing palm oil into a sustainable resource

Lifestyle Business



Creating sustainable forest resources

- Harmoniously coexisting with indigenous people
- Planting trees in 10-year cycles and obtaining FSC™ certification
- Business operations established in two locations to ensure stable supply
- Deepening communication with local residents and acting as a member of the local community

Infrastructure



Next-generation terminals designed to achieve logistical innovations

- Initiatives toward achieving eco-friendly terminals
- Delivering products safely and securely by taking advantage of convenient locations and utilizing the latest facilities
- Entering the medical field and establishing a new business managing logistics for investigational new drugs
- Keeping the CSR Action Charter in mind



Using our comprehensive capabilities to build strong, long-lasting partnerships

Vale S.A. is a diversified mineral resource company and also the largest producer of iron ore in the world. As a shareholder and a strategic partner, Mitsui is carrying out projects with Vale in 11 of 14 of our business units. We have promoted active human resources exchanges through Vale & Mitsui Exchange Program since 2003 (77 Mitsui and 89 Vale employees have participated so far), and are undertaking cross-departmental initiatives involving the entire company to build a solid partnership in terms of both people and goods. We strive through investment like these to secure mineral and metal resources and maintain stable supplies. At the same time, however, we also have expanded into the comprehensive recycling business with an awareness of the need to build a closed-loop economy and are committed to our mission of employing industrial solutions to environmental problems.

Human Rights Initiatives



Speaking out and taking action to protect human rights

Vale believes its mission is not only to respect human rights in the countries and regions where it conducts its business but also to help improve the living environment for people near its operations. Vale's human rights policy, approved in 2009, applies to project development, operations, and the supply chain, and it respects and promotes human rights for a broad and diverse array of stakeholders, including employees, suppliers, partners, customers, local communities, governments, and the international community.

Based on this policy and in conjunction with Human Rights Day, the international day celebrating the UN's adoption of the Universal Declaration of Human Rights (December 10, 1948), Vale launched its Human Rights Guidelines on December 10, 2010. These guidelines focus on such themes as diversity, bullying, and relations with communities, governments, and society, and are aimed at developing a comprehensive management system for the promotion of human rights. Vale plans to implement an employee exchange program in the fiscal year 2011 to make this comprehensive management more effective.

In addition, Vale, like Mitsui, has also declared their support for the United Nations Global Compact, is a member of the International Council on Mining & Metals (ICMM) and takes part in International Labour Organization (ILO) activities. In August 2010, Vale also joined the Campaign Against Sexual Exploitation of Children and Adolescents, drawn up by the Brazilian Men of the Earth Association and the Presidential Human Rights Secretariat.

Environmental Initiatives



Development that respects biodiversity

As a global company, Vale operates in over 30 countries worldwide and owns 4,000km² of land for its business. Included in its land holdings are Wilderness Areas (Key Biodiversity Areas), or what are sometimes called "hot spots." Vale's operating units are home to around 2,850 plant species and 3,400 animal species. Of this total, 174 are on the Red List of globally endangered species produced by the International Union for Conservation of Nature (IUCN), and 146 are on official lists of endangered species.

Vale recognizes the importance of biological diversity, evaluates biodiversity as an essential business theme, and strives to maintain rich and fluid ecosystem functions. Vale also takes on initiatives to reduce impact of business activities and aims for sustainable development.

- Water recycling and use reduction
 - Developing initiatives to save plants and animals before rehabilitation of natural vegetation
 - Improving and developing technologies and procedures to restore mined-out areas.
- These activities include the selection of species that exist in project areas to be used in restoration programs for extraction areas.



An agreement has been made with the National Institute for Research in the Amazon to investigate Harpy eagles found in the Carajás National Forest.

Vale's environmental protection activities are not limited to its operating units. For example, Vale's Carajás Mine, the largest iron ore mine in the world, is situated inside the Carajás National Forest. While Vale's operating unit takes up only 2% of the forest's entire 3,960km² area, Vale's environmental protection activities also include the remaining 98%. After mining, Vale also conducts a forest restoration program to restore trees and other plant life on the same area of land that it affected through development.

Initiatives for Community Relations and Development



Creating local employment and protecting local culture



Indigenous Peoples of the Amazon, Parketêjê people and employees of Vale (provided by : Lucas Lenci, Vale)

Traditional communities are rich in culture. Brazil alone is home to some 240 tribes and 180 languages, many of which are struggling to survive. Vale takes responsibility for the environment and carries out initiatives to remove or at least compensate for the effects of its operations on these traditional communities. The company is also engaged in dialogue with the communities, expressing respect for local cultures and diversity. Early and continuous dialogue has led Vale not only to focus on the physical and social connections that tie traditional communities to the land they live on, but to respect even the cultural and spiritual connections, such as traditions related to the land. This in turn has created an active and constructive relationship of mutual trust. To strengthen these relationships, Vale has created guidelines and developed an exchange program to guide employees and contractors who have contact with these communities.

Vale also took part and cooperated in the creation of the "Good Practice Guide: Indigenous Peoples and Mining," a document drafted by ICMM that defines relations between mining companies and indigenous peoples.



Stably supplying what the world needs

It is no exaggeration to say that modern civilization depends on minerals and metals, including iron ore, copper, nickel, and aluminum. In order to protect everyday lifestyles that, unbeknownst to most people, requires these resources, Mitsui makes bold investments in large-scale projects and major resource developers like Vale. Mitsui strives to secure stable and long-term underground reserves of metal resources and provide Japan and other national markets with a constant supply of these resources.

While Mitsui develops underground resources while taking care to conserve the environment, it is also active in recycling metal resources that are accumulating in our cities—also called “urban mines” or “aboveground resources” with the aim to realize a closed-loop economy.

In 2007 we acquired shares of stock in U.S. company Sims Metal Management, Ltd., the world’s largest ferrous and non-ferrous metal recycler. Sims runs a comprehensive recycling operation centered on metal scraps, including the recycling of consumer electronics, electrical and electronic equipment, and other resources. By taking an ambitious role in pilot programs carried out by government agencies and municipalities to recover and recycle rare metals contained in small consumer electronics (e.g., mobile phones), and by pursuing other activities through partnerships and collaboration with governments, Mitsui will continue to protect the living environment for consumers.



Sims shredder and non-ferrous recovery plant



Promoting environment-friendly lifestyle that uses Green Chemicals

Shifting from fossil resources to renewable biomass resources

Because of our concern about the global environment, Mitsui has focused since early 1990 on efforts to shift away from fossil resources to biomass resources. Our goal is to help popularize the use of chemicals with low environmental impact, an important step in creating a sustainable future.

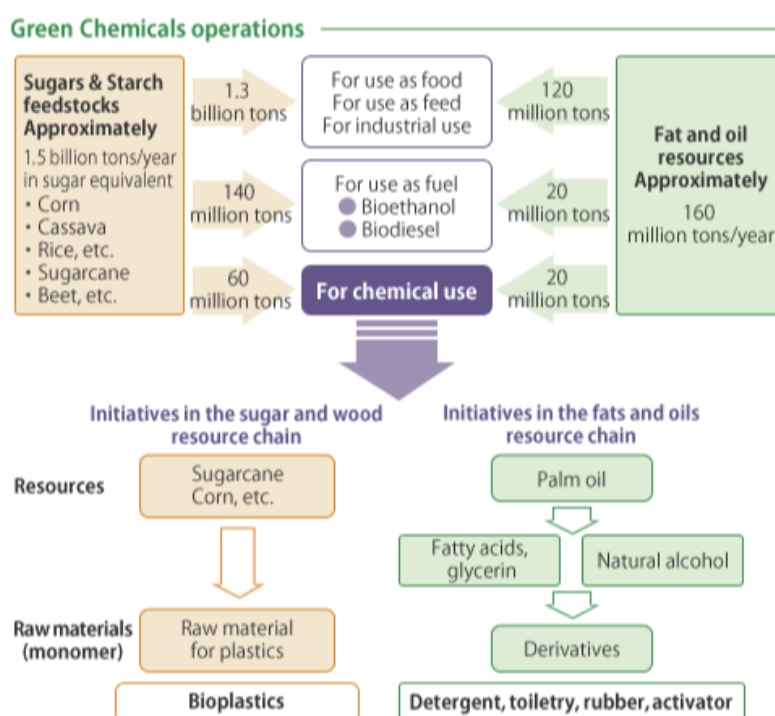
Mitsui has been promoting the use of oils like palm oil, sugar from sugarcane, and more recently expanding its efforts in the area of the so-called green chemicals derived from these raw materials. Reducing dependence on fossil resources, which are found only in a limited number of places in the world, and securing a stable supply of biomass resources are considered crucial for the future of the chemical industry. Mitsui is taking specific steps to expand the supply chain for fats and oils. For example, it has strengthened its relationship with KLK, one of the largest palm-farming companies in Malaysia, related to the manufacture of chemicals derived from palm oil.

Environmental Initiatives



Developing a comprehensive value chain from biomass resources

As an alternative to fossil resources, the demand for biomass resources is expected to continue expanding in the future. To satisfy these needs, Mitsui will be actively building a comprehensive value chain that will manufacture green chemicals from biomass resources via fats and oils, sugars, and intermediates. We will strengthen our extensive capabilities through cross-sectional collaboration with other business units such as Foods & Retail Business Unit, to create a wide variety of chemical products from biomass resources. At the same time, we will work to ensure a stable supply of biomass resources in Southeast Asia, North America, and South America, improve the yield of biomass resources, and develop new fermentation and catalyst technologies.



Initiatives for Consumer Issues



Providing products that are socially and environmentally useful

The one material that represents modern civilization more than any other is plastic. It is used in a wide range of applications because it can be molded into any shape, and is durable and inexpensive. More recently, because people are taking a more ecological perspective, a great deal of attention is being focused on biomass plastics and biodegradable plastics, which are made from biomass resources and have a smaller environmental impact than conventional plastics. The carbon dioxide generated from incinerating biomass plastics was originally captured by the biomass used as the raw material through photosynthesis, and therefore biomass plastics can be considered carbon neutral and thus a very promising material that can help prevent global warming. Biodegradable plastics, which can be broken down into water and carbon dioxide in soil or compost where microorganisms abound, have also been attracting much attention. In Japan, biodegradable plastics are being used in mulching film and seedling pots in farming, and in bags for collecting kitchen waste bound for composting facilities in some municipalities.



Products made from bioplastics

Mitsui's goal is to make low-environmental impact plastics readily available to consumers. Therefore, we have made building a value chain that covers every phase from securing biomass resources to manufacturing bioplastic products a major pillar of our green chemicals operation.



Palm-Oleo's fatty acid and glycerin plant in Rawang (Malaysia)

Palm-Oleo, an associated company of Mitsui, has announced plans to increase its capabilities to break down fats and oils, with the goal of expanding a value chain that encompasses the entire process from palm oil extraction to manufacturing fatty acid and alcohol derivatives. The company is promoting a green chemicals business operation providing raw materials for the environment-friendly products consumers are demanding, including bioplastics, fatty acids for use in detergents and cosmetics, glycerin, and alcohols, as well as lubricants, rubber, and tires.

Initiatives for Community Relations and Development



Helping improve the quality of life in emerging economies

Demand for beauty and body care products, such as detergents and cosmetics that keep the body clean and make daily life more comfortable, are expected to continue increasing as the standard of living in emerging economies improves in the future. By increasing the availability of green chemical products (e.g., products that utilize glycerin made from palm oil instead of fossil resources), we can help reduce the impact of such products on the environment and make it easy for people to achieve a balance between their cultural lifestyle and a more ecological way of life.

In some emerging economies, trash generated from homes is creating a serious environmental problem. Mitsui is taking steps to reduce the volume of trash in these countries and effectively utilize it by making biodegradable plastic trash bags available. The bags are used to efficiently collect organic waste materials from food service establishments and homes, and then transport them to composting facilities where the collected organic waste is converted into fertilizers.

Through these initiatives, Mitsui is expanding its business in terms of both raw materials and product line-up made from biomass resources and will continue to contribute to improving the quality of life in emerging regions



Soap made from fatty acids

Human Rights Initiatives



Developing palm oil into a sustainable resource

In April 2008, Mitsui joined the Roundtable on Sustainable Palm Oil (RSPO), together with many stakeholders in the palm oil industry. At the RSPO, member companies including palm processors; NGOs; and manufacturers of consumer goods such as foods, chemicals, and cosmetics have held many discussions aimed at transforming palm oil into a sustainable resource, and are working on establishing guidelines for RSPO certification of farms and palm oil itself. RSPO has been holding open and transparent information exchanges and discussions with local communities. It has also established basic standards, which set minimum levels for wages and labor standards, ban child labor as a rule, and prohibit discrimination based on race or gender. Mitsui hopes to contribute to RSPO activities, with the goal of increasing the volume of RSPO-certified palm oil and fatty acids it handles.



Transforming from a trader to a supplier to tackle upstream issues

The rate of paper usage is aligned to the wealth of a country. The per-capita paper and paperboard usage does not exceed 50kg/year per person in developing nations, however in developed nations usage is between 150 and 250kg/year per person. The global consumption of paper is expected to keep increasing as developing nations increase their standard of living, however non-wood pulp and wood from natural forests continue to be used as raw materials for paper, especially in emerging economies.

To secure sustainable forest resources that lead to a stable supply of raw materials while also preserving the environment, Mitsui considers it essential to switch from natural forests to forest plantations. Therefore, we are actively expanding plantation eucalyptus afforestation and woodchip production operations in Australia.

Human Rights Initiatives



Harmoniously coexisting with the Indigenous people

Mitsui makes the utmost effort to understand the unique situation of each country and region in which we operate our business. For example, in Australia, we are exercising due diligence by assessing what impact Mitsui's projects may have on the Aboriginals and Torres Strait Islanders who are the indigenous people of the Australian continent and the surrounding islands. While researching what solutions may be available if problems are discovered, we are striving to respect the Indigenous people's human rights and comply with all applicable laws and regulations as we conduct our operations. Before commencing tree-planting operations, we conduct advance surveys to ensure that such operations will not destroy culturally significant Aboriginal historical sites or cause environmental pollution.

Environmental Initiatives



Planting trees in 10-year cycles and obtaining FSC™ certification



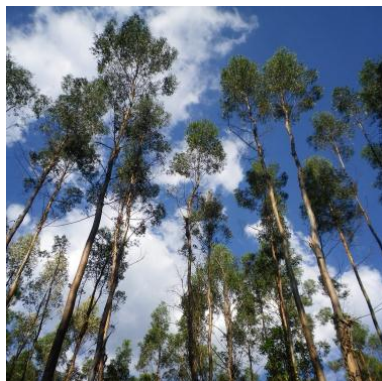
New sprouts called "coppice"

Eucalyptus are fast-growing trees that can grow to harvestable size only 10 years after planting. To convert 10 km² (1,000 hectares) of grassland into a eucalyptus grove, our approach is to first divide the area equally into sections a through j. Then, only section a is planted the first year, only section b the second year, and so on until section j is planted in the tenth year. By then, the trees planted in section a will be 10 years old. They are then harvested and allowed to sprout back or new trees are planted. Repeating this harvesting and replanting cycle in the remaining sections, it theoretically becomes possible to utilize and preserve the forest resources semi-permanently. This is a model for creating sustainable forest resources.

Out of the more than 500 species of eucalyptus, Mitsui is planting a variety called “globulus.” After harvested trees are shredded into small woodchips, fibers are extracted in a process called “pulping.” The higher the fiber content of the liquid obtained by digesting the woodchips, the higher the paper production efficiency. Out of all the different species of eucalyptus, globulus has the highest residual fiber content, producing more paper per tree and resulting in more efficient use of forest resources.



Woodchip production machine



Fully grown eucalyptus globulus

The forest industry has developed systems of “forest certification,” which aim to preserve forest resources by certifying the world’s forests, along with the distribution of harvested trees and how they are processed. The Forest Stewardship Council (FSC) is one of the third-party organizations that provide a forest certification system internationally. By purchasing wood with the FSC logo, consumers can be sure they are purchasing products produced from sustainable raw materials indirectly help preserve forests.

Mitsui’s 140 km² (14,000-hectare) tree plantation in Bunbury, Australia has obtained FSC™ certification.

Initiatives for Consumer Issues



Business operations established in two locations to ensure stable supply

Paper is used in many of the products that are essential to our daily lives, including newspapers, magazines, tissue paper, notebooks, and business cards. Because providing a stable supply of plantation-grown, FSC™-certified raw materials harvested from sustainably managed forests to paper companies is one of Mitsui’s missions, we are working hard every day to strengthen our supply line.

Australia offers a geographical advantage in that shipment to Japan is at least 2 weeks shorter than from Chile, a major supplier of woodchips. Mitsui initially had an operation for tree plantations and woodchip production in Portland, Victoria in the southeastern part of Australia. However, the climates in the eastern and western regions of the country are often opposite from each other, i.e., when the east receives heavy rain, the west is undergoing drought, and vice versa. Therefore, to protect our business against such risk, it had been our long-term wish to have operations in both regions. In January 2011, we established another operation in Bunbury, in the southwestern part of Western Australia, further strengthening our stable supply of raw materials for paper.

More recently, consumers have begun to choose products that are beneficial to the environment, and the desire to implement measures to reduce global warming and protect forest resources is leading to increases in the demand for plantation-grown materials. Mitsui is striving to provide products that satisfy consumer needs and at the same time minimize impact on society and the environment.



Mitsui has established a complete supply structure for raw materials for paper, investing in woodchip production/exportation companies as well as tree plantation companies. We have also secured the rights to use port facilities designated for woodchips.



Woodchip production plant (Hansol PI Pty Ltd, Bunbury, Western Australia)

More recently, consumers have begun to choose products that are beneficial to the environment, and the desire to implement measures to reduce global warming and protect forest resources is leading to increases in the demand for plantation-grown materials. Mitsui is striving to provide products that satisfy consumer needs and at the same time minimize impact on society and the environment.

Initiatives for Community Relations and Development



Deepening communication with local residents and acting as a member of the local community

Maintaining close contacts with the surrounding communities is also an important part of our sustainable forestry business. This is because some of the local residents are eucalyptus growers who are our business partners and supply wood to our plants.

In September 2009, Southwest Fibre Pty Ltd, a major woodchip company in Portland that was jointly founded by Mitsui and Midway Pty Ltd, held a ceremony to commemorate the opening of its woodchip plant, inviting local residents and opening the plant site for tours. In April 2010, a plant tour was also given to local university students. Since then, the plant has maintained excellent communication with the local community to deepen mutual understanding, for example by giving tours whenever possible, and participating in fundraising activities for the local community, and is working hard to help the community advance.

Local residents often plant trees on their own land. In such cases, Mitsui provides both technical advice and seedlings, promoting a business operation together with the local community.



Firebreaks are installed in tree plantations to prevent forest fires.



Achieving non-stop logistics through 24-hour, 365-day operation

In line with the re-expansion of the Tokyo International Airport (Haneda Airport), Mitsui began operating the Tokyo International Air Cargo Terminal (TIACT) in the international cargo area at Haneda since October 2010.

The TIACT site covers an area of 170,000 m² and has a total floor area of 80,000 m². Taking advantage of its convenient location near the Tokyo Metropolitan Area, the largest consumer market in Japan, TIACT aims to provide nonstop 24-hour-a-day logistics services for international air cargo. As a hub that most efficiently connects both Japan to the world and the metropolitan area to local regions in Japan, TIACT brings innovations to international air cargo logistics through its sophisticated operations in efficiency and quality.

Also with its environment-friendly facilities and the latest information system, TIACT embodies the concept of an air cargo terminal of the future. It is Japan's first financially independent company, based on the Private Finance Initiative (PFI)*, that builds and operates international air cargo terminals.

※ PFI is a way of utilizing funds, management capabilities, and technical capabilities from the private sector to build, maintain, and operate public facilities.

Environmental Initiatives



Initiatives toward achieving eco-friendly terminals

In addition to reducing CO₂ emissions and fuel consumption through efficient logistics, the TIACT facilities themselves are designed to be eco-friendly. Most of the roofs of International Cargo Buildings No. 1 and No. 2, which are the main facilities of the terminal, are covered with shiny photovoltaic power generation modules. These modules measuring approximately 28,000 m² have a generation capacity of around 2,000 kW and supply approximately 10%*¹ (or 2 million kWh a year) of the total power needs of the entire terminal.

The renewable energy credit generated in this way is sold to a third party through the Green Power Certification System*². Rainwater and recycled water are also actively utilized at TIACT. Both sewage and greywater are processed by an advanced water treatment system within the terminal and utilized for miscellaneous uses (e.g., flushing toilets), contributing to reduction of waste water. The rainwater that falls on the massive roof and the site of the terminal is also saved in tanks and utilized. These measures supply approximately 70% of the water for miscellaneous uses within the terminal, and provide numerous benefits, including a reduction in the load on the municipal sewage system. Furthermore, the truck-staging area of the terminal is equipped with power supply stands to enable idling stop. These stands supply power to parked trucks so that their frozen or refrigerated cargo be protected even when idling is stopped, at the same time helping reduce CO₂ emissions and fuel consumption.



Photovoltaic cells covering the shed of International Cargo Building No. 2

※¹ At peak operation, approximately 47% of the power needs can be supplied.

※² Green Power Certification System: The "environmental value" of green power generated using renewable energy sources, such as wind, solar, and biomass, is certified and turned into renewable energy credit, which can be traded in the open market.



Delivering cargo safely and securely by taking advantage of its convenient locations and the advanced facilities

TIACT's aim is to further ensure stable transportation of cargo by fully utilizing the advantages of the metropolitan airport. It never sleeps, operating 24 hours a day, 365 days a year. It has easy access to the metropolitan area and major locations near around. It connects international flights with domestic flights smoothly within the same area. Use of automatic certification system based on RFID (radio frequency identification) at the entry/exit gates prevents congestion with trucks that are within the terminal site. To allow for efficient cargo handling operations, the 26,000m² cargo shed has no pillars at all.

Cargo positions are tracked using mobile registers and barcodes placed on the ceiling. After the positional information of cargo is determined, it is smoothly relayed to the driver, closely linking truck guidance to the cargo handling system. The Perishable Center, which covers a large area of 3,000 m², is a temperature-controlled warehouse, maintained at between 16°C and 20°C to keep imported fruits, flowers, etc. Refrigerators (kept at 5°C) and freezers (kept at -5°C and -20°C) are also provided inside, providing complete temperature control to help secure a cool chain for safe and secure storage of perishable cargo. For example, tuna caught in Spain are airlifted fresh from Paris to TIACT.

We have achieved super-fast handling that allows tuna arriving at TIACT in the morning to be served in sushi restaurants in Tsukiji by noon. Located adjacent to the Perishable Center is the fumigation chamber, designed to kill harmful insects that may be hiding in flowers, etc. imported from overseas, to protect the safety and health of consumers and achieve a fast and stable supply of important cargo.



A completely pillar-less structure ensures the shortest, optimal lines of movement.

Bringing fresh tuna to consumers



1 Fresh tuna arrives at TIACT from Paris at 7 a.m.



2 Moved to the Perishable Center



3 Customs clearance and unpacking



4 Inspection



5 Very fresh tuna served to consumers



6 Three hours following arrival, the tuna is shipped out from the terminal, reaching consumer locations approximately 16 hours after leaving the origin airport.

The relief supplies shipped to TIACT in Haneda from many Asian countries including China and Malaysia, as well as the U.S., following the Great East Japan Earthquake were quickly transported to disaster areas such as Ofunato city and Rikuzentakata city in Iwate prefecture and Soma city in Fukushima prefecture, by taking full advantage of TIACT's around-the-clock operations. As an important metropolitan infrastructure capable of assisting in national emergencies, TIACT will continue to provide safe and secure logistical functions that contribute to society on an international basis.

Initiatives for Community Relations and Development



Entering the medical field and establishing a logistics services for investigational drugs for clinical trial

In March 2011, TIACT began operating a dedicated storage area ("Medical Gateway") with a total area of 600 m² for handling cargo related to drug/clinical development. Utilizing the first facility of its kind at an airport in Japan, we plan to enter a new business area in order to set up a logistics network for medical and pharmaceutical products, eventually establishing Haneda Airport as the Asian hub of import/export of cargo related to drug/clinical development.

