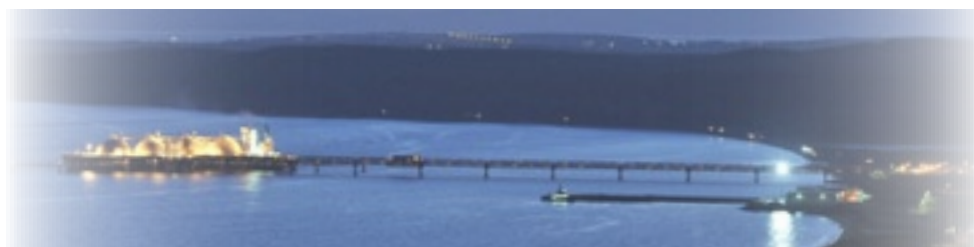


Mitsui & Co., Ltd. Sustainability Report



Mitsui & Co., Ltd.
Sustainability Full Report
2012

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Editorial Policy

What We Aim to Communicate in This Report

Mitsui has enhanced its reporting of Environment, Society, & Governance (ESG) through improving Sustainability information of an annual report as of 2012 with the aim of increasing understanding among stakeholders concerning our concept of CSR and our CSR activities.

Comprehensive information about the concepts, various data, environmental management, and social contribution activities related to Mitsui's CSR is introduced in an easy-to-understand format on our website. This report fully encompasses the information included on our website and is complemented by the Sustainability information in our Annual Report.

We believe anticipating various social issues and creating a sustainable society by providing *Yoi-Shigoto* to realize an ideal Japan and world in the future is the purpose of CSR at Mitsui & Co. This report presents the concepts and activities for our CSR as a vital communication tool to create a dialogue with our stakeholders to achieve 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.

Scope of Coverage in the Sustainability Report:

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

Period Covered:

Mainly the fiscal year from April 1, 2011 to March 31,

Publication Date:

August 2012
(previous publication date: August 2011; next publication scheduled for August 2013)

Reference Guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Version 3.
For a comparison of the GRI guidelines and the content of Mitsui's report, please visit the following website:
(http://www.mitsui.com/jp/ja/csr/gri_index/index.html)
Environmental Accounting Guidelines (2005 version) established by the Ministry of the Environment of Japan
ISO 26000 (Guidance on Social Responsibility)

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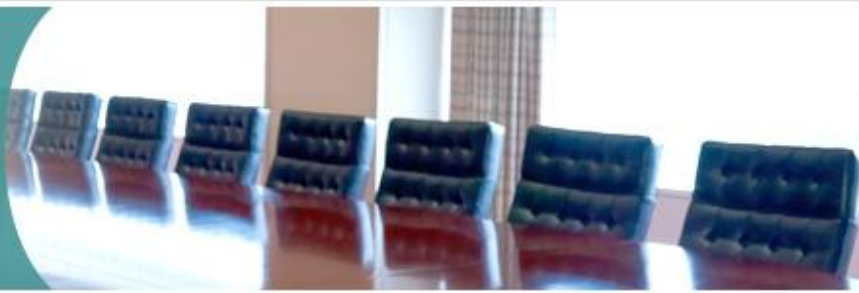
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* Legally speaking, there has been no continuation between the former Mitsui & Co. and the current Mitsui & Co.

Message from Our CEO



Dedication to quality in our work and our profits

Message
from
Our CEO



Our founder Takashi Masuda said “Avoid infatuation with immediate advantage. For enduring prosperity, harbor grand aspirations.” He emphasized the importance of sincerity in recognizing and working toward solutions of social issues in order to build a better future for us all. At Mitsui, this business philosophy forms part of our core DNA and illuminates the way forward. Rather than being content to simply generate profits for the company, we want to be appreciated and respected by our customers, partners and wider society, and we want to derive meaning and satisfaction from meaningful work. The quality of our work and the profits are at our forefront from the perspective of restoring Japan and in turn to prosperity on a global scale, while we aim to contribute to future generations by making dedicated efforts in *Yoi-Shigoto*, good quality work with genuine value and usefulness.

Putting Our Mission, *Yoi-Shigoto*, into Practice

At Mitsui, we are committed to addressing many of the major issues faced by modern society. Our Corporate Social Responsibility (CSR) is to perform *Yoi-Shigoto* through its core business. With the global population steadily increasing, stable supply of supplies such as food as well as water and needless to say, natural resources is becoming a matter of extreme urgency. Our operations in the upstream domain of industry can have a positive impact in this area, which has particular relevance in Japan, where stable supply of energy and food are of critical importance to social stability. In this way, we need to ensure that our work constitutes *Yoi-Shigoto* as we strive to tackle a range of issues in wider society.

Initiatives to Nurture Human Resources

The key to performing *Yoi-Shigoto* is the skills and competencies of our employees. In order for the company to evolve and prosper, we must ensure that our employees are capable of adapting to changes in the external environment in a flexible and proper manner, while maintaining a global perspective. I believe that human resources programs hold the key to ongoing corporate growth. Our people represent the foundation that enables this company to work towards the goal of a sustainable society. For this reason, we do not hesitate to invest in training and development programs for our precious human resources.

Towards the goal of a sustainable society

In order to make an ongoing contribution on the domestic and global stages, the first and most important step is to build the foundations for sustainable operation here in the company. And in order to put a sustainable management system in place, we must be prepared for constant and flexible evolution and adaptation of business responding to the changing needs of society predicated on a “sound crisis awareness” that things can change quickly at any time. I believe that it is extremely important to be always aware of the changes that are happening around us, to be always asking ourselves “does the work that each of us is doing *Yoi-Shigoto* to the benefit of society?”, and to be prepared to adapt and modify our business model as necessary. To this end, Mitsui must maintain close dialog with our stakeholders in order to proactively monitor the needs of society and carry out management with a keen awareness of our corporate social responsibility.

Mitsui remains committed to enhancing the quality of our work and of our profits and providing ongoing value to society in the form of *Yoi-Shigoto* as we are dedicated to contributing to the goal of a sustainable society.

Masami Iijima

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

CSR at Mitsui & Co.



Contribution to Society

While modern society is becoming increasingly diverse and dynamic, undergoing ever faster change and growth as globalization and the integration of information and communications technologies accelerate, it is also facing a long and varied list of economic, environmental, and 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 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 act one of the company's history to a close. 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.



CSR at
Mitsui & Co.

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?"

"*Yoi-Shigoto*" expresses the sense of the values that should be shared with every employee at Mitsui as it expands a broad-range of businesses globally. These values are (1) beneficial to society, (2) useful to and creating added value for our customers and partners, and (3) a worthwhile challenge for each employee. 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 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 has been established under the CSR Promotion Committee, with the objective of responding to various CSR related issues.

CSR at
Mitsui & Co.

Mitsui's Stakeholders

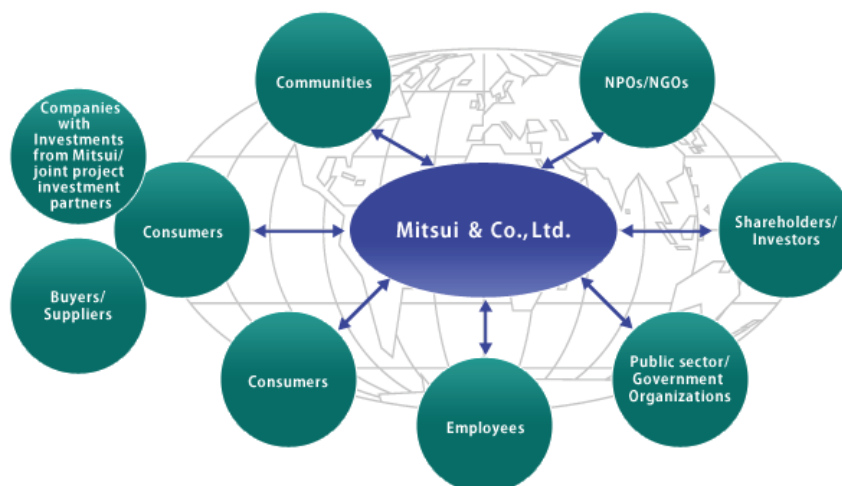
Mitsui closely monitors the effects of its diverse and global business activities on society and works to identify its stakeholders who are especially interested.

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.

Stakeholder Dialogue (November 2011)

Mitsui grasps the demands and trends of society while furthering its business through a dialogue with various stakeholders. In FY2011, A stakeholder dialogue focusing on the real estate business field for consumers was held inviting Professor Idee from the Faculty of Economics at Seikei University and Chief Researcher Tsuchida from the Nippon Association of Consumer Specialists.

Professor Idee discussed her perspective on the trends of politics and academia while Chief Researcher Tsuchida pointed out the various attitudes of consumers to members of the Mitsui Urban Planning & Development Division, Consumer Service Business Unit. The perspectives and attitudes addressed in this dialogue will be utilized in our future business activities.



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 July 2011, approximately 8,000 corporations, labor unions, and civil society organizations from around the world 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.

Labor standard

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)

What is the United Nations Global Compact?

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.



See P47



Our Response to the Great East Japan Earthquake

Having experienced the Great East Japan Earthquake, which struck on March 11, 2011, Mitsui formulated a basic policy on disaster recovery, comprising a host of activities through which the Company is providing necessary support to the affected region.

Basic Policy on Disaster Recovery

To ensure effective and swift assistance for the stricken region, we recognized the importance of understanding how the needs of the region would change over time as the situation evolved. We also understood the need to put in place a Companywide organization to consider and implement concrete support measures. Plotting our activities along a time axis, we segmented them into “emergency response” and “medium- to long-term response” efforts, the former focused on assisting restoration and the latter on leveraging Mitsui’s capabilities to offer support via sustained operations. With the aim of administering effective support, we created plans and proposals for responses in each category, centered on Companywide organizations.

Our Response
to the Great
East Japan
Earthquake

Emergency Response

Immediately following the disaster, a quick response was needed to procure relief supplies, fuel, and other items. Based on the Guidelines for Disaster Relief, on the day following the disaster—March 12—we resolved to contribute monetary donations. On March 23, we established the Disaster Relief Study Group and the Great East Japan Earthquake Recovery Support Team, operating under the council’s supervision. These bodies promptly decided to organize volunteer and support activities extending beyond the scope of our regular business activities. We backed up this assistance by simultaneously conducting aid that falls within the realm of our core business, such as providing urgent imports of fuel and offering support to devastated companies.



Medium- to Long-Term Response

To achieve reconstruction of the stricken area, Mitsui considered it necessary to create a support business that dovetails with its regular business and takes community needs into consideration. In June 2011, we set up a Domestic Business Development Department within our Corporate Planning & Strategy Division to provide sustainable support involving the development of businesses with close community ties and serving to reinvigorate the region.

- Proposals and support will be offered to the municipal governments in affected regions working to revive agriculture or processed marine product industries or stimulate community development and tourism.
- Smart community proposals will be offered to cities looking to make themselves more earthquake resilient, more elderly friendly, or more environmentally sound.
- Biomass, mega solar, and other renewable energy ventures will be pursued.
- Initiatives such as constructing temporary housing or developing car sharing programs will be conducted in conjunction with municipal governments, regional companies, and NPOs

With the aim of supporting the post-earthquake reconstruction effort through our business, we will conduct the following region-based, region-involving ventures into the medium-term to long-term.

Support Projects

(1) Responses implemented during the year after the disaster

- On March 12, immediately after the earthquake struck, we earmarked ¥400 million in support funding and promptly launched efforts to restore the stricken region and offer emergency assistance to the people affected. We sent solar LED lanterns, food supplies, disinfectants, and other items to evacuation centers and contributed monetary donations to aid other quick-response efforts to assist the affected region. We extended our support efforts to include Mitsui operations throughout Japan and overseas, calling for donations to the stricken region from affiliated companies and overseas subsidiaries.



- In August, we raised the amount earmarked for support funding to ¥800 million, based on the support needs of the stricken region. In addition, we contributed lumber from our Company-owned forests for the construction of a temporary library in the city of Rikuzentakata, in Iwate prefecture, a move designed to foster communication among children and provide books for them to read.



- Employees and directors also took part in voluntarily support activities. A donation drive raised ¥52 million in monetary donations, and some 600 people participated in volunteer activities, which are ongoing.



- In addition to stepping up our efforts to supply the Tokyo and Tohoku electric power companies with crude oil and low-sulfur heavy oil, we increased our supply of liquefied natural gas (LNG), chiefly from projects in which we participate.

(2) Medium- to long-term response

Mitsui & Co., Ltd. Environment Fund

Following the disaster, this fund quickly ramped up its Restoration Grant, which funds restoration activities and research for three years at the longest that address global environmental issues. Including general assistance efforts, the fund made four solicitations for assistance projects. Selection criteria for Restoration Grant emphasized donations targeting reconstruction for disaster victims and prioritized residents and organizations from the stricken region, particularly organizations in Tohoku. As a result, out of 910 applications we decided to fund 98 restoration activities and research projects totaling ¥1,131 million. (Of this amount, Restoration Grant of ¥943 million was provided, spanning 77 projects.) In these ways, we contributed to a broad range of post-disaster restoration activities, spanning community restoration, temporary housing, radiation countermeasures, and reconstruction of the agriculture, forestry, and fisheries industries. Each year, Mitsui holds a networking event for organizations to which the fund has provided assistance. In fiscal 2011, this event was held in Sendai and themed “Creation and Cooperation,” in keeping with the Reconstruction Grant.



Our Response
to the Great
East Japan
Earthquake

Car-sharing activities

Many vehicles were damaged by the disaster, affecting the mobility of people in the affected region. Mitsui supported reconstruction efforts by providing a car-sharing service in the city of Ishinomaki, Miyagi prefecture, to disaster victims as well as companies and NPOs involved in reconstruction activities.



Kesennuma Seafood Processing Region

Seafood processing is a core industry in the city of Kesennuma, Miyagi prefecture, much of which was devastated by tsunami and fires. In cooperation with Sumitomo Corporation, Mitsui formed a cooperative organization including the Miyagi prefecture, the city of Kesennuma, and local chambers of commerce to help reconstruct the industry through swift and creative initiatives. Local businesses formed a new cooperative and pooled their resources to provide the sophisticated functions necessary for the industry's success. These efforts were aimed at creating new businesses and new employment in the seafood processing region.



