

Mitsui & Co., Ltd.

CSR Report 2010



2010



CSR Report 2010

What We Aim to Communicate in This Report—Editorial Policy

Since announcing our Mission, Vision and Values (MVV) as our management philosophy and the core axis of our CSR activities, we have been focusing on increasing the awareness of our MVV and ensuring that they are put into practice.

CSR Report 2010 aims to provide readers with a deeper understanding of Mitsui's CSR activities. Therefore, at the beginning, the report states Mitsui's concept of CSR and its role, explains Mitsui's CSR Promotion Framework, and then reports on Mitsui's CSR initiatives regarding economic, environmental, and societal issues through its core businesses.

Based on the opinions expressed by third parties and stakeholders, we have considered many related issues and have endeavored to provide accurate and highly comprehensive information around the

three themes of "management," "society," and "environment."

Throughout the report, we have taken care to prepare the report in an easily understandable fashion. In addition, we have used navigation icons to highlight information relating to the broad-ranging initiatives that Mitsui is undertaking in the four principal areas for action under the United Nations Global Compact.

This report provides information on Mitsui's concept of CSR and its CSR activities, and we regard it as an important communication tool for creating a better society. Since we would like to use feedback from readers of this report as a reference point for our future activities, please use the attached questionnaire form or access our website to give us your opinions and impressions of the report.



Scope of Coverage:

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, 2009, to March 31, 2010 (FY2009), with some coverage of the following year.

Publication Date

August 2010 (previous publication date: August 2009, next publication scheduled for August 2011)

Target Audience:

This report has been prepared for Mitsui's stakeholders, including shareholders and other investors, business partners, customers, local residents, government agencies, NPOs/NGOs, and employees.

Reference Guidelines:

GRI* Sustainability Reporting Guidelines 2006 (G3) Please refer to the Mitsui & Co. website for the GRI Guidelines and Global Compact Content Index. (<http://www.mitsui.co.jp/en/csr/gricg/index.html>)

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

Contents

Editorial Policy	1
------------------	---

Message from the President	3
----------------------------	---

CSR at Mitsui & Co.	5
---------------------	---

Activities of Mitsui's Business Units	9
---------------------------------------	---

Management	11
------------	----

Corporate Governance and Internal Controls
Compliance
Supply Chain Initiatives
Promoting CSR-Oriented Management

Society	21
---------	----

Mitsui's Human Resource Development
Social Contributions

Environment	31
-------------	----

Responsibility for and Contributions to
the Global Environment
Environment-Related Business
Mitsui's Forest Management

Company Profile	41
-----------------	----

Third Party Opinion	42
---------------------	----

Published by:

CSR Promotion Committee, Mitsui & Co., Ltd.

Produced by:

CSR Promotion Division, Mitsui & Co., Ltd.

Contact:

CSR Promotion Division, Mitsui & Co., Ltd.
2-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004
E-mail: Csr@mitsui.com
Tel: +81 (3) 3285-1111 Fax: +81 (3) 3285-9030

Cover photograph: Mitsui's company-owned "Nanba forest" in Niigata

Top Commitment

Message from the President

Aiming to Be a Global Business Enabler Responding to the Expectations and Requirements of Society

The collapse of Lehman Brothers Holdings the year before last triggered a worldwide financial crisis that led to a rapid deterioration in the global economy. In the latter half of 2009, however, the positive impact of economic stimulus policies adopted by countries around the world began to emerge gradually, and the world economy appears to be moving toward a moderate recovery trend. Nevertheless, the recovery this time is forecast to be unlike previous cyclical recovery phases, and, instead, it will be a period of structural transition in which global growth will be led by a new set of industries, regions, and corporations.

In the midst of these far-reaching trends in the world economy, the environment surrounding society is undergoing change at a rapid pace, and, year by year, these changes are becoming more complex.

I believe that, in these times of change, the mission of Mitsui must be to respond at all times to the expectations of the world around us. This means we must quickly identify the emerging needs of our customers and society as a whole and respond flexibly to the growing complexities of society and changes in the economic environment.

It is in times of change such as these we are experiencing today that we of Mitsui should return to an expression that is familiar to everyone, "Mitsui is people," and renew our drive to further strengthen our earnings base through the creation and pursuit of Yoi-Shigoto (good quality work). We are committed to devoting all our strengths and resources to enhancing the quality of our people, who must be the implementers of Yoi-Shigoto; displaying our global, comprehensive business engineering capabilities as a *sogo shosha*, or general trading company; and, thereby, aiming to be a company whose contributions are widely recognized throughout the world.



Mitsui's CSR Is Putting Yoi-Shigoto into Practice

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

Initiatives for Globalizing Human Resources

It is Mitsui's people who must take the initiative in putting Yoi-Shigoto into practice at the working level. Human resources are Mitsui's greatest asset. As the trend toward globalization continues to spread to societies around the world, we believe it will be essential to train our human resources from a global perspective. One of Mitsui's most important issues for addressing social needs going forward is the "globalization of human resources." We must continue to engage and nurture a wide range of human resources and promote the diversity of personnel, including personnel recruited in areas outside Japan.

The expression "Mitsui is people" reflects the importance we give to human resources. By taking our traditional practice of fostering employees who can contribute to society on the global stage, we will aim to enhance the quality of our work and offer additional value to society.

Working toward a Sustainable Society

Sustainable growth of corporations is not possible without the sustainability of the earth and human society. Along with the issue of global warming, the problem of poverty in Africa and developing countries in other regions is becoming an increasingly important social issue on a global scale.

In October 2004, Mitsui pledged its support for the Global Compact, which is championed by the United Nations and is a set of principles that private companies agree to accept as guidelines for action, focused especially on human rights, labor standards, the natural environment, and anti-corruption. Since then,

Mitsui has been continuing activities to comply with and put these guidelines into practice. Also, in December 2007, we formulated our Supply Chain CSR Policy, and subsequently sent a letter to all the suppliers of Mitsui and its subsidiaries asking for their understanding and cooperation with this policy. We are continuing initiatives in this area, and, with the aim of making organizational improvements in supply chains that are linked to Mitsui's business activities, we are providing individual support for participants in these supply chains. In addition, in response to a call from then Prime Minister Gordon Brown of the United Kingdom in May 2008, Mitsui became a signatory to the proclamation of the United National Millennium Development Goals, which establishes objectives to be met by 2015, and we are implementing measures to attain these goals.

Following this, in May 2008, Japan's Basic Law concerning Biodiversity went into effect. Then, in March 2009, the Japan Federation of Economic Organizations (Nippon Keidanren) issued its Nippon Keidanren Biodiversity Proclamation, which reflects its resolve to promote business activities with substantially greater regard for biodiversity. In January 2010, Mitsui participated as one of the partners supporting this proclamation. Since the 10th convention of signatories to the biodiversity treaty (Aichi-Nagoya COP10 Convention on Biodiversity) will be held in Nagoya, Japan, in October 2010, interest among members of society in preserving biodiversity is rising. To respond to social needs of this kind, Mitsui is providing support for and promoting many activities within and outside the Company aimed at addressing issues related to the earth's environment through its Mitsui & Co. Environmental Fund. Also, with the goal of contributing to the future of the irreplaceable earth and the fulfillment of the aspirations of the earth's people, Mitsui is responding in various ways and is giving increased attention to preserving biodiversity through the activities of its core businesses and through its social contribution activities.

We at Mitsui will continue to identify forthrightly the many social issues that are becoming increasingly more complex every day and take initiatives to address them aggressively based on our traditional spirit of "Challenge and Innovation." As we fulfill our social responsibilities through the pursuit of Yoi-Shigoto, we will aim to contribute to the sustainable development of society.



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

CSR at Mitsui & Co.

“...thus, the ultimate objective of the Company shall be to promote world trade, on the basis of sincerity and good faith in every aspect of our professional commitment to justify the trust that our customers around the world place in us.”

(Article 1, Item 2 of the company regulations of the former Mitsui & Co.)

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 groups) shortly after the end of World War II. Thereafter, today's Mitsui & Co. was newly reconstituted. With its employees sharing the values of the former Mitsui & Co., which are “Challenge and Innovation,” “Open-Mindedness,” and “Nurturing Human Resources,” Mitsui has contributed to the creation of new value for society.

As members of Mitsui, the way we work and our thinking are still very much based on the values espoused by Takashi Masuda, the founder of the former Mitsui, and they are reflected in our stance

toward our work. These values are clearly reflected in the principles of Mitsui's corporate social responsibility (CSR) and remain exactly the same as the founder's thinking and values:

“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.”