As an eco-friendly terminal responsible for international air cargo logistics in the metropolitan area, TIACT is also carrying out locally rooted activities, such as opening a facility that boasts an area more than 3.6 times that of the Tokyo Dome (46,755 m²) for a tour for the residents of the neighboring communities.

Human Rights Initiatives



Keeping the CSR Action Charter in mind

International air cargo terminal operation is of a highly public nature since it is responsible for part of air cargo distribution, which is a lifeline for economic and social activities. Through the important role it plays in this operation at Haneda Airport, TIACT will continue to fulfill its social responsibility. At TIACT, we have established the CSR Action Charter and conduct our operations always keeping in mind their public nature and the interest of the public, and maintaining a keen awareness of our relationship to society. Additionally, we have specified the activity goals that comply with Mitsui's Supply Chain CSR Policy in TIACT's corporate philosophy (Mission, Vision and Values (MVV)). We are taking all necessary steps to ensure that we protect human rights and do not take part in any human rights violation. As part of these measures, we also hire people with disabilities in line with the legally mandated employment rate.

Tasks, Accomplishments, and Goals

Based on our management philosophy comprising Mitsui's Mission, Vision and Values (MVV), we are working to maintain the trust and respond to the expectations of our various stakeholders, and actively pursuing a management approach that emphasizes CSR. Furthermore, we view raising overall corporate value from various aspects —economic, environmental, and social— as our management objective, and we aim to ensure the sustainable development of both the Company and society, while earning social trust through our business operations and through activities that transcend our business and make broad social contributions.

This section will describe Mitsui's principle accomplishments of the fiscal year ended March 31, 2011 and look at priorities and objectives for the next fiscal year.

CSR Management Accomplishments and Goals

Degree of achievement of goal by self-evaluation:

● :Implemented and results attained; ○ :Implemented and further result attainment necessary; ✕ :Not implemented

Governance

Item	Tasks and Objectives for FY Ended March 31, 2011	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2012
Corporate Governance	Raise awareness of Mitsui & Co., Ltd.'s Corporate Governance and Internal Control Principles on a consolidated basis	○	Raise awareness of Mitsui & Co., Ltd.'s Corporate Governance and Internal Control Principles on a consolidated basis
	Ensure management transparency and continue to improve effectiveness of corporate governance	○	Ensure management transparency and continue to improve effectiveness of corporate governance
Internal Controls	Further improve effectiveness and efficiency of internal control on a global Group basis	○	Further improve effectiveness and efficiency of internal control on a global Group basis
Compliance	Further enhance compliance activities on a global Group basis	○	Further enhance compliance activities on a global Group basis
	Continue with training for maintaining and improving compliance awareness and facilitating the acquisition of practical knowledge on compliance	●	Continue with training based on the situation in society to maintain and improve compliance awareness and facilitating the acquisition of practical knowledge on compliance
	Identify issues at the working level, including the awareness of compliance in subsidiaries and associated companies, and make improvements	○	—
Risk Management Structure	Maintain and improve crisis management systems	●	Maintain and improve crisis management systems

Environment

Item	Tasks and Objectives for FY Ended March 31, 2011	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2012
Strengthening Environmental Management Systems	Continue to implement the Mitsui Environment Month Program and environment-related seminars with more in-depth contents	●	Raise environmental awareness among managers and employees by continuing to implement the Mitsui Environment Month Program and environment-related seminars
	Continue to promote the obtaining of ISO certifications by overseas subsidiaries with high levels of environmental risk	●	Continue to promote the obtaining of ISO certifications by overseas subsidiaries with high levels of environmental risk
	Continue physical inspections of the environment surrounding domestic subsidiaries and conduct four to five inspections of overseas subsidiaries that place a significant burden on the environment	●	Move forward with physical inspections both in Japan and Mitsui's overseas associated companies with the objective of reducing the burden on the environment
	In view of the application in April of accounting standards in Japan related to liabilities connected with the disposal of assets, conduct detailed research on asbestos in buildings and give consideration to the results	●	Move forward with investigations on environmental risks such as building asbestos and soil contamination on a domestic group basis in Japan
Initiatives to Combat Global Warming	Revise greenhouse gas emissions targets on a group basis in Japan. Implement energy saving assessments to specify where there is room to cut greenhouse gases at Mitsui's overseas subsidiaries. Consider setting greenhouse gas emissions targets on a global Group basis	●	On a group basis in Japan, companies with large CO ₂ emissions are designated as companies that intensively manage greenhouse gas, as Mitsui aims for annual reduction in energy consumption rate of at least 1% on average. On a group basis overseas, Mitsui will monitor changes in CO ₂ emissions over the year and look for areas where cuts can be made
	Continue to hold seminars that include the participation of subsidiaries and associated companies to raise the awareness of the proper methods for the disposal of industrial wastes and the supervision of the implementation of the related manifesto	●	Continue to hold seminars with subsidiaries and associated companies, devoted to raising the awareness of the proper methods for the disposal of industrial wastes and the supervision of the implementation of the related manifesto
Pursuing Environmental Businesses	Promote environmental and energy businesses throughout the Company	●	Promote environmental and energy businesses throughout the Company
Utilizing Company-Owned Forests	Deepen the content of the forest environment program	●	Promote the development of facilities in and improvement of the field and the reinforcement of programs to raise revenues from program operations
	Obtain J-HEP certification and issue a pamphlet related to company-owned forests from the perspective of biodiversity	●	Promote wider stakeholder recognition of the current state of artificially planted forests in Japan and the situation in the forestry business by issuing communications on our operations in company-owned forests
	Promote the use of wood fiber cascade	●	Promote the use of wood fiber cascade and create a sustainable forestry business to encourage the regeneration of Japanese forests

Society

Item	Tasks and Objectives for FY Ended March 31, 2011	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2012
Relations with Society	Move ahead steadily with social contribution programs, including volunteer activities, on a global Group basis	●	Promote, on a global Group basis, social contributions (volunteer activities etc.) with the participation of both managers and employees, and report about these causes to the wider world.
	Increase the sophistication of the functions of the Mitsui Environment Fund and raise the level of social contribution in the environmental field	●	Improve the functionality of the Mitsui Environment Fund
	Broaden and deepen the awareness of environmental matters among employees through the Mitsui Environment Fund	🌐	Broaden and deepen the awareness of environmental matters among employees through the Mitsui Environment Fund
	Enhance the efficiency of the operations of the Mitsui Environment Fund	🌐	Enhance the efficiency of the operations of the Mitsui Environment Fund
	Implement effective initiatives in core social contribution activities that reflect the awareness of priority domains and themes	🌐	Effectively implement Mitsui core proposals that take into account the three vital areas of “international exchange”, “education” and the “environment” (initiatives for culturally diverse living and MDGs, initiatives for international human resources etc.)
	Promote and maintain communication with NPOs, NGOs, and knowledgeable persons outside Mitsui.	🌐	Strengthen communications (outward and inward) with NPO/NGOs and experts from outside the company
Relations with Business Partners	Continue activities to improve the awareness of the Supply Chain CSR Policy internally and externally	🌐	Continue activities to improve awareness of the Supply Chain CSR policy and implement checks on suppliers in fields of high risk
Relations with Employees	Nurture outstanding human resources overseas and continue to promote measures to draw on their capabilities	●	Strengthen education of human resources globally and promote continuation of current activities
	Review the personnel management system and make improvements in its operation, while accelerating personnel management initiatives on a global Group basis	🌐	Continue to update and improve the effectiveness of personnel systems to support a strategy of nurturing diverse human resources
	Continue to work to inculcate Mitsui's management philosophy and to reform employees' awareness and behavior (initiatives to foster human resources that can generate <i>Yoi-Shigoto</i> based on Mitsui's management philosophy)	●	Continue to work to inculcate Mitsui's management philosophy and to reform employees' awareness and behavior (initiatives to foster human resources that can generate <i>Yoi-Shigoto</i> based on Mitsui's management philosophy)
	—	—	Secure a working environment under the group-wide energy-saving measures adopted in the wake of the power shortages caused by the Great East Japan Earthquake, including operation of equipment in line with government and industry guidelines and revision to work framework

CSR-Oriented Management

Item	Tasks and Objectives for FY Ended March 31, 2011	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2012
CSR Promotion Framework	Continue initiatives to globalize and optimize the CSR promotion framework	●	Continue initiatives to globalize and optimize the CSR promotion framework
	Continue to promote autonomous CSR management and provide company support at the working level	●	Further improve the awareness of <i>Yoi-Shigoto</i> on a global Group basis
	Further improve the awareness of <i>Yoi-Shigoto</i> on a global Group basis	●	Heighten awareness of “ <i>Yoi-Shigoto</i> ” and “CSR at Mitsui & Co.” and heighten sensitivity to “social responsibility risks” on a global group basis
	Continue research on compliance with the Global Compact and implement continuing improvements	●	Continue research on compliance with the Global Compact and implement continuing improvements
Risk Management	Implement effective and efficient CSR risk management in the global Group	●	Incorporate the knowledge of external experts into our risk management for “R&D-based manufacturing business,” “Environment-related business,” and “Medical, Healthcare and Bioethics-related business.” For “Business with implications for society,” improve and strengthen risk management of investment proposals through understanding and analysis, taking into account any additional risk factors
Stakeholder Communication	Make further improvements in non-financial information disclosure through our Sustainability Report. Consider and implement methods of making the report appealing to stakeholders who are not necessarily professionals	●	<ul style="list-style-type: none"> ● Further improve disclosure of non-financial information through the Sustainability Report ● Carry out stakeholder engagement
	Maintain and enhance the transparency and accountability of Mitsui’s management through strategic information disclosure. Conduct management that takes the capital markets and provide feedback to locations in the field	●	<ul style="list-style-type: none"> ● Maintain and enhance the transparency and accountability of Mitsui’s management through strategic information disclosure. ● Conduct management that takes the capital markets and provide feedback to locations in the field

CSR Objectives and Accomplishments for Fiscal Year Ended March 31, 2011 by Business Area

Mitsui's CSR is putting *Yoi-Shigoto* into practice. This means Mitsui creates and then offers value for society through its core business.

Mitsui's 14 business units within its Headquarters Business units are engaged in a wide range of businesses that respond to the needs of society. They are constantly aware of such key questions as, "Is this work benefiting society?" "Is this work adding value for clients?" and "Do we believe this work is worthwhile?" In this section, we present some of the initiatives of the business units that we believe have economic, environmental, and social impacts.

Mineral Resources and Energy Business Area

Headquarter Business Units	CSR Priorities	Measures for Fiscal Year Ending March 31, 2011
Mineral Resources and Energy Business Area	Find solutions to productions issues with a view to attaining a low-carbon society	Promoted participation in proving tests in the environmental recycling business and promoted commercialization of recycling
	Use mineral resources in a sustainable manner (secure stable supply of rare metals for the future)	Promoted stable supply of rare metals such as lithium
Energy Business Units I and II	Supply safe and stable energy	<ul style="list-style-type: none"> ● Maintained stable load and operation at oil, coal, and LNG energy facilities ● Maintained stable supply of LNG from operations in existing LNG projects ● Enhanced stability of gas supply through the promotion of shale gas development projects
	Respond to environmental issues	<ul style="list-style-type: none"> ● Encouraged use of sustainable resources through promotion of bioethanol business ● Pursued and promoted business relating to the reduction of greenhouse gas emissions (such as emission rights projects and projects relating to energy conservation) ● Promoted viability studies on CO₂ capture and underground storage (CCS) ● Marketed energy pellets made of a renewable wooden material

Global Marketing Networks Business Area

Headquarter Business Units	CSR Priorities	Measures for Fiscal Year Ending March 31, 2011
Iron & Steel Products Business Unit	Reduce load on environment	<ul style="list-style-type: none"> ● Provided stable supply of resources to renewable energy businesses such as the wind power business ● Marketed high-tensile steel and aluminum plate for reducing vehicle weight
	Make social investments in emerging economies	Contributed to the stable supply of resources necessary for infrastructure works in emerging economies and promoted steel businesses such as production process and distribution of construction material
Motor Vehicles & Construction Machinery Business Unit	Improve living standards in emerging economies	<ul style="list-style-type: none"> ● Responded to societal requirements (increasing popularity of motorcycles as means of transport) in Indonesia, India, and Thailand and created employment (employee numbers as of March 2011: Indonesia 11,654, India 564, and Thailand 450) through motorcycle finance subsidiaries in these countries ● Started up 4-wheels finance business for general consumers in Peru
	Promote CSR initiatives	Commended excellent CSR initiatives at Motor Vehicle Unit and associated companies (4th CSR Award)
Basic Chemicals Business Unit/Performance Chemicals Business Unit	Use resources in a sustainable manner	Created overview of solar power value chain and promote its business
	Contribute to the stable supply of food	Contributed to securing the supply of fertilizer raw materials and developed feed additives business, agricultural chemicals business in Europe and other regions, and fertilizer sales business in Japan
	Ensure compliance with domestic and overseas laws and regulations	Held seminars on Japanese and overseas industrial law, including the Law Concerning the Examination and Regulation of Manufacture, etc., of Chemical Substances, EU's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), and the management of poisonous substances and industrial waste, etc.

Lifestyle Business Area

Headquarter Business Units	CSR Priorities	Measures for Fiscal Year Ending March 31, 2011
Foods & Retail Business Unit	Strengthen food safety management framework	Built our unique “Mitsui-Hazard Analysis and Critical Control Point (M-HACCP)” (classify imported foodstuff and set up control standards and preventive measures)
	Promote and support agricultural business with respect for human rights and the environment	Promoted educational activities in Japan on RSPO (Roundtable on Sustainable Palm Oil)
	Conduct human resource exchange and training through foods	Supported and promoted study visits from National Future Farmers of America (FFA) and food and nutrition education
Consumer Service Business Unit	Respect human rights (promote CSR procurement)	Worked towards the implementation of “supply chain CSR initiatives” in Japanese and overseas outsourced factories carried out by Mitsui Bussan Interfashion (an apparel-related affiliate), and implemented measures to eradicate human rights abuses such as child labor
	Market materials made from recycled fiber	Marketed fabric made from environmentally friendly recycled polyester and urethane not derived from oil
	Respond to consumer issues (heighten consideration for food safety)	Strengthened food safety measures in Aim Services catering business by increasing local procurement rates from suppliers that create food supply traceability
IT Business Unit	Reduce the environmental burden	Strengthened dissemination system for low-energy air-conditioning in the Chinese construction market through Beijing Tellhow Intelligent Technology Ltd.
	Raise awareness of environmental issues through broadcasting the business unit's activities	Promoted environmental awareness through production and broadcasting of programs such as “Eco-gainger” on the Kids Station and “Go on NPOs! Passionate People Working for the World” on the World Vision Channel
	Promote recycling through TV shopping businesses	Implemented reuse and recycling activities, packaging on QVC Japan, reductions, and “Clean Activities” under the slogan “Always Green!”
Financial & New Business Unit	Promote investment in environment related businesses	<p>Invested in environment-related businesses and promoted standards and development of environmentally responsive “Smart Cities”</p> <ul style="list-style-type: none"> ● Participated in investment in Nihon Itomic, the leading manufacturer of “Commercial-use EcoCute,” a product that leverages heat pumps with CO₂ coolant, one of Japan's many contributions to environmental technology ● Strategic alliance with Arup on environmentally responsive city planning and development business ● Invested in businesses offering technologies, products, and services relating to renewable energy in the United States and China ● Invested in the field of electric vehicles (R&D contracting, manufacture, sales)
	Support education	Ran summer program called “Kids Market Camp 2010” to support financial education for children in the final two years of elementary school and first year of junior high

Infrastructure Business Area

Headquarter Business Units	CSR Priorities	Measures for Fiscal Year Ending March 31, 2011
Infrastructure Projects Business Unit	Prevent environmental pollution associated with city transport	Supplied 32 electric locomotives for transporting iron ore to the South African national freight company, Transnet Limited, to cut emissions of exhaust gases by reducing the fleet of iron ore transport trucks
	Respond to consumer issues (access to vital services) Work to secure and make the most of water resources and prevent environmental pollution	Helped ensure access to water necessary to the daily life of local consumers and reduce environmental pollution by cooperating with Hyflux Ltd. of Singapore in water supply and sewerage work at 22 sites across 8 provinces of China including Jiangsu and Hebei
	Promote use of sustainable resources	Cooperated with Fomento de Construcciones y Contratas of Spain in work on electricity generation by solar power in Palma del Rio in Spain's southwest
Marine & Aerospace Business Unit	Promote stable supply of clean energy	Created stable supply of clean energy through shipping with LNG ships owned by Mitsui
	Provide air-transport for disaster prevention/relief and medical support	Supplied disaster relief helicopters and helicopters for medical evacuation to national governments and municipalities
Transportation Logistics Business Unit	Provide optimal distribution services for international transportation	Offered logistics services via the TRI-NET group companies in Japan and overseas Improved level of service in international combined transportation, tramp ship transportation and plant transportation
	Offer optimal logistics arrangements for storage and delivery	Created SCM distribution solutions through TRI-NET Logistics Co., Ltd., and Mitsui Bussan Logistics Management Co., Ltd. Improved distribution processing service and provided environmentally friendly green logistics.
	Implement social investment	Strengthened air cargo terminal business at Haneda Airport (TIACT: Tokyo International Air Cargo Terminal)

CSR Management Platform



To Mitsui, CSR means providing value to society through its core businesses in its role as a *sogo shosha* (general trading company) and actively helping society achieve sustainable progress. In order to enable Mitsui to fulfill this responsibility, it is important for each of our employees to be aware at all times of the meaning of *Yoi-Shigoto* (good quality work), our core approach to work, and to put it into practice. To continue contributing to society through our core businesses and to remain a company that society trusts, Mitsui must have a sound corporate governance structure and internal control. In order to establish our CSR management platform, which is necessary to put *Yoi-Shigoto* into practice, we will enhance our corporate governance structure, establish and improve internal control on a global Group basis, and build a stronger organization to heighten awareness of the importance of human rights and compliance among all management and staff.

Corporate Governance: Corporate Governance and Internal Controls

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 a company that is trusted by society.

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

Corporate governance and internal control: Systems and implementation

Corporate governance framework

Mitsui has chosen to base its corporate governance framework on a corporate auditor system, headed by the Board of Corporate Auditors. To achieve effective corporate governance for shareholders and other stakeholders, the Company has established and maintains the following governing bodies:

1. The Board of Directors is Mitsui'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. 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 corporate auditors serving as members of these committees.
2. The Board of Corporate Auditors 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 corporate auditors 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 corporate auditors. 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 14 head office business units and three 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 2011, there were 13 directors, four of whom were external directors.

We have six corporate auditors, two full-time and four external, and we have established a Corporate Auditor Division as a framework to provide added support to the corporate auditors in the execution of their duties. Corporate auditors 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

Up until this fiscal year we had been following the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) of the United States, and developed and improved our internal control system on that basis. However, from the current fiscal year, we have adopted the so-called "J-SOX" standards required under Japan's Financial Instruments and Exchange Act under which we continue to maintain a rigorous internal control system designed to ensure even more effective internal control in response to new global standards. With respect to compliance, we have given particular attention to ensuring that all employees, including those in subsidiaries and associated companies, thoroughly understand and practice the basic principle that "no compliance = no work = 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 met 28 times during the fiscal year ended March 31, 2011, 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 and promotes company-wide CSR management, builds our internal CSR-related systems, and works to heighten the awareness of CSR among employees. Moreover, we have formed the Information Strategy Committee, which formulates policies related to company-wide information and IT strategy and prepares and monitors the implementation of major policies related to promoting the enhancement of the management base and information strategy.

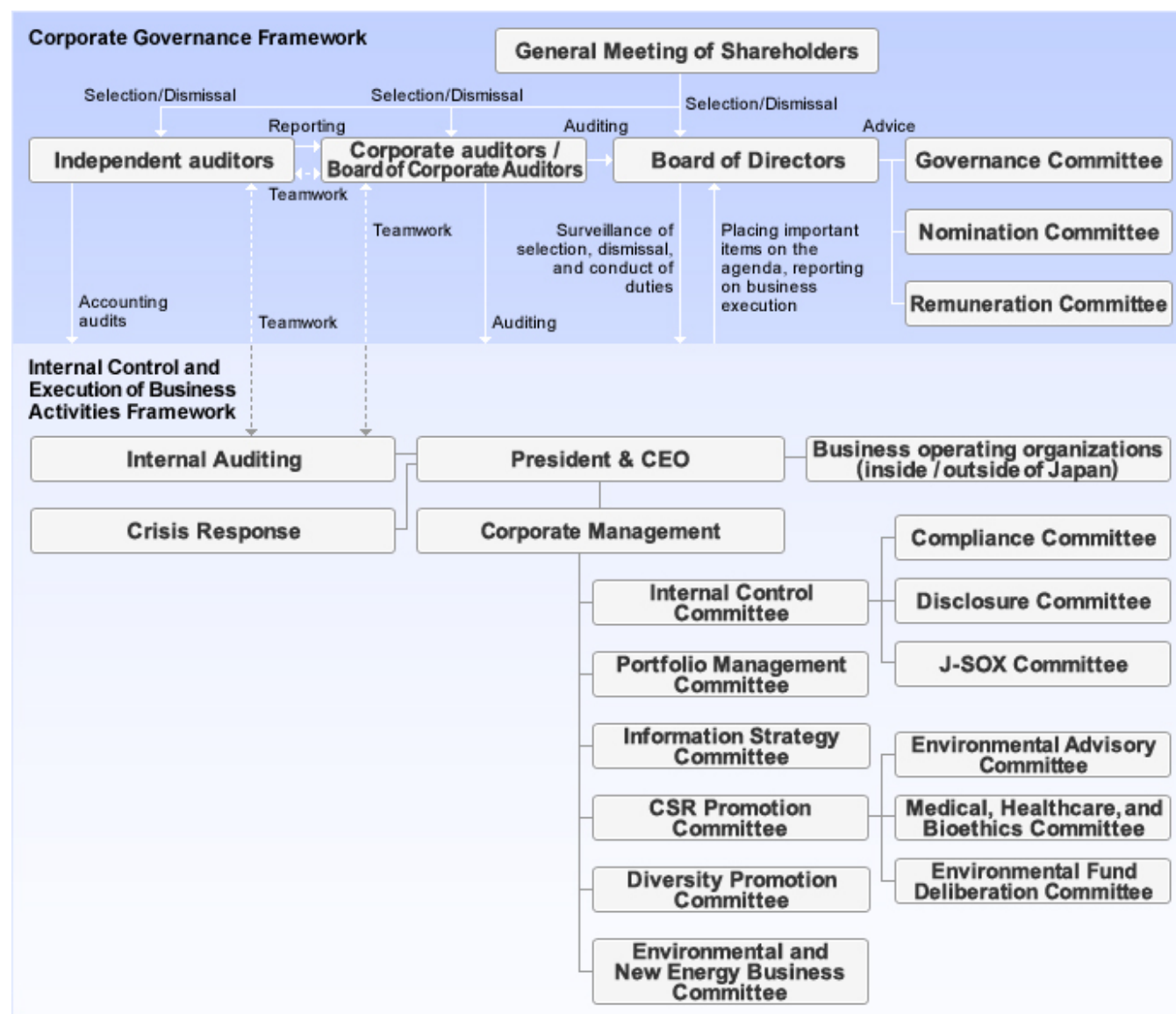
Current status of the internal auditing structure

The Internal Auditing Division, which reports directly to the president and has a staff of about 90, 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 Division audits, this contributes to further improving the effectiveness of our internal controls.

Initiatives to enhance corporate governance over the last fiscal year

Over the last few years, the standards for information disclosure and internal control required of publicly traded companies in Japan have been rapidly approaching the level of those in the United States and they have now reached the point where they are on a par with the US standards. As a result, we believe that the present environment will allow us to maintain the same high level of transparency and internal control discipline as in the past without the need to recourse to the US standards. For this reason, and because the trading volume of Mitsui's ADRs in the USA is very low and the company's continued listing on the NASDAQ is not deemed to be economically justified, we have decided to file for delisting from NASDAQ and deregistration from the SEC.