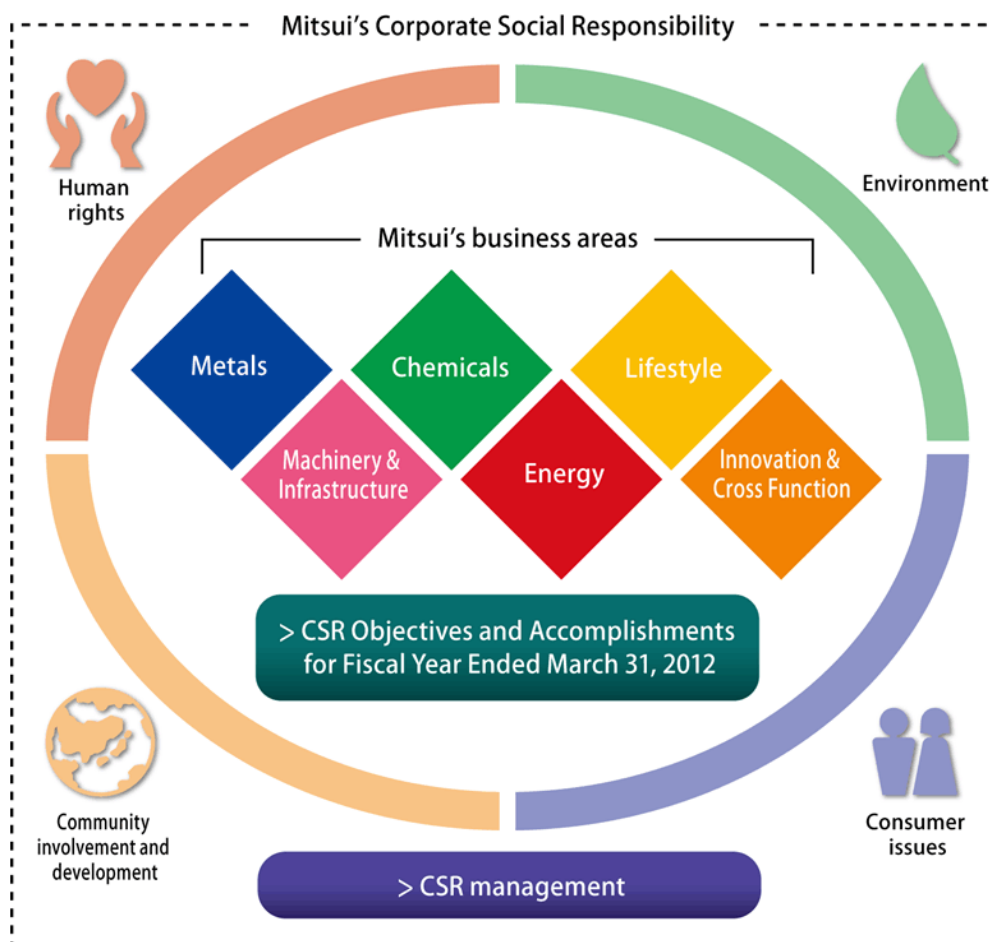
Business Activities and Corporate Social Responsibility



Mitsui's business activities include the following six areas: Metals, Machinery & Infrastructure, Chemicals, Energy, Lifestyle, and Innovation & Cross Function.

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.

*ISO 26000: An international standard related to social responsibility, established by the International Organization for Standardization, to encourage organizations in helping to achieve sustainable development. It consists of the following seven core subjects: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development



Business Topics and Corporate Social Responsibility

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.

Mitsui's Business Activities 1



Meeting World Demand for Scarce Water Resources with Versatile Water Engineering

- Constructing the sewerage systems desired by citizens
- Protecting the environment through wastewater recycling
- Providing clean and safe water to communities
- Providing clean water and a sanitary environment

Mitsui's Business Activities 2



Next-Generation Transportation Infrastructure Services that Supports Our Affluent Lifestyle

- Contributing to sustainable consumer behavior
- Listening closely to the voices of communities
- Offsetting carbon by planting trees in proportion to kilometers driven
- Car sharing supporting disaster recovery

Business
Activities and
Corporate
Social
Responsibility

Mitsui's Business Activities 3



Realizing Diversity in the Procurement of Energy

- Striving for the highest level of environmental preservation on land and sea
- Pursuing a perspective of trust and harmony with indigenous people
- Interacting deeply with communities on multiple levels
- Earnestly working to supply stable energy

Mitsui's Business Activities 4



Realizing What Customers Desire

- Furthering local production for local consumption through self-production for self-consumption
- Creating the first food recycling loop in the food service industry
- Bringing our strengths in service close to communities in public facilities
- Promoting independence of persons with disabilities



The earth is a planet full of water, which is estimated to be approximately 13.86 billion km³. However, only 2.5% is fresh water, and the remaining 97.5% is sea water. The fresh water that can be obtained easily in daily life, such as water from rivers, lakes and underground sources close to the surface, only makes up 0.01% of all global water resources. Issues of uneven distribution of water resources and water contamination are becoming more serious on a global scale with increasing population and urbanization. Recycling and re-use of these limited water resources are going to become even more important day by day. Mitsui is presently contributing to solving these global water problems by utilizing its capabilities accumulated through infrastructure business, project development, financing, and the knowledge and experience obtained from its global water business and its global network.

Initiatives for Consumer Issues



Constructing the sewerage systems desired by citizens

Water problems are a common issue worldwide. However, each water project is an industrial solution closely coupled to the localized aspects of the region and is normally a long-term infrastructure service for 20 to 30 years. The water solution management truly needed by these areas cannot even be started without having a thorough knowledge of each country and each region. A strategic partner who is well acquainted with these regions is indispensable for the development of Mitsui's global water business.

Atlatec is the largest water engineering company in Mexico. They have been involved in more than 80 water treatment projects in Mexico for nearly 60 years. Mitsui acquired Atlatec in 2008 and established a platform for full customer satisfaction by providing plant design, financing such as investment/loans, system procurement, plant construction, and operation and maintenance.

The development and maintenance of sewerage systems throughout all of Mexico is a pressing issue for the country and a longstanding desire of its citizens. Atlatec won the bid for the El Ahogado wastewater treatment plant in Guadalajara City in 2008 and, in 2009, the Agua Prieta wastewater treatment plant (capacity of 700,000 tons per day), which was the largest water treatment plant in Latin America at that time. Atlatec also won the bid for the Atotonilco wastewater treatment plant, the world's largest wastewater treatment facility and only facility in Atotonilco, Hidalgo, a city north east of Mexico City. The processing capacity boosts an amazing 3.6 million tons per day. After the start of operations, the sewerage system coverage will increase from barely 40% to over 60%. Mexican citizens have extremely high expectations for this wastewater treatment plant, and regardless of the fact that the plant is still under construction, Mexican President Felipe Calderón visited the site to extend his encouragement and appreciation.



Atotonilco wastewater treatment plant (under construction)

Environmental Initiatives



Protecting the environment through wastewater recycling

In protecting the environment, we try to provide as much clean water as we can. In parallel, we will treat all types of wastewater and return them as clean water. Without a doubt, the water business itself is contributing to environmental issues. Based on such understanding, we are looking to the future by recycling our limited global water resources.

PEMEX, a Mexican state-owned petroleum company, owns petroleum-related plants, such as refineries and tank facilities, throughout Mexico. Mitsui and Atlatec are striving for and succeeding in what is called “zero liquid discharge”, which means 100% recycling of water for PEMEX by processing every drop of wastewater produced in each area, including industrial wastewater received from those plants as well as wastewater derived from the daily life of the neighboring community. The wastewater is separated and processed at the appropriate level for each purpose, and we are even purifying black murky water from smelly crude oil to water where fish can live, through advanced water treatment technology.

The importance of wastewater recycling does not vary between Eastern and Western culture. River pollution caused by industrial wastewater has become a social issue with the rapid industrialization of China. Mitsui established Galaxy NewSpring Pte. Ltd. with Hyflux Ltd. (headquarters in Singapore), a major water business company versed in China, and starting from 2010, we have added 24 water assets in the areas of water treatment and supply, wastewater treatment, and wastewater treatment and recycling.



Mexican state-owned petroleum Company PEMEX
Cadereyta refinery Wastewater treatment Plant

Initiatives for Community Relations and Development



Providing clean and safe water to communities

Mitsui is developing its business in collaboration with CH. Karnchang Public Company Limited, one of Thailand's leading general contractors and basic infrastructure developers, as well as the Thai Tap Water Supply Public Company Limited, a tap water supply company, currently supplying clean and safe water to more than one million people every day through the Provincial Waterworks Authority. The major flooding that struck in September 2011 caused extensive damage throughout Thailand, and one of the most serious problems, oddly enough, was a lack of water. Groundwater which was still utilized by many people could not be used as drinking water as a result of the muddy rivers and contaminated water filling the city. Mineral water instantly disappeared from shelves in large supermarkets and shop storefronts as people scrambled to grab hold of bottles of drinking water. The regions surrounding Bangkok, whose water was supplied by Thai Tap Water Supply Public Company Limited, was no exception. The clean and safe water supplied from water treatment facilities was a “lifeline” throughout this flooding.

Employees commuted by boat every day and kept an eye on the water treatment facilities, even during when 2 m of flood water surged upon the facilities during the peak of the flooding. These employees protected the facilities, building levees with sandbags, and also brought drinking water as well as other provisions to neighboring residents almost every day using boats and jeeps. We once again felt the weight of our responsibility as well as fulfillment through this experience of stably supplying clean water and providing a sanitary environment to the community.



Employees going to check the status of buildings
during the flood



A levee built to prevent flood water from reaching
the facility

Business
Activities and
Corporate
Social
Responsibility

Human Rights Initiatives



Providing clean water and a sanitary environment

We believe foresight on human rights, following international standards, is fundamental to CSR management as our business grows in countries and communities around the world. Water business providing clean water and a sanitary environment is capable of improving health issues in communities that do not have tap water or sewerage systems, and it is also linked to protecting human rights. Based on these beliefs, we supported efforts of a Thai financial group to construct a mountain water supply system for Arunothai Village in Chiang Rai Province in 2011. This system currently provides water for use in daily life to a mountain tribe of approximately 20,000 people living a traditional lifestyle.



Car sharing is available for multiple club members to use collaboratively. Car sharing, which is prevalent in Switzerland, the EU and the U.S., is a new transportation system allowing easy 24-hours a day access to a vehicle instead of owning a personal or corporate vehicle. Mitsui established the wholly-owned subsidiary Car Sharing Japan Co., Ltd in Japan (CSJ) in August 2008, positioning its response to motorized society trends for a car sharing business that is moving away from “ownership” to “usage” as the next generation of regional transportation infrastructure. CSJ is expanding the membership car sharing service so that it is more convenient than rentals or personal cars, focusing on Tokyo, Kanagawa, Chiba and Saitama with the brand “Careco Car Sharing Club” (441 stations and 516 vehicles as of April 2012).

Initiatives for Consumer Issues



Contributing to sustainable consumer behavior

The shift from car ownership to car sharing is showing rapid growth in Japan. In data from 2012, the number of people using the service was approximately 2.3 times higher than the previous year, reaching about 168,000. The number of vehicles is expected to reach 25,000, with 375,000 people using those vehicles in Japan by 2014. This accelerating growth is due to concern about increase in carbon emissions and oil prices, as well as a shift in the Japanese social perspective away from a generation feeling satisfaction from car ownership to a life of affluence based on individual values. Car Sharing Japan aims, as its corporate mission, to create a fun and smart

lifestyle through establishing next-generation transportation services in response to the need for environmentally friendly social infrastructures. CSJ wants to create a service that makes car sharing as convenient to use as a mobile phone and as close to daily life as a convenience store in the hopes of realizing a life of affluence in a generation with diversifying values about living standards. Careco Car Sharing Club can offer every person using the service more fun and a smarter daily lifestyle which contributes to environmental issues through sustainable consumer behavior by providing a new style of automotive use. This connects to maximizing customer satisfaction, which is one of the corporate values of Car Sharing Japan.



careco
car sharing club

Mission

Creating a fun, smart life style

Vision

Aiming for a service as convenient to use as a mobile phone and as close as a convenience store

Mission Statement of Car Sharing Japan

Initiatives for Community Relations and Development



Listening closely to the voices of communities

Each community has its own local personality and different requirements that need to be fulfilled. Car Sharing Japan works to reflect these needs correctly in its services by listening closely to the voices of car users. Specific examples of activities demonstrating this belief are Careco member surveys and member roundtable talks. CSJ is able to receive the candid opinions of members in a friendly atmosphere at these member roundtable talks which are held twice each year. The need for car sharing services has been changing, as the Careco membership that began with individuals and double-income-no-kids families (DINKS) has expanded to families raising children. We have received comments such as, “We want to go on drives not only with our children in a regular 5-seat vehicle, but also with our parents” and “A larger car for leisure would be convenient.” Among the major car sharing companies, Car Sharing Japan was the first to introduce mini vans for 7 to 8 people to respond such requirements. At the same time, CSJ equipped some of the mini vans with child seats for children up to 3-years old (junior car seats for 4 to 6-year olds are standard equipment in all vehicles) to meet the needs of our membership. In the same manner, CSJ introduced vehicles suitable for winter use, based on the requests for leisure driving in winter time. Environmentally-friendly electric vehicles (EV) have also been introduced. In addition to our own operations, we are also assisting EV sharing by both local public and private entities, such as Chiyoda and Shinagawa wards as well as Fussa city in Tokyo and Saitama city in Saitama prefecture.



From vehicle reservations to locking and unlocking doors
Specialized smartphone screen also developed based on member feedback

Environmental Initiatives



Offsetting carbon by planting trees in proportion to kilometers driven

Car sharing aims to contribute to reducing CO₂ emissions through efficient use of vehicles in line with the shift from car-ownership to car-sharing. The Foundation for Promoting Personal Mobility and Ecological Transpiration of the Ministry of Land, Infrastructure, Transportation, and Tourism has confirmed through research a drastic reduction in driving distance and a decrease in the number of owned vehicles through using car sharing in combination with public mass transportation as well as walking and bicycling, and car sharing is perceived as an environmentally-friendly transportation service. As a further environmental contribution, Car Sharing Japan has also started an initiative to plant a tree, such as Quercus serrate, or Japanese Cypress, for every 10,000 km driven per year by each of its car sharing vehicles. CSJ initiated this project in forests maintained as “Mitsui’s Forests” in Japan. Furthermore, CSJ purchases J-VER[※] as carbon offsetting credits to balance out a portion of CO₂ emitted by its service vehicles.