Mitsui's Management Philosophy

To enable all management and staff to share again the business philosophy that we believe has been instilled implicitly into “Mitsui's DNA,” we set forth our management philosophy systematically and clearly in written form in 2004 and then issued our “Mission, Vision and Values (MVV).”

We believe that sharing this management philosophy is even more important than ever as we work to create true value around the world through our global activities.

Mission, Vision and Values (MVV)

Mission

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

Vision

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

Values

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

Contributing to Society through Our Core Business

The core of Mitsui's CSR is for each and every member of management and staff to be aware of what Yoi-Shigoto means at all times and create value through our core business as a *sogo shosha*. This does not mean that there are businesses or projects that are somehow representative of CSR. Instead, we want to offer value to our customers and to society through all our work by putting Yoi-Shigoto into practice. We believe this is the way that Mitsui fulfills its responsibilities to society.

The pace of change in today's society grows ever faster. Society is continuing to change, even as it confronts a multiplicity of issues, such as population, food, energy, and the natural environment. As these and many other issues become more serious day by day, the relationships between society and companies must change. We face

such issues as "What roles should companies play now and in the future?," "What should be the reasons for the existence of companies as far as society is concerned?," and "What does society require of companies?" People working in companies must be sensitive to and understand the changing relationship between companies and society and continue to rethink their roles.

The only way to make Yoi-Shigoto a reality is to increase our sensitivity to social and environmental issues and, then, go beyond the minimum obligations that companies have of being compliant with laws as well as social ethics and ask ourselves such questions as "What is the significance for society of the work we are doing?" and "What should be the role of each and every one of us?" This is the essence of CSR at Mitsui.

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 continuing to build on our record of accomplishments in 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 best draw on its potential and 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, our capabilities as a *sogo shosha* will enable us to contribute to the sustainability of society through Yoi-Shigoto and to the creation of a sustainable society as we put Mitsui's CSR into practice.

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

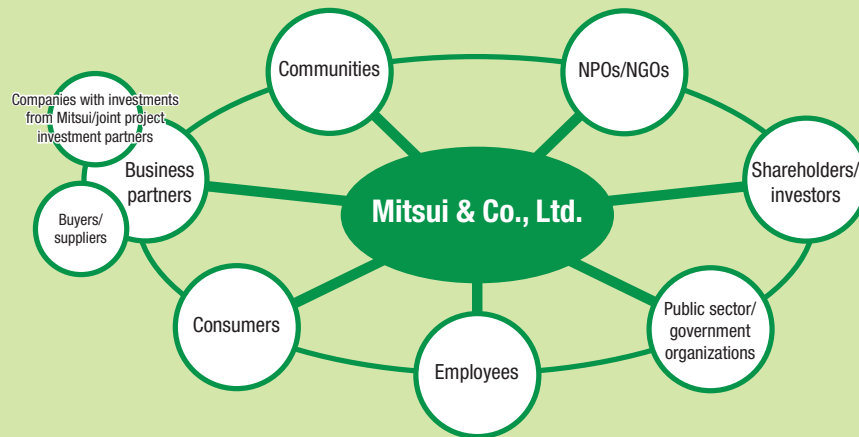
We will place importance on interactive communication with our stakeholders. We will fulfill our accountability with respect to CSR and continually work to improve our CSR activities based on the responses of our stakeholders.

Mitsui's Stakeholders

Mitsui emphasizes interactive communication with the multi stakeholders that have an interest in its diverse and global business activities.

Each of Mitsui's employees and officers is endeavoring to create new value that will be useful to society. To accomplish this, they

respond to changes in markets and the operating environment, have a firm grasp of what society expects from and requires of them, take proactive initiatives, and strive to continue to evolve and develop.




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 the principles into practice on a global Group basis.

The United Nations Global Compact Office reviews the Communication on Progress (COP) reports requested from supporting companies and organizations, and selects outstanding activities out of the COP reports as "Notable COPs." As of the end of February 2010, 342 reports, including Mitsui's CSR Report, have been selected as Notable COPs.

Human Rights 	1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	2	make sure that they are not complicit in human rights abuses.
Labour Standards 	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	4	the elimination of all forms of forced and compulsory labour;
	5	the effective abolition of child labour; and
Environment 	6	the elimination of discrimination in respect of employment and occupation.
	7	Businesses should support a precautionary approach to environmental challenges;
	8	undertake initiatives to promote greater environmental responsibility; and
Anti-Corruption 	9	encourage the development and diffusion of environmentally friendly technologies.
	10	Businesses should work against corruption in all its forms, including extortion and bribery.

Note: These icons appear on even-numbered pages, and, when highlighted, they indicate that content on these topics appears on that and/or the facing page.

Activities of Mitsui's Business Units

Business Unit	Principal Business Activities	Themes of CSR Initiatives
Iron & Steel Products	Providing new value added in the global steel industry, with advanced services and business investment as the core elements	Developing new businesses addressing environmental issues
		Promoting development of steel business in emerging economies
Mineral & Metal Resources	Securing a stable supply of mineral and metal resources, and developing recycling businesses	Promoting e-recycling businesses
		Promoting rare metal businesses
Infrastructure Projects	Developing infrastructure projects globally that will contribute to better lives	Solving issues related to public transportation (traffic congestion, etc.)
		Securing and utilizing water resources
		Promoting projects that reduce the load on the environment
Motor Vehicles	Contributing to global development in the motor vehicles industry through multiple functions, such as production, distribution, and marketing	Expanding number of safe, clean, low-emission vehicles
		Improving communication among stakeholders
Marine & Aerospace	Providing business chosen by the customer in marine and air transportation	Contributing to clean energy supply
		Providing air-transport machinery for disaster prevention/relief and medical support
Basic Chemicals/ Performance Chemicals	Promoting a broad spectrum of businesses within the chemical industry, from logistics and investments to a range of growth industries	Creating fair and sustainable value
		Complying with laws and regulations in Japan and overseas
		Creating harmony with the environment
Energy Business Units I and II	Serving as a comprehensive energy supplier and promoting eco-friendly energy businesses based on LNG	Supplying safe and stable energy
		Implementing eco-friendly development of resources and new businesses
Foods & Retail	Supporting rich dietary lifestyles in a changing market	Putting food safety management systems into place
		Promoting eco-friendly agricultural business activities
		Conducting human resource exchange and training through foods
Consumer Service	Conducting consumer-oriented businesses offering goods and services in the fields of real estate, medical and healthcare, lifestyle goods, fashion, and other services	Responding to the requirements of CSR procurement
		Working to secure safety and peace of mind for consumers in the foods area
		Promoting textile materials recycling businesses
IT	Contributing to the creation of rich lifestyles through the application of IT	Promoting energy efficiency and management business in China
		Raising awareness of environmental issues through broadcasting the business unit's activities
Financial Markets	Contributing to the sustainable development of society through providing financial solutions	Investing in environment-related enterprises
Transportation Logistics	Providing innovative logistics solutions using our global logistics network	Providing optimal distribution services for international transportation
		Offering optimal logistics arrangements for storage and delivery
		Providing optimal distribution services for eliminating bottlenecks

Mitsui's CSR is putting Yoi-Shigoto into practice. This means Mitsui creates and then offers value for society through its core business. Mitsui's 14 business units within its Headquarters Business units are engaged in a wide range of businesses that respond to the needs of society. They are constantly aware of such key questions as, "Is this

work benefiting society?," "Is this work adding value for clients?," and "Do we believe this work is worthwhile?." In this section, we present some of the initiatives of the business units that we believe have economic, environmental, and social impacts.