Corporate Governance and Internal Control Principles

Mitsui & Co., Ltd. has enacted the following "Corporate Governance and Internal Control Principles" in April 2006 (Revised: April 2010)

Corporate Governance: Compliance and Risk Management

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.

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.

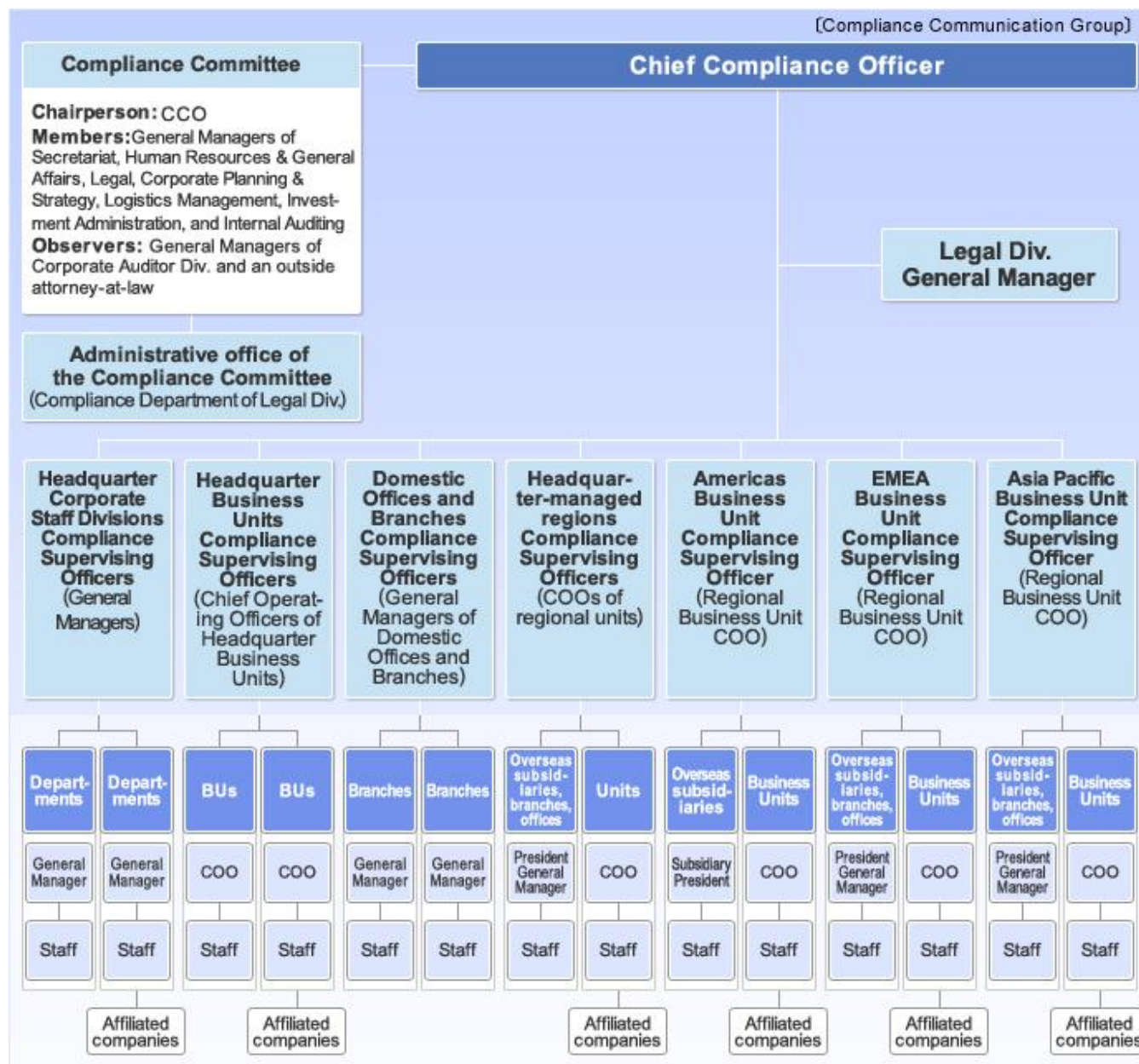
Our aim is to ensure that all Mitsui employees develop a broad awareness of the Business Conduct Guidelines through training and e-learning opportunities, and to see that all employees have pledged to comply with them. We have also introduced bespoke business conduct guidelines for each of our Group 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 | 7. Compliance with Procedures for Export and Import and Other Applicable Laws |
| 2. Office Environment and Sexual Harassment | 8. Company Fund and Financial Reporting |
| 3. Compliance with Antitrust Law | 9. Political Donations and Other Contributions |
| 4. Conflicts of Interest between Employees and the Company | 10. Social Contributions |
| 5. Gifts and Favors | 11. Protection of the Environment |
| 6. Treatment of Company Information | 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 U.N. Global Compact, basic CSR policy, environmental policy, and social contribution policy.



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 (a member of the Board of Directors who is responsible for compliance) 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, 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 provides employees 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, 2011, 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 addition, during the fiscal year ended March 31, 2011, Mitsui provided lessons involving the Compliance Handbook for Mitsui employees in Japan and also conducted online testing to ensure that employees understood 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 conduct a Compliance Awareness Survey and use survey results to address issues and implement a variety of measures to promote further compliance awareness and to reduce compliance problems. Last year, we administered the survey to 88 Group companies in Japan, and achieved a response rate of 94%.

In comparison to survey results from the previous year, replies this time around indicate that progress has been made in regard to matters such as how well the management philosophy and vision are explained, the extent to which organizational systems function properly to ensure compliance, the level of management commitment, and the degree of support provided by supervisors.

Mitsui overseas offices and Group companies are also taking part in the Compliance Awareness Survey.

Other Initiatives

In addition to the previously mentioned initiatives, we also visit individual key subsidiaries and associated companies in Japan 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, 2012, 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.

Protecting Personal Information

We stand committed to the task of fortifying systems involved in managing the Mitsui consolidated Group, which includes our subsidiaries and associated companies. To that end, we are working to ensure that mishaps related to personal information are avoided by establishing better information security measures and by providing education and training regarding personal information protection.

Our system for ensuring personal information protection is based on our Privacy Policy (Personal Information Protection Guidelines) and Regulations for the Protection of Personal Information, and involves the appointment of an executive managing officer to serve as Chief Privacy Officer (CPO). Accordingly, the CPO is in charge of the CPO office which has been established to deal with matters such as facilitating awareness of information protection issues and handling related that arise in the daily course of business.

As a general trading company, we, our subsidiaries, and our associated companies handle a wide range of products. In our B-to-C (business to consumer) consumer goods business fields we handle particularly large volumes of personal information and must exercise extreme care to ensure that this data is protected. Accordingly, we have set up management teams to respond in the event that an incident involving the leakage of information should arise, and we also appoint Personal Information Management Officers in each company division who monitor the status of information management so that we can avoid such incidents in the first place.

To further safeguard sensitive information, we issue electronic ID cards to our employees, control access to our facilities using electronic entry card systems, encrypt laptop computer hard disk data, and implement other such security measures.

Ensuring Safety and Consumer Confidence

The Consumer Affairs Agency of Japan was established to ensure consumer safety and confidence, and to that end has been granted jurisdiction over laws that have close relationships with the lives of consumers. Likewise, Mitsui is also well aware 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. Mitsui's Foods & Retail Business Unit places maximum priority on food safety and security and accordingly has established internal rules and criteria for safety assurance, maintains a food-safety database, and monitors related activities overseas down to the food production stages.

During the fiscal year ended March 31, 2011, the food industry saw incidents regarding improper labeling of eel, honey, beef, and other food products. To guard against such improprieties, 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) and ties in with our aspiration to engage in what we refer to as *Yoi-Shigoto* (good quality work).

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.

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 four 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 Advisory Committee and the Medical, Healthcare, and Bioethics 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 Advisory Committee are selected from among outside individuals who are familiar with technology trends in a broad range of fields—including global warming, environmental restoration, and environmental policy related to water, energy, and other matters—attorneys, and other knowledgeable individuals. The members of the Medical, Healthcare, and Bioethics Committee are chosen from outside experts in medicine, health maintenance, and bioethics and from among attorneys, individuals knowledgeable in pharmaceutical administration and regulation, and others.

In the fiscal year ended March 31, 2011, we made decisions on whether 110 different projects were appropriate to be deemed specially designated business, and, as a result, 63 projects were individually assessed under the Specially Designated Business Management System. By business domain, five of these projects were environment-related businesses, one was an R&D-oriented manufacturing-related business, four were medical/healthcare/bioethics-related businesses, 48 were in the high public profile category, and five were in the combined environment-related/high-public-profile category.

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

Four 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 <p>All businesses that manufacture and market products that are closely concerned with the environment, including those that provide contract manufacturing of such products to third parties, and those businesses whose business domain is the environment itself.</p> <p>Examples: Clean development mechanism (CDM) business, business using biomass, recycling business, wastewater treatment business, etc.</p>	<ul style="list-style-type: none"> ● Contribution of such business to the environment and society ● Measures to mitigate environmental impact, and safety assurance ● For development business, appropriate consideration and understanding of local residents and other related parties ● Compliance with environmental laws, regulations and guidelines, etc.
2	R&D-oriented manufacturing <p>All R&D-oriented businesses that develop new technologies and businesses and that manufacture and market products, including those that involve contract manufacturing to third parties.</p> <p>Examples: Development and production of new medical devices, etc.</p>	<ul style="list-style-type: none"> ● Examination of technology feasibility ● Checking of management systems for performance and quality assurance, etc.
3	Medical/healthcare/bioethics-related business <p>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.</p> <p>Examples: Business with a high public profile in the medical and healthcare fields (senior living business, pharmaceutical-dispensing business), development of new drugs using genetic analysis technology, etc.</p>	<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.
4	Businesses with a high public profile <p>Businesses that are eligible for direct or indirect subsidies from the Japanese government or other governments and which have a high public profile, as well as high-risk cases that may be in conflict with public order and morality, Mitsui's management philosophy, or other CSR-related matters.</p> <p>Examples: Businesses receiving subsidies, etc., public businesses (businesses based on PFI, designated administrator system, market testing, etc.), businesses with strong regional exclusivity (public transportation systems, etc.), etc.</p>	<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

Human Rights Initiatives

Operating businesses globally in many countries and regions of the world, Mitsui considers its CSR management platform to be the protection of human rights in accordance with international standards.

The "Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd." clearly states that, fully conscious of their role as members of international society, Mitsui employees and officers must understand and respect the cultures, customs, and history of individual nations; protect human rights; and refuse any form of discrimination based on race, creed, gender, social status, religion, nationality, age, or physical or mental ability.

Regarding measures to prevent any kind of discrimination and sexual harassment, we are heightening employee and officer awareness by providing compliance seminars and other opportunities tailored to each job level.

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.

For example, in our forest resource business in Australia, we are exercising due diligence by assessing the level of impact that Mitsui's projects may have on the indigenous Aboriginal population. As part of our research into available solutions in the event that any problems be 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 Parketê people to foster mutual respect.

In Japan, Mitsui concluded an agreement with the Biratori Branch of the Hokkaido Ainu Association under which action is being taken to stimulate the preservation of the culture of the Ainu people, who are the original inhabitants of the Saru Forest, which is located inside one of Mitsui's Forests.

Supply Chain Initiatives

Having built diverse value chains throughout the world and providing a wide range of functions and services, we at Mitsui are working with our business partners to respond to the needs of society. Our goal is to help solve the various issues present in our supply chains, including the human rights issues, labor issues, and global environmental problems that confront today's society.

Supply Chain Management

Because Mitsui has built diverse value chains throughout the world and provides a wide range of functions and services, we have gone beyond environmentally friendly green procurement and are striving to comply with laws, respect human rights, maintain safe and sanitary working conditions, and ensure the safety and security of the products and services we provide. 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 its business partners fully understand this policy and cooperate in its implementation. We are making every effort to enhance our supply chain management by identifying potential problems in our supply chains and extracting key issues based on the characteristics of each supply mode, country, and industry.

Supply Chain CSR Policy

Formulated in December 2007

1. We will strive to contribute to the creation of a sustainable society by understanding and solving issues associated with the supply chains of our businesses, consistent with the wishes of our stakeholders.
2. We will strive to support improvements in our supply chains by seeking understanding and implementation of the following principles by our business associates.
 1. We will engage in fair trade, prevent corruption and comply with all applicable laws and regulations.
 2. We will not be complicit in human rights abuse and violation.
 3. We will not participate in forced labor, child labor or unlawfully cheap labor.
 4. We will help reduce and mitigate business impact on the global environment.
 5. We will ensure a safe and sanitary work environment.
 6. We will ensure the safety and reliability of our products and services.
 7. We will disclose adequate and timely information relevant to the above.

Initiatives Taken in the Fiscal Year Ended March 31, 2011 and Future Actions

Based on this Supply Chain CSR Policy, as in the previous year, we focused on the following initiatives during the fiscal year ended March 31, 2011.

1. Company-wide uniform supplier communication forms

Beginning in the fiscal year ended March 31, 2009, we sent a letter to all suppliers requesting their understanding and cooperation in regards to our Supply Chain CSR Policy in a move to ensure that all Mitsui suppliers are fully aware of this policy. More than 20,000 companies among Mitsui's Business Units, Overseas offices, and subsidiaries received the letter, which we prepared in Japanese, English, and four other languages (Chinese, French, Spanish, and Portuguese). We are continuing to promote further compliance through a range means, including explanations provided by local staff and through our company related website.

2. Individualized Handling

In promoting compliance with this policy, we consider interactive communication with business partners to be very important. Therefore, we hope to build trusted relationships and strengthen our supply chains by working jointly on improvement ideas with our partners wherever needed. In the lifestyle business field in particular, we will enhance individualized handling in each business operation.

Future Actions

We will continue sending out letters before beginning business relationships with new suppliers and continue to ensure that all suppliers of Mitsui and its subsidiaries understand our Supply Chain CSR Policy.

To increase the sensitivity of all employees to human rights, labor, and other such issues in our supply chains and to prevent problems, we will continue to heighten awareness and provide training seminars. Furthermore, we will endeavor to assess any actual business situations that do or may conflict with our Supply Chain CSR Policy, and ensure that suppliers embrace the policy and improve such situations.

Specifically, beginning in current fiscal year, we are studying the possibility of identifying areas and countries that require our focus and taking clear and stronger actions.

Initiatives to Ensure Stable Supply of Raw Coffee Beans



Coffee crops are easily affected by natural conditions such as frost, drought, and hurricanes. In addition, the coffee bean is a commodity whose price is determined by the balance between supply and demand. For both these reasons, the income of coffee growers is highly unstable. Additionally, since most coffee beans are grown in developing countries that were once colonies, they are an agricultural crop that invites a number of supply chain-related issues.

Mitsui's goal is to establish a stable supply of carefully selected, high-quality green coffee beans from many locations around the world, including Central and South America, Southeast Asia, and Africa, and to achieve an appropriate balance between quality and price.

In Brazil in particular, using Mitsui Alimentos (a wholly owned Mitsui subsidiary) as our central base, we have formed alliances with superior producers and built personal, face-to-face trading relationships in each phase of the supply chain.

At the Bau Farm in the Cerrado region of Brazil, Mitsui Alimentos provides total support for the marketing and sales of products to overseas markets.

Mr. Tomio Fukuda, who owns the farm, is a former engineer and a second-generation Japanese Brazilian. Mr. Fukuda has focused on growing coffee beans seriously and honestly under the quality control concepts of Kaizen and 5S, in the process turning his farm into one of several highly esteemed specialty coffee farms in the country.

One of the main ways Mr. Fukuda improves the quality of his coffee beans is by taking excellent care of his employees and improving the quality of their labor. Based on a belief that careful work comes from motivation and that motivation can be only achieved by educating employees and treating them well, Mr. Fukuda has improved their working environment by, for example, installing air conditioners in tractor cabs. He also provides high-quality employee training, including the careful handling of tools and full implementation of the 5S methodology.

As a result, he has been able to maintain a more stable workforce than other farms. Mr. Fukuda has also installed irrigation system to guard against drought as well as to both control the timing of blossoming and spread out the harvest period, resulting in more efficient utilization of his labor force. In cooperation with nearby ranches, the farm also uses organic fertilizers produced from animal waste. Mitsui has firmly positioned the high-quality coffee resulting from these efforts as a specialty coffee in Japan, thereby achieving a stable supply-demand balance. It can be said that people grow coffee and coffee grow people.

Every two years, Mitsui invites the coffee bean farm owners to visit Japan, where we provide opportunities for them to meet and talk with coffee shop and retail store owners, which helps them stay up to date on what coffee consumers are looking for.



Mr. Tomio Fukuda passing on Bau Farm to his son, Mr. Takeo Fukuda

Initiatives in Lumber Procurement

Ensuring Complete Legal Compliance and Improving Reliability

The serious shrinking of forests and reduction and loss of biodiversity and forest ecosystems caused by illegal logging have developed into a major environmental problem. As a measure against illegal logging in Japan, the Japanese government in 2006 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 a stable supply of building materials, paper resources, and wood products, we cooperate with various suppliers from around the world to ensure that no illegally logged lumber is contained within our purchases.

For example, in our tree plantations and woodchip production operations in Australia, Mitsui has prepared environmental management and operation procedures based on ISO 14001. We implement regular checks to ensure that only trustworthy plantation operators are being used, that no soil contamination or habitat destruction is being caused by chemicals, and that the obligation to replant logged areas is being fulfilled. Furthermore, Sumisho & Mitsubussan Kenzai Co., Ltd., a Mitsui affiliate, strives to buy only FSC- or CoC-certified wood.



Woodchip production plant in Bunbury, Western Australia

Initiatives in Apparel Operations

Implementation of the Supply Chain CSR Policy

Mitsui Bussan Inter-Fashion Ltd. (MIF), a Mitsui subsidiary that handles apparel and fashion goods production and procurement, outsources the production of products for delivery to apparel manufacturers to subcontracted suppliers inside Japan and overseas.

MIF formulated its Supply Chain CSR Policy in the fiscal year ended March 31, 2009 and sent letters to all of its suppliers, including subcontracted manufacturers inside and outside Japan, requesting their understanding of the policy. When applying its own plant qualification criteria formulated in October 2009, MIF promotes their understanding by obtaining consent to its policy from each subcontracted supplier. As of March 2011, consents to the policy have been obtained from a cumulative total of 1,342 Japanese companies and 368 foreign companies. Furthermore, by using plant evaluation check sheets, MIF strives to evaluate the level of its suppliers' understanding of the policy fairly, in addition to carrying out quality control and credit risk evaluations.

In October 2009, taking into consideration the procurement policies and plant qualification standards of the apparel manufacturers to which MIF delivers its products, MIF formulated its own plant evaluation criteria for evaluating the production facilities, production control, and work environments.

Based on these evaluation criteria, MIF has asked a third party to investigate 11 major manufacturing subcontractors in China. By providing feedback to these companies in the near future, MIF aims to foster mutual understanding its Supply Chain CSR Policy.

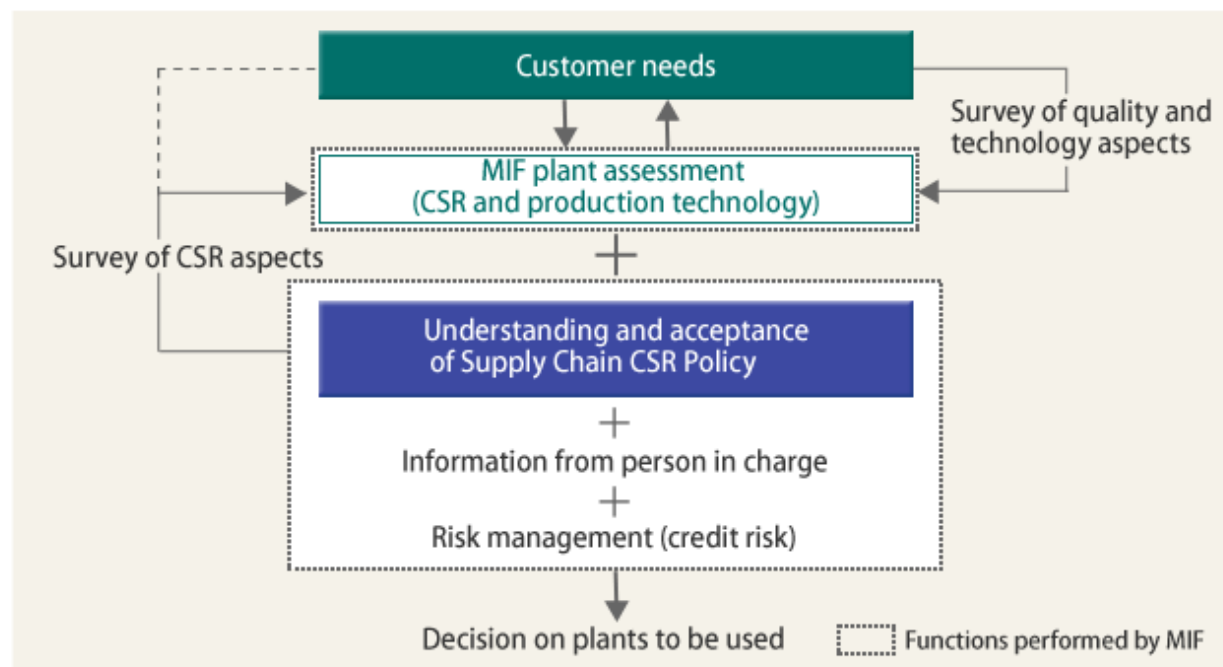
Regarding the major suppliers to which it outsources production of licensed products, MIF has assigned a dedicated CSR person who carries out work environment investigations and provides feedback. For domestic suppliers, MIF also applies the Japan International Training Cooperation Organization (JITCO) standards to support initiatives designed to improve the working environment of foreign workers. MIF personnel also attend CSR audits of licensors with whom they collaborate to provide the aforementioned support.



A sewing line at MIF contracted manufacturing plant

MIF also holds internal seminars on CSR to heighten awareness among all management and staff of the importance of CSR. In September 2010, the company held an internal seminar on employment management of foreign workers at plants in Japan. Furthermore, by distributing check sheets to its suppliers, MIF assists suppliers with voluntary management and ensures that they share a similar level of awareness in regards to complying with laws and respecting human rights. MIF is currently preparing to hold an internal seminar with the goal of promoting understanding of the seven items mentioned in the CSR Policy and the JITCO standards.

Value-Adding Process



Issues to Be Addressed

MIF will continue addressing CSR-related issues at its subcontracted suppliers in order to improve work environments and enhance the quality of their products, which has always been a higher priority for customers. By maintaining daily communication with suppliers and continuing to provide thoughtful feedback, MIF hopes to help its suppliers build appropriate working environments and achieve sustainability.

- Gaining a better understanding of the Supply Chain CSR Policy and making it an integral part of the thinking of employees and transactions partners
- Formulating and introducing policies for improvement through the use of accumulated data with the objective of enhancing the value of plants
- Conducting flexible and periodic reviews of audit methods and contents in response to changes in the business environment and other factors

"Mitsui is People" Human Resources to Translate into Assets



One of Mitsui's most important stakeholders is its people. Mitsui considers its employees to be the most important asset it possesses.

It is said that the favorite saying of Takashi Masuda, the founder of the former Mitsui, was, "Mitsui has a pool of very talented individuals. This is Mitsui's most important asset." This thinking has been consistently passed down throughout the company's history.

To further the evolution of the "Mitsui is people" concept, it is essential to improve the abilities of individuals. However, improving individual skills entails not only enhancing employees' work skills and know-how, but also encouraging them to develop essential qualities such as integrity, ambition, humility, gratitude, and diligence. Working hard to better oneself can motivate other employees to improve and thus lead to a better society. This is the origin of the concept, "Mitsui is people," which has been consistently nurtured over Mitsui's long history. As a company, Mitsui values human resource development over everything else, and our mission is to nurture human resources that will contribute to society. Training people and improving society – this is the main focus of Mitsui's stance on human resources.