Planting initiative held in the mountain forests of Kameyama, Chiba (Mitsui’s Forests)

※J-VER: “Offset Credits (J-VER),”

promoted by the Ministry of the Environment, can be used for carbon offset as well as be distributed in the market and have monetary value

Human Rights Initiatives

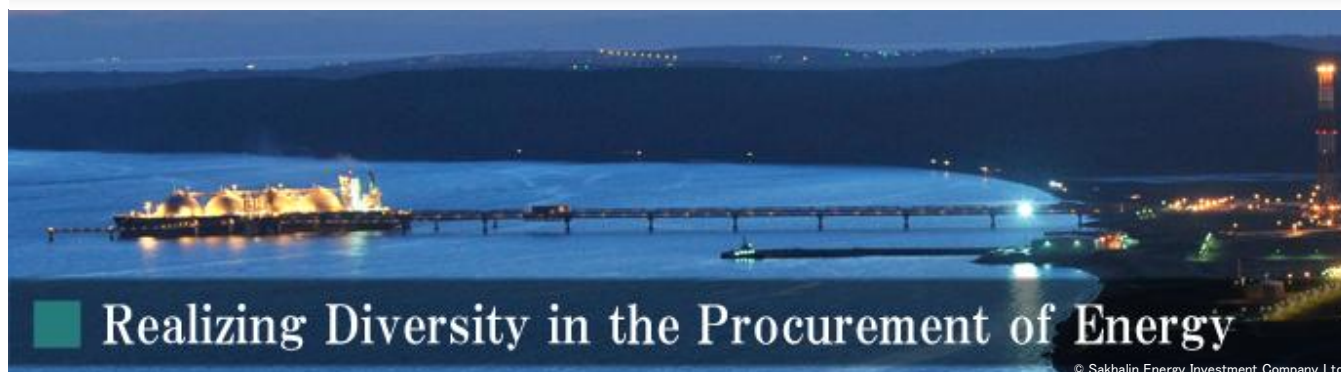


Car sharing supporting disaster recovery

The large earthquake and tsunami that struck eastern Japan on March 11, 2011 left deep and lasting scars on the lives and hearts of the Japanese people. Car Sharing Japan started a car sharing project in Ishinomaki, Miyagi, in October 2011 in the hopes of restoring transportation infrastructure in the affected areas more quickly. The number of vehicles destroyed in the Great East Japan Earthquake is said to be between 300,000 to 400,000, which means many people lost their mode of personal transportation. This project has four locations and a total of 9 vehicles near Ishinomaki and provisional housing facilities with approximately 1,200 units. Aiming to support the restoration, this recovery car sharing has set usage fees at one-fourth the standard rate, and people affected by the disaster as well as those who are working toward restoration can use these vehicles.



Recovery car sharing in Ishinomaki, Miyagi



Oil is considered the blood of industry, but 90% of Japan's oil is dependent on oil imports from the Middle East. Diversifying the suppliers of energy resources, including oil, is obviously connected to the stability of the Japanese economy and national life. Sakhalin is across from Hokkaido tucked in the La Pérouse Strait. A drastic amount of crude oil and natural gas is known to be hidden in the land and coastal areas of the island. The establishment in 1994 of Sakhalin Energy Investment Company Ltd., a consortium of companies from Japan, the United States, England and Holland was formulated to focus on natural gas and crude oil development in Sakhalin gave Mitsui the greatest possible strategic advantage in the stable supply of energy. Since then, Mitsui has consistently promoted projects for over a quarter of a century, while many of the participating companies have changed.

Environmental Initiatives



Striving for the highest level of environmental preservation on land and sea

Sakhalin Energy Investment Company Ltd. is striving to be the best even in environmental preservation initiatives. The crude oil and natural gas uncovered offshore in the northeastern area of the island is supplied over land using a pipeline to the southern harbor 800 km away, and every precaution is taken to ensure the natural environment of the island, including coastal areas, is not affected. For example, ensuring zero emissions of sediment or muddy water produced when drilling oil wells. The environmental burden is eliminated by re-injecting this waste into a well dug specifically for waste. Precious marine life, including devilfish, which are small whales, thrive in the ocean around the island. Sakhalin Energy is continuing to implement a marine environmental monitoring program for the areas which could be affected by its plant on the coast. Sakhalin Energy is responding in every way possible to sustain biodiversity. Sakhalin is also the breeding ground for sea eagles, which are specified as a rare endangered species in Japan. In a workshop with 30 participants held in April 2011, the fact that the manufacturing facilities of Sakhalin Energy have had no negative effect on biodiversity or the protection of bird life was clearly shown.

Human Rights Initiatives



Pursuing a perspective of trust and harmony with indigenous people

Sakhalin Energy strives to have the utmost communication with the few indigenous people who are living in Sakhalin and takes various measures to coexist with them. At the heart of these measures is the Sakhalin Indigenous Minorities Development Plan (SIMDP). Sakhalin Energy listens sincerely to the indigenous people and formulates plans which will generate the best results based on trust and harmony. For example, a specialized board for notices, including Sakhalin Energy job postings, is available in all villages in which indigenous people are living. Regular information related to the SIMDP is disclosed through various media, pamphlets, booklets, etc. Further communication is further reinforced through meetings held two to three times each year. Disclosure meetings were held in fiscal 2011 in over 20 villages where indigenous people were living, with more than 100 people participating. In addition to facilitating employment at Sakhalin Energy, they also support people hoping to start their own business through contributions from funds set aside in the budget. Sakhalin Energy makes sure to always gain the understanding of the indigenous people whenever starting something new.



The opening ceremony of the events devoted to the International Day of Indigenous People (Sakhalin Oblast)

Initiatives for Community Relations and Development



Interacting deeply with communities on multiple levels

All information and records related to our business activities are disclosed. This is the pledge of Sakhalin Energy to society, especially the local communities, and at the heart of this pledge are the information centers. Information conveying an overall picture of projects, to the progression of construction and messages from society is provided through a wide range of media, such as local newspapers, posters, fliers and message boards. They encourage independent participation in island projects by deepening awareness and understanding of projects. In 2011, local community disclosure meetings were held ten times near the head office. More than 100 local residents joined in actively exchanging opinions. Having a dialogue with employees is also vital. As in the past, a discussion entitled “100 Workshop” is held to discuss activities mainly related to improving corporate value for the following year. The corporate executives all gather and discuss a wealth of visions. Public relations representatives visit Japan for meetings that are held to listen to the opinions of stakeholders, such as those related to the fishing industry in Hokkaido, which is surrounded by La Pérouse Strait. Sakhalin Energy takes action as a member in good standing of local communities and international society and participates in the United Nations Global Compact to create a framework for realizing sustainable growth. Sakhalin Energy undertakes business as a member of the LEAD program of the United Nations Global Compact, in which 56 companies worldwide are participating.



A meeting with related persons from the Hokkaido fishing industry

Initiatives to Consumer Issues



Earnestly working to supply stable energy

Natural gas is environmentally-friendly energy with minimal CO₂ and NOX emissions and no SOX emissions. In Japan, natural gas is primarily used for power generation and urban gas, and the amount imported, which is currently 80 million tons, is expected to increase. Crude oil imports from the Middle East, which currently exceed 90% of the oil used in Japan, can be considered a problem from a risk management perspective for a country where securing stable energy resources that support industry as well as people's lives is most vital. The Middle East and Japan are separated by 13,000 km, and a journey by ship takes 15 to 20 days. In comparison, shipments from Sakhalin only take 2 to 4 days. The stable supply of crude oil and natural gas in the long-term to Japan and Far East Asian countries is possible through the Sakhalin II project. Efforts to build energy infrastructure are taking hold based on a long-term vision, which is contributing to comfortable lifestyles. This is the mission of Mitsui.



Related persons seeing off the first LNG shipment



Mitsui is expanding its service business through private finance initiatives (PFIs). Its affiliated company Aim Services utilizes commercial know-how in social business projects.

Aim Services, which started in Mitsui's staff cafeteria, has a 36-year history of providing premium-quality food that is safe, affords peace of mind and is healthy and delicious in places that serve the public, such as companies, schools, hospitals and welfare institutions. In recent years, Aim Services has provided 1.2 million meals per day at about 3,400 locations in Japan. After the Great East Japan Earthquake, a large amount of food was secured with the help of suppliers throughout Japan. Food services were offered in the eastern regions of Japan, without missing a meal, by arranging land and air routes different from the normal ones, which were in disarray.

Initiatives to Consumer Issues



Furthering local production for local consumption through self-production for self-consumption

Food provided to the community uses ingredients from the community as much as possible. The self-production and self-consumption project, which started through contracts with farms in Kanagawa prefecture and Chiba prefecture, was formulated to advance this philosophy even further. This project, with Aim Services employees at its core, assists vegetable production using facilities provided by neighborhood farms by inspecting the crops at least once a week. Differing from contracts that leave cultivation up to farms, this involves project staff participating in on-site vegetable production, and such quality management improves awareness of ingredients through experiencing the cultivation process. The harvested vegetables are called Smile Vegetables, and explanations about them are displayed at service locations, such as employee cafeterias, which have made Smile Vegetables quite popular.

Self-produced and self-consumed vegetables are only a small portion of the vegetables that Aim Services provides. However, they symbolize the company's goal to provide premium-quality food that is safe, affords peace of mind and is healthy and delicious, and Aim Services plans to establish one self-production and self-consumption farm in a city in each prefecture in the future. Quality management includes thorough traceability, including knowing the faces of the farmers who grow the vegetables, as well as educating Aim Service employees on manners and quality service.



Smile Vegetable menu at employee cafeteria

Environmental Initiatives



Creating the first food recycling loop in the food service industry

Japan's Food Recycling Law was formulated with the aim of building a closed-loop economy. The closed-loop model, which is part of the recycling business plan, is called the food recycling loop. Aim Services acquired the first certification in the food service industry in 2011 by completing this model with the cooperation of associated companies. Roughly 170 tons of food waste produced by 11 locations in Tokyo and Kanagawa each year was made into animal feed, and upwards of 60% of the eggs from hens raised on that feed were then used as ingredients at Aim Services locations throughout Japan. The range of the food recycling loop needs to be expanded in the future to realize sustainable use of resources. The recycling rate, which was 28% in fiscal 2010, increased to 30% in fiscal 2011. In the future, Aim Services aims to reach 40%, which is the goal the food service industry is striving to reach. Recycling of waste edible oil also started in 2010. The waste edible oil produced in service locations in Nagoya City in Aichi prefecture is reused as soap powder for laundry and fuel for diesel engines by businesses in the city. Some of the soap powder for laundry is used for laundering dish towels and other items used primarily in kitchens at businesses throughout Japan.

Initiatives for Community Relations and Development



Bringing our strengths in service close to communities in public facilities

The Private Finance Initiative (PFI) Act, enacted in Japan in 1999, is aimed at utilizing private funds and know-how for formation, operation and maintenance of public institutions and other facilities as well as services needed there. In 2007, Mitsui & Co., Ltd. established a special purpose company (spc), Kitsuregawa Rehabilitation Program Center, with SECOM CO., LTD., TOKYO BISO KOGYO CORP., Shogakukan-Shueisha Production Co., Ltd. and, since then, has been performing its operational responsibilities there in cooperation with Mitsui & Co. Facilities Ltd. and AIM SERVICES CO., LTD. We also have been in charge of partial operation of three existing corrective facilities, Kurobane Prison, Shizuoka Prison and Kasamatsu Prison, since 2010. We thus contribute to preventing second offence and creating a safe society by providing job training programs and employment supports matching the real vocational needs of societies within those prisons under the conditions of PFI Act and other related acts.

As an example of business that directly serves the public, Aim Services has been responsible for comprehensive food service operations at the New Hiroshima Municipal Stadium since it opened in April 2009. We provide food services that fit the community based on the know-how of ARAMARK Corporation[※], which has a proven track record of food service operations at 13 Major League Baseball stadiums in the U.S. Everyone who visits the stadium in Hiroshima praises the enhanced facilities and services, which had never been seen in a Japanese stadium before. There is a wide range of spectator seats, from sports bars where the game can be watched right next to the field, to party rooms for friends to get together in, to seats from which you can enjoy meat and vegetables cooking right in front of you, as well as many more. The shops in the stadium that have been loved for a long time remain, while we furnish the stadium with easy-to-view menus and locations that are easy for customers to access. The fresh vegetables used in the restaurants and bento boxes at the stadium are produced locally.



Kitsuregawa Rehabilitation Program Center



Food service at the New Hiroshima Municipal Stadium

Business
Activities and
Corporate
Social
Responsibility

※ ARAMARK CORPORATION:

Our business partner since its establishment 36 years ago and America's largest service management company.

Human Rights Initiatives



Promoting independence of persons with disabilities

Aim Services actively employs people with disabilities at locations throughout Japan to promote their independence. There are already more than 300 people with disabilities working for us, and Aim Services was ranked 2nd in Japan in the employment ranking of persons with disabilities announced by the Ministry of Health, Labour and Welfare (from over 5,000 employers in 2008; not announced after 2009). Furthermore, to support the independence of persons with disabilities through means other than offering employment, suppliers of starch to a business we outsource in Japan started in 2010 to standardize their workplaces to accommodate persons with mental disabilities. These employment support services involve separating large bags of starch into smaller ones, enhancing commercial value. As a result, Aim Services bulk purchases a large amount of starch, and the increase in income for these services supports the independence of persons with mental disabilities through stable wages.

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, 2012 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 results attainment necessary ✕ : Not implemented

Governance

Item	Tasks and Objectives for FY Ended March 31, 2012	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2013
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 and education based on the situation in society to maintain and improve compliance awareness and facilitate the acquisition of practical knowledge of compliance	●	Continue with training and education based on the situation in society to maintain and improve compliance awareness and facilitate the acquisition of practical knowledge of compliance
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, 2012	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2013
Strengthening Environmental Management Systems	Raise environmental awareness among managers and employees by continuing to implement the Mitsui Environment Month Program and environment-related seminars	●	Raise environmental awareness among employees by continuing to implement the Mitsui Environment Month Program
	Continue to promote the obtaining of ISO certifications by overseas subsidiaries with high levels of environmental risk	●	Improve the effectiveness of ISO 14001 at our subsidiaries
	Promote environmental examination for not only domestic but overseas subsidiaries with the aim to reduce our environmental burden	●	Promote environmental inspections related to reducing the environmental burden on a global Group basis by revising our evaluation methods for the risk of effecting the environment
	Move forward with investigations on environmental risks such as building asbestos and soil contamination on a domestic group basis in Japan	●	Deepen environmental management of the project that impact significantly on the environment
Initiatives to Combat Global Warming	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	🌐	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 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 manifest	●	Strengthen compliance with environmental relevant laws and regulations with our subsidiaries through the research, such as research on Environmental Relevant Laws and Regulations.
Pursuing Environmental Businesses	Promote environmental and energy businesses throughout the Company	●	Promote environmental and energy businesses throughout the Company
Utilizing Company-Owned Forests	Promote the development of facilities in and improvement of the field and the reinforcement of programs to raise revenues from program operations	🌐	Improve the sense of fulfillment by thoroughly enhancing and differentiating the contents of the forest environmental program
	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	●	Widely improve awareness through communication activities covering all of the company-owned forest activities
	Promote the use of wood fiber cascade and create a sustainable forestry business to encourage the regeneration of Japanese forests	🌐	Continue diverse efforts through activities such as development of applications for woody biomass