	Initiatives in FY Ended March 31, 2010
	◆ Started marketing for renewable energy power generation, such as wind power, and expanded sales of high-tensile steel that contributes to the production of lighter automobiles
	◆ Advanced mini-mill project and steel processing centers as well as other activities that will contribute to social development, including upgrading the infrastructure in emerging economies
	◆ Initiated and demonstrated "businesses to promote the recycling of used mobile phones" on contract from Japan's Ministry of Economy, Trade and Industry (METI). Also, promoted "small electrical appliances recycling campaigns" on contract from Japan's Ministry of the Environment and METI. (Also, promoted other initiatives on behalf of government and other public entities, including providing support for business development, such as organization of consortia for "low carbon type, eco-friendly infrastructures and system-type businesses" (METI projects open to public tender)
	◆ Implemented measures that contribute to stable supply systems, including obtaining exclusive marketing rights in the Far East from Canada Lithium Corp.
	◆ Received an order for a new urban transportation system in Brazil. On completion of the full system, the number of users will increase by about 500,000 a day (located in Rio de Janeiro).
	◆ Received an order for a new sewage treatment facility in Mexico to be provided on a build-operate-transfer (BOT) basis (with an operating period of 25 years)
	◆ Began operation on (a portion of) a 2,730 MW power generation and desalination facility in the Middle East
	◆ Implemented a major acquisition of a gas-fired 2,233 MW power generation plant in Mexico
	◆ Formed a specialist organizational unit for renewable energy
	◆ Introduced hybrid electric vehicles and electric vehicles (HEVs-EVs) in car-sharing business operated in 205 locations
	◆ Implemented initiatives with battery and parts manufacturers involving new technology
	◆ Implemented CSR award program for the Motor Vehicles Business Unit and Group companies in Japan and overseas
	◆ Promoted communication on a global Group basis using the "Group Communication Site"
	◆ Worked to improve service in car-sharing operations, dealer operations, and retail finance operations through periodic questionnaires, face-to-face discussions with our users (consumers), and customer satisfaction surveys using call centers
	◆ Implemented sea transport of LNG using own LNG carriers
	◆ Implemented the introduction of helicopters for disaster prevention/relief and medical support for government agencies and other public-sector entities
	◆ Held seminars to raise awareness and proper understanding of the concepts of CSR and compliance as well as proper action (on three occasions)
	◆ Held seminars related to legal regulations, including REACH, the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, Etc., the High Pressure Gas Safety Act, and other laws (on 11 occasions)
	◆ Promoted sustainable, global development of businesses that use natural energy and are eco-friendly (e.g., green chemicals, photovoltaic power, and increasing efficiency in logistics)
	◆ Implemented safe carriage and handling of crude oil and LNG
	◆ Provided stable supplies of LNG from existing LNG projects
	◆ Participated in shale gas development and production project (in the U.S. state of Pennsylvania)
	◆ Conducted natural gas hydrate (NGH) business
	◆ Promoted biomass ethanol project
	◆ Conducted emission reductions business
	◆ Promoted carbon dioxide capture and storage project
	◆ Began handling of wood pellets, a renewable energy source
	◆ Database on food safety management went into full operation. Finished registration of all food import activities (by supplier, plant, and product) and promoted full compliance with risk management for food safety
	◆ Continued to participate in the Roundtable on Sustainable Palm Oil (RSPO) to promote activities that give consideration to preservation of habitats
	◆ Provided support for the training program in Japan of the U.S. Future Farmers of America (FFA) and for other dietary education activities (held once a year)
	◆ Implemented supply chain management (SCM) in Mitsui Bussan Inter-Fashion Ltd., a Mitsui subsidiary in charge of apparel procurement (For further details, please refer to page 18.)
	◆ Promoted increased regard for food safety in AIM SERVICES, a contract food services subsidiary (to realize traceability in food materials procurement)
	◆ Promoted the PERTEX ECO business (sports textiles using recycled fiber) within subsidiary MITSUI BUSSAN TECHNO PRODUCTS CO., LTD.
	◆ Worked to introduce intelligent building energy management systems, including, but not limited to, air-conditioning and lighting-control systems, in the Chinese market through affiliate Beijing Tellhow Intelligent Tech. Ltd. (Mitsui provides assistance through introducing Japanese advanced technology and participating in the business.)
	◆ Prepared programs to raise awareness of environmental issues and broadcast them through Mitsui subsidiary Kids Station Inc.'s TV channels
	Conducted research and gave consideration to investments in the following companies: ◆ Nihon Itomic Co., Ltd., Japan's leading producer of industrial eco-cute (eco-friendly) equipment that incorporates heat pumps using a CO ₂ -based refrigerant, which is a technology originally developed in Japan ◆ Other companies in the United States, China, and other countries that are supplying technology and product solutions related to renewable energy ◆ Companies in the electric vehicle field (engaging in R&D on a contractual basis, manufacturing, and sales)
	◆ Supplied proposal-based distribution services through the domestic and international TRI-NET Group (eliminating procurement risk and showing concern for the natural environment)
	◆ Created SCM distribution solutions through TRI-NET Logistics Co., Ltd., and Mitsui Bussan Logistics Management Co., Ltd. (providing safety and peace of mind, plus concern for the environment)
	◆ Operated cargo terminal business through Tokyo International Air Cargo Terminal Ltd. (eliminated procurement risk and conducted eco-friendly business operations)



Management

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 Controls: Systems and Implementation

Corporate Governance Framework

Mitsui has chosen to base its corporate governance framework on a corporate auditor system, headed by the Board of Corporate Auditors. To achieve effective corporate governance for shareholders and other stakeholders, the Company has established and maintains the following governing bodies: (1) The Board of Directors is Mitsui's ultimate decision-making body for business execution and oversight. To ensure that those functions are fulfilled, Mitsui appoints no more than the number of directors necessary to enable effective deliberations. Mitsui has also established the Governance Committee, Nomination Committee, and Remuneration Committee as advisory bodies to the Board of Directors, with external directors and external corporate auditors serving as members of these committees.

(2) The Board of Corporate Auditors audits the execution of the duties of the Board of Directors as an independent body and reports to shareholders. In pursuit of this objective, the corporate auditors carry out multifaceted, effective auditing activities, such as attending important internal meetings and auditing various types of reports, and develop necessary measures in a timely manner.

To ensure transparency and accountability, key requirements of corporate governance, Mitsui is endeavoring to strengthen management oversight and supervision, taking into account the perspectives of external directors and external corporate auditors. At the same time, the Company is developing its internal control framework with respect to information disclosure, and, based on the general rules of fair disclosure, executives and employees are responsible for ensuring accountability. Furthermore, to separate the functions of business execution and oversight, Mitsui has broadly transferred the authority for business execution to the Company's executive officers, with the Board of Directors responsible for overseeing the execution of business by the executive officers. The Chief Operating Officers of the Company's 14 Head Office business units and three overseas regional business units also serve concurrently as executive officers, supporting a dynamic approach to business execution across the consolidated Group.

At the time of the General Meeting of Shareholders in June 2010, there were 13 directors, four of whom were external directors. We have six corporate auditors, two full-time and four

external, and we have established a Corporate Auditor Division as a framework to provide added support to the corporate auditors in the execution of their duties. Corporate auditors attend the meetings of the Board of Directors and other important in-house meetings, overseeing procedures and resolutions, and visit offices in and outside Japan and important subsidiaries and associated companies.

Business Execution and Internal Control System

We have adopted the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) of the United States, and are developing and improving our internal control system. With respect to compliance, we have given particular attention to ensuring that all employees, including those in subsidiaries and associated companies, thoroughly understand and practice the basic principle that "no compliance = no work = no company."

At the core of our internal control system, the Internal Control Committee, chaired by the president, establishes basic internal control policy and carries out company-wide internal control evaluations and improvements. The Compliance Committee, Disclosure Committee, and SOA Sec. 404 Committee all operate under the Internal Control Committee.

Furthermore, to respond to the increasingly diverse kinds of risks associated with our business, we have established the Portfolio Management Committee, which met 28 times during the fiscal year ended March 31, 2010, 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 three 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 as well as prepares and monitors the implementation of major policies related to promoting the enhancement of the management base and information strategy.



Initiatives to Enhance Corporate Governance over the Last Fiscal Year

The Governance Committee, an advisory body to the Board of Directors, convened a committee in March 2010 to analyze recent trends in corporate governance and submitted its recommendations for responding to these developments to the Board of Directors. In addition, the Information Strategy Committee (which met on 10 occasions during the fiscal year) decided policies related to the structuring of Next-Generation Management Platforms, measures pertaining to IT governance and IT portfolio management, methods for managing IT investments, initiatives to be taken regarding information security and IT, policies related to the training of IT personnel, and policies related to reforming mind-sets to raise the awareness of IT among employees, as well as other matters.



Compliance

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

Further Pursuit of Compliance in Our Business

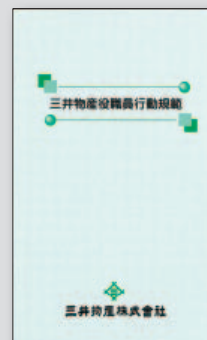
The “Business Conduct Guidelines for Employees and Officers of Mitsui & Co., Ltd.”