Beginning in the middle of the Meiji Era (1868–1912) with Mitsui's long-standing program of sending employees overseas for foreign language and business culture training, a wide range of training programs and self-improvement opportunities have been available to Mitsui employees. As our company's activities expand further to the global stage, appropriate training for our employees will also have to change in line with the kind of human resources that will be required.

To accelerate the globalization of our human resources, Mitsui will need to hire and train talented people from all corners of the world. Mitsui plans to introduce a new human resources development program with the goal of nurturing these next-generation leaders, who will take charge of managing our company on a global Group basis.

Human Resources Development

Mitsui, with its long history and traditions, has held the belief that human resources are its greatest asset and has 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 corporate philosophy and continue to contribute to society through generating *Yoi-Shigoto*, one of the most important tasks is for Mitsui to continue to raise the quality of individual personnel through human resource training and development activities.

Key elements of Mitsui’s human resource system

Since the founding of the former Mitsui, more than 130 years ago, Mitsui has maintained the belief that “human resources are our greatest asset” and placed a set of values on “Open-mindedness” and “Challenge and Innovation.” Mitsui’s human resource system emphasizes these qualities 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.

1. Dissemination of Mitsui’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 Resources

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 appropriately from a company-wide perspective, based on the sharing of personnel information among departments.

Human Resource Development

Mitsui & Co. includes focusing on human resources in its management philosophy and regards developing talented human resources through its *Yoi-Shigoto* principle as its priority mission. Indeed, it would be no exaggeration to say that this is the company’s ultimate *raison d’être*. The cornerstone of our human resource development is on-the-job training (OJT) and to support and supplement human resources development through OJT we also implement off-the-job-training by dispatching employees to business education programs and various other forms of training.

Human resource development program

Our employee dispatch program includes an overseas business training program that has evolved continually since 1891, the end of the 19th century. A total of 2,000 employees have been continuously dispatched to some 25 countries, including the BRICs and other diverse opportunities are provided for training personnel who can be effective as international businesspeople, such as attending courses at universities in Japan and overseas, business school training, overseas language study, management workshops involving personnel exchange with other industries. There is also a program for sending all business staff overseas within five years of their joining the company to provide training at an early stage in their careers.

In addition to this, we devise training programs for business staff and administrative assistants from the hiring and initial education stage with the aim of nurturing human resources who are capable of undertaking and supporting global group management. At the same time as we continue to develop these training programs, we are constantly perfecting our professional training courses for improving professional skills in various sectors (courses take place more than 150 times per year with a total of some 3,500 personnel taking part). Business staff training, which is the principal training activity, takes place over 100 times during the year with more than 2,000 personnel taking part. To encourage employees to actively avail themselves of these programs, information on Mitsui’s policy regarding human resources development and outlines of the various programs are provided on the company’s intranet.

Appraisal

Mitsui positions its appraisal process as a means for 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, but also to provide input for fixing compensation or assigning new positions. It is also important that we 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.

Development of Human Resources for Management on a Global Group Basis

We believe that the development of human resources at our group companies is essential for supporting our consolidated global management. Based on this philosophy, we provide the necessary training at each company and level. Moreover, we have made arrangements for group company staff to participate in in-house training courses, such as those provided at Bussan Academy and our Financial Accounting Course. In addition, through our management training and leadership training courses, we offer support for the development of human resources to assist and create personnel networks.

We are also placing increased emphasis on the training of non-headquarters hired staff at the company's head office with the objective of promoting the globalization of human resources. Approximately 480 staff members have attended our short-term training programs of up to one year, which began on a full-scale basis in 2002. Since 2007, approximately 50 staff members from overseas regional business units have been dispatched to the head office for medium- and long-term training lasting more than one year. In addition to our existing Global Managers Program introduced during the fiscal year ended March 31, 2008 for the training of future leaders for overseas operations who will be responsible for consolidated global management, we have launched a Global Leaders Program for non-headquarters hired employees who are already operating as general managers in overseas posts.

By developing the training previously provided only for our headquarters hired employees (the Mitsui Management Academy), we have now started combined training for headquarters hired staff and non-headquarters hired staff through our Global Management Academy. Non-headquarters hired employees, employees of overseas group companies and employees of Mitsui's overseas partner companies can now all benefit from this training

Human resource development program

New addition in 2011

Business Staff Training	Management (MT) Managerial Staff (MS)	Senior Staff (SS) Business Leader (BL)		Business Staff 5	Business Staff 4	Business Staff 3	Business Staff 2	Business Staff 1		
	COO Program	BL Management Fundamental Seminar			Business Administration Skills Building	Staff 3 Training	Staff 2 Training	New-Hire Induction Training		
	Newly-Appointed MT Training	IT Management Seminar for managers						Core Biz Course •Lectures •Biz Glossary Exam		
		Newly-Appointed BL Workshop and e-learning						Biz Case Study Workshop		
		Orientation for Newly-Appointed BLs						Business Administration Basic Skills Building		
	Group Company Pre-Secondment Training							English Hybrid Course		
	Group Company Officer Training					New-Hire Mentorship Training				
		GMA				Induction Training for Mid-Career Hires				
	External Dispatches	Executive Program Dispatch	Cross-Industrial Exchange Programs	Busiess School Dispatch	Overseas Traininee Dispatch	Foreign Language & Business Culture Training	Overseas Developmental Dispatch	New-Hire English TOEIC Training		
	English Language Training for Management Staff					BULATS				
	Career Design Training					MGSP				
	Retirement Life Plan Seminar									
Pre-Posting Language Training for Overseas Expatriates										
Administrative Staff/Administrative Assistants Training	Administrative Professional			Admin Staff 5	Admin Staff 4	Admin Staff 3	Admin Staff 2	Admin Staff 1		
				Admin Staff 5 Training			Admin Staff 2 Training	New-Hire Induction Program		
								Core Biz Course •Lectures •Biz Glossary Exam		
	Group Company Pre-Secondment Training									
	New-Hire Mentorship Training							Admin Staff 1 Training		
	Retirement Life Plan Seminar									
	English Hybrid Course									
	International Trade Logistics Training									
Professional Training	Bussan Academy •Marketing •Strategy •Finance •Human Resources Management •Organizational Behavior		Finance/Accounting Course		Bookkeeping & accounting Course		Fundamentals of Contract Processing Course		Induction Program for Mitsui & Co.'s Contract Employees	
Group Company Training	Management Training		Leadership Training		Mid-career Staff Training		Core Biz Course •Lectures •Biz Glossary Exam			Orientation/ Follow-up Training for New Hires
	International Trade Logistics Training									New-Hire Induction Program
	Custom-made Training Programs for Group Companies(Category A) and Business Units									
Global Training	Mitsui HBS Global Management Academy (GMA)	Global Leadership Program (GLP)	Mitsui Global Managers Program (MGP)	Business Integration Program	Language and Business Program (LBP)	Japan Trainee Program (JTP)	Training & Development Programs sponsored by Regional BUs	e-Learning Courses •Business Glossary •Biz Fundamentals Manual •Japanese Language	Pre-departure Workshops for Overseas Expatriates	Pre-departure Orientation for Expatriates' Spouses

Diversity Management Initiatives

Mitsui aims to become a global business enabler and is pursuing diversity management initiatives as an important corporate strategy for achieving organizational change and realizing the creation of new value.

Promoting globalization of human resources

To expand our activity domains to global growth markets and develop deep-rooted businesses around the world, it is essential to draw on the capabilities of personnel who are thoroughly familiar with each country and region. In addition, to respond appropriately to the continuously changing business environment and continue to generate *Yoi-Shigoto*, we must draw on the combined capabilities of a diverse range of human resources. We are also working to create a corporate culture and systems where top-quality personnel from throughout the world can be active on a continuing basis.

Helping our female employees realize their full potential

About 25% of all of Mitsui's personnel are women, and Mitsui assigns these individuals to positions and activities that are suited to their duties, abilities, and aptitudes irrespective of gender. Since 1992, when hiring new employees, Mitsui has employed women in mainstream career paths. We have created an environment characterized by job rotation and workplace exchange, along with training and other programs, where women can be more active. In addition, the number of female employees taking an active part in our overseas activities is increasing year by year. Currently, there are 44 female employees dispatched from Japan and stationed in Mitsui's overseas operations (as of April 1, 2011, including foreign language and business culture trainees and overseas trainees).

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 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 and for over 20 years we have exceeded the statutory employment rate for people with disabilities. As of March 2011, 2.30% of Mitsui's employees were disabled.

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.



Diversity Cafe

Accompanying changes in the social milieu, such as a greater diversity in people's sense of values, the number of husbands and wives both holding 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. In 2008, we established the Diversity Café to provide a venue 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 themes for discussion in 2010, mainly for our female employees, were "balancing marriage, children and a career" and "the experience of Administrative Overseas Trainees".



The 8th session of Diversity Cafe in progress

Creating a good work environment

We consider it very important to improve the work environment to enable all employees — the leaders in our efforts to generate *Yoi-Shigoto* (good quality work) — to achieve a work-life balance and work with a sense of job satisfaction and peace of mind. Mitsui employees and their families perform indispensable roles, as employees, and as members of families and society, depending on their various life stages and circumstances in their families and homes. We are developing systems designed to create workplaces where it is possible to maintain a balance between our work and the requirements of our personal lives and are providing information to employees on how to use these systems effectively through presentations and through the company intranet and the in-house magazine.

Addressing the issue of long working hours

At Mitsui & Co., Ltd., we have established a Labor-Management Committee to address the issue of employees' long overtime working hours from perspectives that include health management and to determine and improve the situation.

To ensure appropriate time management, we constantly create materials to enable the understanding of the actual situation with respect to overtime in each division and issue an Overtime Handbook, which is our in-house manual related to overtime. We also seek to provide guidance and raise awareness throughout the company by means of presentations relating to laws and regulations that should be complied with and to common questions raised within the company in relation to operational matters. Such measures have been beneficial in addressing the issue of long working hours. We are encouraging employees to take their annual paid leave and use the planned leave system to reduce total working hours and prevent health problems. We also provide access to on-site medical advisors for employees whose overtime work exceeds a specific limit and develop proposals for improving the situation, based on the Occupational Health and Safety Law of Japan.

Childcare and family care support

To help employees balance their working life with childcare and family care needs, Mitsui has introduced systems for short-time working and staggered hours working in addition to its leave system. From 2007, we provided partial pay for childcare leave and relaxed 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 established a company nursery, the Karugamo Family Nursery, within the Company's Head Office in Tokyo. 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 support for child raising.



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 support for child raising. The logo shows an infant being raised while safe and sound within a protective blanket, which represents the concern and care of the workplace and society.

Occupational hygiene initiatives

The Hygiene Committee, which is composed of members recommended by management and labor, meets each month. The activities of this committee include the discussion of arrangements for maintaining the health of employees, based on advice provided by qualified industrial physicians and hygiene experts; ways of making improvements in the workplace; and other related matters. The committee also conducts workplace visits.

Health checks

Mitsui provides the opportunity for employees to have convenient periodic health checkups on Company premises. Also, for personnel who are 35 years of age and older, Mitsui recommends more extensive health examinations, which employees may take on Company premises or at external clinics. In addition, for employees who are 40 years of age and older, in collaboration with the health insurance union, Mitsui offers specific guidance for health maintenance.

Mental health care

Mitsui conducts training courses related to mental health for its employees and managerial personnel, including new employees and Man-to-Man Leaders. This course provides the necessary basic knowledge both to employees and their managers and aims to prevent mental health issues among managerial personnel and their subordinates. Also, the Health Management Center & Medical Clinic provides responses carefully tailored to individual needs, including discussion with industrial physicians and medical insurance staff, as well as counseling services provided by other specialists. In addition to assistance to employees themselves, Mitsui can provide counseling services for the families of employees via telephone, e-mail, and other communication channels.

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. During the fiscal year ended March 31, 2011, labor-management discussions resulted in a change in the overtime allowance rate and the development of various systems in response to changes in the laws relating to childcare and family care. Mitsui also holds labor-management personnel discussion meetings to confer on human resources development and various personnel-related systems and to provide a venue for exchanging views on a variety of matters, such as overtime management and company canteens, etc., with the aim of maintaining a healthy and cooperative relationship between management and labor. (As of March 2011, the union had 4,580 members, a membership rate of 80%.)

Data of personnel affairs

Data of personnel affairs about Mitsui's Human Resource Development

Employment Information

Mitsui Employees by Gender (as of March 31, 2011)

Male:4,530
(74.3%)

Female:1,565
(25.7%)

The number of employees on a non-consolidated basis as of March 31, 2011, was 6,095. (Not including those in administrative staff positions and contract employees.)

* Not including those in administrative staff positions and contract employees.

* Average personnel turnover (Over the last two years) 3.08%

Mitsui's Hires of New Graduates for the Managerial Career Path by Gender



Mitsui's Mid-Career Hires



* Includes operations personnel beginning in FY2009.

Employees of Regional Business Units (As of March 31, 2011)

	Headquarter-hired Staff (HS)	Non-Headquarter-hired Staff (NS)	Total
Americas Business Unit	198	544	742
EMEA Business Unit	191	809	1,000
Asia Pacific Business Unit	366	1,758	2,124
Total	755	3,111	3,866

Notes:

1. The figures above indicate the number of employees of overseas affiliated companies, branches, and offices
2. Personnel seconded to other locations are included in their unit of origin.

NS Dispatched to the Head Office (As of March 31, 2011)

Japan Business Integration Program trainees	11
Japan Language & Business Program trainees	9
Intra-company transferees	4
Total	24

Employees Taking Childcare or Family Care Leave

		FY2007	FY2008	FY2009	FY2010
Childcare leave	Male	3	5	1	3
	Female	32	40	38	37
Family care leave	Male	0	0	0	1
	Female	5	2	0	2

Mitsui's Social Contributions

Mitsui, as a *sogo shosha*, is looked on to give full consideration to its economic role and its social raison d'être. Mitsui is also expected to create value for society not only through its business activities but also to go beyond its main business activities and help to address some of the many issues society confronts. Mitsui's Operational Guidelines for its Social Contribution Policy specifies three areas for focus based on its strengths, know-how, and understanding. These are international exchange, education, and environment.

Social Contributions 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.

Mitsui & Co., Ltd. Environment Fund

In 2005, Mitsui launched the Mitsui & Co., Ltd., Environment Fund as a grant program which aims to realize sustainable development by supporting various activities and research projects that contribute to solving global environmental problems.

Mitsui's Forests

Mitsui has been carefully preserving and nurturing forests for over 100 years. Everyone receives a wealth of benefits from forests. We try to cultivate our forests based on sustainable forestry operations so as to pass on to the next generation forests rich in natural benefits.



Social Contributions Activities during the fiscal year ending March 31, 2011



International Exchange and Education Initiatives

In order to foster international exchange and help solve various social issues, Mitsui is also actively involved in multicultural coexistence and collaboration activities. For example, since 2005 Mitsui has been assisting Brazilian children of Japanese descent, and is currently providing scholarships to approximately 300 children. We are also supporting Distance Learning courses for Brazilian Educators working at Brazilian schools in Japan and NPOs that help Brazilian residents of Japan. Furthermore, through the Mitsui Bussan do Brasil Foundation, Mitsui is implementing initiatives to expand education and exchange programs in Brazil.

Additionally, as part of its initiatives to develop human resources possessing international perspectives, Mitsui has established Mitsui-endowed lecture programs at Peking University and Saint Petersburg State University among others, and has also been assisting Indonesian students in Japan through the Mitsui Bussan Scholarship Program for Indonesia.

Supporting Restoration following the Great East Japan Earthquake

Since the Great East Japan Earthquake struck on March 11, 2011, Mitsui has been sending relief funds on a global Group basis, donating goods such as the solar-powered LED lanterns to Minamisanriku-cho, Miyagi prefecture, food supplies and supporting the volunteer activities of our company executives and employees. Furthermore, through the Mitsui & Co., Ltd. Environment Fund, Mitsui is helping with restoration by providing grants to activities and research efforts related to restoration and reconstruction of

sustainable towns and regions, restoration of energy-efficient and environment-friendly farming, and environmentally sound disposal and recycling of waste materials.

Utilizing the comprehensive strength of its core business operations to carry out locally tailored restoration efforts, Mitsui is committed to continue helping restore local economies and creating employment opportunities.

<http://www.mitsui.com/jp/ja/csr/contribution/index.html>

Guiding Principles

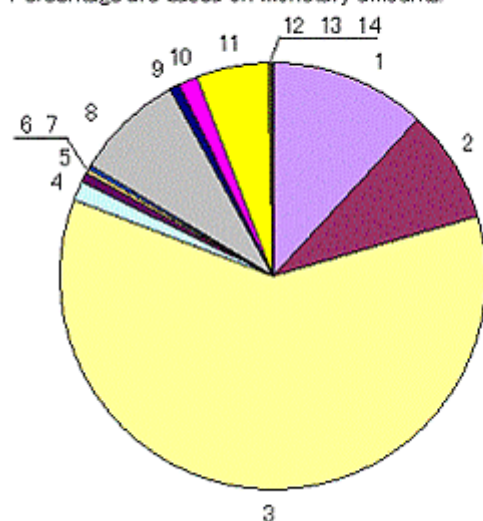
We will build a congenial relationship with our stakeholders by striving to create a harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams 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 international and regional society, Mitsui will actively promote social contributions that go beyond its normal business activities in addition to contributing to society through the implementation of *Yoi-Shigoto* in its normal sphere of business.
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 Contributions (Fiscal Year Ended March 31, 2011)

The breakdown of social contribution expenses, which totaled ¥1,697 million on 387 activities, is shown below. Percentage are based on monetary amounts.



	Activity Category	Percentage (Monetary Amounts)	Number of Activities
1	International exchange and cooperation	12%	39
2	Education, social education	9%	69
3	Environmental protection	60%	39
4	Social welfare	1%	46
5	Health and medicine	1%	12
6	Sports	0%	13
7	Academic activities, research	0%	11
8	Arts and culture	8%	35
9	Archeology, preservation of traditional culture	1%	2
10	Local community involvement	1%	76
11	Assistance to disaster-stricken communities	6%	35
12	Assistance for disaster-prevention community work	0%	1
13	Human rights	0%	3
14	NPO infrastructure-building work	0%	6
	Total	100%	387

About the Mitsui & Co., Ltd. Environment Fund



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

The fund is operated by Mitsui itself and is supported mainly by finance from Mitsui, but also receives donations from company officers and employees, including retirees.

Its grant programs consist of Activity Grants, which support activities by NPOs and other organizations to contribute to the environment, and Research Grants, which support environmental research by universities, research institutions, and other organizations.

Mitsui also encourages its officers and employees and retirees to apply grant projects and to take part in activities of grant projects.



Overview of The Mitsui & Co., Ltd. Environmental Fund

Launched	July 1, 2005
Management System	CSR Promotion Committee, Project Deliberation Panels, Project Selection Meeting (composed of outside experts, Mitsui management, and staff).
Grant Fields	(1) Global Climate Change (2) Protection of Marine Resources/Ensuring Food (3) Preservation of Soil and Forests (4) Energy Issues (5) Conservation of Water Resources (6) Conservation of Biodiversity and Ecosystems (7) Establishing a Sustainable Society
Activity Grants	Grants for practical activities by NPOs, General Incorporated Associations & Foundations, Public Interest Incorporated Associations & Foundations, Special Civil Foundation, and Universities
Research Grants	Grants for research by Universities, Public Research Organizations, NPOs, General Incorporated Associations & Foundations, Public Interest Incorporated Associations & Foundations, Special Civil Foundation,

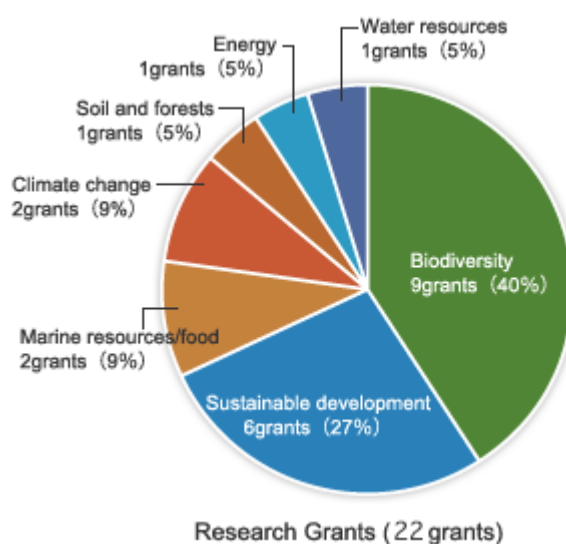
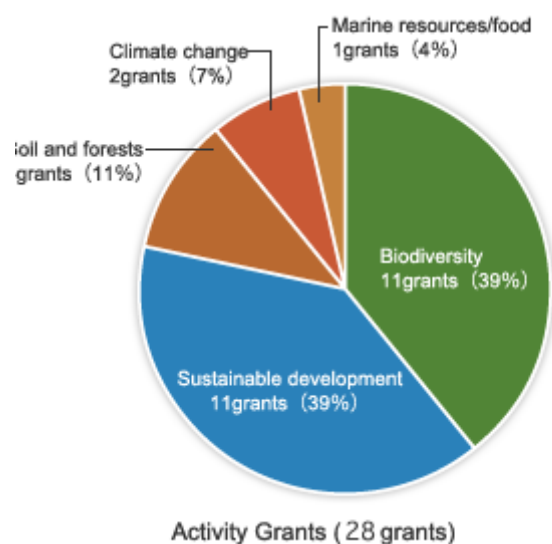
Trends in Number and Value of Grants Provided

(Unit: number/¥ million)

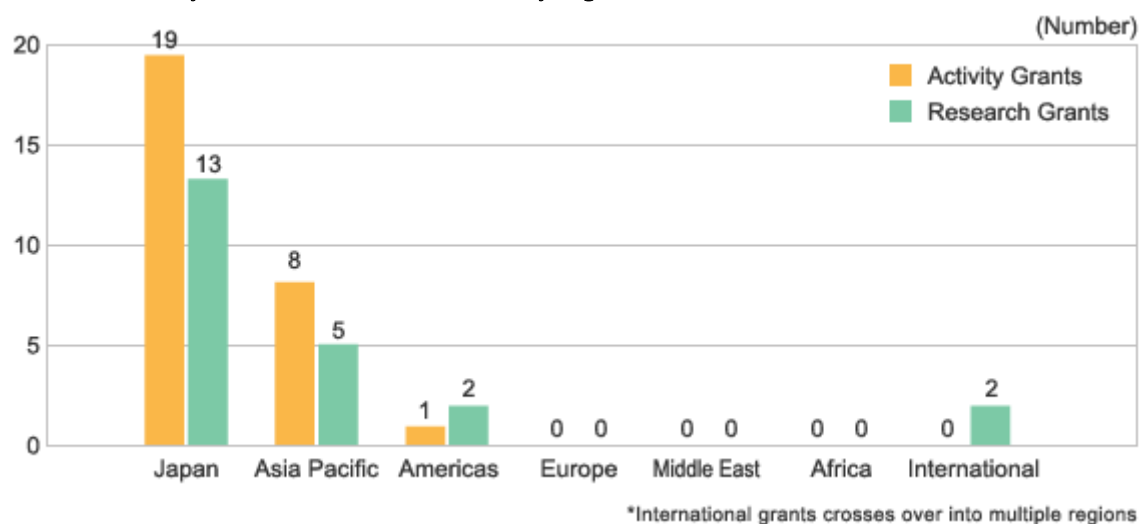
		FY06/3		FY07/3		FY08/3	
		Number	Value	Number	Value	Number	Value
Activity Grants		15	117	18	217	48	437
Research Grants		–	–	–	–	23	456
Total		15	117	18	217	71	893
FY09/3		FY10/3		FY11/3		Total	
Number	Value	Number	Value	Number	Value	Number	Value
51	523	34	311	28	244	194	1,849
24	368	17	213	22	285	86	1,322
75	891	51	524	50	529	280	3,172

*Activity Grants for FY08/3 to FY10/3 were provided twice a year.