Society

Item	Tasks and Objectives for FY Ended March 31, 2012	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2013
Relations with Society	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.	●	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	●	Conduct environmental contribution activities meeting the needs of society through the Mitsui Environment Fund
	Broaden and deepen the awareness of environmental matters among employees through the Mitsui Environment Fund	●	Promote employee participation in activities of the Mitsui Environmental Fund
	Enhance the efficiency of the operations of the Mitsui Environment Fund	●	—
	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.)	●	Selectively and effectively implement Mitsui core proposals, utilizing our corporate strengths, around three vital areas of “international exchange”, “education” and the “environment” (initiatives for culturally diverse living, education of international and next generation human resource, and United Nation MDGs, etc.)
	Strengthen communications (outward and inward) with NPO/NGOs and experts from outside the company	●	Strengthen our antenna and communication functions with NPO/NGOs, experts from outside the company, disaster areas, etc.
Relations with Business Partners	Continue activities to improve awareness of the Supply Chain CSR policy and implement checks on suppliers in fields of high risk	●	Continue activities to improve awareness of the Supply Chain CSR policy as well as continue checks on suppliers in fields of high risk
Relations with Employees	Strengthen education of human resources globally and promote continuation of current activities	●	Promote efforts to implement HR policy and systems that contribute to full and effective utilization of diverse human resources
	Continue to update and improve the effectiveness of personnel systems to support a strategy of nurturing diverse human resources	●	Strengthen development of human resources and promote measures to-exploit their capabilities at a global group basis
	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)	●	Strengthen the HR and general affairs platform to achieve the growth of the company and employees, especially efforts to support compliance, labor management, and crisis management at a global group basis
	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	●	Continue the energy-saving measures same as in previous year to adapt successfully to shortage of generating capacity due to the shutdown of nuclear power stations

Tasks, Accomplishments, and Goals

CSR-Oriented Management

Item	Tasks and Objectives for FY Ended March 31, 2012	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2013
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	●	Initiate activities to promote autonomous CSR management and reinforce company support at the working level
	Heighten awareness of “ <i>Yoi-Shigoto</i> ” and “CSR at Mitsui & Co.” and heighten sensitivity to “social responsibility risks” on a global group basis	●	Heighten awareness of “ <i>Yoi-Shigoto</i> ” and “CSR at Mitsui & Co.” and heighten sensitivity related to “social responsibility risks” on a global Group basis
	Continue research on compliance with the Global Compact and implement continuing improvements	●	Implement efforts to deepen the support of human rights
Risk Management	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 factor	●	Aim for more comprehensive and balanced risk management, more specifically, including serious reputation risks within businesses that largely effect the environment as environment-related businesses as well as move towards flexible and rapid conference with external experts such as the Environmental Advisory Committee
Stakeholder Communication	Further improve disclosure of non-financial information through the Sustainability Report Carry out stakeholder engagement	●	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	●	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 2012 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 15 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.

Metals Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
Iron & Steel Products Business Unit	Reduce load on environment	Provided stable investment to renewable energy such as solar power generation and wind power generation as well as promoted sales expansion of high tensile strength steel/aluminum sheets for light-weight automobiles and rails to railway improvement businesses which largely reduce CO ₂ in emerging economies
	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 the electric steel business in India and a steel stoke processing center network structure in Russia
Mineral & Metal Resources Business	Find solutions to productions issues with a view to attaining a low-carbon society	<ul style="list-style-type: none"> •Made cooperative efforts in the biomass power generation business using poultry manure as fuel for self power generation equipment at our partners afflicted by the disaster •Promoted metal waste processing operations through Mitsui Bussan Metals Co., Ltd. for water processing after the disaster •Promoted business to appropriately process waste materials using Kyoei Steel/Kyoei Recycling by purchasing waste materials from Seven Eleven Japan stores which are closing
	Use mineral resources in a sustainable manner (secure stable supply of rare metals for the future)	Promoted a structure scheme to extract and collect heavy rare earth from iron ore residue with Shin-Etsu Chemical

Machinery & Infrastructure Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
Infrastructure Projects Business Unit	Prevent environmental pollution associated with city transport	Strived to expand railway services such as the Russian railway freight car leasing business
	Respond to consumer issues (access to vital services) Work to secure and make the most of water resources and prevent environmental pollution	Strived to expand participation in the new water business with Hyflux Ltd. in China and acquired two new additional assets as well as executed construction for three wastewater treatment BOT projects ordered by Atlatec
	Promote use of sustainable resources	Steadily continued construction to start commercial operation not already underway in 2012 related to the solar power business in Palma Del Rio in which Mitsui participated last year
Motor Vehicles & Construction Machinery Business Unit	Support safety	Established a safety promotion committee in the business unit to improve safety attributed to operations in the automotive logistics business which primarily focuses on truck transportation and the retail finance business for field work using motorcycles
	Improve living convenience in emerging economies	Supported the purchase of automobiles and motorcycles indispensable as a means of transport for people in emerging countries through the user finance business for automobiles and motorcycles in Peru, Chile, India, Thailand, Indonesia, etc.
	Coexist with regional communities	Promoted the formulation of an award system for CSR initiatives in each region to coexist with each community our subsidiaries and associate companies are expanding business
Marine & Aerospace Business Unit	Promote stable supply of clean energy	Continued ongoing efforts to maintain a stable supply of LNG through LNG ships (over 20 vessels) which Mitsui participates
	Provide air-transport for disaster prevention/relief and medical support	Delivered two helicopters for disaster efforts. For the first time, we also delivered a Bell emergency medical service helicopter which is operating smoothly

Chemicals Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
Basic Chemicals Business Unit/ Performance Chemicals Business Unit	Use resources in a sustainable manner	Promoted the solar power value chain of our business Focused on maintaining raw materials upstream and the domestic mega-solar development downstream
	Contribute to the stable supply of food	Worked to expand existing businesses around the three pillars of fertilizer materials, food additives, and crop protection chemicals to increase food production and stable food supply
	Ensure compliance with domestic and overseas laws and regulations	Held domestic and overseas chemical-related laws and regulation seminars (REACH, poison management, industrial waste management, high-pressure gas management, etc.)

Energy Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
Energy Business Unit I/ Energy Business Unit II	Supply safe and stable energy	<ul style="list-style-type: none"> • Maintained stable load and operation at oil 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"> • Promoted the use of sustainable resources by promoting biofuels • Pursued, investigated, and promoted emission trading • Promoted viability studies on CO₂ capture and underground storage (CCS)

Lifestyle Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
Food Resources Business Unit/ Food Products & Services Business Unit	Strengthen food safety management framework	Held monthly food safety seminars through food health management committees and external food safety consultants to improve our food safety management (sharing the causes and measures to prevent reoccurrences of example violations to food health laws and regulations)
	Promote and support agricultural business with respect for human rights and the environment	Contributed to the Roundtable on Sustainable Palm Oil (RSPO) activities by aiming to increase our handling of RSPO certified palm oil, etc.
	Conduct human resource exchange and training through foods	Supported promotion of study visits from National Future Farmers of America (FFA) and food and nutrition education
Consumer Service Business Unit	Respect human rights (promote CSR procurement)	Conducted CSR awareness surveys for the procurement sources (153 surveys received from the 186 companies surveys were requested) of Mitsui Bussan Inter-fashion Ltd., which is one of our subsidiaries
	Strengthen dialogue with stakeholders	Opened dialogue with knowledgeable persons (university professors and collaborative research consultants) based on subjects related to the real estate business. Through this dialogue, we gained knowledge of social trends while obtaining an opportunity to see an evaluation of our business
	Respond to consumer issues (heighten consideration for food safety)	Established a new quality management division at Aim Services Co., Ltd. Policies were determined to clarify quality standards and strengthen the management system by executing proposals for strategic quality management throughout the entire company

Tasks,
Accomplish-
ments,
and Goals

Innovation & Cross Function Business

Headquarter	CSR Priorities	Measures for Fiscal Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)
IT Business Unit	Reduce the environmental burden	Promoted energy-saving and energy management for buildings, public facilities, and smart communities primarily in Asia through Beijing Tellhow Intelligent Technology (China) and CAN GROUP (Singapore)
	Raise awareness of environmental issues through broadcasting the business unit's activities	Fostered improvement of strong intellectual programming and environmental awareness through broadcasting such as Environmental Superman Ecogaindar children's show by Kid's Station. We also contributed to environmental awareness education activities through our program Go on NPOs! Passionate People Working for the World and the restoration support documentary Textbook for the Future on the World Vision Channel.
	Promote recycling through TV shopping businesses	Promoted reuse and recycle activities through QVC Japan. We also achieved an overall reduction in packaging despite the amount of products being shipped increasing 10%
Financial & New Business Unit	Promote investment in environment related businesses	Planned and are currently advancing development of generally environmental cities related to environmentally responsive "Smart Cities" in England by establishing J/V MASP with the English Company Arup. In Japan, we also planned and are currently advancing development of an Urayasu eco-city smart community center together with Urayasu City
		Continued Investment to Nihon Itomic which develops and manufactures electric hot water distribution systems and heat pump water heaters
		Financed Actagro, which is a manufacturer developing organic fertilizer and soil improvement agents that aim to improve the environment and soil, with GE Capital
Transportation Logistics Business Unit	Provide optimal distribution services for international transportation	Contributed to maintaining a stable supply of electricity by shipping power generation equipment to the TEPCO Kawasaki Thermal Power Plant through Trinet
	Offer optimal logistics arrangements for storage and delivery	Contributed to configuring an efficient delivery system suited for the sales strategies of our customers by providing distribution processing services to supply procurement goods from Japan and overseas such as apparel and health foods to retail shops and consumers through Trinet Logistics co., Ltd.
	Implement social investment	Currently expanding airline promotion activities for the expansion of services at Haneda Airport planned for 2014

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 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 15 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 2012, there were 13 directors, four of whom were external directors.

We have five corporate auditors, two full-time and three 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

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

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

Furthermore, to respond to the increasingly diverse kinds of risks associated with our business, we have established the Portfolio Management Committee, which met a total of 36 times during the fiscal year ended March 31, 2012, 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.

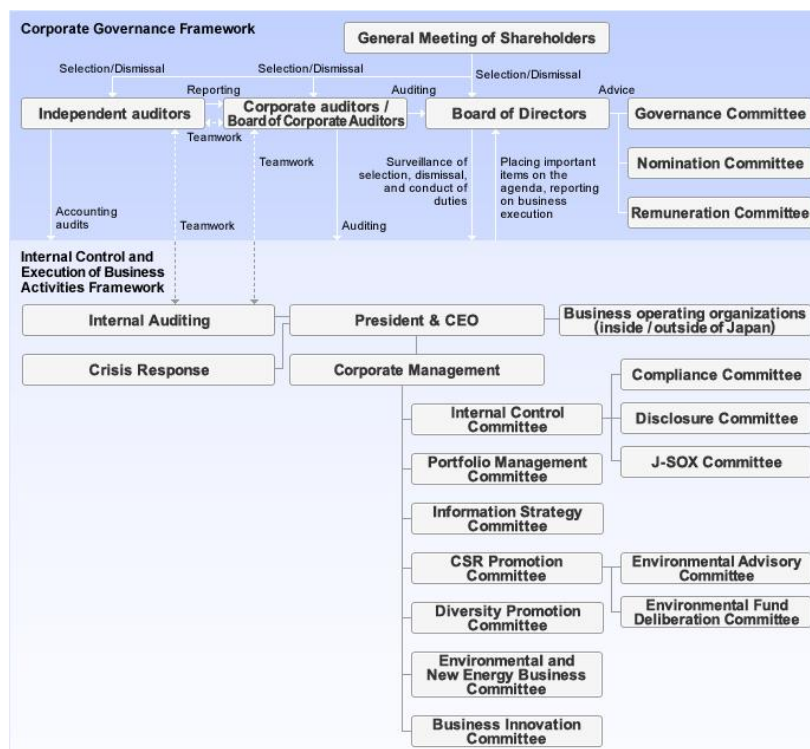
Current status of the internal auditing structure

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

In the current fiscal year we have terminated our registration with the U.S. Securities and Exchange Commission (SEC) and adopted the J-SOX standards as the basis for the evaluation of our internal control systems. When making the transition to the new standards, we took great care to maintain the same high level of transparency, information disclosure and internal control discipline as under the U.S. standards. We recognize that institutional investors, including those based in other countries, have taken an increasing interest in corporate governance in recent years, and we have therefore started to provide direct briefings to shareholders and others concerning our corporate governance systems.



Corporate Governance and Internal Control Principles

Mitsui & Co., Ltd. has enacted the following “Corporate Governance and Internal Control Principles” in April 2006 (Revised: April 2012)

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.

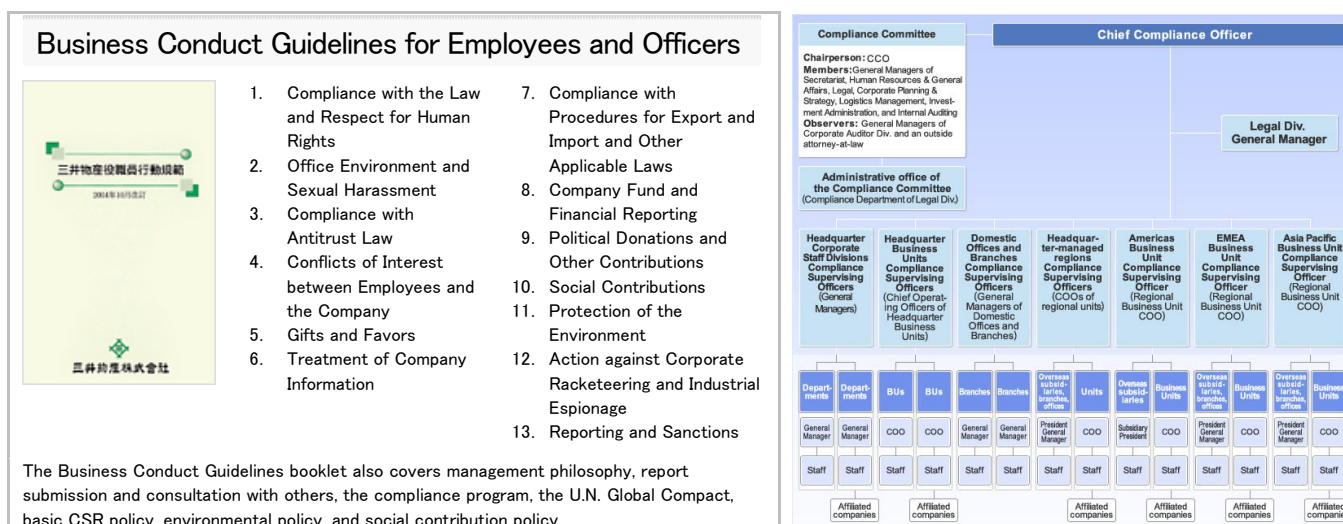
To that end, we are working to heighten awareness among all management and staff of the importance of upholding high ethical standards and are accordingly striving to build a global compliance framework that advances best business practices.

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.



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 with a wide range of compliance training programs to promote a high degree of awareness of business ethics throughout Mitsui and to ensure that all employees have the necessary skills and information available to them to ensure that work practices remain in compliance.

In the fiscal year ended March 31, 2012, 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, 2012, 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 have conducted Compliance Awareness Surveys as appropriate not only in Mitsui & Co., Ltd., but also in our overseas offices and major subsidiaries. We use the survey results to address issues and implement a variety of measures to promote further compliance awareness and to reduce compliance problems.