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

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

Business Conduct Guidelines for Employees and Officers

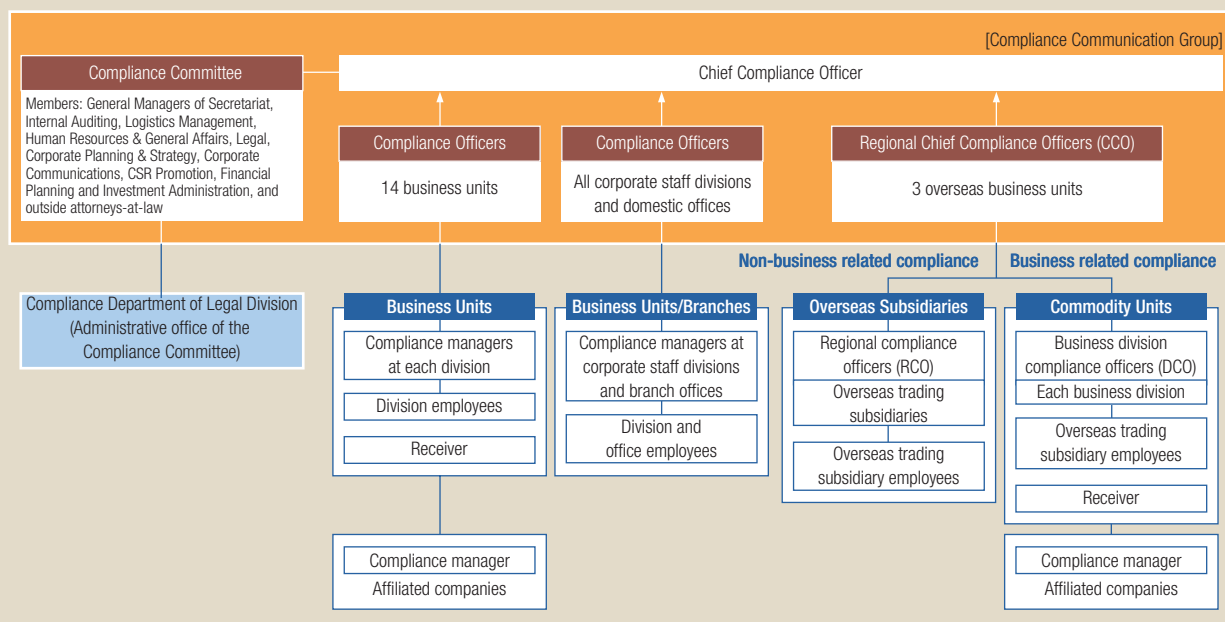
1. Compliance with the Law and Respect for Human Rights
2. Office Environment and Sexual Harassment
3. Compliance with Antitrust Law, etc.
4. Conflicts of Interest between Employees and the Company
5. Gifts and Favors
6. Treatment of the Company's Information
7. Compliance with Procedures for Export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



This booklet also covers management philosophy, submitting reports and consulting with others, the compliance program, the U.N. Global Compact, basic CSR policy, environmental policy, and social contribution policy.

Compliance Program Chart

Revised April 2009



• At least one compliance manager is named in each division and office. • At offices and branches in Japan, compliance management for the operational organizations is handled through the respective business unit lines, while that of administrative units and units overseen directly at the corporate level is handled by general managers of the office or branch, or general managers of the applicable corporate staff divisions.



The Compliance Program

The Compliance Department of the Mitsui Legal Division leads compliance efforts on a global basis under the direction and supervision of the Chief Compliance Officer (a member of the Board of Directors who is responsible for compliance) and with the support of the Compliance Officers appointed in each business unit in Mitsui's Head Office and the Regional Chief Compliance Officers of our three overseas business units—the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific. The objectives of these efforts are to (i) heighten awareness of compliance on a Group-wide basis, (ii) strengthen and improve compliance programs and systems within Mitsui, and (iii) respond to specific compliance issues that arise. In addition, a Compliance Committee has been established as a forum for discussions relating to the promotion of compliance with laws and ethical standards across the Group as a whole. With the participation of external attorneys, the Compliance Committee discusses various issues that have arisen in the wider Group, and the outcome of these discussions is made available on the company intranet.

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

Facilitating Good Communication and Improving the Internal Reporting System

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

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

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

Effective Education and Training

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

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

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

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

Compliance Awareness Survey

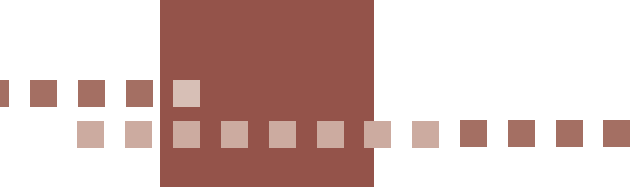
In order to understand and monitor the level of compliance awareness among executives and employees, we conduct a Compliance Awareness Survey annually and use the survey results to address issues and implement a variety of measures to promote further awareness or to reduce compliance problems. Last year,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

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

We are also in the process of rolling out the Compliance Awareness Survey to our overseas offices and Group companies.

Other Initiatives

In addition to the previously mentioned initiatives, to ensure adherence to compliance best practices at the Group level, we



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

Efforts to Protect Personal Information

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

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

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

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

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

Initiatives to Ensure the Safety and Peace of Mind of Consumers

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

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

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

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

The Consumer Product Handling Policy

Placing More Emphasis on the Consumer and Ensuring Product Safety

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

Developing and Operating a Risk Management System

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



CSR-Related Risk Management

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

tal restoration, and environmental policy related to water, energy, and other matters—attorneys, and other knowledgeable individuals. The members of the Medical, Healthcare, and Bioethics Committee are chosen from outside experts in medicine, health maintenance, and bioethics and from among attorneys, persons knowledgeable in pharmaceutical administration and regulation, and others.

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

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

Four Business Domains Subject to Specially Designated Business Management System

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 said business
1	Environment-related business All businesses that manufacture and market, including those that contract manufacturing to third parties, products that are closely concerned with the environment, and those businesses whose business domain is the environment itself. Examples: CDM (Clean Development Mechanism) business, business using biomass, recycling business, wastewater treatment business, etc.	<ul style="list-style-type: none"> Contribution of said business to the environment and society Measures to mitigate environmental impact, and ensuring of safety For development business, appropriate consideration and understanding of related parties such as local residents Compliance with environmental laws, regulations and guidelines, etc. 	
2	R&D-oriented manufacturing All R&D-oriented businesses that develop new technologies and businesses that manufacture and market products, including those that contract manufacturing to third parties. Examples: Development and production of new medical devices, etc.	<ul style="list-style-type: none"> Examination of feasibility of technologies Checking of management system for performance and quality assurance, etc. 	
3	Bioethics-related businesses Businesses that are involved in the development of technologies concerning the human genome, genetic analysis, genetic recombination, and related areas, and those businesses that trade in products that use those technologies. Examples: 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. 	
4	Businesses with a high public profile Businesses that are eligible for direct or indirect subsidies from the Japanese government or other governments and which have a high public profile, as well as high-risk cases that may be in conflict with public order and morality, Mitsui's management philosophy, or other CSR-related matters. Examples: Businesses receiving subsidies, etc., public businesses (businesses based on PFI, designated administrator system, market testing, etc.), businesses with strong regional exclusivity (public transportation systems, etc.), medical and healthcare projects with a high public profile (senior living and pharmaceutical-dispensing businesses), etc.	<ul style="list-style-type: none"> Evaluation in light of Mitsui's management philosophy (MVV) Social impact and ensuring accountability and transparency of processes Determination of interests of stakeholders, and resultant considerations and responses Responsibility and capability as the operator of a business with a high public profile over the medium-to-long term 	



Supply Chain Initiatives

As a company that develops a multitude of value chains around the world and provides related functions and services, we give consideration to a variety of supply chain issues and work with our business partners to meet the expectations of society because these are initiatives that tie in with our management philosophy comprising our Mission, Vision and Values (MVV) and are important to comply with and implement the principles of the United Nations Global Compact.

Working with Our Business Partners

An important mission of the Company is to take up the challenge of working to resolve various issues facing the international community, such as problems related to human rights, labor, and the global environment.