Grants Provided by Field of Activity and Research



Number of Activity and Research Grants Provided by Region



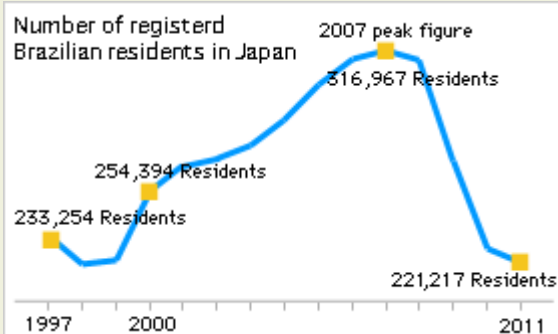
Contact

Mitsui & Co., Ltd.
Forestry Management & Environment Fund Dept.
Environmental – Social Contribution Div.
2-1, Ohtemachi 1-chome, Chiyodo-ku, Tokyo 100-0004, Japan
TEL:+81-3-3285-3563

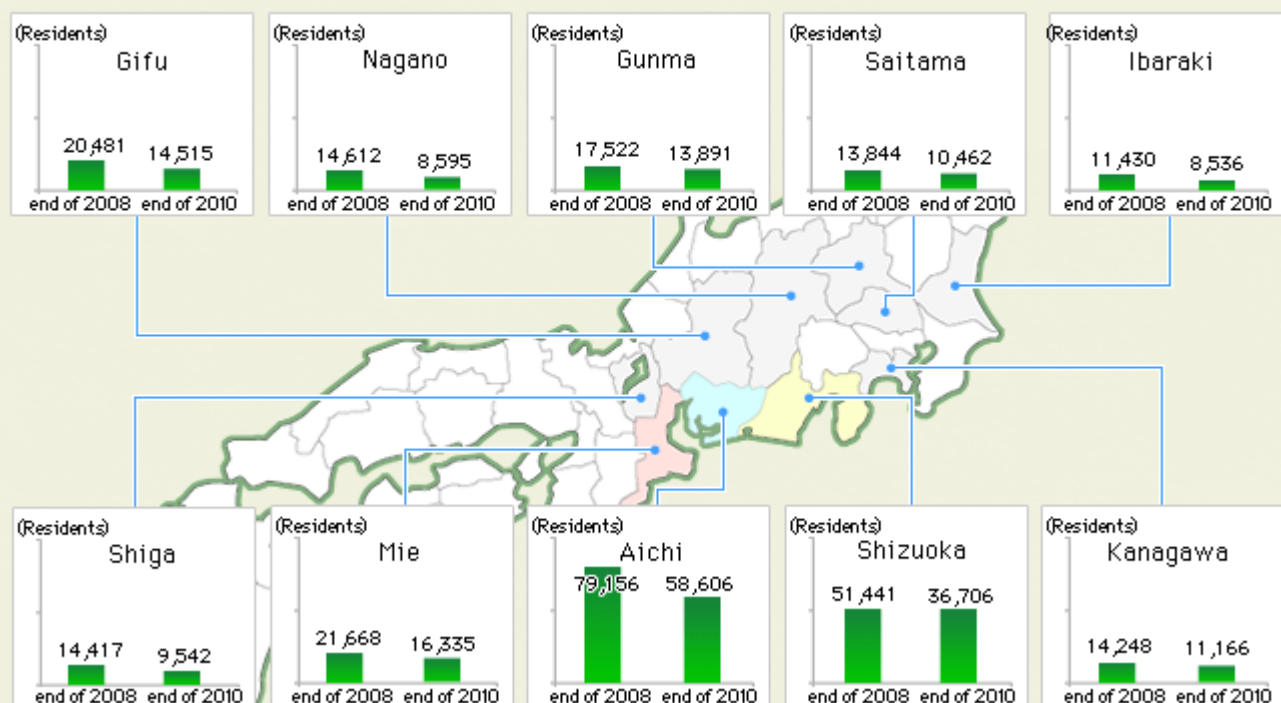


For People from Brazil, a Country Mitsui Has Strong Links with

There are many foreign residents in Japan. Do you know that, next to the Chinese, South and North Korean people, the third largest number of foreigners is from Brazil? At its peak in 2007, the Brazilian community in Japan reached around 320,000 people. Although the figure decreased by around 50,000 after the economic crisis caused by the collapse of Lehman Brothers in the autumn of 2008, and the Great East Japan Earthquake of March 2011 has effected more decrement, there are still approximately 220,000 Brazilian people living in Japan as of the end of June, 2011 (July 29, 2011 Ministry of Justice Immigration Bureau announcement). There is a high concentration of Brazilian residents living with their families in areas with a large number of factories serving the automotive and consumer-electronics industries. Their children attend Japanese public schools or Brazilian schools, but there are also some children who do not go to school at all.



Change in number of Brazilian residents in areas of high concentration



From 1908, as many as 270,000 Japanese emigrated to Brazil, where their offspring now number 1.5 million. Many Brazilians of Japanese heritage are active in politics and business, making Brazil a country with very friendly relations with Japan. Mitsui has long-standing and close business ties with Brazil which go back to the 1930s. Although Brazil is geographically on the opposite side of the earth to Japan, it is one of emotionally closest countries for us, Mitsui, thanks to the strong connection.

Following a revision of Japanese immigration law in 1990, many Brazilians of Japanese heritage came to Japan with their families. However, the children of these Brazilians face a number of problems: children who go to Japanese public schools lack Japanese language skills, those who go to Brazilian schools suffer from poor facilities and inadequate teaching materials, and there are many children who do not attend school at all. After investigating what Mitsui could do to improve this poor educational environment, in 2005 Mitsui began activities to support Brazilian residents in Japan, focusing on children, and these activities are still continuing today. The aim is to deepen mutual understanding between Japan and Brazil and promote genuine multicultural coexistence.

Scholarships for Brazilian Children in Japan

From 2005 till 2008, Mitsui donated education-related materials to 30 Brazilian schools. Watching the children enjoying lessons as they use the new experimental equipment and personal computers makes us vividly realize the significance of these donations. However, after September 2008, many Brazilians in Japan lost their jobs because of the recession. As a consequence, many families returned to Brazil, and the number of families that can afford to send their children to the relatively expensive Brazilian schools in Japan drastically decreased. This resulted in a decline in the number of pupils and the closure of many schools. In view of this situation, from the fiscal year ending March 31, 2010, Mitsui shifted the focus of its activities "from providing things to providing support for people" by awarding scholarships to Brazilian pupils through 25 schools to cover monthly tuition fees. As of March 2010, 284 children were attending school thanks to this scholarship program. The children who receive the scholarships have sent grateful letters saying for instance 'Thanks to Mitsui's scholarship we can go to school and talk with our friends' and 'our lessons are fun.' In these and other activities, Mitsui has benefited from the cooperation and advice of the NPO Action for a Better International Community, an affiliate of the Japan Foreign Trade Council, Inc.



Supporting Four-Year Distance Learning to Train Educators for Brazilian Schools in Japan

Nearly all Brazilian schools in Japan started out as crèches, and then gradually grew into schools. As a result, there are many classrooms where the teacher does not have an elementary or junior school teaching license. The Brazilian Ministry of Education found it necessary to raise the level of the teaching staff to ensure an adequate education for the children. In response, the Federal University of Mato Grosso in Brazil and Japan's Tokai University jointly formulated the Distance Learning Course for Brazilian Educators working at Brazilian schools in Japan based on e-learning, which began operating in July 2009. There are currently 300 participants, who will obtain their teaching qualifications after receiving a 4-year education (in 2013) based on regulations of the Federal Republic of Brazil.

The state of Mato Grosso, where the Federal University of Mato Grosso is located, is approximately 2.4 times greater in area than Japan and is covered in forest, as a result of which education by distance learning course is common. In the implementation of the program, the Federal University of Mato Grosso is drawing on this experience in distance learning, while Tokai University is taking advantage of its network of affiliated schools throughout Japan. Mitsui participates in this program by meeting the cost of the Japanese language- and Japanese society-related course, designed to encourage knowledge of the host country.

This activity is supported from the Brazilian side by the Brazilian government (Ministry of Education), the Federal University of Mato Grosso, and the Bank of Brazil, and from the Japanese side by the Ministry of Education, Sports, Science and Technology (MEXT), Tokai University, and Mitsui. It is thus an example of a project implemented with the joint participation of industry, government, and academia in both Japan and Brazil.



Kaeru (Going Home) Project Seminars in Japanese Cities with Large Brazilian Communities

The Kaeru Project, implemented in the Brazilian city of São Paulo, helps children returning home from Japan to make a smooth transition to life in Brazil. Children returning from Japan face a range of serious difficulties including differences in lifestyle and language. Starting in FY2009, to alert parents still in Japan and the people involved to these difficulties, Mitsui invites the therapists of Kaeru Project from Brazil to Japan as speakers for seminars in cities with a high concentration of Brazilian residents such as Toyota (Aichi Prefecture) and Hamamatsu (Shizuoka Prefecture). In FY2011, these seminars were held seven times and were attended by a total of around 650 people.





Providing Support for NPOs that Assist Brazilian Residents in Japan

Since 2005, Mitsui has continuously made donations to the NPO SABJA, which supports Brazilian residents in Japan with services including a telephone help line for advice on medical treatment, employment, education, and other issues, and assistance to Brazilians facing poverty. In cooperation with SABJA, Mitsui also runs a charity bazaar at the Brazilian Day festival held in Yoyogi Park every year in September, with Mitsui employees taking an active part as volunteers. Additionally, we provide support to NPOs and voluntary organizations that work mainly with Brazilian children in Kita-Kanto, Tokai, and other regions with a large Brazilian community.



Other Forms of Support

(1) If Brazilian children attending Japanese public schools develop only limited ability in both the Portuguese and Japanese languages, they may end up underachieving academically or dropping out of school. With the idea of remedying this problem, Mitsui worked with Tokyo University of Foreign Studies to develop supplementary teaching materials for children to assist them with Japanese language learning and studying other school subjects. From April 2007, these materials have been available to the public free of charge on the Tokyo University of Foreign Studies website (Japanese).

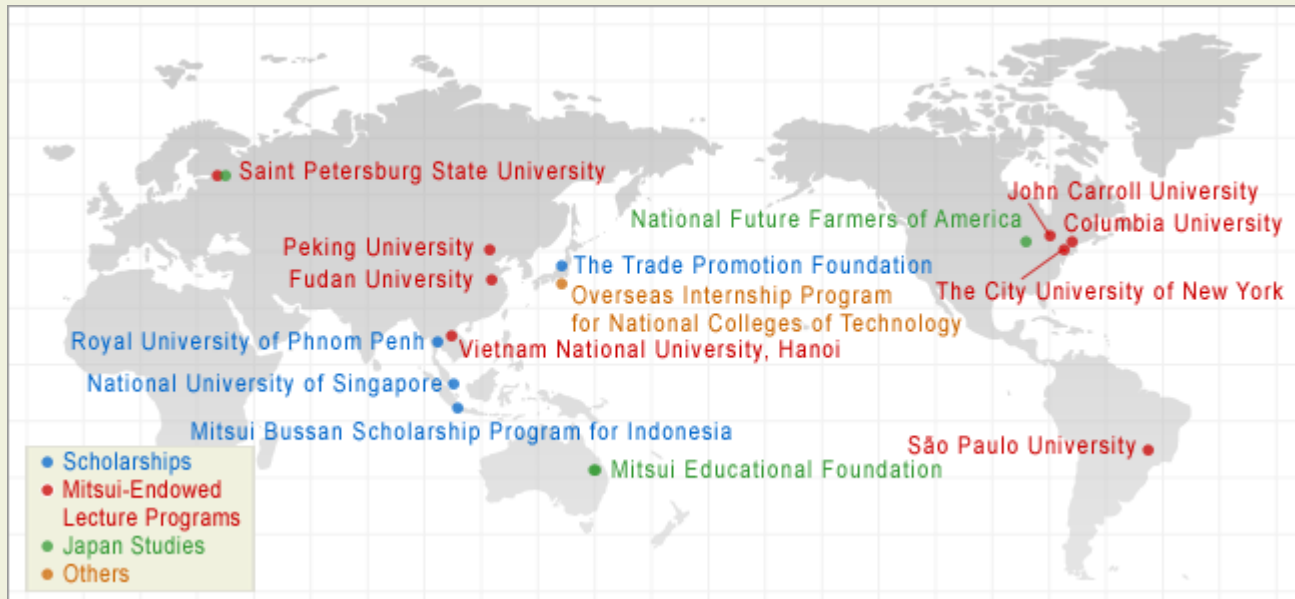
(2) Wishing to place our activities at the service of government agencies and other relevant bodies, Mitsui collaborates actively with government agencies and presents them with proposals for support. One channel for this is through contacts with members of a committee at the Ministry of Education, Sports, Science and Technology which deliberates on educational issues relating to the children of foreign residents.

(3) As an urgent response to the economic crisis which started in September 2008, used freight containers have been donated to store emergency supplies, and Brazilian residents of Japan have been given temporary employment in forests owned by our subsidiary Mitsui Bussan Forest Co., Ltd.



Human Resources Training with an International Perspective

Since its foundation, Mitsui has believed in the importance of fostering staff abilities and has sought to foster human resources that can play a useful role in society. Meanwhile, as a general trading company conducting business globally, our operations link us with a wide range of countries and territories. Accordingly, we make social contributions that help to foster human resources with an international perspective able to play a leading role in the future of their region. Some examples are outlined below.



Spreading Innovation through Mitsui-Endowed Lecture Programs



Peking University

The Mitsui Innovation Forum at Peking University was established in March 2006 for the ten-year period to 2015 and is aimed at students (EMBA, MBA, and EDP courses) and graduates of the university as well as people working in business. A corporate CEO or renowned academic is invited to talk on the theme of 'innovation' six times a year, with a speaker from Japan on two of these occasions. Each of the lectures addresses an area of strong interest in China, resulting in regular audiences of 200 to 300. So enthusiastic is the participation in these events that, when the chair calls for the last contribution in the busy question and answer session, a sea of eager students raises their hands. In FY 2010, a lecture was given by Toshifumi Suzuki, CEO of Seven & I Holdings. We support this extended 10-year program in the hope that it will lead to deeper understanding between Japan and China and a further development of economic ties.

Russia-Mitsui Forum Program at Saint Petersburg State University

Mitsui is engaged in the Sakhalin Project and other business projects in Russia. The Mitsui-Endowed Lecture Program has so far brought two lecture events with guests from Japan speaking on the theme of 'innovation' to at Russia's Saint Petersburg State University, whose alumni include prominent individuals such as Prime Minister Vladimir Putin and current president Dmitry Medvedev. In FY2010, Teisuke Kitayama, Chairman of the Board of the Mitsui Sumitomo Banking Corporation, gave a lecture on the theme of the world economy and bank management in the wake of the financial crisis. Participating students took copious notes in an effort to gain the most from the lecture and the question and answer session was also animated. In addition to the Mitsui-Endowed Lecture Program, Mitsui contributes to the university by providing scholarships for Japan Studies programs (1 to 10 months) and presents the library of the university's Oriental Studies department with Japanese books and DVDs.





Educating Outward-looking Japanese Students through Overseas Internships

Support to Overseas Internship Programs Operated by the Institute of National Colleges of Technology, Japan

Since 2008, the Institute of National Colleges of Technology, Japan, has organized a program of approximately 3-week internships at overseas factories aimed at fostering engineers able to act in an international environment. As more Japanese companies set up production bases overseas, we believe that increasing the number of students with experience of working overseas and the number of technology college students with technical skills will favor the development of human resources with a global outlook. We have therefore supported the program from its first year by introducing companies able to host technology college students as interns.

The number of host companies cooperating in the program has been increased to eight, and the number of student interns in FY2010 was 21. These were among the reports from participating students: 'I realized that for communication it's important not just to have English language skills but also to have things you want to say and want to find out' and 'it was interesting to learn about the attitude to manufacturing of a Japanese company from the overseas staff for a change.' With Japanese students said to be inward-looking and not interested in venturing overseas, we are committed to continuing our support to this program with the aim of creating more opportunities for students to broaden their horizons toward the outside world.



Other Mitsui-Endowed Lecture Programs

➤ [Program details](#)

Mitsui Global Initiatives

The Mitsui USA Foundation

The Mitsui USA Foundation was established in New York in 1987 to make the social contributions appropriate to a good corporate citizen in US communities where Mitsui USA does business. Historically, the foundation has placed emphasis on higher education and employee participation. More recently, it has enhanced its giving to include the disabled community. Today, the foundation devotes its energies to education, community and disabled welfare, arts and culture, action based on employee participation and corporate matching, and other activities bearing the Mitsui USA name. Every year, the foundation supports approximately 50 projects across the United States. Half of this budget is devoted to education-related activities, most of which bear the name of Mitsui USA. Chief among these are scholarships to university students and support for overseas study, study workshops, fellowships in the field of international relations, and international exchange among high-school students.



Mitsui Bussan do Brasil Foundation Mitsui Bussan do Brasil Foundation

Mitsui Brazil and its local subsidiaries and associated companies established the Mitsui Bussan do Brasil Foundation in February 2008. The foundation supports children's education, focusing on activities aimed at cultivating human resources able to contribute to the development of friendship and the expansion of cultural exchange between Japan and Brazil.



Australia: Study Program Supported by Mitsui Educational Foundation

Mitsui & Co (Australia) Ltd. established the Mitsui Educational Foundation In 1971 with the aim of promoting mutual understanding and friendship between Japan and Australia. Every year the foundation sponsors 8 to 10 students from universities around Australia to participate in a three-week study tour of Japan.

During the tour, the students pay visits to schools, universities, offices, manufacturing plants, and places of historical and cultural significance. They also take part in a homestay and engage in social activities with Japanese university students recruited to join Mitsui as graduates the following year. In the 39 years to 2010, 305 Australian university students have taken part in the program, many of whom are active in positions relevant to Japan-Australia relations.



Mitsui Bussan Scholarship Program for Indonesia

Mitsui established the Mitsui Bussan Scholarship Program for Indonesia as a charitable trust in 1992 to contribute to cultural exchange with Japan and to foster human resources able to support the country's development.

High-school pupils selected locally in Indonesia come to Japan to attend Japanese-language school for a year and a half and university for four years, receiving tuition fees and living expenses for this total five-year period. The scholars do not only receive financial support: every month they are called together for advice sessions covering all aspects of their lives from how to prepare for university entrance examinations through to emotional support. This generous and comprehensive support is characteristic of the program. Up to March 2011, 28 students, including graduates, had benefited from the program. Six of them have acquired doctoral degrees, indicating the program's contribution to creating outstanding human resources.



Thailand: Library Donation Project

This social contribution initiative was launched in 2006 to commemorate the centenary of our business activities in Thailand and is run by the staff of Mitsui & Co. (Thailand) Ltd. Schools in rural areas with limited educational facilities are selected to receive donations of libraries, books, data-processing terminals, and equipment. Ten schools received assistance in the three years from 2006. In 2008 it was decided to expand the program by selecting an additional two schools. The intention is to add one more school each year from now on to assist the development of elementary education in Thailand.

In 2009, four companies responded to an appeal made to Mitsui Thailand Group companies. Metal roofs for the schools were donated and installed by Thailand Iron Works, while books were received from Mitsiam Motors, which sells Hino Motors trucks and buses, and BAF (Thailand) which provides sales finance for Yamaha motorcycles. One of the successes of the project was that it helped to spread initiatives to Group companies.



Grant Project of Mitsui & Co., Ltd Environment Fund (Paraguay)

Regeneration of Old Growth Forests Near Lago del Rio Yguazú

Asociación Japonesa de Yguazú (Paraguay NGO) (Nominated by the Mitsui & Co. Americas Business Unit)

- Grant year: FY2010 Activity Grants
- Grant term: Three years (October 2010 – September 2013)
- Grant amount: 17,111,915 yen
- Activity area: Near Lago del Rio Yguazú, Paraguay

Japanese immigrants to Paraguay assisted in the country's agricultural development by introducing modern equipment and clearing old growth forests in the area near the artificial Lago del Rio Yguazú lake. As a result, the area became Paraguay's leading grain growing region and contributed to its economy. However, excessive clearing of the forests has led to problems such as decreased rainfall, soil erosion caused by torrential rains, and soil degradation, which have hindered agricultural production.

Under this project, organizations will be set up in collaboration with local agricultural cooperatives, local governments, and other groups to carry out tree planting in the deforested area near the lake to regenerate old growth forests. Specifically, 250,000 native tree seedlings will be produced annually and potential planting sites will be examined and prepared. Fifty hectares (0.5 km²) of trees will be planted in the first year with a further 75 hectares (0.75 km²) being planted from the second year. In addition, the planting of trees by residents of the community will be encouraged by providing seedlings for fast-growing trees to be used as firewood.

Environmental education will also be carried out through the tree planting.



Grant Project of Mitsui & Co., Ltd Environment Fund (Thailand)

Integrating Biodiversity Values into National Resource Management Practices in Thailand

Seub Nakhasathien Foundation (Thai NGO) (Nominated by the Mitsui & Co. Asia Pacific Business Unit)

- Grant year: FY2010 Activity Grants
- Grant term: One year (October 2010 – September 2011)
- Grant amount: 7,584,246 yen
- Activity area: Thailand

In Thailand, considerable efforts are being made to avoid a loss in biodiversity, however, based on the results of assessments that have been made to date, it is predicted that such losses will continue for some time into the future.

In conjunction with the International Union for the Conservation of Nature (IUCN), five IUCN member organizations, including the Seub Nakhasathien Foundation, have taken up biodiversity issues within Thailand and have introduced biodiversity principles into Thai national resource management practices. To improve public awareness, they have also carried out the following activities:

- (1) Evaluating biodiversity conditions and the state of biodiversity management of ecosystems in mountain forests, cities, agricultural land, and inland waters, and proposing measures to resolve management issues.
- (2) Improving public awareness of the importance of biodiversity and threatened losses of biodiversity by holding forums in seven regions, and presenting model practices for biodiversity management in nationwide seminars.
- (3) Using training and workshops to improve the management capabilities of local government organizations, as well as supporting biodiversity pilot projects.
- (4) Supporting the preparation of books, reports, press releases, and other materials, and raising the awareness of local residents and stakeholders.



Progress Toward the United Nations Millennium Development Goals

Around the world, one in every five people lives on less than one dollar a day. Such people face many problems as a result: for instance, their children cannot go to school and they do not have access to adequate medical care.

In October 2004, Mitsui pledged its support for the Global Compact, which is championed by the United Nations. The Global Compact is a set of principles that private companies agree to accept as guidelines for action, focused especially in the areas of human rights, labour, environment and anti-corruption, and Mitsui is working to abide by and put these principles into practice.

One aim of the Global Compact is to achieve the United Nations Millennium Development goals for the reduction of poverty. In May 2008, in response to a call from the then British prime minister Gordon Brown, Mitsui signed a Business Call to Action declaration committing to corporate action aimed at attaining the Millennium Development goals by the target year of 2015 set by the United Nations. Mitsui is now collaborating toward that goal through a range of relevant initiatives.



Contributing to Local Communities in Mozambique

In cooperation with the United Nations Development Programme (UNDP), Mitsui is donating a solar power-operated pumping facility for irrigation water to a farming community in Mozambique, Africa. In September, 2010, an agreement providing for the commencement of construction was signed between Mitsui and UNDP.

This program, in which UNDP and Mitsui gather their respective knowledge and strengths toward the achievement of the Millennium Development goal of reducing poverty, is an example of action to support development based on a public-private partnership.

Providing the village (in the Millennium Village at Chibuto, in the province of Gaza) with the infrastructure to supply irrigation water will improve agricultural productivity and help the community to become self-sufficient and sustainable.

With a forecast total budget of approximately 2.0 million US dollars, we will continue our work on the project to bring the pump into operation at the earliest possible date.





Mitsui is promoting environmental management towards realizing sustainable development on a global Group basis.

Environmental Policy

Mitsui engages in environmental management and activities as part of our efforts to realize sustainable development on a global Group basis.

Management of Greenhouse Gas (GHG) Emissions

Mitsui is implementing initiatives aimed at reducing the volume of GHG emissions on a global Group basis.

Environmental Accounting/Environmental Liabilities

Mitsui has introduced environmental accounting in order to effectively and efficiently implement initiatives for environmental preservation. Furthermore, Mitsui and its domestic Group subsidiaries have begun to make assessments of environmental risks on their own initiative related to their land and buildings and have been conducting investigations.