Other Initiatives

In addition to the previously mentioned initiatives, we also visit individual key subsidiaries and associated companies 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, 2013, 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.

We have further safeguarded sensitive information by access control systems based on the use of electronic employee ID cards and admission cards. To protect information on mobile devices used in business, we are introducing tablet devices and smart phones with built-in hard disk encryption systems, in addition to our existing policy of encrypting of hard disks in notebook PCs. We also use the systems to delete data in the unlikely event that a device is lost in order to prevent unauthorized access to information.

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. Food Resources Business Unit, Food Products & Services Business Unit place 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, 2012, the food industry faced unprecedented radiation contamination problems caused by the March 11 accident at the Fukushima Daiichi Nuclear Power Station while other food-poisoning incidents also occurred in a wide area. 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 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 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.

In the fiscal year ended March 31, 2012, we made decisions on whether 60 different projects were appropriate to be deemed specially designated business, and, as a result, 20 projects were individually assessed under the Specially Designated Business Management System. By business domain, two of these projects were environment-related businesses, 15 were the businesses that are eligible for direct or indirect subsidies from Japanese government or other governments, and 3 were in the high public profile category.

Meanwhile, since some problems in the operation of the system were recognized, as of April 2012, we modified the official regulations and the execution policy, while maintaining the purpose of introduction of the system and aiming at a more comprehensive and well-balanced management of risks. We have expanded the scope of “Environment-related business”, and have also adopted changes to expedite the review process by allowing more flexibility in the discussion process with the external experts including the Environmental Advisory Committee and the reorganization of other advisory committees.

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.

Business Domains Subject to Specially Designated Business Management System

Business Domain		Key Points for Screening
		Applicable to All Four Business Domains <ul style="list-style-type: none"> ● Significance and social value of the business itself ● Significance of Mitsui engaging in respective business
1	Environment-related business All businesses that have serious influences on the environment Examples: Clean development mechanism (CDM) business, business using biomass, recycling business, wastewater treatment business, etc.	<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	Medical/healthcare/bioethics-related business Businesses related to the medical and healthcare fields, businesses related to the development of technologies involved in genetic analysis, genetic recombination, and related areas, and businesses related to products that use such technologies. Examples: Business with a high public profile in the medical and healthcare fields (senior living business, pharmaceutical-dispensing business), development of new drugs using genetic analysis technology, etc.	<ul style="list-style-type: none"> ● Ethical screening based on guidelines of three Japanese ministries (Ethical Guidelines for Human Genome and Genetic Sequencing Research: MEXT, MHLW, METI) ● Approval by the ethics committee of the research institute, acquisition of informed consent, checking of processes, etc.
3	Businesses receiving subsidies Example: Businesses that are eligible for direct or indirect subsidies from Japanese government or other governments	<ul style="list-style-type: none"> ● Evaluation in light of Mitsui’s management philosophy (MVV) ● Social impact and ensuring accountability and process transparency ● Determination of interests of stakeholders, and resultant considerations and responses ● Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile
4	Businesses with a high public profile Businesses which have high-risk cases that may be in conflict with public order and morality, Mitsui’s management philosophy, or other CSR-related matters. Examples: Business with sensitive personal information, public businesses (businesses based on PFI, designated administrator system, market testing, etc.), businesses with strong regional exclusivity (public transportation systems, etc.), etc.	<ul style="list-style-type: none"> ● Evaluation in light of Mitsui’s management philosophy (MVV) ● Social impact and ensuring accountability and process transparency ● Determination of interests of stakeholders, and resultant considerations and responses ● Responsibility and capability over the medium-to-long term acting as the operator of a business with a high public profile

CSR
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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.

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

Furthermore, 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.

International standards

1. Supporting the Universal Declaration of Human Rights

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

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

2. Respecting Indigenous Peoples

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

3. Guidelines for appointing a security firm

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

Mitsui bases its appointment of security firms on both the UN Code of Conduct for Law Enforcement Officials and the Principles on the Use of Force and Firearms by Law Enforcement Officials.

4. ILO Core Labour Standards

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

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

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

Management system for human rights and labor

Every year Mitsui conducts an internal survey on observance of the UN Global Compact to raise awareness of the management and the regular employees awareness on human rights and labor issues at our Business Units, Corporate Staff Divisions and domestic and overseas organizations (branch offices and consolidated subsidiaries).

The survey asked the following two questions:

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

As a consequence of this survey, if it is found that we have a unit, a division or organization which materially lacks an understanding of the UN Global Compact, we will take measures such as to provide training seminars additionally to it. We will continue with this survey to raise awareness on human rights and labor issues while referring to Guiding Principles on Business and Human Rights (report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie) which is endorsed by the United Nations Human Rights Council.

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.

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Supply Chain CSR Policy

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 engage in discrimination with respect to hiring and employment.
 4. We will respect the rights of employees to associate freely and bargain collectively.
 5. We will not participate in forced labor, child labor or unlawfully-cheap labor.
 6. We will help reduce and mitigate business impact on the global environment.
 7. We will ensure a safe and sanitary work environment.
 8. We will ensure the safety and reliability of our products and services.
 9. We will disclose adequate and timely information relevant to the above.

Initiatives Taken in the Fiscal Year Ended March 31, 2012 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, 2012.

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 fiscal year ended March 31, 2012, we surveyed our business partners in high-risk fields, which include agricultural crops and consumer products, focusing on human rights abuse, child labor, environmental friendliness, etc. None of our business partners related to agricultural crops (39 companies), such as coffee and cocoa, or our business partners related to textiles (153 companies) had violated this policy based on the results of this survey in addition to direct feedback from five of our business partners related to textiles.

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 (participants in FY2011: 347) including but not limited to newly-hired employees and managers. 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.

If a business should violate this policy, Mitsui will strive to make improvements by providing necessary support to the suppliers. However, if there are no improvements to the situation by the suppliers, Mitsui will determine carefully whether to continue our business with the supplier which includes contract termination.

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.



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

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.

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 & Mitsuiussan Kenzai Co., Ltd., a Mitsui affiliate, strives to buy only FSC/PEFC- 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 2012, consents to the policy have been obtained from a cumulative total of 1,943 Japanese companies and 430 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.



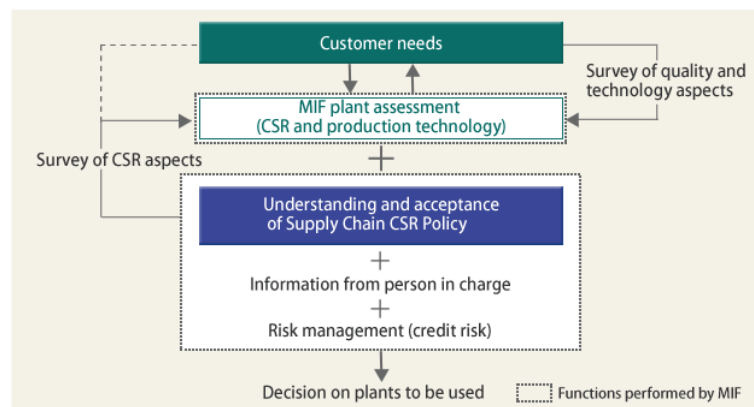
A sewing line at MIF contracted manufacturing plant

In October 2009, taking into consideration the procurement policies and plant qualification standards of the apparel manufactures 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 of its Supply Chain CSR Policy.

In the year ended March 31, 2011, 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. 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.

In the year ended March 31, 2012, MIF further penetrated the necessity of policies and support for CSR and Supply Chain CSR by introducing an internal seminar with the goal of promoting understanding of the seven items mentioned in the CSR Policy and the JITCO standards. In addition, MIF unified the philosophy of its suppliers toward Supply Chain CSR by formulating the MIF Supply Chain CSR Manual and confirmed that none of its business partners violated this policy by surveying the supply chain initiatives of the main suppliers in Japan and overseas (153 suppliers).

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.

Mitsui's Human Resource 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.

"Mitsui is
People" Human
Resources to
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Assets

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 effectively from a company-wide perspective, based on appropriate human resources management.

Human Resource Development

Mitsui & Co.'s View on 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 100 times per year with a total of some 3,000 personnel taking part). Business staff training, which is the principal training activity, takes place over 150 times during the year with approximately 8,000 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 on various levels. Moreover, we have made arrangements for group company staff to participate in in-house training courses, such as those provided at Bussan Academy and Financial Accounting Course. In addition, through our management and leadership training courses, we offer support for development of human resources to assist and create personnel networks.

We are also placing more emphasis on the training of non-headquarters hired staff (NHS) at the company's head office and its HR Training Center with the objective of promoting the globalization of human resources. Approximately 600 staff members have attended our short-term training programs which consist of plenary sessions and on the job training of up to one year, which began on a full-scale basis in 2002. Since 2007, approximately 70 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 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 (GLP) for non-headquarters hired employees who are already operating as general managers in overseas posts. From 2012 GLP was integrated with Newly Appointed BL Training which was conducted in English for headquarter hired staff (HS) as well as NHS.

The Mitsui Management Academy program which had been provided only for HS has been developed in the combined training, Global Management Academy (GMA) since 2011 in collaboration with Harvard Business School. GMA was attended by HS, NHS, employees of overseas group companies, and employees of Mitsui's overseas partner companies aiming at broadening Mitsui's diversity on global prospect.

Human resource development program

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	Business School Dispatch	Overseas Trainee 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

"Mitsui is People" Human Resources to Translate into Assets

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

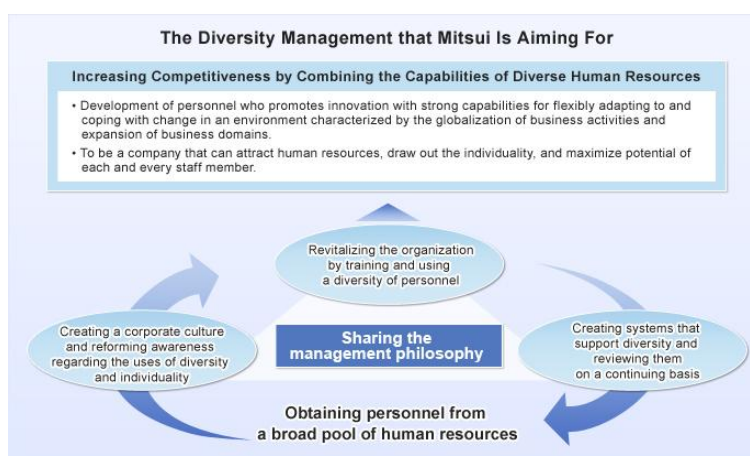
To expand our activity domains to global growth markets and develop deep-rooted businesses around the world, it is essential to appoint the personnel who are thoroughly familiar with each country and region. In addition, to respond appropriately to the continuously changing business environment and to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

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. Mitsui has employed female employees in mainstream career path from 1992. 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 45 female employees dispatched from Japan and stationed in Mitsui's overseas operations (including foreign language and business culture trainees and overseas trainees, as of April 1, 2012).

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 2012, 2.26% of Mitsui's employees were disabled.



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. We sometimes provide venues such as the Diversity Café 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 2011, mainly for our female employees, were "How to make a career of one's own" and "the experience of Administrative Overseas Trainees".



The 10th session of Diversity Cafe in progress

Creating a good work environment to have work worth

We consider it very important to improve the work environment to enable all employees — the leaders in our efforts to generate *Yoi-Shigoto* — 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 at 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 reduce total working hours, we constantly create materials to enable the understanding of the actual situation with respect to overtime and paid leave in each division and provide them to each division so as to reduce total working hours and encourage taking annual paid leaves, including use of the planned leave system. And we provide guidance about appropriate time management and raise awareness, especially to managers through training session with "Overtime Handbook", which is our in-house manual related to overtime. 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, which leads to reduce total working hours and prevent health problems.

Childcare and family care support

To help employees balance their working life with childcare and family care needs, Mitsui has introduced systems of short-time working and staggered hours working in addition to its leave system. From 2007, we provided partial pay for childcare leave and moderate the eligibility requirements to allow employees to take childcare leave even if their spouse is a full-time housewife, thereby creating an environment that has encouraged male employees to take childcare leave. Furthermore, to support a smooth return to work, we have 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 with 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.

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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. 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 2012, the union had 4,643 members, a membership rate of 80.6%.)

Data of personnel affairs

Data of personnel affairs about Mitsui's Human Resource Development

Employment Information

Mitsui Employees by Gender (as of March 31, 2012)

Male:4,510
(73.5%)

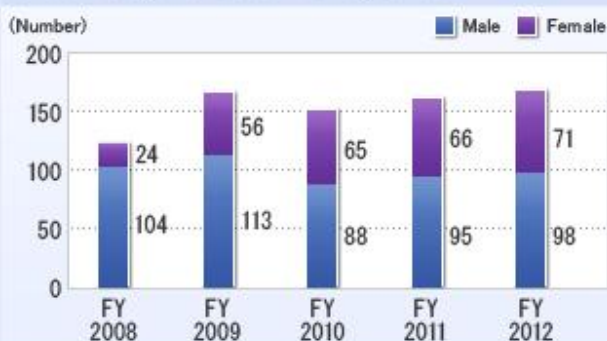
Female:1,626
(26.5%)

The number of employees on a non-consolidated basis as of March 31, 2012, was 6,136.
(Male: 4,510 Female: 1,626)

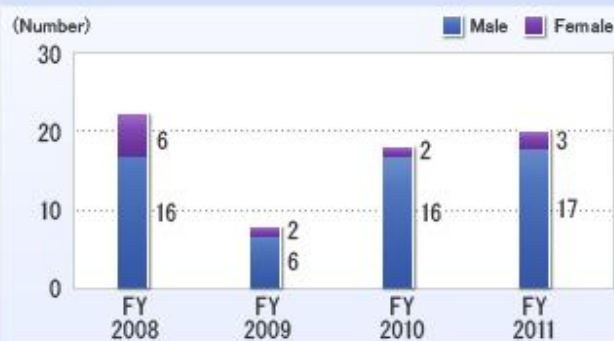
* Not including those in administrative staff positions and contract employees.

* Average personnel turnover (Over the last three years) 2.96%

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



Mitsui's Mid-Career Hires



* Includes operations personnel beginning in FY2009.

Foreign Geographic Areas (As of March 31, 2012)

	Headquarter-hired Staff (HS)	Non-Headquarter-hired Staff (NS)
Americas	299	569
Europe, the Middle East and Africa	241	791
Asia Pacific	520	1,756
Other (overseas trainees)	151	-
Total	1,211	3,116

NS Dispatched to the Head Office (As of March 31, 2012)

Japan Business Integration Program trainees	11
Japan Language & Business Program trainees	5
Intra-company transferees	14
Total	30

Employees Taking Childcare or Family Care Leave

		FY2007	FY2008	FY2009	FY2010	FY2011
Childcare leave	Male	3	5	1	3	6
	Female	32	40	38	37	40
Family care leave	Male	0	0	0	1	0
	Female	5	2	0	2	0

Concepts about 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.