In October 2004, Mitsui pledged its support for the United Nations Global Compact, and is taking steps to comply with the 10 Global Compact Principles that cover human rights, labor standards, the environment, and anti-corruption, and to improve its approach in these areas. However, in view of rising

consumer awareness about these matters, we are being called on to expand our initiatives to also include our supply chains.

In view of these global trends, in December 2007, we established our Supply Chain CSR Policy. Under this policy, we are going beyond green procurement, which shows regard for the burden on the environment, to encourage our business partners to identify and work toward solutions to such issues as compliance with legal regulations, human rights, labor safety, and sanitation, as well as the safety and security of products and services.

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 participate in forced labor, child labor or unlawfully cheap labor.
 - ④ We will help reduce and mitigate business impact on the global environment.
 - ⑤ We will ensure a safe and sanitary work environment.
 - ⑥ We will ensure the safety and reliability of our products and services.
 - ⑦ We will disclose adequate and timely information relevant to the above.

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, 2010.

① Sending a Uniform Letter to All Suppliers

During the fiscal year, we sent a letter to a total of approximately 20,000 suppliers requesting their understanding and cooperation with our Supply Chain CSR Policy to make sure that this policy was understood. As in the previous fiscal year, this fiscal year, our Headquarters Business units, Regional Business units, and our subsidiaries completed the sending of about 3,000 of these letters to new suppliers and worked to implement measures to further heighten the awareness among our employees of our Supply Chain CSR Policy.

② In Industries and Regions where Risk Is Judged to Be High, Make Individual Responses, Including On-the-Spot Inspections

Among the seven items mentioned in the Supply Chain CSR Policy, in as much as we have positioned the areas of human rights and labor for individual responses, we continued to place

priority during the fiscal year on response initiatives in the textile industry, where, in general, human rights and labor issues may arise more easily. Accordingly, Mitsui Bussan Inter-Fashion Ltd. (MIF), which is one of Mitsui's subsidiaries in the apparel industry, engaged actively in evaluating overseas plants and, with an eye to evaluating plants in Japan also, worked to clarify current issues in supplier plants related to CSR and production technology. This company is giving consideration to formulation and introducing improvement policies aimed at increasing the value of these plants. (For further details, please see the facing page.)

Mitsui will send a uniform letter to new suppliers when transactions begin and will continue to request that all suppliers of Mitsui and its subsidiaries have an understanding of the Supply Chain CSR Policy.

In addition, to increase the sensitivities of employees regarding human rights, labor, and other issues in the supply chain and work to prevent problems before they arise, we will continue to conduct training and other activities to heighten the awareness of employees regarding these issues. We are also endeavoring to understand actual conditions when a supplier

has failed to comply with the policy or when there is an extremely high probability of failure to comply with the policy and request the understanding among business partners of our policy and the implementation of improvements in conditions where appropriate. As we implement this policy, we are

emphasizing close and interactive communication with our business partners, and, as necessary, will give consideration to working jointly with them to introduce improvement measures, with the objectives of building trust and strengthening our supply chains.

Initiatives in the Apparel Industry

Preparation of Plant Assessment Criteria

MIF, which is a Mitsui subsidiary in charge of the procurement of apparel, accessories, and related goods, is responsible for delivering goods that have been manufactured under contract with factories in Japan and overseas to apparel manufacturers.

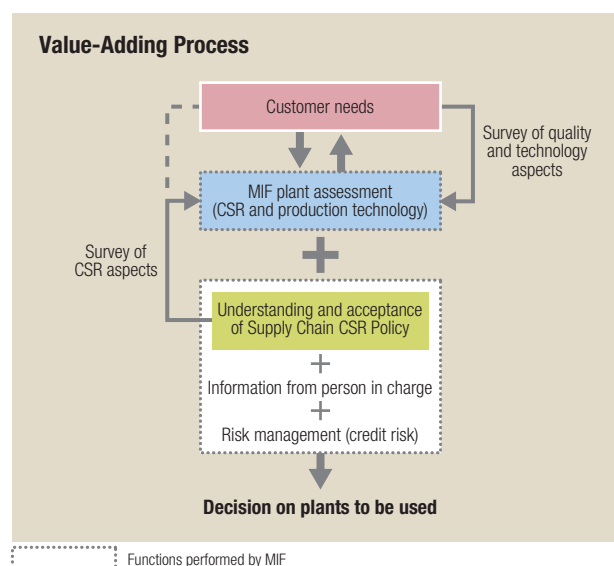


Assembly line of Wuxi Fuji Fashion Wear Co., Ltd., in China, one of the companies undergoing on-site inspections

MIF prepared its own Supply Chain CSR Policy during the fiscal year ended March 31, 2009, and sent a letter requesting the understanding of this policy to all suppliers, including 680 subcontractors in Japan and 172 suppliers overseas. In addition, MIF is working to make its employees aware of this policy through study meetings related to the policy and to CSR and by other means and has prepared its own plant usage criteria. Since the introduction of these criteria in October 2009, MIF has made certification, under its policy, mandatory for plants to be selected and is working to promote a higher level of understanding of the policy.

In addition, in October 2009, we completed the preparation of our plant evaluation criteria that we had been considering in the past. These were prepared after giving consideration to the specific procurement policies as well as the operating and other criteria of plants that provide products to MIF, and they cover actual conditions in such areas as production equipment, production management, the workplace environment, and the labor management environment.

When assessments are made, a third party evaluation organization is used, and 11 subcontractor plants in China have been audited and an assessment matrix prepared. This approach makes the assessment an objective one and easy for everyone to understand. Then, for these assessments, a section of Supply Chain CSR Initiatives will be providing feedback. Looking ahead also, plans call for conducting primary and secondary assessments. In the primary assessment, all assessment items will be quantified and more weight given to important items. The primary assessment will deal with production technology (the quality aspect), and items to be assessed will include production facilities and production-related management. The secondary assessment, which will be conducted following the completion of the primary assessment, will deal with labor safety and sanitation and the working environment. The results of



these assessments will be used to make a comprehensive evaluation that will be used in selecting suppliers.

Issues to Be Addressed

MIF will continue to respond to the existing needs of its customers (companies receiving products manufactured by suppliers) for increasingly higher quality and work to enhance its own plant assessment criteria from a CSR perspective, including those pertaining to the work environment. Through close communication with and auditing of the plants where it is conducting assessments, MIF will aim to help to create plants that are people-friendly and have sustainable environments.

In addition, in putting these plant assessment criteria into practice going forward, MIF will continue to implement initiatives to address the following issues:

- Gaining a better understanding of the Supply Chain CSR Policy and making it an integral part of the thinking of employees and transactions partners
- Identifying issues at subcontractor plants through continued implementation of plant assessments
- Formulating and introducing policies for improvement through the use of accumulated data and giving consideration to reassessment methods with the objective of enhancing the value of plants
- Conducting flexible and periodic reviews of assessment criteria in response to changes in the business environment and other factors















Promoting CSR-Oriented Management

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 see 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.

In this section, we present the issues and objectives we encounter on a company-wide basis as we work to put our CSR management into practice. We make self-assessments of our results and initiatives, and then identify new issues to address as well as objectives that we should work to attain going forward.

CSR Management Accomplishments and Goals

Degree of achievement of goal by self-evaluation:  : Implemented and results attained;  : Implemented and further result attainment necessary;  : Not implemented