Initiatives for Compliance with Environmental Regulations

Mitsui complies with such as the Revised Act on the Rational Use of Energy, Waste Disposal and Public Cleaning Law, and REACH in its transportation operations and other distribution activities to preserve the global environment.

Environmental Management

Mitsui has positioned environmental management on a global Group basis as one of its highest priority issues and is striving to strengthen environmental management by ISO 14001 and various other measures.

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 through activities, such as the efficient utilization of resources and energy.

Raising Environmental Awareness of Employees

Since 2008, Mitsui has been holding "Mitsui Environment Month" events in each June. Mitsui also periodically provides seminars and training sessions to raise the environmental awareness of employees.

Activities to Preserve Biodiversity

We implement initiatives for the preservation of biodiversity.



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.

Revised April 2011

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.



Environmental Management on a Global Group Basis under ISO 14001

Mitsui has made the judgment that obtaining ISO 14001 certification is effective for its environmental management on a global Group basis. This is because (1) it enables the accurate identification of the environmental risks in its activities and introduces the PDCA cycle to reduce such risk on a continuing basis, (2) it is effective as a tool for confirming legal compliance, and (3) it secures objectivity and transparency based on third-party evaluations. Accordingly, Mitsui has made ISO 14001 certification obligatory for those domestic subsidiaries that place a significant burden on the environment. 35 domestic subsidiaries have obtained certification.

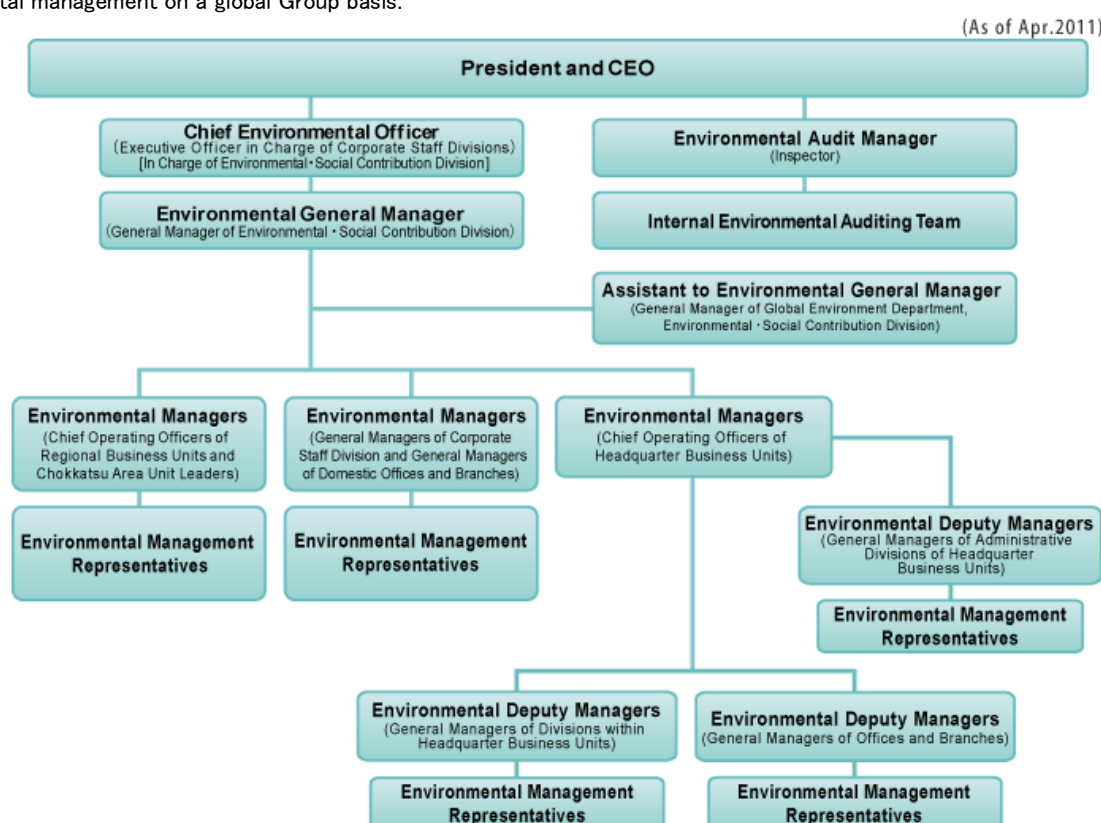
Mitsui has established a policy for obtaining ISO 14001 certification among its overseas regional business units and overseas subsidiaries, in consideration of their significant environmental burden. Mitsui identified the first targeted subsidiaries and beginning in the fiscal year ended March 31, 2010, those subsidiaries moved ahead steadily with preparations for obtaining ISO 14001 certification. 24 subsidiaries have already obtained certification including newly obtained 2.

Mitsui obtained ISO 14001 certification more than 10 years ago, and to commemorate this milestone, we conducted a major review of the system with the aim of substantially increasing its effectiveness as part of our activities conducted during the fiscal year ended March 31, 2011.

Specifically, activities to reduce the amount of copy paper used have been designated as a collective goal for the entire company. Mitsui is effectively promoting environmental management (the amount of copy paper consumed during the fiscal year ended March 31, 2011 was 12.3% less than during the fiscal year ended March 31, 2010.) while also focusing attention on reducing risk in our main businesses.

Environmental Management System

In order to promote environmental management, Mitsui has appointed a chief environmental officer to assist the President in performing his management responsibilities in relation to environmental issues. The general manager of the Environmental・Social Contribution Division has been appointed as the environmental general manager to execute environmental management. In addition, the chief operating officers of each business unit, the general managers of each corporate staff division, the general managers of each branch and office in Japan, the chief operating officers of overseas regional business units and Chokkatsu area unit leaders have been appointed as environmental managers of their respective business units or divisions. Mitsui has created this organizational framework to promote its environmental management on a global Group basis.



Training Specialist Personnel

As previously mentioned, in our business operations in manufacturing and other areas that place significant burden on the environment, we are promoting to obtain ISO 14001 certification on a global Group basis. To further upgrade the specialties of our staff, we are training additional personnel with ISO 14001 Chief Environmental Auditor qualifications on a companywide basis and two people have acquired this certification. Furthermore, to monitor the environmental management status of subsidiaries and provide advice and guidance as necessary, we are also promoting the training of personnel to obtain ISO 14001 Provisional Environmental Auditor qualifications in principal business units and four people have acquired this certification.

Environmental Risk Management – Environmental Advisory Committee and Environmental Incident Response System

To further develop “environmental-related businesses” and “R&D-related manufacturing” responsibly and with maximum consideration for the environment, Mitsui has formed its Environmental Advisory Committee to deliberate environmental-related issues. This committee is composed of outside members who have a basis of an understanding of environmental matters and have an objective perspective. In addition, Mitsui appoints experts with knowledge of environmental matters and related technologies (with manufacturing experience) who conduct follow-up activities related to new and existing business activities. During the fiscal year ended March 31, 2011, there were zero environmental-related incidents at the parent company, but three small environmental-related incidents were reported by subsidiaries. However, these were dealt with quickly, and, as a result, all related corrective and preventive measures have been completed. Please note that, when a major environmental incident occurs, the Environmental Incident Response Committee convenes to identify the causes and consider appropriate corrective and preventive measures.

Research on Environmental Relevant Laws and Regulations and Environmental Inspections

As part of its environmental risk management activities, Mitsui also holds seminars dealing with environmental relevant laws and regulations for its subsidiaries in Japan. Using a checklist for environmental relevant laws and regulations developed in-house that takes account of recent revisions in such laws and regulations, Mitsui reviews environmental legislation in its domestic subsidiaries, with the dual aim of determining whether subsidiaries recognize the laws and/or regulations they must follow and ensuring that they are in compliance with these legal and regulatory provisions. Furthermore, for domestic subsidiaries in industries that impact significantly on the environment (such as the manufacturing, processing, warehousing, and transportation industries), Mitsui Global Environmental Department staff and environmental consultants visit factories and offices to provide specific guidance on compliance with environmental relevant laws, reducing environmental burden, and preventing environmental pollution. Environmental inspections were performed at 12 affiliated companies during the fiscal year ended March 31, 2011. In addition, the first environmental field surveys from the viewpoint of environmental burden were carried out at four overseas subsidiaries. In this way, Mitsui is working to further strengthen its environmental risk management capability on a global Group basis.



The Shark Bay and the Onslow salt fields, where environmental inspections were carried out in the fiscal year ended March 31, 2011



Mitsui Alimentos' coffee roasting plant (in Brazil), where environmental inspection was carried out in the fiscal year ended March 31, 2011

Examples of Environmental Inspections

Since 2000, Mitsui has visited to the offices of domestic subsidiaries in industries that impact significantly on the environment (including manufacturing, processing, warehousing, and transportation) to provide specific guidance on compliance with environmental relevant laws, reducing environmental burden, and preventing environmental pollution. Mitsui carried out environmental inspections at over 200 affiliated companies up until 2010.

Example: MSS Stainless Steel Center Co., Ltd. Niigata Branch Yamabun Center

The main work of the MSS Stainless Steel Center Co., Ltd. Niigata Branch Yamabun Center is the processing and sales of stainless-steel sheets. These centers have implemented and introduced all items of guidance that they received during the environmental inspections, including those for improvement such as scrap quality control and the maintenance of wire-cutting machines, and recommendations including the maintenance of waste storage facilities, in a timely manner. In addition, environmental improvement was accomplished through analysis of problem causes, thoroughly carrying out the “5S” (sorting, straightening, systematic cleaning, standardizing, self-discipline) methodology in the workplace, and providing environmental education to all employees.



The centers are working to thoroughly implement the 5S methodology by not leaving items in the vicinity of equipment, and also by storing tools and other items in a designated location.



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 (based on basic units) since the fiscal year ending 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. In the future, Mitsui will consider policies and reduction leeway on a global Group basis, and work to further reduce its GHG emissions.

Electricity Consumption (Domestic)

(Unit : MWh)

	FY10/3	FY11/3
Domestic locations* ¹	45,125	41,020

CO₂ Emissions

(Unit: 1,000 t-CO₂)

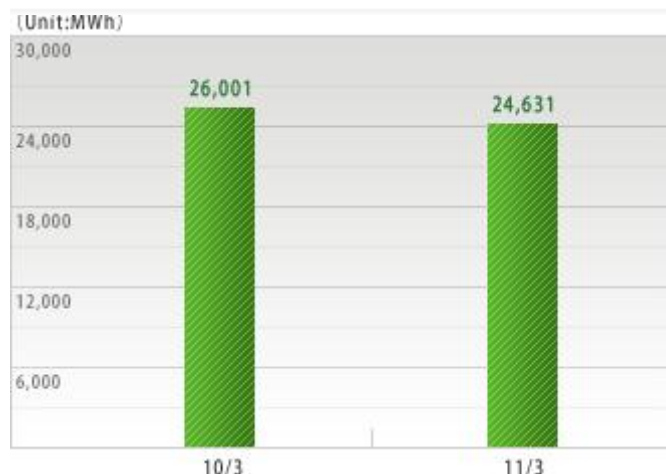
	FY10/3	FY11/3
Domestic locations* ¹	25	21
Subsidiaries in Japan* ²	306	292
Total	331	313
Overseas subsidiaries* ³	1,580	1,547

- *1 Scope of coverage: Estimates of electric power usage and the volume of CO₂ emissions for all locations in Japan are based on the computation criteria stipulated in the Revised 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.
- *2 Subsidiaries and associated companies in Japan are domestic consolidated subsidiaries as specified in the Financial Instruments and Exchange Law. Estimates are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy.
- *3 Overseas subsidiaries and associated companies are overseas subsidiaries included within the scope of consolidation. Estimates are based on the computation criteria contained in the World Business Council for Sustainable Development (WBCSD) and GHG protocols (2004). The investigation for fiscal year ended March 31, 2010 focused on overseas subsidiaries with CO₂ emissions exceeding 1,000 tons, covering 98.5% of the whole, and is based on the 2008 investigation.

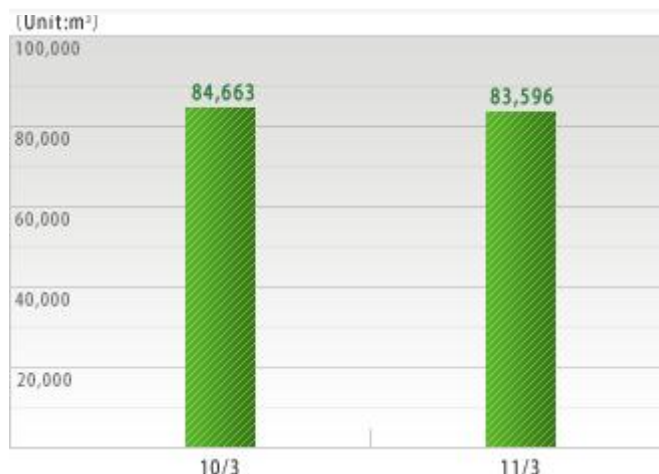


All employees at Mitsui strive to reduce the burden on the environment not only when conducting business, but also in their office activities through the efficient utilization of energy resources, as well as the reduction, reuse, and recycling of waste and its proper disposal.

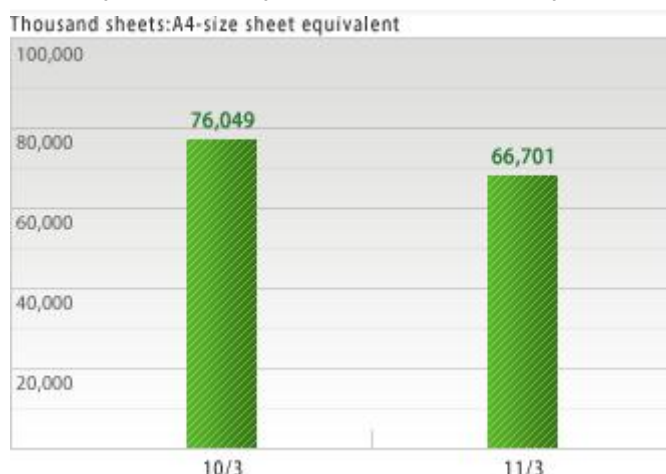
Electricity Consumption (all offices in Japan)



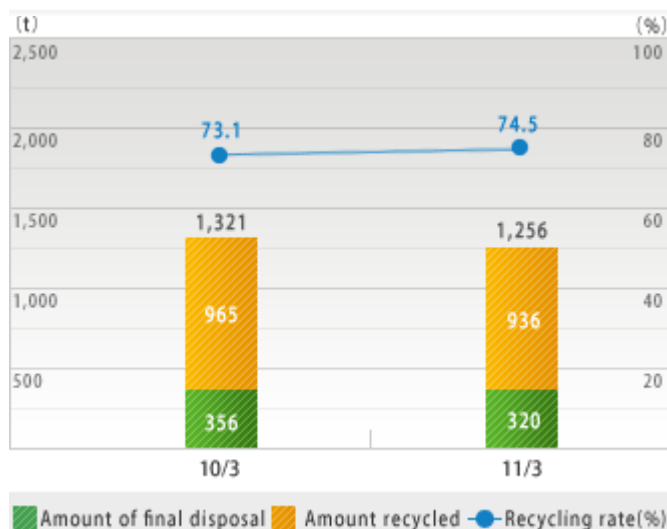
Water Consumption



Paper Consumption (all offices in Japan)



Waste



* Figures for Water Consumption and Waste recycling are for the following Mitsui-owned buildings: Mitsui & Co., Head Office Building; Nagoya Building (Chubu Branch); Toyota Building (Toyota Branch) and Osaka Building (Kansai Branch).

Power saving measures at Tokyo head office

Mitsui was engaged in reducing the amount of electricity consumption at Tokyo Head Office through a combination of measures such as installing more efficient lighting, using sensor lights and adopting inverter technology for air conditioning and elevators during the fiscal year ended March 31, 2011.

In addition, in spring 2011 Mitsui installed solar panels on approximately 2,000 m² of rooftop space. The CO₂ that will be reduced through the installation of these solar panels is the equivalent of the amount absorbed by approximately 0.113 km² (11.3 hectares) of forest. In this way, Mitsui has strengthened environmental activity in our offices as well.



Solar panels are on line at the Tokyo head office



Office space with installed more efficient lighting, using sensor lights

Environmental Management Activities

Environmental Accounting/Environmental Liabilities



Environmental Conservation Costs

The cost of environmental preservation for all of Mitsui's domestic Offices during the fiscal year ended March 31, 2011 is outlined below.

(Unit: 1,000 JPY)

Category	Investments	Expenses
Business area costs	730,225	1,069,037
Upstream/downstream costs	0	227,300
Administration costs	0	459,644
Social activity costs	0	1,746,834
Environmental remediation costs	0	120,000
Total	730,225	3,622,815

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, 2010 – March 31, 2011

Environmental Preservation/Economic Effects

Mitsui's environmental preservation/economic effects for paper consumption, energy consumption, and waste output for all offices in Japan during the fiscal year ended March 31, 2011 are shown below.

	Environmental preservation effects	Economic effects (Unit:1,000JPY)
Paper consumption	9,348,000 sheets	7,545
Electricity consumption	1,441,000 kWh	11,686
Waste recycling	65 t	2,147

Environmental preservation/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

Consumption of the electric power used and of the waste emissions: Buildings owned by and in use by Mitsui in Japan

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. In the fiscal year ended March 31, 2011, Mitsui responded to the introduction of accounting standards for the disposal of assets.



"Mitsui Environment Month" Events

Since 2008, Mitsui has designated June as "Mitsui Environment Month" in connection with Japan's "Environment Month" and has been holding a number of lectures and presented courses with the aims of raising interest in and deepen understanding of environmental issues, and also facilitating environmental protection activities for our employees as well as those of our subsidiaries and associated companies. During the fiscal year ended March 31, 2010, we held outdoor hands-on programs that were highly evaluated by participants. According to the surveys conducted after each program, 95% of respondents answered that the program had greatly contributed or contributed to developing environmental awareness. In the future as well we intend to further enhance the content of "Mitsui Environment Month" while being conscious of actions related to environmental issues throughout the world.



Mitsui Environment Month 2010 program:
Nature observation at the Imperial Palace



Mitsui Environment Month 2010 program:
Experiencing making paths using thinning trees from "Mitsui's Forests"



Mitsui Environment Month 2010 program:
Yatsuda (Paddy Field in Ravine)
reclamation project – hand weeding and
survey of living things

Regular Seminars and Training Sessions

Besides sponsoring "Mitsui Environment Month", we are holding periodic seminars and training sessions, and work to increase the level of awareness of environmental issues among the employees of Mitsui, our subsidiaries and associated companies.



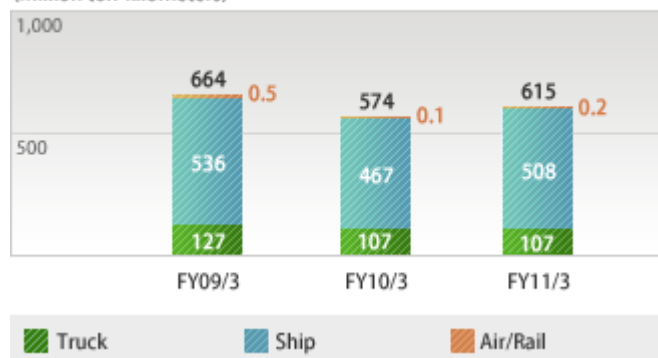
Response to the Rational Energy Use Law

From the perspective of compliance and environmental protection, Mitsui complies with the Revised Act on the Rational Use of Energy and is taking initiatives to reduce energy usage in its transportation operations and other distribution activities that have an impact on the natural environment.

At present, we handle a diverse range of freight, including iron and steel, other metals, chemical products, and foods. On a ton-kilometer*¹ basis, we handle a total of 615 million ton-kilometers of domestic freight annually. By mode of transportation used, about 83% is carried by ship, about 17% by truck, and the remainder by rail or airplane.

Since we handle more than 30 million gross ton-kilometers of domestic freight annually, Mitsui is classified as a Designated Shipper and responds based on calculation of its total amount of freight, which includes Mitsui-owned cargo as well as freight for transportation in Japan arranged by Mitsui.

Freight Volumes Handled by Mitsui
(Million ton-kilometers)



When Mitsui became a Designated Shipper and to meet the requirements of the Revised Act on the Rational Use of Energy, it began to carry out a broad array of company-wide initiatives to promote the efficiency of energy use in its transport business. These include improving its operating systems and holding seminars on related matters. In each of our business units, we collaborate with our business partners in the distribution-related fields and promote measures to improve fuel economy, including implementing eco-friendly driving practices. Other measures to raise transportation efficiency include making use of larger transportation vehicles, introducing cargo consolidation arrangements, and reviewing and improving the efficiency of transport routes. We are also implementing energy conservation through modal shifts, making use of rail and ship transport.

Each business unit is responsible for formulating and implementing specific energy reduction plans*². The Logistics Management Division, the administrative body for this process, supports the business units by consulting 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. Moreover, the Environmental and Social Contribution Division, which is responsible for overall company-wide environmental management systems, is making steady progress.

*1 Ton-kilometers are calculated by multiplying the number of metric tons of cargo transported 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

Results for Fiscal Years Ended March 31, 2010 and 2011*¹

Specific consumption, fiscal year ended March 31, 2010*²	15.7
Specific consumption, fiscal year ended March 31, 2011*²	15.3
Percentage improvement	2.5% YoY

*1 Results are as provided to the Kanto Bureau of Economy, Trade and Industry in June 2011.

*2 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.

Compliance with the Waste Disposal and Public Cleaning Law

Mitsui is in compliance with the Waste Disposal and Public Cleaning Law (referred to as the Waste Disposal Law or Waste Law) and, to carry out the disposal of industrial waste generated by its distribution activities and other general waste, Mitsui's Logistics Management Division prepares process flows for disposal of industrial waste and other business related wastes as well as answers to frequently asked questions related to waste disposal to provide assistance to relevant business units within Mitsui. In addition, the Logistics Management Division holds periodic seminars to increase the awareness and understanding of proper waste disposal practices, such matters as the selection of waste management subcontractors, issue of manifestos and their subsequent management, and other related matters. Also, to work toward the proper disposal of industrial waste generated by the distribution activities of associated companies, the division holds seminars where it provides personnel to give talks and provides other assistance for waste management matters.

Responding to EU REACH Regulation

REACH is the abbreviation for "registration, evaluation, authorization, and restriction of chemicals," which is a system of regulations developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH law went into effect on June 1, 2007, the pre-registrations related to these regulations were completed by November 30, 2008 and also completed the first full registrations 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.



Activities to Preserve Biodiversity during Business: Tree-Planting Program in Australia

Mitsui is carrying out a eucalyptus tree-planting program in Australia together with Nippon Paper Industries Co., Ltd. for the stable provision of wood chips (the raw material for paper). Australia's land area is very flat compared to Japan, which has a great deal of sloping terrain. Australia's areas of tree-planting are highly productive and intensively managed like a farm, so much so that they are called "tree farms" in English. The trees grow for approximately 10-year periods between planting and harvest, known as one 'rotation'. After harvest, reforestation (or coppice regeneration) is also carried out to grow subsequent rotations of trees in a sustainable manner. Together with Nippon Paper Industries, Mitsui is carrying out this tree-planting program in four areas throughout Australia. As of November 2010, the forested area will total approximately 200 km² (20,000-hectares: 3.3 times the approximately 60 km² [6,000-hectares] area inside the Yamanote Line). Tree-planting commenced at two of these four areas in 1996, and these two areas are currently under the second rotation. Each project is being managed in full consideration of the environment over the long term. The aforementioned tree-planting areas have all acquired Australian Forestry Standard (AFS) certification, which is an Australian forest certification system. The AFS has mutual international recognition under the Programme for the Endorsement of Forest Certification (PEFC) schemes. The purpose of the PEFC is the utilization and protection of sustainable forests; this international forest certification system evaluates whether or not forests are being adequately managed.

To acquire this certification, a forest must at least satisfy the following four criteria, and have a positive impact on biodiversity;

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

As an example, our tree planting areas contain wetlands and headwaters which are inhabited by many biological species and we are working to preserve these biological species by allowing these wetlands and headwaters to remain. Furthermore, we actively prevent the erosion of native vegetation through the extermination of designated alien weeds.