Along with the trends toward globalization, advances in IT, and other developments, today's world has become considerably more diverse, is experiencing greater and greater fluidity, and is aiming for a convenient and wealthy society.

On the other hand, society is confronting a broad range of issues related to the environment, such as global warming, poverty, differences in educational levels, and other problems.

Mitsui's Operational Guidelines for Social Contributions Policy specifies three areas for focus based on its strengths, know-how, and understanding. These are international exchange, education, and environment.

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

In addition, we are anticipating that the interest and sensitivities of our management and staff toward social issues will increase, therefore, providing them with information and planning volunteer programs.



Social Contributions Policy

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.

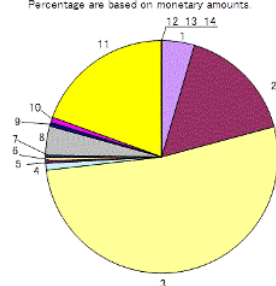
"Mitsui is People" Human Resources to Translate into Assets

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, 2012)

The breakdown of social contribution expenses, which totaled 2,608 million on 375 activities, is shown below. Percentage are based on monetary amounts.



	Activity Category	Percentage (Monetary Amounts)	Number of Activities
1	International exchange and cooperation	5%	45
2	Education, social education	16%	66
3	Environmental protection	52%	31
4	Social welfare	1%	50
5	Health and medicine	0%	9
6	Sports	1%	12
7	Academic activities, research	0%	7
8	Arts and culture	4%	37
9	Archeology, preservation of traditional culture	1%	1
10	Local community involvement	1%	69
11	Assistance to disaster-stricken communities	19%	38
12	Assistance for disaster-prevention community work	0%	1
13	Human rights	0%	3
14	NPO infrastructure-building work	0%	6
	Total	100%	375

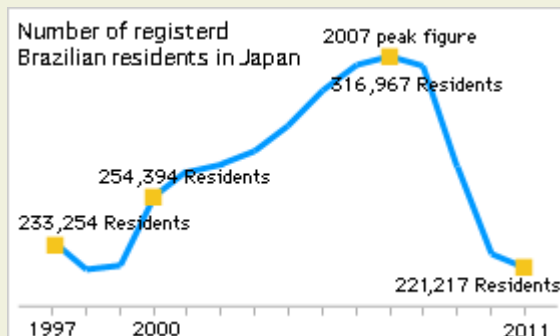


Brazil-related Initiatives



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 210,000 Brazilian people living in Japan as of the end of December, 2011. 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.



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 the end of December 2011, 322 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 fiscal year ending March 31, 2010, 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 fiscal year ending March 31, 2012, these seminars were held nine times and were attended by a total of around 700 people.



Mitsui's
Social
Contributions



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.



Activities in Brazil (Mitsui Bussan do Brasil Foundation)

In addition to our activities in Japan, we are also active in Brazil itself through the Mitsui Bussan do Brasil Foundation as outlined below.

Kaeru Project

In a project led by the psychologist Dr. Kyoko Nakagawa to assist their adaptation to Brazilian school and society, children who have returned from Japan are supported emotionally, academically, and through support to their environment.

Mitsui-Endowed Lecture Program at the University of São Paulo

To deepen understanding of society, culture, and other aspects of Japanese life, and to foster human resources who can contribute to the future development of both countries, Mitsui funds a lecture event taking place one to two times a year bearing the Mitsui name. Japanese legal books are also donated to the University. For details see Foundation and Funds Activities in the Americas.

In this way, Mitsui makes social contributions in Japan and in Brazil with the idea of reaching a deeper understanding of Brazil, an important partner country for Mitsui. We hope that this activity will help to strengthen the ties between our two countries.



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's
Social
Contributions



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.



Providing Scholarships to Help Students Excel

Mitsui-Bussan Scholarship Program for Indonesia

Mitsui has built very strong links through its many projects in Indonesia. Mitsui established the scholarship program in 1992 to support the country in increasing its output of outstanding human resources and to further deepen cultural exchange with Japan. Rather than supplying scholarships to students already studying in Japan, the program selects students while still at high-school level in their home country. After the scholarship students come to Japan, they attend Japanese language school for a year and a half before proceeding to university through the entrance examination process. The reason for this arrangement is that taking entrance examinations encourages the scholarship students to think carefully about which specialist area of study they wish to pursue in Japan. As well as a monthly consultation with the scholarship office, the program also offers opportunities for contact with program graduates as part of efforts not only to give financial support but also to provide pastoral care to students living away from their home country and to encourage them to find out about Japan and develop an emotional bond with their host country. Up to FY2011, 30 students had benefited from the program. Through our support, we hope that these outstanding students will be able to pursue fruitful careers in Indonesia, Japan, and many other countries.



Other Scholarships

- Mitsui Bussan Trade Promotion Foundation
- Mitsui Scholarship Fund
- Royal University of Phnom Penh, Department of Japanese



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. 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 current president Vladimir Putin and Prime Minister Dmitrii Medvedev. 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 students studying in Japan (6 to 12 months) and presents Japanese books and DVDs to the university.



Other Mitsui-Endowed Lecture Programs

- Fudan University (China)
- Vietnam National University, Hanoi
- University of São Paulo (Brazil)
- John Carroll University; The City University of New York Baruch College (United States)
- Mitsui Endowed Professorship Fund at Dartmouth College (United States)
- University of Warsaw (Poland)



Japan Studies as a Way to Increase the Number of Japan Enthusiasts

Mitsui's
Social
Contributions



Mitsui Educational Foundation

In 1971, Mitsui & Co (Australia) Ltd. established the Mitsui Educational Foundation with the aim of promoting mutual understanding and friendship between Japan and Australia by giving young Australians the opportunity to find out about Japan. Every year the foundation sponsors 8 to 10 students from universities around Australia to participate in a three-week study tour of Japan. As well as an introduction to Japanese culture, Japan Studies programs provide insights into the country's economy and education system through study visits to Japanese companies, factories, and universities, and the opportunity to make contacts at individual level through homestays. Among the comments from participating students were that they had 'reached a genuine understanding of

Japanese culture and business' and that 'contacts with Japanese people had allowed them to understand how the Japanese think.' In the past 40 years to 2011, 313 Australian university students took part in the program, whose alumni include individuals in senior positions relevant to Japan-Australia relations.

This program will be continued with the aim of increasing the number of Japan enthusiasts in Australia and strengthening cultural exchanges between Japan and Australia.

Other Japan Studies Programs

- National Future Farmers of America



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 nine, and the number of student interns in FY2011 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.





Fund Activities in the Americas Region



The Mitsui USA Foundation, established in 1987 in New York, is Mitsui USA's charitable arm for active, good corporate citizenship, running programs in U.S. communities where the Company 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. Every year, the Foundation supports approximately 50 projects across the United States in four areas: education, community and disabled welfare, arts and culture, and action based on employee participation and corporate matching. Half of this budget is devoted to education-related activities, and there are many projects bearing the name of Mitsui USA.

(1) Education

Education is also a key area of activity for the Mitsui USA Foundation, as part of which it organizes Mitsui-Endowed Lecture Programs.

John Carroll University: begun in 1993, the Mitsui USA Distinguished Lecture series at John Carroll University in Cleveland, Ohio, is held at the opening of the university's East Asian Studies Program. This high-level lecture series hosts expert speakers on Japan and other Asian countries in areas including politics, economics, culture, and history. **Baruch College, The City University of New York:** begun in 1994, the Mitsui USA Lunch Time Forum is held six times a year and hosts speakers from academia and the business world. The panel discussions on global issues have been well received and the program has proved very popular, attracting an audience of almost 200 including not only leading members of the university faculty, but also New York City employees and business people.

Columbia University: inaugurated in 2000, the CJEB/Mitsui USA Symposium is held once a year and sees speakers and panelists engage with graduate students and experts in animated question and answer sessions on a wide range of subjects, from analysis of the global economy to cutting-edge hedge fund techniques. Including a reception, the event provides a forum for effective interaction.

Other activities include scholarship programs for approximately 60 university students at some 40 universities in the U.S. and summer home-stays in Japan for 10 U.S. high-school students under the Youth for Understanding program.



(2) Community and Disabled Welfare

Among our wide-ranging support activities are the following programs: LifeStyle, in which people with disabilities play host to elderly people at dinner party events; Abilities, which provides vocational skills training and support in seeking employment; the art and music therapy program Mercy Home, held every Saturday for 40 autistic children; Teach For America, in which employees support teachers by becoming pen pals with elementary school children; Citymeals-on-Wheels, which delivers meals to elderly people; and NY Special Olympics, which offers a wide range of sports training and sporting events to people with intellectual disabilities.



(3) Arts & Culture

Our activities here include support for the NY Asian Symphony Orchestra, a group of young musicians of Asian heritage.

(4) Employee Voluntary Activities

Support for Mitsui USA VTF (Volunteer Task Force) activities; March of Dimes walker participation; "Matching Gift" Program, whereby employees' individual donations are matched with an equal donation from Mitsui; and "Special Match" programs for natural disaster relief support.

For more details visit The Mitsui USA Foundation website at:



Mitsui Bussan do Brasil Foundation

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

The Kaeru Project

Led by psychologist Dr. Kyoko Nakagawa, this is a project to help children returning from Japan to adapt smoothly to Brazilian school and society. It is offered free of charge at municipal and state-run schools. Under the project, the Brazilian non-profit organization ISEC (Institute for Social and Cultural Solidarity) which Dr. Nakagawa belongs to and the São Paulo state education bureau work together to provide support to children in the three areas outlined below.

- 1) Emotional support (play, reading, creative writing, counseling, etc.)
- 2) Academic support (catch-up lessons, intensive courses, etc.)
- 3) Support to the children's environment (guidance for parents, school supervisors and teachers, etc.)

Using the expertise gained, it is planned in the future to expand the project beyond the state of São Paulo through dispatching outreach activities, workshops, etc.



Mitsui-Endowed Lecture Program at the University of São Paulo

This program is supported by a grant from the Mitsui Bussan do Brasil Foundation, and the University of São Paulo Law School's Institute of International Law and International Relations, which hosts the program. The aim is to foster an understanding of Japanese society and culture, especially among students and young researchers at the university, and to develop human resources with the ability to contribute to the expansion of friendly relations between Japan and Brazil. Regular lecture programs are presented once or twice each year. Japanese legal books are also donated to the University.



The Mitsui Canada Foundation

The Mitsui Canada Foundation was established in 1981 to commemorate the 25th anniversary of Mitsui & Co. (Canada) Ltd. with the mission of promoting culture and education. In the field of Japanese language education, Mitsui & Co. (Canada) provides judges for a Japanese speech contest. In the field of community welfare, the foundation supports a Japanese Cultural Center and gives assistance to facilities providing nursing care to elderly Japanese residents of the Vancouver and Toronto areas. It also provides donations to six major Canadian universities, (Toronto, Alberta, British Columbia, Regina, Queen's, and McGill).





Action Based on Employee Participation



Mitsui Global Volunteer Program (MGVP) Employees acting together

The MGVP was initiated in October 2009 with the idea of engaging in social contribution activities which bring employees together.

1. Try it V-1000

The company makes donations in proportion to the number of employees who take part in voluntary activity.

- (1) Period of tabulation: one-year period from October to September of the following year
- (2) Amount of contribution: Number of participants × 1,000 yen.
- (3) Donee: selected on a rotating basis by the Americas, EMEA (Europe, Middle East and Africa), and Asia Pacific Business Units.

The number of employees participating in the Try it V-1000 program of FY2009 (October 1, 2009, to September 30, 2010) was 2,789 and the amount donated 2,789,000 yen. The beneficiaries of this first donation were selected by the Americas Business Unit. After consulting with employees, the Americas Business Unit selected Special Olympics New York (SO/NY), and on October 29, 2010, the Deputy Chief Operating Officer of the Americas Business Unit and other representatives visited SO/NY and presented a donation of \$33,412 (2,789,000 yen).

Special Olympics (SO) is an organization with a global network and activities for intellectually disabled athletes and their volunteer coaches. SO/NY and Mitsui USA developed a close relationship after Mitsui USA gave a donation to the organization's team of athletes for the 2005 Special Olympics World Winter Games in Nagano, Japan and Mitsui offered a Japan Orientation to help participants deepen their understanding of the host country. At present, Mitsui USA employees take part in a range of voluntary activities related to SO/NY, which also receives a yearly donation from the Mitsui USA Foundation.

As a sponsor of the authorized NPO Special Olympics Nippon, Mitsui provides support within Japan through activities including those outlined below.



2. Volunteer Month

With the aim of bringing employees together in voluntary activity, November each year is declared Global Volunteer Month, during which each donation through the Try it V-1000 program is automatically doubled and various activities, talks, and other events are planned and staged. In November 2010, approximately 450 employees from across Mitsui participated in voluntary activity.



3. MGVP Volunteer Work Report

A booklet entitled Mitsui Global Volunteer Program Volunteer Work Report, which presents the voluntary activities of Mitsui employees focusing on Global Volunteer Month, is printed in a run of around 10,000 copies and distributed to the entire staff.



TABLE FOR TWO (TFT) is a program run by the authorized NPO TABLE FOR TWO International with the aim of fostering the health of people in both developing countries and advanced countries. The program seeks to simultaneously resolve the problem of hunger in developing countries and the problem of lifestyle-related disease in advanced countries based on the slogan 'meal for one, health for two.'

Mitsui introduced the program from August 2008 in the staff cafeteria at the Tokyo Head Office, and has received a total of some 24,000 donations (as of March 2011). When employees select the relevant lunch option at the Mitsui cafeteria, the employee pays an extra 20 yen and the company matches it with a similar donation in what is known as a matching gift arrangement, so that TFT receives a donation of 40 yen for each meal. The price of a school meal in a developing country is said to be 20 yen, so that by selecting the TFT lunch option the employee provides enough for two school meals in Malawi, Uganda, or another country through TFT.



The concept behind Table for Two is of the participant in the advanced country and children in the developing country sharing a meal across the divide of space and time. Employees participate actively in this program in the hope that it will promote human health around the world.

From autumn 2011, a drink-based version of TFT known as CUP FOR TWO will be rolled out through drink vending machines at company offices.

TFT Point Card Program – Originated at Mitsui from an Employee Suggestion

One day, the Mitsui staff member in charge of the TFT program received an e-mail from a junior employee: 'I support the TFT program and would like more of our staff to find out about it, so please let me help you promote it.' This led to the formation of the TFT Junior Task Force. Currently around 60 employees participate voluntarily in the task force and work together on plans to roll out the program within the company.



One of the ideas that arose in this process was the TFT point card system, a unique development in the TFT program that originated at Mitsui. TFT stickers awarded with each purchase of the TFT lunch option are collected on a TFT point card (see TFT point card program). Every time 50 cards of 10 stickers each have been collected, in addition to the normal TFT school meal donation, Mitsui makes a separate donation of 100,000 yen to TFT. This donation goes to providing meals through TFT to the NGO Nkanyiso, sponsor of the Kids Program in the Republic of South Africa which supports children who lost their parents to HIV/AIDS. Under the point card scheme, started in July 2010, 100 cards were collected in six months and on March 5, the director of Mitsui's Johannesburg branch office and members of the local staff visited the NGO.