Item		Tasks and Objectives for FY Ended March 31, 2010	Page No.	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2011
Governance	Corporate Governance	Raise awareness of Mitsui & Co., Ltd.'s Corporate Governance and Internal Control Principles on a consolidated basis	11-12		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	11-12		Ensure management transparency and continue to improve the effectiveness of corporate governance
	Internal Controls	Further improve effectiveness and efficiency of internal control on a global Group basis	11-12		Further improve the effectiveness and efficiency of internal control on a global Group basis
	Compliance	Further enhance compliance activities on a global Group basis	13-15		Further enhance compliance activities on a global Group basis
		Continue with training for maintaining and improving compliance awareness and facilitating the acquisition of practical knowledge on compliance	13-15		Continue with training for maintaining and improving compliance awareness and facilitating the acquisition of practical knowledge on compliance
		Enhance internal reporting systems at Group subsidiaries and associated companies	13-15		Identify issues at the working level, including the awareness of compliance in subsidiaries and associated companies, and make improvements
	Risk Management Structure	Enhancing flexibility of crisis management	—		Maintain and improve crisis management systems
Environment	Strengthening Environmental Management Systems	Continuation of Mitsui Environment Month program and training and inclusion of more in-depth contents	31-33		Continue to implement the Mitsui Environment Month Program and environment-related seminars with more in-depth contents
		Developing more in-depth environmental management systems on a global Group basis (Promoting ISO 14001 certification at overseas subsidiaries with high levels of environmental risk)	31-33		Continue to promote the obtaining of ISO certifications by overseas subsidiaries with high levels of environmental risk
		Conducting surveys of environmental laws and environmental testing at domestic subsidiaries (15 companies) and elsewhere	32		Continue physical inspections of the environment surrounding domestic subsidiaries and conduct four to five inspections of overseas subsidiaries that place a significant burden on the environment
		Implementing surveys of soil pollution and conducting asbestos questionnaire surveys of the parent company and domestic subsidiaries with the objective of identifying environmental risk in the parent company, domestic subsidiaries, and elsewhere	32		In view of the application in April of accounting standards in Japan related to liabilities connected with the disposal of assets, conduct detailed research on asbestos in buildings and give consideration to the results
	Initiatives to Combat Global Warming	Setting goals for reducing emissions of greenhouse gases on a domestic Group basis and measuring greenhouse gas emissions at overseas subsidiaries	32-33		At overseas subsidiaries, consider implementing energy conservation diagnoses to determine the potential for reducing greenhouse gas emissions. Consider the setting of objectives for reducing the volume of greenhouse gases emissions on a global Group basis
		Commencing full-scale initiatives to deal with industrial waste emissions (considering reductions in the volume of emissions and other issues)	34		Continue to hold seminars that include the participation of subsidiaries and associated companies to raise the awareness of the proper methods for the disposal of industrial wastes and the supervision of the implementation of the related manifesto
	Pursuing Environmental Businesses	Promote environmental and energy businesses throughout the Company	35-38		Promote environmental and energy businesses throughout the Company



Item		Tasks and Objectives for FY Ended March 31, 2010	Page No.	Degree of Achievement of Goal	Tasks and Objectives for FY Ending March 31, 2011
Environment	Utilizing Company-Owned Forests	Conducting forest environment programs that take advantage of the features of company forestland, have deeper ties with local communities, are for a broader range of stakeholders, and enhance the awareness of these programs	39-40		Deepen the content of the forest environment program
		With biodiversity as the focus, conducting activities based on acquisition of FSC Forest Certification and Forest Certification during the current year, and commence verification and other activities for carbon offsetting, including the J-VER systems of Japan's Ministry of the Environment	39-40		Obtain J-HEP certification and issue a pamphlet related to company-owned forests from the perspective of biodiversity
		Building on Mitsui's active programs for research on forest revitalization conducted with Toyota Motor, verify and implement joint activities and sales with other companies	39-40		Promote the use of wood fiber cascade
Society	Relations with Society	Promoting social contribution activities on a global Group basis	25-30		Move ahead steadily with social contribution programs, including volunteer activities, on a global Group basis
		Supporting social contribution activities through employee participation on a global Group basis	30		
		Assessment and feedback following the end of support activities	26-27		Increase the sophistication of the functions of the Mitsui Environment Fund and raise the level of social contribution in the environmental field
		Providing information internally on fund activities and promoting employee participation	30		Broaden and deepen the awareness of environmental matters among employees through the Mitsui Environment Fund
		Increasing efficiency of secretariat office work	—		Enhance the efficiency of the operations of the Mitsui Environment Fund
		Reviewing and improving core social contribution activities	26-30		Implement effective initiatives in core social contribution activities that reflect the awareness of priority domains and themes
		Promoting and maintaining communication with NPOs, NGOs, knowledgeable persons outside Mitsui, and others. Considering activities aimed at contributing to the attainment of MDGs	26-30		Promoting and maintaining communication with NPOs, NGOs, and knowledgeable persons outside Mitsui
	Relations with Business Partners	Continuing activities to improve the awareness of the Supply Chain CSR Policy internally and externally	17-18		Continuing activities to improve the awareness of the Supply Chain CSR Policy internally and externally
	Employee Relations	Strengthening functions for personnel and general affairs within initiatives for nurturing personnel who can work globally and promotion of consolidated management	21-23		Nurture outstanding human resources overseas and continue to promote measures to draw on their capabilities
		Continuing to review personnel systems and implementing measures for greater internal movement of personnel	21-24		Review the personnel management system and make improvements in its operation, while accelerating personnel management initiatives on a global Group basis
		Work to further inculcate management philosophy and to reform employees' awareness and behavior (initiatives to foster human resources that can generate Yoi-Shigoto and contribute to society on an ongoing basis, based on Mitsui's management philosophy)	5-8, 11-12		Continue to work to inculcate Mitsui's management philosophy and to reform employees' awareness and behavior (initiatives to foster human resources that can generate Yoi-Shigoto based on Mitsui's management philosophy)
CSR-Oriented Management	CSR Promotion Framework	Globalize and optimize CSR promotion framework	8		Continuing initiatives to globalize and optimize the CSR promotion framework
	Awareness Raising	Promoting autonomous CSR management at the working level and providing company support at the working level	5-8, 11-12		Continuing to promote autonomous CSR management and provide company support at the working level
		Improving the awareness of Yoi-Shigoto on a global Group basis	5-8, 11-12		Further improve the awareness of Yoi-Shigoto on a global Group basis
		Research our compliance with the Global Compact and implement continuous improvements	7		Continue research on compliance with the Global Compact and implement continuing improvements
	Risk Management	Improve effectiveness and efficiency of global Group CSR risk management	16		Implement effective and efficient CSR risk management in the global Group
	Stakeholder Communication	Considering and implementing steps to develop a new editorial policy for the CSR Report that will appeal to stakeholders other than professionals and a separate databook that will contain non-financial information for specialists conducting CSR research and making CSR assessments	1, 7		Make further improvements in non-financial information disclosure through our CSR Report. Consider and implement methods of making the report appealing to stakeholders who are not necessarily professionals
		Maintain and improve transparency and accountability of Mitsui's management through strategic information disclosure. Conduct management that takes the capital markets into account 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 into account and provide feedback to locations in the field

*On Mitsui's website: <http://www.mitsui.co.jp/en/ir/index.html>



Society

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.

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.

❶ 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.

❷ Development of Human Resources

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

❸ Appropriate Appointment and Allocation of Personnel

We appoint and allocate human resources appropriately from a company-wide perspective, based on the sharing of personnel information among departments.

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 as a priority mission. As the phrase "the individual builds the business, and the business cultivates the individual" implies, the venue for developing such human resources sustainably is our employees' work sites. The two cornerstones of our human resource development are all employees approaching their work proactively and responsibly on a daily basis, striving to embody Mitsui & Co.'s management philosophy (MVV), and on-the-job training (OJT) comprised of guidance and development by supervisors and experienced staff with an awareness of "open-mindedness," a key company value.

To support and supplement human resource development through OJT, the Human Resources & General Affairs Division as well as corporate staff divisions and business units design and implement off-the-job training, such as our system to dispatch employees to business education programs and various other forms of training.

Human Resource Development Program

Mitsui holds about 60 sessions a year to prepare personnel for management positions, and more than 80 one-day training sessions a year to enable employees to improve their professional skills. Mitsui also offers approximately 25 training courses covering a variety of technical and professional subjects. Our diverse global training system includes an overseas business training program that has evolved continually since 1891 as well as other diverse opportunities 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, and management workshops involving personnel exchange with other industries. Participants in the principal training activities on an annual basis include about 3,000 personnel on an accumulated basis, with more than 2,500 attending the one-day professional training courses and about 1,500 attending the longer training courses. To encourage employees to actively avail themselves of these programs, information on Mitsui's policy regarding human resource development and outlines of the various programs are provided on the Company 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 appointing new assignments. It is also important that we promote human resource development through the appraisal process. Employees meet periodically with their managers for appraisal meetings



and receive comprehensive feedback on their performance and specific contributions. These meetings create an effective framework for human resource development.

Development of Human Resources for Management on a Global Group Basis

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

Mitsui & Co.'s Head Office also concentrates on training Non-Headquarter-hired Staff, with the objective of promoting global group management. Since 2007, approximately 50 staff members from overseas regional business units have been dispatched to the Head Office for medium- and long-term training lasting

more than one year. Also, approximately 400 staff members have attended our short-term training programs of up to one year, which began on a full-scale basis in 2002. Similarly, for the training of future leaders for overseas operations who will be responsible for consolidated global management, we began the Global Managers Program during the fiscal year ended March 31, 2008.