All forest management activities in riverside areas and near tree planting areas are carried out while referring to the Department of Sustainability, Environment, Water, Population and Communities' database of rare species regarding biological species (native reptiles, mammals, birds, fish, etc.). As a result, these activities also serve to protect biological species, headwaters, and water quality.

Bushfires are a concern that poses the greatest threat to biodiversity. To prevent bushfires we organize fire trucks to be present ahead of time and have a system of continuous real-time monitoring. This is in addition to the mandatory installation of firebreaks throughout the tree farms. Furthermore, as a measure to prevent the spread of fire, the undergrowth is removed by grazing sheep. This initiative (which is unique to Australia) allows us to provide feeding grounds to neighboring sheep farmers and reduce our consumption of chemicals.



Tree-planting areas in Australia



Sheep that contribute to preventing the spread of fires



Environment-Related Business



Mitsui engages in a wide range of businesses in the world around us, and, under the action guidelines 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.

As such issues as global warming and population growth have become more serious, society's concerns have increased regarding preserving the natural environment, sustaining biodiversity, making the low-carbon society a reality, and expanding the use of natural energy. Themes related to these concerns that should be addressed have mounted in number. Mitsui is taking initiatives through its core business in many areas to help find solutions to respond to these concerns, and some of these are introduced here.

Renewable Energy

Mitsui has set an objective of substantially increasing the ratio of renewable energy among its holdings of energy assets as a policy for dealing with global warming and realizing global sustainability. Accordingly, Mitsui is pursuing and strengthening its initiatives related to renewable energy projects in the United States, Europe, and Australia.

Business investment	Business investment	Country	Generating capacity/Scale
Solar power generation business	IPM Eagle Desarrollos Espana	Spain	1.5MW
	ISAB Energy Solare	Italy	1MW
	Haneda Solar Power Co., Ltd.	Japan	2MW
Solar thermal power generation business	Guzman Energia S.L.	Spain	50MW (under construction)
Wind power generation business	Brazos Wind, LP	U.S.A.	160MW
	Bald Hills Wind Farm	Australia	106.6MW (planned)
	Zajaczkowo Windfarm Sp.	Poland	48MW
	NS Wind Power Hibiki Co., Ltd.	Japan	15MW
	MITOS Windpark GmbH	Germany	3MW
Biomass power generation business	Green Power Ichihara Co., Ltd.	Japan	50MW
Bioethanol production business	The Andersons Albion Ethanol LLC/Clymers Ethanol LLC, The Andersons Ethanol Investment LLC	U.S.A.	1.05 million KI/year

Example: Haneda Solar Power Generation Business (Japan)

Through joint investment with Tokyo Electric Power Company, Mitsui built an on-site solar power generation system with 2,000-kW output, the largest of its kind in Japan, on the roof of the International Cargo Terminal Shed at Haneda Airport. In commercial operation since August 2010, this system enables us to operate an energy service business that supplies stable electrical power by combining the power generated by this system with power from the power grid.



Largest solar panel system in Japan
(Haneda Airport)

Projects for Reducing Emissions of Greenhouse Gases

Since 2002, Mitsui has played a principal role in the development and implementation of Clean Development Mechanism (CDM) projects that are aimed at reducing greenhouse gas emissions as provided for under the Kyoto Protocol (please refer to the following table), by combining its various functions as a general trading company. In addition, in 2009, Mitsui began trading Assigned Amount Units under the Kyoto Protocol with the Czech Republic. This emission trading is managed under the framework of the so called "Green Investment Scheme" obliging the Czech government to use the funds for energy-saving projects in the housing and building sectors in its country.

In the future, Mitsui plans to take advantage of the expertise we have gained through CDM and GIS to tackle global warming issues on a medium to long-term basis. We will promote mitigation projects that reduce greenhouse gas emissions including those that introduce Japan's clean technologies, especially in the areas of renewable energy, energy saving, and effective utilization of energy.

Project	Country	Greenhouse gas emissions reduced
China Fluoro Technology Co., Ltd. HFC23 Abatement Project	China	4,250,000 tons/year
Guangdong Shenzhen Qianwan LNG Generation Project	China	1,000,000 tons/year
Tiefa Coal Industry Group CMM Utilization Project for City Gas	China	800,000 tons/year
Hydro-electric power plant project in the Sando Bay area of China's Gansu Province	China	300,000 tons/year
N ₂ O reduction project at a nitric acid plant in Deepak, India	India	350,000 tons/year
Lepanto Landfill Gas Management Project	Chile	400,000 tons/year
Methane Recovery from Industrial Effluent and Power Generation Project	Malaysia	50,000 tons/year
15 other projects		2,400,000 tons/year
Total of 22 projects		9,650,000 tons/year

Example: Subsidy program for energy saving projects in the housing and building sectors in the Czech Republic

Mitsui has so far concluded agreements to purchase Assigned Amount Units (totaling 30 million tons or more) from the Czech government, the proceeds of which are being used for subsidies for energy saving projects in the housing and building sectors in the Czech Republic. We will continue cooperating with the Czech Government and contribute to mitigation activities in its country by introducing Japanese clean technologies.



Utilizing the subsidy program for insulating exterior walls and window frames

Example: Malaysia/Methane Recovery from Industrial Effluent and Power Generation Project

The project reduces greenhouse gas emissions by recovering methane, a greenhouse gas, generated from the industrial effluent emitted after the extraction of crude palm oil at the palm oil mill owned by Bell Corporation (Malaysia) and utilizing the methane gas to generate electricity. Mitsui supports the CDM procedures and project development, and purchases the carbon credits (CERs) from the project. This project was registered by the United Nations in 2008, and is expected to generate about 150,000 tons of CERs until the end of 2012.



The anaerobic biogas digester, recovering methane from the effluent

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. Mitsui also participates actively in implementing demonstration business activities sponsored by national and local government ministries for the recovery and recycling of used mobile phones and their parts, appliances, and other items. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

Business investment	Main business	Country	Scale
Sims Metal Management Ltd.	General recycling business (metal scrap, home appliances recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 13 million tons of metal scrap and 400,000 tons of home appliances recycled annually
Mitsui Bussan Metals Co., Ltd.	Trading of ferrous/non-ferrous metal scrap and provision of environmental solutions	Japan	Handles 4,000,000 tons of ferrous and non-ferrous metal scrap annually
Kyoei Recycling Co., Ltd.	Industrial waste processing and gas production	Japan	Processing capacity of 27,000 Mt/year, 140,000 Nm ³ /day

Example: Metal Scrap and Used Home Appliances Recycling Business

Mitsui invested in Sims Metal Management, the world's largest recycler of ferrous and non-ferrous metal as well as e-waste, in June 2007, and, as of March 31, 2011, Mitsui had become the largest shareholder with a 17.6% ownership.

In addition to ferrous and non-ferrous metal scrap and e-waste, the company has expanded its business to include New York City municipal waste processing operations. Sims Metal Management is, therefore, continuing to grow as a general recycling enterprise.



The Sims Claremont scrapyards, located in New Jersey, with the Statue of Liberty and the Manhattan skyline visible in the background

Modal Shift

Building and improving the social infrastructure is a top-priority issue for the economic growth and promotion of industrial development in countries around the world. To respond to related needs, Mitsui is strengthening its functions and capabilities on a global Group basis. Mitsui has leveraged its accomplishments in the rolling stock leasing business, which has grown especially over the past 10 years, and focused on the railway logistics infrastructure projects. In this field, Mitsui is promoting the modal shift to railway transportation through the development of railway terminals and new businesses related to the cargo transport value chain.

Business investment	Main business	Country	Quantitative effect (annual CO ₂ emissions)
Tri-net Logistics Co., Ltd.	Tokyo Bay barge transportation (Ichihara to Yokohama)	Japan	91% reduction in CO ₂ emissions compared to truck transportation
Mitsui & Co., Ltd.	Russia-Siberia rail transportation	Russia	30% – 40% reduction in CO ₂ emissions compared to marine transportation (according to Mitsui's estimates)
MRC (Mitsui Rail Capital, LLC)	Railway freight car leasing	U.S.A.	Freight cars: 9,100
MRCE (Mitsui Rail Capital Europe B.V.)	Railway locomotive leasing	Europe	Locomotives: 280
MRC-LA (Mitsui Rail Capital Participações)	Railway freight car leasing	Brazil	Freight cars: 5,500 (The number of freight cars is as of March 31, 2011.)

Example: Railway Rolling Stock Leasing (20 locomotives and 15,000 freight cars under lease)

The MRC group, which is developing its operations on three global bases in the United States, Europe, and Brazil, is supporting 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.

Also, by promoting the modal shift from truck transport to rail transport, the MRC group works to reduce the emission of greenhouse gases and contribute to improving the earth's environment.



A railway engine owned by Mitsui Rail Capital Europe

Tree Plantations

Tree Plantations	Country	Scale of operations (*target)
BTP (Bunbury Treefarm Project)	Australia	20,000ha*
GTP (Green Triangle Treefarm Project)	Australia	10,000ha*
VTP (Victoria Treefarm Project)	Australia	8,000ha*
AAP (Australian Afforestation Pty., Ltd.)	Australia	2,000ha*
PTP (Portland Treefarm Project)	Australia	3,000ha*
GSTH (Great Southern Timber Holdings Pty., Ltd.)	Australia	14,000ha

Example: Tree Farming in Australia

Mitsui has been engaged in five tree-farming projects in Australia since 1996. By cultivating sustainable forests, these projects contribute to preserving valuable natural resources, absorbing and chemically immobilizing carbon dioxide, preserving biodiversity, and preventing soil erosion and salt pollution.



Eucalyptus plantation operated by GSTH Pty Ltd. (Bunbury, Western Australia)

Other Environment-Related Business

Project	Main businesses
Water treatment business	Through subsidiary AtraTech, which is a water treatment engineering company headquartered in Mexico, Mitsui has participated jointly with Mitsui & Co. (U.S.A.) in the sewage processing business in the state of Queretaro de Arteaga in that country and in the effluent processing business for projects of PEMEX, Mexico's national oil company. In addition, in December 2008 and again in September 2009, an order was received for a sewage processing project from the water utility of the state of Jalisco in Mexico. Also, in January 2010, an order was obtained from Mexico's water utility for a sewage processing facility that, on completion, will be the largest single plant of its kind in the world.
Water treatment business in China	In August 2010, Mitsui and Hyflux Ltd., a leading provider of integrated water management solutions based in Singapore, established Galaxy NewSpring Pte. Ltd, with each company investing an equal amount. Subsequently, Galaxy NewSpring completed acquisition of 22 assets of drinking water, sewage, and water recycling businesses in China by the end of December 2010 and commenced joint business operations. In the future, the two parent companies plan to expand Galaxy NewSpring's business operations to help mitigate China's water environmental problems.
Photovoltaic modules and related equipment	Sale of solar power generation modules (trade transactions and domestic sales) and related equipment; structuring and upgrading global supply systems.
Sale, design/engineering, and installation of photovoltaic modules	Business participation to provide full turnkey procurement and delivery services for solar power generation systems in the U.S. market through wholly owned U.S. subsidiary SunWise Technologies, Inc. These services include the design and installation of photovoltaic power generation systems.
Materials and equipment for solar cell batteries	Structuring systems for the stable production and supply of the principal materials and equipment for solar batteries and solar battery modules (including silicon materials and products)
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
Investment in the clean-tech field	Mitsui has invested in BioAmber (a U.S. company that researches, develops, manufactures, and markets biomass-derived chemical products), W-SCOPE (a Japanese company that develops and manufactures separator films for use in secondary batteries), FIS (a Japanese company that develops gas sensors for use in fuel cells), Prudent Energy (a Chinese company that develops, manufactures, and markets vanadium redox flow batteries), Fisker Automotive (a U.S. company that manufactures plug-in hybrid electric vehicles (PHEV) for the passenger car market), and Solaria (a U.S. company that makes silicon-based solar cells).
High-pressurized tank for NGVs, FCVs, and for H2 storage	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells as well as stationary tanks for storing hydrogen
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)
Double-layer electric capacitor business	These capacitors incorporate technology that makes them safe and long lasting, and they are suited for the internal recycling of electricity in industrial machinery and heavy machinery; for frequent major power surges required by immediate-response equipment, servomotors, and other devices; and for absorption of strong currents. Mitsui and Omron Corporation are investing jointly in Power Systems Co., Ltd., which manufactures and sells these double-layer electric capacitors (ultracapacitors).
Building energy conservation engineering business in China	Participation in an affiliate joint venture established jointly by Taigo Co., Ltd., of China, and Panasonic Electric Works, which is engaged in promoting the automation of buildings and energy-conserving engineering
Car-sharing business	Operation of a car-sharing business that utilizes high fuel-efficiency, low-pollution vehicles
Business in China producing secondary batteries for use in EVs and smart grids	Please refer to the information below.
High-grade urea solution AdBlue® business	Please refer to the information below.
Japan-Australia Oxyfuel Combustion CCS Verification Project	Please refer to the information below.

Example: Business in China for producing secondary batteries for use in EVs and smart grids

In February 2011, Mitsui acquired an approximately 20% stake in Tianjin EV Energies Co., Ltd. ("JEVE"), a Chinese company that manufactures and sells secondary batteries.

Secondary batteries, which can be repeatedly recharged and used, are the key devices in electric vehicles (EVs) and smart grids* (next-generation power grids). Mitsui aims to help reduce global CO₂ emissions by creating value in new environmental IT businesses centered on secondary batteries.

* Smart grid: A framework that optimizes the efficiency of power supply and demand by combining an information and telecommunications network with a power supply grid to control the flow of electricity from both the generator and consumer sides.



Artist's rendering of the JEVE plant

Example: High-grade urea solution AdBlue® business

As the general agent for Mitsui Chemicals' AdBlue®, which breaks down nitrogen oxides in exhaust emissions into harmless water and nitrogen, Mitsui is building and enhancing a nationwide sales and logistics infrastructure to help popularize high fuel-efficiency, low-pollution, earth-friendly diesel vehicles. As automobile exhaust emissions regulations are tightened (Japan's Post New Long-Term Regulations), the need for ensuring a stable supply of AdBlue® is continuously increasing.



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

Example: Japan-Australia Oxyfuel Combustion CCS Demonstration Project

As a coal supplier, Mitsui is committed to reducing the environmental impact of coal use, and is therefore making an equity participation in the demonstration project in Australia for installing oxyfuel combustion boiler at existing coal-fired power station, capturing CO₂ and storing it underground (CO₂ capture and storage ("CCS") project).



Oxyfuel combustion boiler at the Australia Callide-A coal-fired power station.



About Mitsui's Forests

Forest Management Policy



Forest Management Policy

Adopted July 17, 2009

1. Guiding Principle

Mitsui, mindful of its corporate mission, "Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled," we are committed to carefully nurturing our forests to pass them on to the next generation.

2. Management Policy

Mitsui gives its forest 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 might increase the likelihood of natural disasters and develop into a source of other social problems. Aware of the social value that its forests therefore have, 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 them based on the FSCTM's forest management principles and criteria.

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

Outline of Mitsui's Forests



Location of Our Forests

Mitsui owns forests at 73 locations throughout Japan, from Hokkaido to Kyushu, which together total approximately 440 km² (44,000 hectares). Mitsui's forests thus cover an area equal to approximately 70% of the 23 wards of Tokyo, or 0.1% of Japan's land area, and represent the third largest corporate holding of forest in Japan (as of May 31, 2011).

- Number of forests owned: 73 (in Japan)
- Total area: approximately 440 km² (44,000 hectares)

Mitsui's involvement in forestry goes back to the early 1900s, when the former Mitsui began to acquire felling rights for standing timber for its lumber business. As the business subsequently expanded, Mitsui acquired forestland in Hokkaido, and then also in Honshu, and has cultivated them carefully over the many intervening years.



- ➡ [Click here to view the history of Mitsui's forests](#)
- ➡ [Click here for more details on the forests](#)

Social Value of Forests

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 other 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; they can act as a reservoir that stores and purifies rainwater; they can help to prevent natural disasters through their ability to retain water; and they can conserve the ecosystem. Everyone can enjoy a wealth of benefits from forests.

Aware of the social value of our forests, we see it as an important social responsibility to maintain the forests we own in a healthy condition over the long term.

Mitsui's forests currently absorb and fix approximately 160,000 tons of carbon dioxide absorbed per year (Mitsui estimate). A quantification of the monetary value of this function based on Forestry Agency data indicates a yearly figure of 120 billion yen. Moreover, approximately 130 km² (13,000 hectares) of our forests have been officially designated as "Water Conservation and Water Replenishing Forests," important for safeguarding the water supply and preventing floods and landslides.

In December 2009, Mitsui obtained certification for all 73 of its forests under the FSCTM system of forest certification based on international standards. This was done with the aim of obtaining certification based on an objective evaluation of whether the company was conducting appropriate forest management; that is, whether it was carrying out its forestry operations in a way that factored in biodiversity. Mitsui thus became the largest private corporation with a forest holding in Japan of 100 km² (10,000 hectares) or more to acquire this certification.

- ➡ [Click here for a detailed explanation of FSCTM certification](#)



Preserving and Utilizing Forests to Benefit the Future

Not content with merely managing our forests appropriately, we have begun initiatives to utilize them for a range of beneficial purposes. As part of our activities to contribute to society and local communities, we utilize our forests as the venue for our Forest Environmental Program, which seeks to encourage an awareness of the role of forests, the bond between people and nature, and the importance of nurturing forests. We also take advantage of our forests to support aspects of the culture and traditions of the surrounding area that make use of forest resources.

Additionally, we are considering recycling unused wood fiber from Mitsui's forests into biomass, which would be put to use locally in generating electric power and as fuel for boilers. In this way we are developing new uses of our forests.



🔗 Forests and Human Culture

🔗 The Forestry Industry and the Economy

Our wealth of forest resources does not belong to the current generation alone. Mindful of our corporate mission “Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled,” we are committed to working closely with the staff of our subsidiary Mitsui Bussan Forest Co., Ltd., which undertakes the management of Mitsui's forests, to carefully nurture our forests and utilize them for future benefit so as to pass them on to future generations.

How We Cultivate Forests at Mitsui



For Brighter Forests

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 important.

Forests for Regeneration and Harvest need to be constantly tended by human hands. Forests for Regeneration and Harvest when not managed properly 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. The new soil means that water is purified and nutrients are carried to the sea. They 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 end up actively contributing to regional environmental degradation.





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 Forest 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 which are particularly important from the viewpoint of biodiversity are designated as Biodiversity Conservation Forests (approximately 10% of all Mitsui's forests). Appropriate management is applied to each different category of forest.

[Click here for information on Biodiversity Conservation Forests](#)



Cultivating Forests for Social, Economic, and Environmental Benefits

Protecting and nurturing forests require the investment of large amounts of time, financial resources, and human resources. Because of this, it is important for the forest industry to create a structure which can secure profitability. This can be seen as the key to deciding the future of Japanese forests.

If Forests for Regeneration and Harvest can be made economically viable, the profits generated could also be used for the preservation of Natural Forests and Naturally Regenerated Forests and help to facilitate appropriate management.

Natural Forests and Naturally Regenerated Forests likewise cannot simply be left to look after themselves; human intervention is required to recreate the original conditions matching the distinctive character of the region. We believe that initiatives of this kind will increase the level of biodiversity of our forests as a whole.



To ensure appropriate management on a continuous basis, it is also important to build up a good relationship with local communities.

To cultivate healthy forests, it is important to maintain a balance between the interests of society, the economy, and the environment, and for these to form an ongoing virtuous circle. The way we cultivate forests at Mitsui is based on these insights.



Mitsui has obtained FSC™ (Forest Stewardship Council) Certification for adequate management of all of its 73 forestlands, which constitute the largest holding by a private corporation in Japan.



What Forest Certification Means

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. There are several certification systems, but the acquisition of FSC Certification based on international criteria verifies that forest management is conducted at an internationally high level.



The Aim of FSC Certification

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. The goal of FSC is to promote forest management that is appropriate from the standpoint of environmental conservation, co-existing with society, and economic sustainability. Various stakeholders participate in FSC to impartially reflect the views of both advanced and developing countries.

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 a total of 330 stakeholders in our 73 forestlands across Japan. This survey confirmed that Mitsui and Mitsui Bussan Forest Co., Ltd., which manages the forestlands, have built a favorable relationship with all regional communities.



Mitsui's Forests and FSC Certification

Among the different types of FSC certification, Mitsui has received Forest Management (FM) certification. At the same time, our subsidiary Mitsui Bussan Forest received Chain of Custody (CoC) certification for the processing and distribution of cut lumber. Mitsui is also the largest Japanese supplier of domestic FSC-certified wood, which has led to a large supply of FSC-certified wood from the forests of Mitsui being distributed throughout Japan.

●The commercialization process of FSC-certified lumber



FM certification

Mitsui



CoC certification

Mitsui Bussan Forest



Final products made by manufacturing and processing businesses with CoC certification

The Forest Industry and the Economy



Present Situation of Japan's Forest Industry

A survey by the Forestry Agency in FY2009 found that Japanese forest industry was in a depressed situation, with total demand for lumber at less than 70 million m³ a year, of which only around 28% was supplied from domestic sources.

In response to this finding, the Japanese government introduced a strategy to regenerate the Japanese forest industry. This consisted of stimulation of downstream demand combined with measures to improve upstream efficiency, such as the 2010 Act for the Promotion of the Use of Wood in Public Buildings and measures to promote the use of biomass. Progressing alongside these reform measures is a policy aimed at increasing the forestry industry workforce, which has fallen to fewer than 50,000 nationwide and is also affected by the problem of aging. To regenerate Japanese forests requires above all the regeneration of the forest industry; to that end there is an urgent need for the private and public sectors to work together in wide-ranging action.

Balancing Environmental Preservation with the Forest Industry

In the Forests for Regeneration and Harvest at Mitsui's forests, we combine the appropriate cyclical operation of harvest, use, planting, and cultivating with attention to biodiversity, at the same time introducing measures that promote the preservation of the surface soil and increased absorption of carbon dioxide absorbed. At present, with the aim of balancing environmental preservation with the forest industry, we are working to build an economically viable structure so that the profits generated are not only used in the cyclical management of Forests for Regeneration and Harvest, but can also be plowed back into cultivating Natural Forests and Naturally Regenerated Forests.

Mitsui is not only committed to efficient cyclical forestry operations in its Forests for Regeneration and Harvest, but also considers it important to increase the use of domestic timber resources by developing applications for lumber, and is working on relevant new initiatives.



Promoting Wood Biomass and Using the J-VER System

An urgent priority for the forestry and lumber industry is to make sure that lumber is used for a wide range of applications so that no material goes to waste. As part of its efforts to develop uses in areas other than construction, furniture, and paper manufacture, Mitsui has begun working to promote the use of wood biomass as an alternative to fossil fuel. An example of this is collecting branches and other parts of the tree that are left in the forest and cannot be used as lumber and converting them to wood chips as an auxiliary fuel for thermal power generation or to pellets for use as boiler and stove fuel.

Meanwhile, a Mitsui's forest-thinning project in Hokkaido has been registered under the Ministry of the Environment's J-VER system, resulting in the award of certification for the amount of carbon dioxide absorbed fixing achieved by the appropriate management of Mitsui's Hokkaido forests. In March 2011, Mitsui was granted an offset credit for approximately 5,000 tons of carbon dioxide absorbed, which is now being sold. In this way, we are taking active steps to include environmental value in the monetary cycle in the form of profits from the forest industry.

Mitsui has been engaged in the forest industry for over 100 years. Going forward, we will work in concert with Mitsui Bussan Forest Co., Ltd., to which we outsource practical forestry and upkeep operations, to manage our forests in a way that contributes to the regeneration of Japanese forest industry, an important step toward addressing environmental issues.