We hope that other companies that participate in TFT will also introduce the TFT point card program and that support for the program will spread further and further.



Point card system



Point card (front)



Point card (back)

About the Mitsui & Co., Ltd. Environment Fund

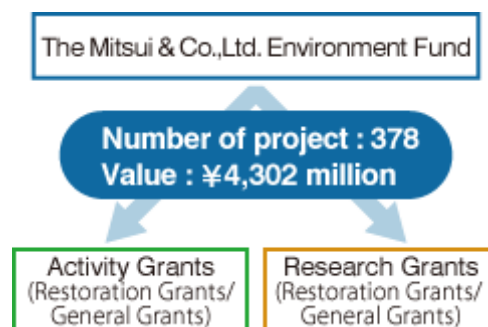


In July 2005, Mitsui launched the Mitsui & Co., Ltd., Environment Fund as a grant program which aims to realize sustainable development by supporting various activities and research projects that contribute to solving global environmental problems.

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.

Since FY2011, Mitsui has provided Restoration Grants for efforts aiming to revitalize a sustainable society by improving and resolving environmental problems caused by the Great East Japan Earthquake.



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 earthquake restoration support activities and environmental contribution activities by NPOs, General Incorporated Associations & Foundations, Public Interest Incorporated Associations & Foundations, Special Civil Foundation, and Universities
Research Grants	Grants for research related to earthquake restoration and research in the environmental field 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

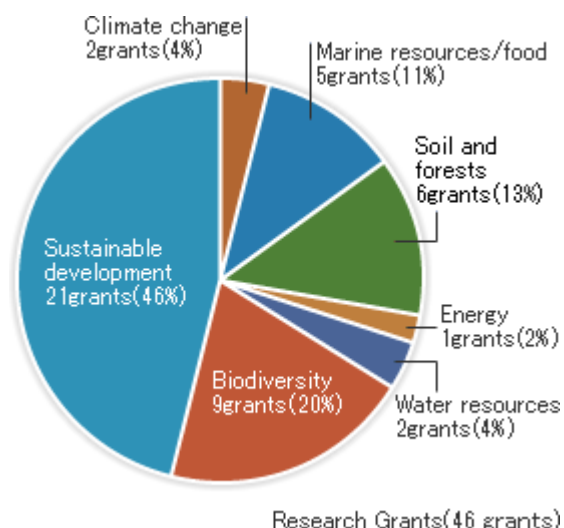
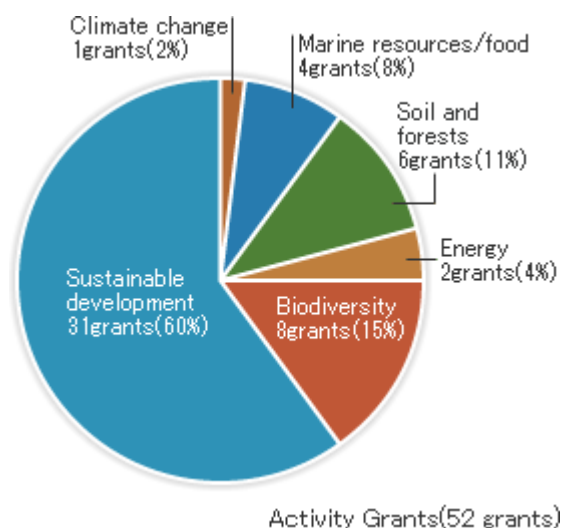
(Unit: number of project / ¥ million)

	FY2005		FY2006		FY2007		FY2008	
	Number	Value	Number	Value	Number	Value	Number	Value
Activity Grants	15	117	18	217	48	437	51	523
Research Grants	–	–	–	–	23	456	24	368
Total	15	117	18	217	71	893	75	891
	FY2009		FY2010		FY2011		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
Activity Grants	34	311	28	244	52 (43)	58 (463)	246	2,377
Research Grants	17	213	22	285	46 (34)	603 (481)	132	1,925
Total	51	524	50	529	98 (77)	1,131 (943)	378	4,302

* Activity Grants for FY2007 to FY2009 were provided twice a year.

* Items in parenthesis are Restoration Grants.

Grants Provided in FY2011 by Field of Activity and Research



Contact

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 Environmental – Social Contribution Div.
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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

Mitsui & Co. implements environment management on a global Group basis. The three core elements of its approach to environmental management are (1) the application of the ISO14001 standard, which requires continual accurate identification of environmental risks combined with continual improvement under a PDCA cycle, (2) the use of environmental law research as a tool for ensuring legal compliance, and (3) third-party inspections to ensure objectivity and transparency. We regard ISO14001 certification as a highly effective approach, and we have made it mandatory, especially for domestic subsidiaries that place a significant burden on the environment. To date, 31 companies have obtained certification.

Mitsui has also adopted a policy requiring overseas subsidiaries to obtain ISO14001 certification, starting with activities that entail significant environmental risks. Companies involved in activities identified as involving high environmental risks are now working to establish ISO14001-based environmental management systems or systems designed for conditions in their respective regions.

In addition, for the purpose of reducing environmental risks, Mitsui has established its own environmental management systems and is working to enhance the ability of those systems to visualize the extent of environmental impacts caused by business activities that produce significant environmental loads at the global group level.

Over 10 years have passed since Mitsui itself obtained ISO14001 certification, and we have undertaken a major review with the aim of improving the effectiveness of our environmental management systems. Specifically, we have set a single corporate target for the reduction of copying paper use, and each business unit is working independently to achieve that target as efficiently as possible. In FY 2011 and 2012, this approach resulted in a major reduction in the amount of paper used, which fell by 20% compared with the FY 2010 level.

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 ISO14001 certification on a global Group basis. To further upgrade the specialties of our staff, we have been training additional personnel with ISO14001 Chief Environmental Auditor qualifications on a companywide basis. Furthermore, to monitor the environmental management status of subsidiaries and provide advice and guidance as necessary, we have been promoting the training of personnel to obtain ISO14001 Provisional Environmental Auditor qualifications in principal business units.

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

Mitsui exercises the greatest possible care and responsibility toward the environment in its business activities. As part of its specially designated business management systems, it has established an Environmental Advisory Committee made up of people from outside of the Mitsui & Co. group. The committee members all have environmental knowledge and are able to deliberate effectively and objectively. In addition, Mitsui appoints experts with manufacturing experience and knowledge of environmental matters and related technologies as environmental inspectors. These people monitor both new and existing business activities.

During the fiscal year ended March 31, 2012, there were zero environmental-related incidents at the parent company, but two 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 domestic subsidiaries during the fiscal year ended March 31, 2012. In addition, environmental inspection were performed at 3 overseas subsidiaries that place significant burden on the environment. In this way, Mitsui is working to further strengthen its environmental risk management capability on a global Group basis.



Oil drilling area in Thai(Siam Moeco Ltd.), where environmental inspections were carried out in the fiscal year ended March 31, 2012

Environmental
Initiatives

Examples of Environmental Inspections

Mitsui has visited to the offices of domestic and overseas 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 2011.

Example: Environmental Case Study in Japan: Daiichi Tanker Co., Ltd.

Daiichi Tanker Co., Ltd. manages and operates chemical tankers and gas carriers. It transports liquid chemical, molten sulfur, LPG and other chemical products in Japan and throughout Southeast Asia under their safety management system in compliance with international standard to operate vessels safely and prevent marine pollution.

In March 2012, Mitsui personnel visited the company's head office and conducted an environmental inspection to check that these systems were operating effectively to ensure proper care for the environment in the company's business operations.

In addition to an inspection of the company's head office, staff also visited an ethylene carrier under the company's management, off the coast of Chiba, Japan. The captain and all members of the Philippine crew were interviewed, and suggestions were made for the improvement of safety management systems to ensure safe operations and protection of the marine environment. Mitsui is never satisfied with the status quo and will continue to work with this company to achieve further improvements.



The Global Phenix is owned by Daiichi Tanker Co., Ltd.

Management of Greenhouse Gas (GHG) Emissions



Mitsui is carrying out initiatives for the reduction of greenhouse gas (GHG) emissions on a global Group basis. From the fiscal year ended March 31, 2006, Mitsui has continually surveyed its domestic GHG emissions in order to understand its fixed quantity of emissions year by year. Mitsui has also announced its objective of reducing energy consumption (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	41,020	34,276

CO₂ Emissions

(Unit: 1,000 t-CO₂)

	FY10/3	FY11/3
Domestic locations* ¹	21	17
Subsidiaries in Japan* ²	292	299
Total	313	316
Overseas subsidiaries* ³	1,547	1,411

- *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. Increased CO₂ emissions in FY12/3, due to increase of subsidiaries in Japan.
- *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).

Reducing the Environmental Impact of Offices



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



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

* Figures for Water Consumption and Waste recycling are for the following Mitsui-owned buildings: (FY11/3: Mitsui & Co. Head Office Building; Nagoya Building (Chubu Office); Toyota Building(Toyota Branch) and Osaka Building(Kansai Office), FY12/3: Mitsui & Co. Head Office Building; Nagoya Building(Chubu Office); and Osaka Building(Kansai Office)).

* Increased Water consumption in FY2011, due to increase of offices in Mitsui-owned buildings.

Power saving measures at Tokyo head office

In the spring of 2011, Mitsui installed solar panels across an area of approximately 2,000 square meters on the roof of the head office building. The reduction of CO₂ emissions as a result of this initiative is equivalent to the amount that would be absorbed by approximately 11.3 hectares of forest. Our efforts to reduce the electricity consumption following the Great East Japan Earthquake resulted in a year on year reduction of over 20% in the amount of electricity used. The solar panels accounted for 1.5% of this saving. We will continue to take steps to improve the environmental performance of our offices, including the installation of highly efficient lighting controlled by motion sensors and the use of inverter-type air conditioning equipment.



Solar panels are on line at the Tokyo head office



Office space with installed more efficient lighting, using sensor lights



Environmental Conservation Costs

The cost of environmental preservation for all of Mitsui's domestic Offices during the fiscal year ended March 31, 2012 is outlined below.

(Unit: 1,000 JPY)

Category	Investments	Expenses
Business area costs	417,909	777,406
Upstream/downstream costs	0	137,725
Administration costs	22,068	584,317
Social activity costs	0	1,285,493
Total	439,977	2,784,941

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, 2011 – March 31, 2012

Environmental Preservation/Economic Effects

Mitsui's environmental preservation/economic effects for paper consumption, energy consumption, and waste output during the fiscal year ended March 31, 2012 are shown below.

	Environmental preservation effects	Economic effects (Unit:1,000JPY)
Paper consumption	6,891,000 sheets	3,654
Electricity consumption	3,543,000 kWh	22,002
Waste recycling	38 t	504

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, 2012, Mitsui held Seminars and training sessions to correspond to revision of the relevant environmental laws and regulations.



“Mitsui Environment Month” Events

The “Mitsui Environment Month” program has been running for four years. Programs in previous years have involved a wide range of activities, but this was not possible in 2011 because of the Great East Japan Earthquake, and we instead presented lectures on themes relating to the creation of a sustainable society and organized seminars and distributed information about actions to conserve electric power at work and at home.



Professor Itaru Yasui presents a seminar examining what Japan needs to do to become a sustainable society in the wake of the Great East Japan Earthquake. Professor Yasui is an Emeritus Professor of the University of Tokyo and Vice-Rector of the UN University.



In a seminar introducing home energy-saving actions, we considered more effective use of the different lighting qualities of incandescent (left), fluorescent (center) and LED (right) light bulbs.

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 507 million ton-kilometers of domestic freight annually. By mode of transportation used, about 81% is carried by ship, about 19% 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

Result for Fiscal Year Ended March 31, 2012*¹

Specific consumption*²	19.0
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*1 Results are as provided to the Kanto Bureau of Economy, Trade and Industry in June 2012.

*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 legislation developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH legislation entered into force on June 1, 2007, the pre-registration related to the legislation was completed by November 30, 2008 and so was the first full registration by November 30, 2010.

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



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 January 2012, 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	Company name	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 (production capacity)

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)

Environment-Related Business

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	6,000,000 tons/year
Guangdong Shenzhen Qianwan LNG Generation Project	China	1,300,000 tons/year
Tiefa Coal Industry Group CMM Utilization Project for City Gas	China	1,300,000 tons/year
Hydro-electric power plant project in the Sando Bay area of China's Gansu Province	China	1,500,000 tons/year
N ₂ O reduction project at a nitric acid plant in Deepak, India	India	500,000 tons/year
Lepanto Landfill Gas Management Project	Chile	300,000 tons/year
Methane Recovery from Industrial Effluent and Power Generation Project	Malaysia	100,000 tons/year
17 other projects		19,000,000 tons/year
Total of 24 projects		30,000,000 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 40 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 100,000 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. 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 14 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 5,600,000 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, 2012, 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 scrapyard, 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	92.3% reduction in CO ₂ emissions compared to truck transportation
MRC (Mitsui Rail Capital, LLC)	Railway freight car leasing	U.S.A.	Freight cars: 8,100
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: 6,800 (The number of freight cars is as of March 31, 2012)

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*
BFP (Bunbury Fibre Plantations 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 BFP 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. Each of these facilities is currently under construction.
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. Two additional assets were acquired in December 2012, and, 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, Inc. (a Canadian company that develops and licenses biomass-derived chemical products), JD Holding Inc. (Prudent Energy Inc.; a Chinese company that manufactures and markets large-scale lithium-based rechargeable batteries), Solaria Corp. (a U.S. company that manufactures modules for solar power generation) Kajima Bio Agritech Ltd (an Israeli company that develops, produces, and markets seeds), GMZ Energy, Inc. (a U.S. company that develops and markets heat collection modules for thermoelectric materials or solar heating systems which use thermoelectric materials), Redwood Systems, Inc. (a U.S. company that develops and markets control systems for LED lighting and related applications), EnerVault Corporation (a U.S. company that develops and markets large-scale rechargeable batteries), Inventys Thermal Technologies, Inc. (a Canadian company that markets CO ₂ based on CO ₂ separation and recycling technologies from flue gas), Nihon Itomic, Co., Ltd. (a Japanese company that develops and manufactures electric water heaters and heat pump water heaters), and Ming Yang Wind Power Group Ltd. (a Chinese company that manufactures wind power turbines).
High-pressurized tank for NGVs and FCVs	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells
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)
Building energy conservation engineering business in China	Participation in an affiliate joint venture established jointly by Taigo Co., Ltd., of China, and Panasonic Corporation, 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
Environmental electronics business for Aisa	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.

Environment-
Related
Business

Example: Environmental Electronics Business for Asia

Mitsui contributes to realizing a society consuming sustainable energy by providing solutions to save electricity through our business participation in Tianjin EV Energies Co., Ltd., which manufactures and sells lithium-ion secondary batteries in China.