Employees of Regional Business Units

As of March 31, 2010

	Headquarter-hired Staff (HS)	Non-Headquarter-hired Staff (NS)	Total
Americas Business Unit	209	546	755
EMEA Business Unit	186	854	1,040
Asia Pacific Business Unit	342	1,736	2,078
Total	737	3,136	3,873

Notes:

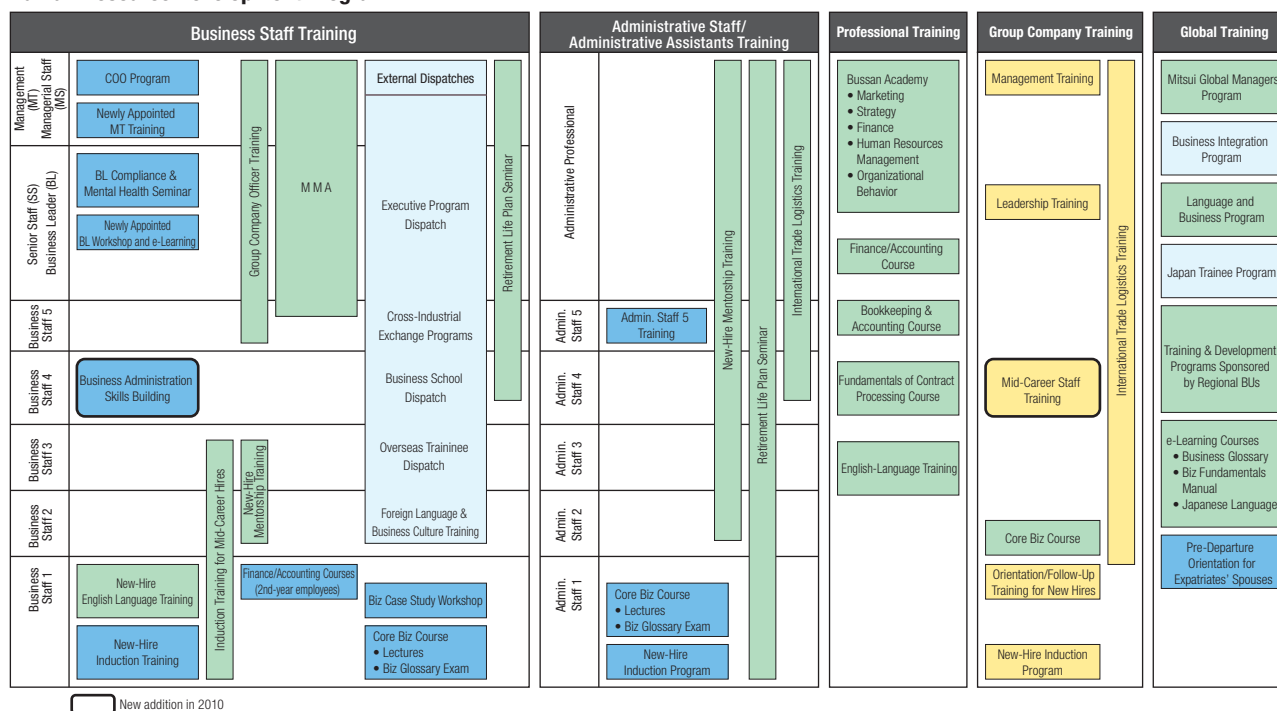
- The figures above are the number of employees of overseas affiliated companies, branches, and offices.
- Personnel seconded to other locations are included in their unit of origin.

NS Dispatched to the Head Office

As of March 31, 2010

Japan Business Integration Program trainees	11
Japan Language & Business Program trainees	10
Intra-company transferees	4
Total	25

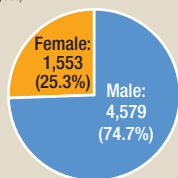
Human Resource Development Program



Employment Information

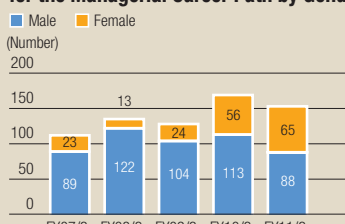
Mitsui Employees by Gender

The number of employees on a non-consolidated basis as of March 31, 2010, was 6,132. (Not including persons in administrative staff positions and contract employees)



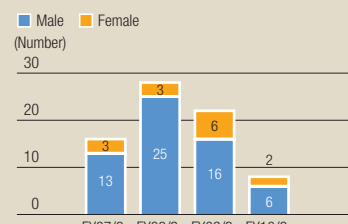
*The average annual personnel turnover over the past five years was 4.12%.

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



*Includes operations personnel beginning in FY10/3

Mitsui's Mid-Career Hires



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

Helping Our Female Employees to Realize Their Full Potential

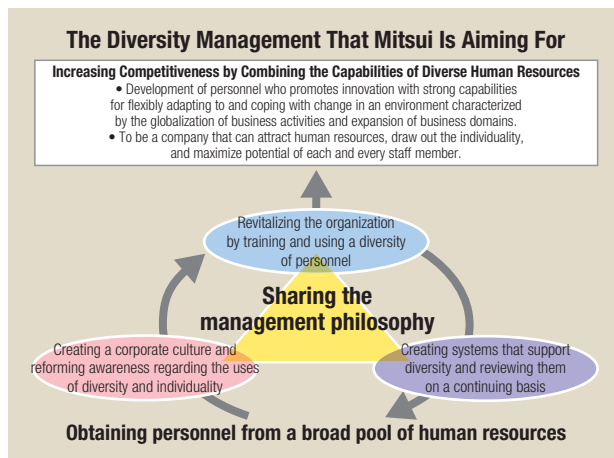
About 25% of all of Mitsui's personnel are women, and Mitsui assigns these individuals to positions and activities that are suited to their duties, abilities, and aptitudes irrespective of gender. Since 1992, when hiring new employees, Mitsui has employed women in mainstream career paths. We have created an environment characterized by job rotation and workplace exchange, along with training and other programs, where women can be more active.

In addition, the number of female employees taking an active part in our overseas activities is increasing year by year. Currently, there are 43 female employees dispatched from Japan and stationed in Mitsui's overseas operations (as of April 1, 2010, including foreign language and business culture trainees and overseas trainees).

It is true, however, that many issues still remain for female employees wishing to maintain their career, and in order to resolve these issues, the Diversity Promoting Department plays a central role in pursuing initiatives for promoting changes at both the systems level and in the corporate culture.

Hiring of Disabled Persons

In accordance with the then Law for the Employment Promotion of the Disabled, in 1981, we established Mitsui Bussan Business Support Co., Ltd., a trailblazing special-purpose subsidiary for the employment of people with disabilities. We have expanded the scope of operations from printing and mailing to include systems development, data entry and processing, and travel agency services, and for over 20 years have exceeded the statutory ratio for employment of people with disabilities. As of April 2009, our employment ratio was 2.21%.



Diversity Café

Along with 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, the demographic aging of the population, and the number of employees seeking new kinds of career paths as well as wanting to work and maintain their private lives at the same time are all increasing. To provide a venue for employees to come together and have the opportunity to talk with other persons who have experience in these areas as well as discuss and share information on matters of common interest, we established our "Diversity Café" in 2008. For the venue, we use Mitsui's Reunion Room, which has been set aside as a

place for internal exchange and communication. The Diversity Café features panel discussions and other opportunities for exchanging views, such as sessions on "exchanging views directly with management, including Ms. Nobuko Matsubara, one of Mitsui's external directors for female managers," "how to maintain one's career while also marrying and raising a family," and "the experience of Administrative Overseas Trainees," mainly for female employees.



First session of Diversity Café in progress

Creating a Good Work Environment

We consider it very important to improve the work environment to enable all employees—the leaders in our efforts to generate Yoi-Shigoto (good quality work)—to achieve a work-life balance and work with a sense of job satisfaction and peace of mind. Mitsui employees and their families perform indispensable roles, as employees, and as members of families and society,

depending on their various life stages and circumstances in their families and homes. We are developing systems and providing information to employees through the company intranet and employee magazine, with the aim of creating workplaces where it is possible to maintain a balance between our work and the various requirements and challenges in our lives.