Remaining materials in the forest to wood chips

Growing Forest to Protect Biodiversity



Biodiversity means rich diversity and variety at the respective levels of gene, species, and ecosystem. If an area retains the original rich variety of its indigenous animals, plants, insects, microorganisms, and so on, and provides the physical requirements for their existence, it can be said to have high biodiversity. But today, many animals and plants around the world are dwindling in number or gradually becoming extinct. With the habitats of a wide range of living organisms rapidly disappearing, businesses today need to take initiatives for the preservation of the biodiversity which is the foundation of our survival. Through appropriate management of its forests, Mitsui is committed to making the social contribution of nurturing biodiversity and passing on a rich forest environment to the future generations.



Growing Forest to Protect Life

Mitsui's forests are made up of approximately 40% Forests for Regeneration and Harvest and approximately 60% Natural Forests and Naturally Regenerated Forests. These forests are divided into the following categories: Harvest – oriented Sustainable Cycle Forests; Natural Restoration Forests; Biodiversity Conservation Forests; Productive Naturally Regenerated Forests; General Naturally Regenerated Forests; and Other Naturally Regenerated Forests. Each category has its own set of management policies. Biodiversity Conservation Forests – areas particularly important from the viewpoint of biodiversity – form a new category created in 2009 and account for approximately 10% of Mitsui's forests.

Biodiversity Conservation Forests are further divided into the following four categories: Special Conservation Forests; Environmental Conservation Forests; Water and Soil Conservation Forests; and Cultural Conservation Forests. By conducting management appropriate to the special characteristics of each category, we aim to grow forests that are more strongly oriented toward the preservation of biodiversity.

➡ For more information see [Biodiversity Conservation Forests page](#)

Forest Management Zoning

Mitsui's approximately 440 km² (44,000 hectares) of forests at 73 locations nationwide is managed according to the following categories:

	Category		Definition	Area (km ²)
Forests for Regeneration and Harvest	Harvest-oriented Sustainable Forests		Forests for the production and supply of lumber resources through the repeated cycle of harvesting, planting, and cultivating.	8,500
	Natural Restoration Forests		Forests to be restored as Naturally Regenerated Forests consisting of coniferous and broad-leaved trees.	9,100
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.	876
		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.	3,163
		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.	1,400
	General Naturally Regenerated Forests		Forests not composed of productive species but to be cultivated for increased social value.	18,713
	Other Naturally Regenerated Forests		Naturally Regenerated Forests other than in the above categories.	1,900

(as of March 31, 2010)

Biodiversity Conservation Forests



Four Biodiversity Conservation Forests

Areas with high significance from a biodiversity perspective are designated as Biodiversity Conservation Forests (which account for about 10% of Mitsui's forests) and further classified into four categories: "Special Conservation Forests," "Environmental Conservation Forests," "Water and Soil Conservation Forests," and "Cultural Conservation Forests."

This category classification allows for the more appropriate and carefully tailored conservation of biodiversity in specific forest areas.

Special Conservation Forests

Forests deemed to possess invaluable biodiversity at a regional and national level and will be closely protected.



Tashiro Forest, Fukushima Prefecture: This forest is part of Mt. Tashiro, which is located in Minamiaizu Town. It contains high-altitude moorlands in the mountain summit regions which have great academic value, and a portion of the forest including the wetlands is designated as part of Oze National Park.

Environmental Conservation Forests

Forests where biological value is concentrated, i.e., rare species, are identified. The habitat of these rare species is protected.



Soya Forest, Hokkaido: Mitsui's most northerly forest containing extensive stands of the Yezo spruce, one of Hokkaido's commonest coniferous trees, and home to the Ito fish, Japan's largest freshwater fish.

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. The 21st century has been referred to as the Water Century, indicating the increasing concern regarding the world's water resources. Recognizing the need to nurture forests that provide rich sources of water, Mitsui has designated 31.63 km² (3,163 hectares) of its holdings as Water and Soil Conservation Forest, which is managed with attention to protecting water supplies.



Nanba Forest, Niigata Prefecture: The gateway to the Myoko Mountain Range, located in the municipality of Joetsu. With extensive beech woods that store water, the forest serves as a water resource that provides water to the region.

Cultural Conservation Forests

These forests are deemed to have high traditional or cultural significance to a region as a result of the ecosystem services from biodiversity. Mitsui will continue to take measures to protect these forests and to make the most use of them.



Saru Forest, Hokkaido: This forest is located in the Hokkaido municipality of Biratori, which legend holds to be the birthplace of the indigenous Ainu culture. Mitsui has concluded an agreement with the Biratori Branch of the Hokkaido Ainu Association to protect and foster the Ainu culture.



Kiyotaki Forest, Kyoto Prefecture: This forest is located in Saga, Kyoto City. To allow the Kyoto Modelforest Association to undertake action to protect and nurture Kyoto's forests, Mitsui has concluded an agreement with the association and Kyoto Prefecture under which part of the forest is made available free of charge for a ten-year period from 2008. The forest will provide wood needed for torches and other materials used in traditional festivities such as the Daimonji Bonfire and the Kurama Fire Festival.

Scientific Evaluation



The Convention on Biological Diversity stressed the importance of addressing the preservation of biological diversity by undertaking quantitative evaluation of the level of attainment on the basis of scientific findings and principles. Mitsui carries out quantitative evaluation of biodiversity in model forests.

Quantitative Evaluation of Biodiversity (HEP)

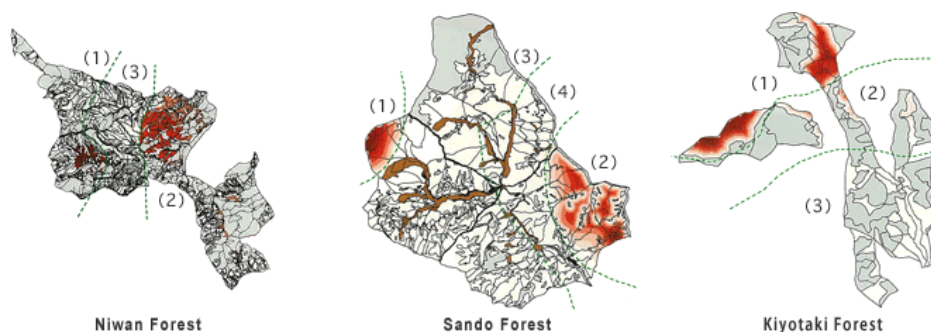
In 2009, a quantitative evaluation of biodiversity was carried out under the Habitat Evaluation Procedures (HEP) by the Ecosystem Conservation Society – Japan at five model forest locations in Mitsui's forests, using animals as an index.

HEP is a method of quantitative evaluation of biodiversity used mainly in the United States. A number of wild animal species to serve as indices are selected in line with the surface area of the target site, the environmental conditions, the geographical location, and the rarity of the species. The level of biodiversity, including the past and future biodiversity, of the target site is then quantified in the form of a numerical value indicating the quality of the habitat for these index species, known as the habitat suitability index (HIS).

In the survey, the brown bear, Asiatic black bear, mountain hawk eagle, marten, and badger were chosen as index species. A prediction was then made of the change in the level of biodiversity from the past to the future, and a numerical value was assigned.

The results of the survey allowed the level of biodiversity for each model forest to be assessed, and additionally provided basic data for forestry operations contributing to biodiversity, which indicated for instance which areas of Forests for Regeneration and Harvest should be prioritized for restoration as Naturally Regenerated Forests.

Examples of zoning: (1) (2) (3) (4) indicate zones in order of priority for restoration as Naturally Regenerated Forests. The deeper the red, the higher the priority for restoration as Naturally Regenerated Forests.



AA+ Awarded in JHEP Certification

JHEP certification is a certification system established in December 2008 by the Ecosystem Conservation Society – Japan. This certification system makes a quantitative evaluation of the level of biodiversity from the viewpoint of animals and plants in a ten-level ranking system from AAA to D. The evaluation quantifies biodiversity in the 30 years before the base year (the year of acquisition of the land or the year in which the application for evaluation is made) and in the 50 years after the base year and compares the two periods. This allows scientific proof to be given of the contribution of an enterprise or other agent to the preservation and enhancement of biodiversity.

In September 2010, an evaluation was carried out in the Kiyotaki Forest in Kyoto which covered not only the Asiatic black bear and other animals (evaluated species) but also plants. As a result, the second highest ranking possible (AA+) was awarded. This represented the first such ranking for a Japanese forest under this certification system and gives scientific proof that in the approximately 30 years of Mitsui's ownership of the Kiyotaki Forest, the level of biodiversity has been raised in keeping with the characteristics of the region. Going forward, we will continue with the management policy implemented so far, preserving the remaining native vegetation of the area and gradually restoring the Forests for Regeneration and Harvest areas of Japanese cedar and Japanese cypress to Naturally Regenerated Forests.



At COP10 (Convention on Biological Diversity), effective and urgent action was called for to halt the loss of biodiversity by 2020. Further, the convention emphasized the importance of quantifying and monitoring the level of biodiversity on the basis of scientific findings and principles. Given this background, we believe that our acquisition of this certification demonstrates the beginning of a new model of forest management for Japan in the future.

Forests and Human Culture



Japan's forests are deeply entwined with Japanese culture. It should be remembered that among the major functions of forests is that of nurturing human culture. Mitsui is actively engaged in ensuring that the preservation of forests also contributes to the preservation of regional cultures and traditions.

Using the Forest to Protect Ainu Culture

The Saru Forest, which is Mitsui's second largest forest, is located near Nibutani, a locality in the Hokkaido municipality of Biratori which legend holds to be the birthplace of Ainu culture. Ainu people have inhabited and made use of the forest for many generations.

In April 2010, Mitsui concluded an agreement with the Biratori Branch of the Hokkaido Ainu Association under which action is being taken to stimulate the preservation of the culture of the Ainu people, who are the original inhabitants of the Saru Forest.

Specifically, because of a declining trend in the Manchurian elm, which provides the material for the attus, the traditional dress of the Ainu people made of tree bark, it has been decided to plant and nurture Manchurian elm in the Saru Forest.

Meanwhile, to restore the chise, which is the traditional Ainu dwelling, the lumber needed to build it is to be supplied from the Saru Forest. A further major aspect of the agreement is the protection of Ainu places of worship located in the Saru Forest and cooperation in surveys of cultural relics.

In September 2010, a further agreement was concluded with the municipality of Biratori under which Mitsui will cooperate in a municipal project to recreate an iwor (traditional Ainu living territory) and will collaborate in measures to stimulate industry.



The attus, a garment made of tree bark



Manchurian elm



The chise, the traditional Ainu dwelling

Using a Forest to Protect Kyoto Traditions

The Kiyotaki Forest, situated at Saga in the north of the city of Kyoto, is in a much-visited area famous for its colorful foliage in autumn and its beautiful cherry blossom in spring.

To allow the Kyoto Modelforest Association to engage in action to protect and nurture Kyoto's forest, Mitsui concluded an agreement in 2008 with the association and Kyoto Prefecture under which part of the Kiyotaki Forest is made available for a ten-year period free of charge. As part of the agreement, Mitsui supports two traditional Kyoto festivities, the Daimonji Gozan Okuribi (Daimonji Bonfire) and Kurama no Hi-Matsuri (Kurama Fire Festival), by providing firewood and supplying Japanese red pine and azalea to make torches. Mitsui will also make a site available for the Forestry Experience Workshops organized by the association for the benefit of the regional community.

As part of the Forestry Experience Workshops, members of the association participate in forest maintenance for cultivation of the Japanese red pine and azalea, while members of the Daimonji Preservation Committee and the Kurama Fire Festival Preservation Society, which are affiliates of the association, volunteer in the felling of deciduous trees and Japanese red pine. Thanks to these activities, in 2010, materials from the Kiyotaki Forest supplied all the pine needles and one-tenth of the firewood needed for the Daimonji Bonfire and one-tenth of the torches used in the Kurama Fire Festival.



Daimonji Gozan Okuribi (Daimonji Bonfire)



Japanese red pine to make torches with



Kurama no Hi-Matsuri
(Kurama Fire Festival)

Evaluation by Society

What is socially responsible investment (SRI)?

Socially responsible 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 and environmental responsibilities. Mitsui has been selected for inclusion in two global SRI indexes—the FTSE4Good Global Index and the Dow Jones Sustainability World Index (DJSI World).

FTSE4Good Global Index



FTSE4Good

The FTSE4Good Global Index is a stock index developed by FTSE, which was established by the Financial Times in the U.K. and the London Stock Exchange. FTSE investigates the social, environmental, and ethical aspects of approximately 2,000 major corporations from various countries around the world, including the labor standards applied throughout their supply chains, and evaluates their corporate sustainability. Based on such investigations, FTSE selects only those companies that satisfy its standards. So far, 724 companies have been selected globally, including Mitsui and 190 other Japanese companies (as of September 20, 2011).

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 Sustainable Asset Management AG (SAM) in Switzerland. It evaluates the corporate social responsibility of approximately 2,500 major corporations from different countries around the world in terms of their social, environmental, and economic performance, selecting the top 10% of these corporations for inclusion.

Globally, 342 companies have so far been selected, including Mitsui and 25 other Japanese companies (as of September 8, 2011).

Furthermore in 2011, Mitsui qualified for both the SAM Gold Class, awarded to companies receiving an extremely high score in the Support Services field to which Mitsui belongs, and the SAM Sector Mover, awarded to companies in the sector's top 15% that achieve the greatest improvement in their sustainability performance compared to the previous fiscal year.



On April 20, 2010, a third party semi-submersible drilling rig which was conducting exploration work on the Mississippi Canyon 252 block in the Gulf of Mexico experienced a blow-out event that led to an explosion, fire and the extensive release of oil into the Gulf of Mexico (the Incident). At the time of the Incident, MOEX Offshore 2007 LLC (MOEX Offshore), a 100% subsidiary of MOEX USA Corporation (MOEX USA), had a 10% working interest in the block as a non-operator (Interest). MOEX USA is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO), in which Mitsui & Co., Ltd. (Mitsui) has a 69.91% equity interest. BP Exploration and Production Inc. (BP), as the operator of the exploration project in the block, owned 65% interest in the block.

BP has been requesting MOEX Offshore to defray certain portion of the response cost and other costs that BP has expended relating to the Incident, and in the invoice dated May 3, 2011, BP was charging MOEX Offshore for the payment of approximately US\$2.144 billion as its share of such costs. In addition, claims against MOEX Offshore, MOEX USA and MOECO (collectively MOEX Parties), including the claims made under Oil Pollution Act of 1990, were asserted in the civil lawsuits, etc. brought by various private businesses, governments, property owners and individuals. There were also complaints filed by the federal government and certain of the state and local governments against MOEX Offshore, seeking civil penalties and other relief.

On May 20, 2011, MOEX Parties entered into a settlement (Settlement) with BP and BP Corporation North America Inc. This Settlement, under which, among other things, the MOEX Parties agreed to pay US\$1.065 billion to BP, resolved all of BP's claims against the MOEX Parties arising from the Incident as well as possible additional claims for future costs incurred by BP. In addition, BP will fully indemnify the MOEX Parties as to most of the claims arising from the Incident asserted in the civil lawsuits, etc. brought by various private businesses and individuals.

On the other hand, civil penalties and other relief claimed by the federal government and certain of the state and local governments against MOEX Offshore are excepted from the indemnification obligation pursuant to the Settlement. Punitive damages, solely to the extent arising from conduct of the MOEX Parties, if awarded in the civil litigation, etc., will not be covered by the indemnity provided by BP in the Settlement.

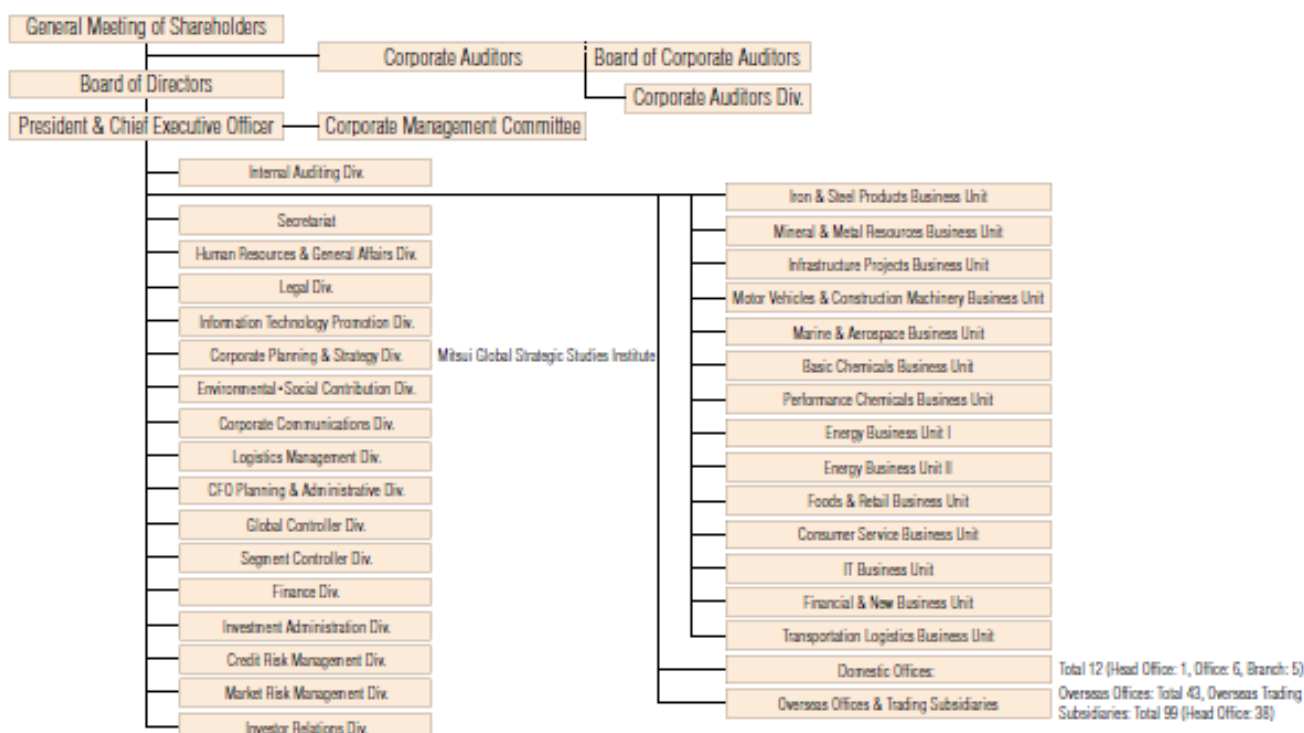
Company Profile

Company Data

Name: MITSUI & CO., LTD.
Date of Establishment: July 25, 1947
Head Office: 2-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Representative: Masami Iijima, President and Chief Executive Officer
Common Stock: ¥341,482 million (as of March 31, 2011)
Number of Employees: 6,136 at Mitsui & Co., Ltd.; 40,026 on a consolidated basis (as of March 31, 2011)
Number of Offices: 154 offices in 67 countries
 Domestic: 12 (Head Office: 1, Offices: 6, Branches: 5)
 Overseas: 142 (Overseas offices: 43, Overseas trading subsidiaries: 99) (Head Office 38)
 (as of August 1, 2011)

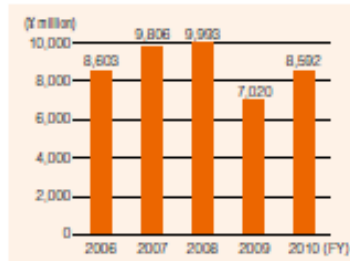
Main Businesses: Utilizing our global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Iron & Steel Products, Mineral & Metal Resources, Infrastructure Projects, Motor Vehicles, Marine & Aerospace, Chemicals, Energy, Foods & Retail, Consumer Services, Information, Electronics and Telecommunications, Financial Markets and Transportation Logistics.

Organization Chart (As of August 1, 2011)



Financial Information (Consolidated)

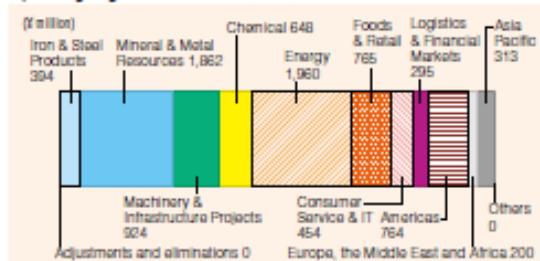
Gross Profit



Net Income



Operating Segment Gross Profit (FY2010)



Third-Party Opinion on Sustainability Report 2011

With respect to its CSR-related initiatives, Mitsui reached a milestone and made progress in the fiscal year ended March 31, 2011, particularly in terms of its implementation system and information disclosure.

First, Mitsui reorganized its CSR Promotion Division. As a result, the Corporate Planning & Strategy Division was placed in charge of planning, drafting, and executing company-wide measures for promoting CSR-oriented management, clarifying the company's attitude of incorporating CSR into corporate management policies. Holding the Corporate Planning & Strategy Division responsible for CSR-oriented management while putting the Environment and Social Contribution Divisions in charge of environmental initiatives and social contributions can be considered a natural progression from the discussions that have been held within Mitsui. At the same time, the new structure clearly defines the positioning of CSR-related operations within the individual divisions and the inter-divisional collaboration required.

Since Mitsui set up its CSR Promotion Division in 2006, the company has been steadfastly working to establish its *Yoi-Shigoto* (good quality work) principle and CSR philosophy/management. To avoid the mistaken notion that equates CSR with so-called social contributions, the company has been making efforts to instill in its executives and employees the belief that CSR means creating new values through Mitsui's core businesses and contributing to society as a result. Having clearly defined its management philosophy and policies, Mitsui is reassessing its organizational culture and promoting change in the mindset of its executives and employees, providing results that the company can then incorporate into the business activities of each of its business units. Going back to the *Yoi-Shigoto* principle, each business unit has been pondering what it means to implement CSR-oriented management through its core businesses as they develop business plans. These efforts are still considered in process but reforms related to CSR-oriented management do not necessarily become established and implemented in one fell swoop. Mitsui can be expected to continue making steady progress one step at a time.

Next, the way the company discloses information has evolved, exhibiting an even more positive attitude toward information disclosure. Past reports tended to use a style that described the overall company policies, structures for implementing initiatives, and issues. However, with the current report, the company has begun to describe the annual initiatives and issues in the four areas of environment, human rights, consumers, and community in each of its four business fields and further, to focus on summarizing the issues and initiatives being taken in each area by each of the 14 business units. More detailed information related to these activities is disclosed on the company's website, and a digest version is also offered in a booklet format.

I hope Mitsui will evaluate its performance on the CSR issues identified and the initiatives taken in each of its business fields this fiscal year in order to identify tasks and objectives for the next. Moreover, linking these items to the tasks, objectives, and performance of the previous year, as well as the tasks and objectives for the next fiscal year as they are identified in "CSR Management" would make the report even clearer. With regard to employee-related initiatives (labor practices), slightly more active information disclosure may be necessary. Mitsui's website describes its personnel system and data to some extent on the Company Information page. I hope, however, that the company will more actively disclose other information, such as initiatives it is taking as a global corporation and initiatives related to both employees hired at Mitsui & Co.'s Head Office and those hired at overseas sites, as another main CSR-related subject (i.e., as the fifth area).

Furthermore, with regard to information disclosure related to supply chain management, the report describes Mitsui's current basic CSR policy and presents related examples. However, it would be more useful if the company would disclose more specific information, i.e., what standards have been formulated in each field and how suppliers are managed. For example, in the Foods & Retail Business Unit, actions are being taken to build a Food Safety Management Database, but no data is disclosed. When trading with a wide variety of business entities in the global market, actively disclosing the specific measures being taken to manage the issues related to the environment, legal compliance, safety, and so on would gain Mitsui the full confidence of consumers and business partners.

Lastly, I would like to raise one issue for the future. Although this report is Mitsui's Sustainability Report, it states that consolidated subsidiaries and affiliates are included in its scope of coverage. The data for these entities, however, is not necessarily comprehensive or consistent, and for some of the items, only the activities of some affiliates are presented as related examples. Although the disclosed financial figures have been calculated, including consolidated subsidiaries in Japan and elsewhere, it is not clear what CSR-related non-financial results were attained and what issues exist. Especially in carrying out global business operations, it seems important for Mitsui to examine how it will execute CSR management and information disclosure for its consolidated subsidiaries in the future.



Prof. Kanji Tanimoto,
Graduate School of
Commerce and
Management, Hitotsubashi
University