We also aim to contribute to a society conserving energy and to reducing CO₂ emissions by popularizing LED light sources through our business participation in Formosa Epitaxy which manufactures and sells LED wafers and chips.



Tianjin EV Energies factory construction

Example: High-grade urea solution AdBlue® business

Mitsui Chemicals' AdBlue® is a detoxifying agent of water and nitrogen which works as a reduction agent for nitrogen oxides including gas emissions of trucks and buses. Mitsui is building and enhancing a nationwide sales and logistics locations and infrastructure as an AdBlue® distribution network. Mitsui contributes to the environment by steadily supplying AdBlue® for diesel vehicles supporting the gas emission regulations set down by the country. 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 Automobile Industry (VDA)

Example: Japan-Australia Oxyfuel Combustion CCS Demonstration Project

Mitsui is continuing to advance its demonstration project with Australia to capture carbon dioxide through boiler operations using the world's first oxyfuel combustion renovated into an existing boiler of the Callide A Coal-Fired Power Station in Queensland, Australia aiming to reduce the environmental impact of coal use. Mitsui intends to store the carbon dioxide captured in the future underground. The CSS (CO₂ capture and storage) for this demonstration project partnering Japan and Australia is supported by both the Japanese and Australian governments.



Oxyfuel combustion boiler at the Australia Callide-A coal-fired power station in Queensland, Australia



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 FSC™'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

About
Mitsui's
Forests

Outline of Mitsui's Forests



Location of Our Forests

Mitsui owns forests at 74 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 Mar 31, 2012).

- Number of forests owned: 74 (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.



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 of its forests under the FSC™ 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.

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.



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



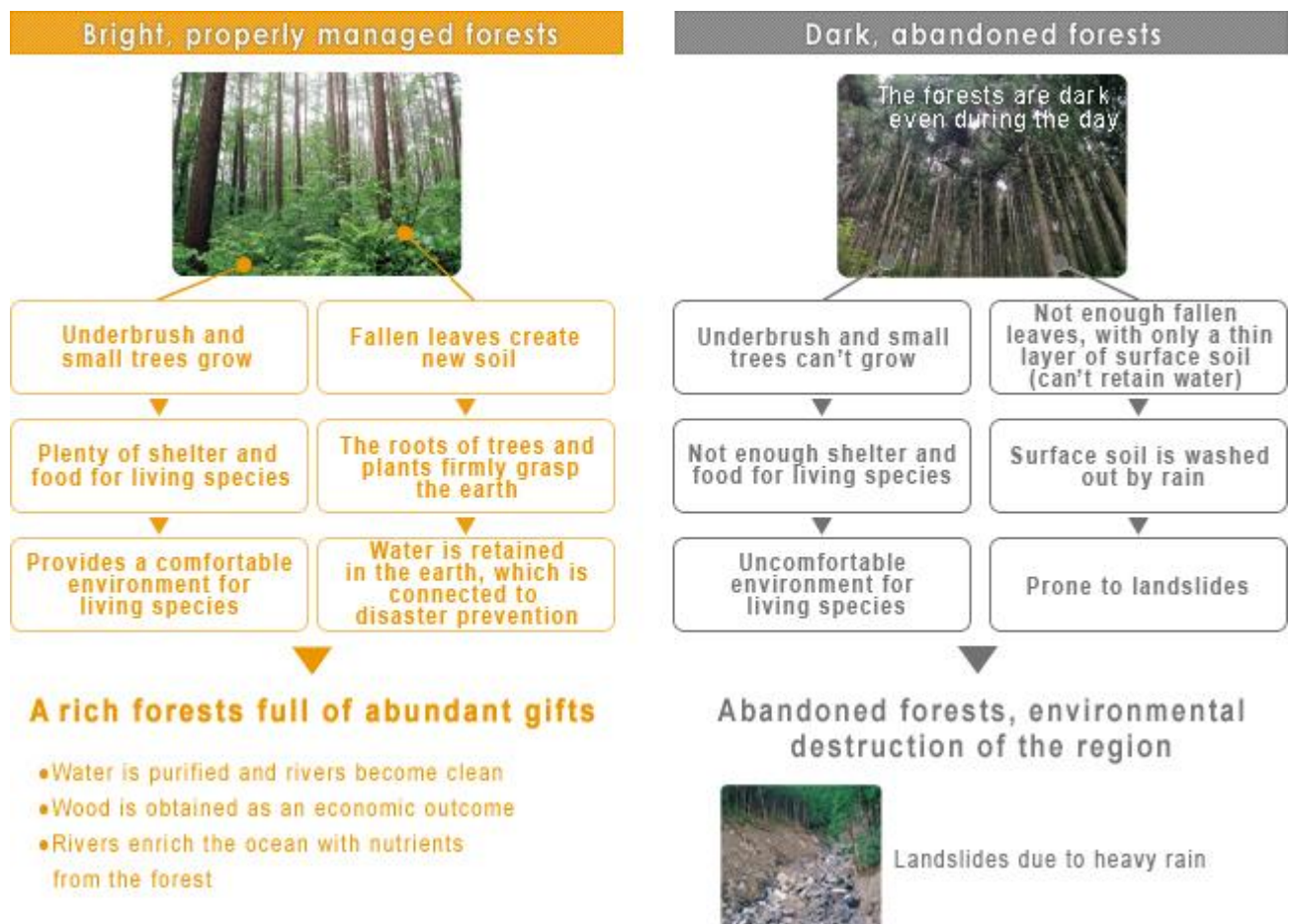
For Brighter Forests

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.



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 its 74 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 74 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



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.



Remaining materials in the forest to wood chips

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.

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.

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

About Mitsui's Forests

(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)

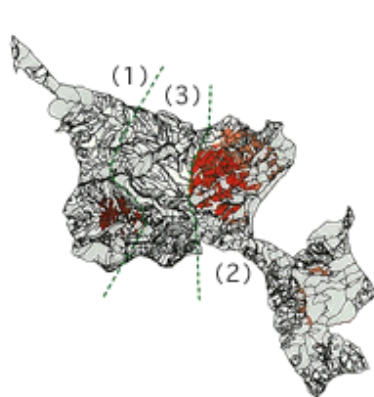
In 2009, a quantitative evaluation of biodiversity was carried out under the Habitat Evaluation Procedures (HEP) by the Ecosystem Conservation Society – Japan at five model forest locations in Mitsui's forests, using animals as an index.

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).

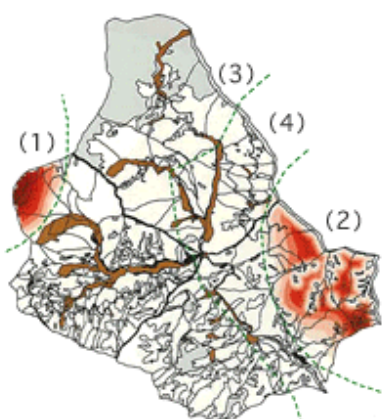
In the survey, the brown bear, Asiatic black bear, mountain hawk eagle, marten, and badger were chosen as index species. A prediction was then made of the change in the level of biodiversity from the past to the future, and a numerical value was assigned.

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.

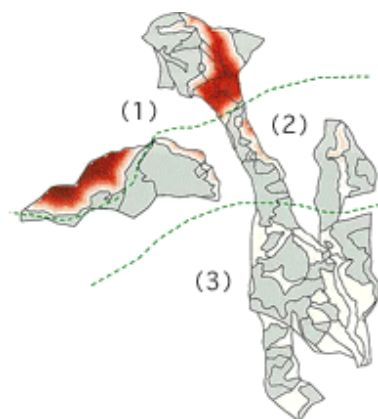
Examples of zoning: (1) (2) (3) (4) indicate zones in order of priority for restoration as Naturally Regenerated Forests. The deeper the red, the higher the priority for restoration as Naturally Regenerated Forests.



Niwan Forest



Sando Forest



Kiyotaki Forest

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, 730 companies have been selected globally, including Mitsui and 181 other Japanese companies (as of March 26, 2012).

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, 433 companies have so far been selected, including Mitsui and 34 other Japanese companies (as of March 31, 2012).



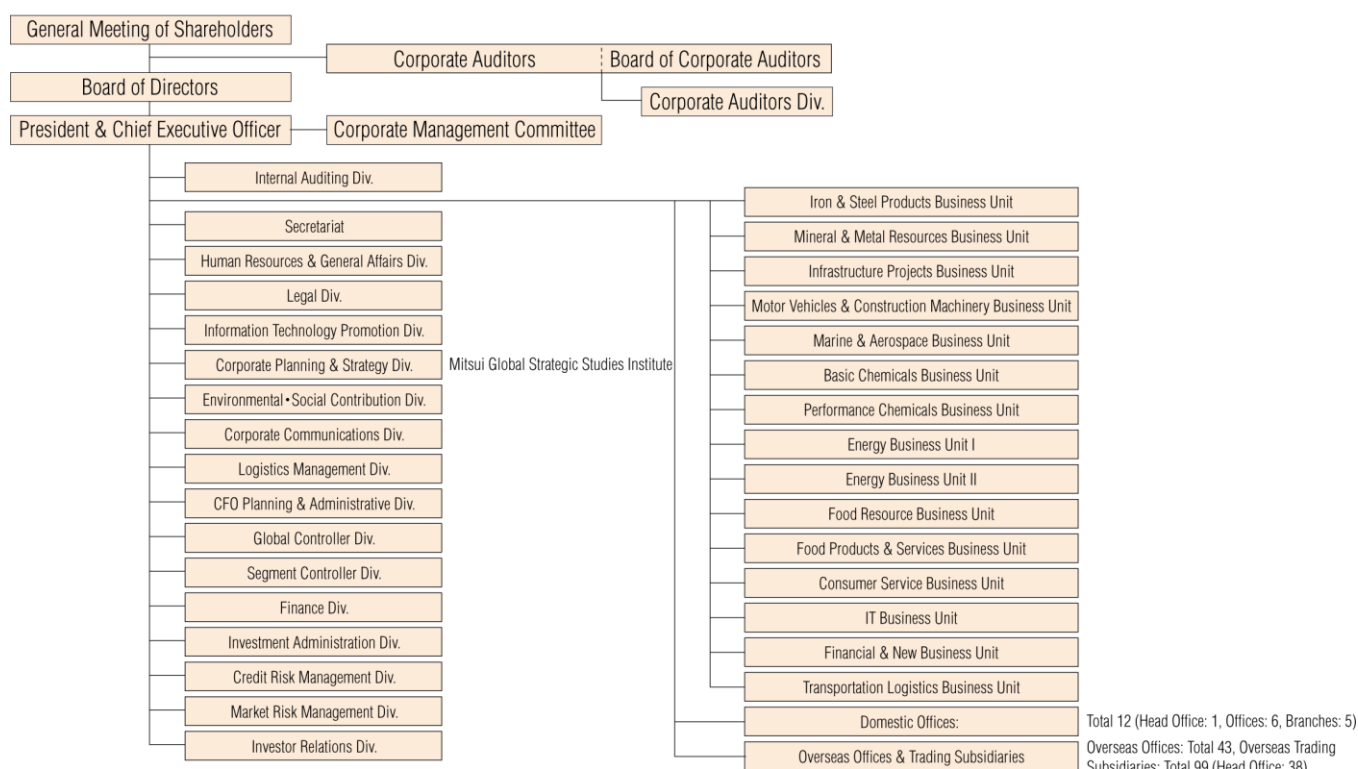
Company Profile

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, 2012)
Number of Employees: 6,095 at Mitsui & Co., Ltd.; 40,026 on a consolidated basis (as of March 31, 2012)
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 Offices: 38)
(as of August 1, 2012)

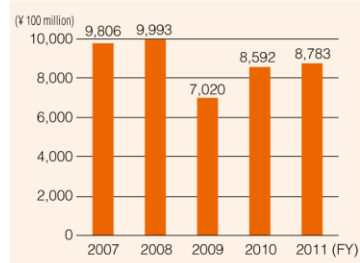
Main Businesses: Utilizing our global operating locations, network and information resources, we are multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following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

Organization Chart (As of April 1, 2012)



Financial Information (Consolidated)

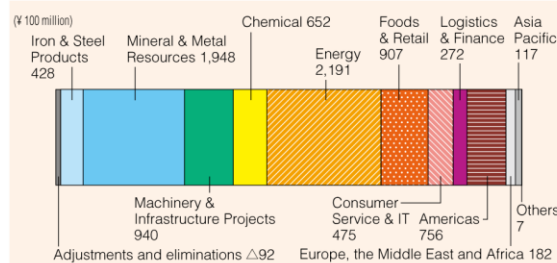
Gross Profit



Net Income



Operating Segment Gross Profit (FY2011)



Independent Practitioner's Review Report

July 31, 2012

Mr. Masami Iijima
President and Chief Executive Officer
MITSUI & CO., LTD.

Hiroshi Inanaga
Chief Executive Officer
Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.

1. Scope of the Review

We have reviewed the "Sustainability Full Report 2012" (the "Report") prepared by MITSUI & CO., LTD. (the "Company"). The purpose of our review was to provide limited assurance from an independent practitioner about whether the quantitative environmental information (electricity consumption, CO₂ emissions, water consumption, freight volumes, and specific consumption in transportation operations) in respect of the domestic non-consolidated operations of the Company for the period from April 1, 2011 to March 31, 2012, included in pp. 63-64 and 68 of the Report was accurately measured and calculated, with reference to the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines (Version 3), in accordance with the calculation methods adopted by the Company.

2. Responsibility of the Management and Responsibility of the Independent Practitioner

The quantitative environmental information of the Report is the responsibility of the Company's management. Our responsibility is to provide our limited assurance with respect to the review of the quantitative environmental information performed on the Report from an independent practitioner.

3. Summary of Review

To obtain an adequate and valid standard of basis for providing limited assurance with respect to our conclusions, we performed our review with reference to the International Standard on Assurance Engagements 3000 (issued by the International Federation of Accountants in December 2003) and the Proposed Environmental Report Review Standard (issued by the Japanese Ministry of Environment in March 2004).

The review procedures performed for certain of the quantitative environmental information for the period from April 1, 2011 to March 31, 2012, included in pp. 64-65 and 69 of the Report consisted of 1) agreeing information to summary tables and supporting documents on a sample basis; 2) interviewing the responsible personnel and the persons in charge; 3) reviewing and agreeing information to the relevant minutes, and the Company's regulations, and so on; 4) site visits; and 5) comparing information with other available supporting internal and external materials.

4. Conclusion

On the basis of the review procedures described in the preceding paragraph, nothing has come to our attention that caused us to believe the quantitative environmental information for the period from April 1, 2011 to March 31, 2012, included in pp. 64-65 and 69 of the Report was not accurately measured or calculated, with reference to the GRI Sustainability Reporting Guidelines (Version 3), in accordance with the calculation methods adopted by the Company.