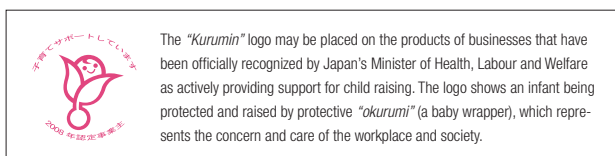
Addressing the Issue of Long Working Hours

At Mitsui & Co., Ltd., we have established a Labor-Management Committee to address the issue of employees' long working hours of overtime from perspectives that include health management and to determine and improve the situation. To ensure appropriate time management, we have created materials to enable the understanding of the actual situation with respect to overtime in each division and an in-house manual related to overtime, while also publicizing and providing guidance on laws and regulations that should be complied with throughout the Company. Such measures have been beneficial in addressing the issue of long working hours. We are encouraging employees to take their annual paid leave and use the planned leave system to reduce total working hours and prevent health problems. We also provide access to on-site medical advisors for our domestic employees who work long hours, and develop proposals for improving the situation, based on the Occupational Health and Safety Law of Japan.

Childcare and Family Care Support

To provide support for childcare and family care, Mitsui has introduced a system for taking leaves for these purposes, working shorter hours, and providing for flexibility in working hours. The changes made in related systems have included making childcare leave partially paid and relaxing the eligibility requirements to allow employees to take childcare leave even if their spouse is a full-time housewife or househusband, and it 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.



Employees Taking Childcare or Family Care Leave

		FY08/3	FY09/3	FY10/3
Childcare leave	Male	3	5	1
	Female	32	40	38
Family care leave	Male	0	0	0
	Female	5	2	0

Labor 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 medical doctors and hygiene experts; ways of making improvements in the workplace; and other related matters. Activities of the committee also include periodically visiting workplaces.

Health Examinations

Mitsui provides the opportunity for employees to have convenient periodic health checkups on Company premises. Also, for personnel 35 years of age and older, Mitsui recommends more-extensive health examinations, which employees may take on Company premises or at external clinics. These activities help employees to prevent various health problems, including those arising from their lifestyles, to detect such problems at an early stage, and take corrective action based on medical guidance. In addition, for employees 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 a training course related to mental health for new employees, Man-to-Man Leaders, and personnel in managerial positions. This course provides the necessary basic knowledge to both employees themselves 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 medical doctors 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 calls, e-mail, and other communication channels.

Joint Efforts with Labor Unions

To create an even better workplace environment, we discuss various issues with the Mitsui & Co. Labor Union. During the fiscal year ended March 31, 2010, in response to changes in legal regulations, labor and management negotiations resulted in a number of changes in labor-related matters. These included a revision of the retirement system, the introduction of a re-employment system, changes in the overtime pay allowance ratio, and revisions in the systems that provide special time off for employees raising children and taking care of elderly parents and others. In addition to these negotiations, Mitsui held a labor and management personnel discussion meeting, provided a venue for exchanging views and discussion related to the topics that would be discussed at the meeting, and took initiatives regarding other matters aimed at maintaining sound labor and management relationships. (The Mitsui & Co. Labor Union has 4,580 members, and the union membership rate is 78.9%.)

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

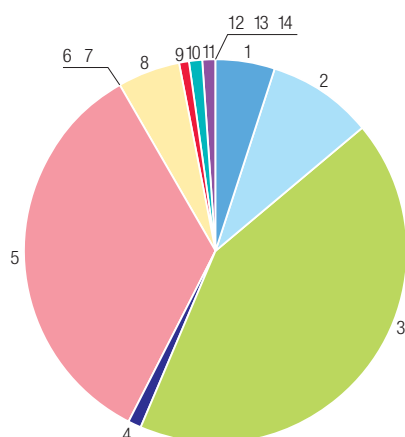
We will build a congenial relationship with our stakeholders by striving to create a harmony with the global community and local communities in accordance with the Mitsui & Co. Management Philosophy (Mission, Vision and Values), and we will actively contribute to the creation of a future where the dreams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

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, 2010)

The breakdown of social contribution expenses, which totaled ¥2,341 million on 400 activities, is shown below. Percentages are based on monetary amounts.



	Activity Category	Percentage (Monetary Amounts)	Number of Activities
1	International exchange and cooperation	5%	45
2	Education, social education	9%	73
3	Environmental protection	43%	46
4	Social welfare	1%	75
5	Health and medicine	34%	11
6	Sports	0%	12
7	Academic activities, research	0%	12
8	Arts and culture	5%	46
9	Archeology, preservation of traditional culture	1%	1
10	Local community involvement	1%	61
11	Assistance to disaster-stricken communities	1%	9
12	Assistance for disaster-prevention community work	0%	1
13	Human rights	0%	5
14	NPO infrastructure-building work	0%	3
	Total	100%	400

For a list of projects, please access "Social Contribution Activities" on Mitsui's website:
<http://www.mitsui.co.jp/en/csr/contribution/index.html>



Support through “the Mitsui & Co., Ltd., Environment Fund” for Activities and Research Related to Global Environmental Issues

In 2005, Mitsui launched the Mitsui & Co., Ltd., Environment Fund as the grant program operated by Mitsui itself, with the aim of supporting activities and research to contribute to solving global environmental problems by providing funding to NPOs and to universities and other institutions. The financial resources are provided primarily by the Company, but Mitsui accepts contributions from its executives, employees, and retirees.

Compared with the grant programs of other institutions in Japan, by the grant program of the fund, Mitsui provides grants for a wider range of activities, and the period of grants is three years, which is relatively longer than that of other grant providers. In addition, other distinguishing features of the fund's grants are that the amounts provided are larger and that the grants cover the personnel costs of NPOs.

Mitsui offers two types of fund programs, *Activity Grants* and *Research Grants*. *Activity Grants* provide support for those activities that contribute to the environment, while the *Research Grants* provide assistance for research related to the environment. Each year, Mitsui accepts project proposals from grant applicants in Japan and overseas. These are examined and selected carefully by several deliberation panels, which are composed of outside experts, Mitsui management, and staff.

Grants Provided in FY10/3

During the fiscal year ended March 31, 2010, a total of 51 grants were provided with a total value of ¥524 million. (Please refer to Graph 1.) Since its launch in fiscal 2005 through March 2010, Mitsui has made a total of 230 grants, with a total value of



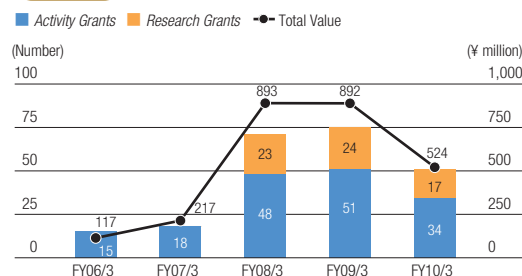
Soil remediation project conducted by the Association to help Chernobyl, Chubu district, Japan

¥2,642 million.

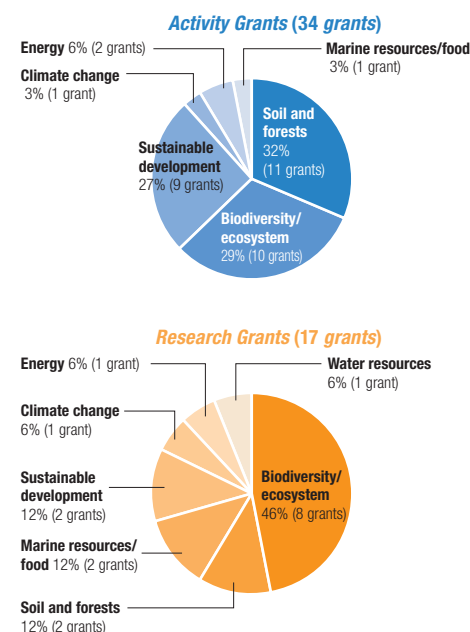
Data on *Activity Grants* provided by field (Graph 2) show that relatively more projects were chosen in the categories of “soil and forests,” “biodiversity/ecosystems,” and “sustainable development.”

Data on *Research Grants* indicate that a relatively high percentage was provided for research on “biodiversity/ecosystems.” Data on grants provided by region (Graph 3) show that Japan accounted for the majority of *Activity Grants*, receiving 21 grants, followed by Asia Pacific with 10 grants. Most *Research Grants* were made available in Japan, where 11 grants were provided, followed by Asia Pacific. The examples of projects receiving grants during the fiscal year ended March 31, 2010, are listed in the table on page 27. Further information may be found on Mitsui's website: <http://www.mitsui.co.jp/csr/fund/>

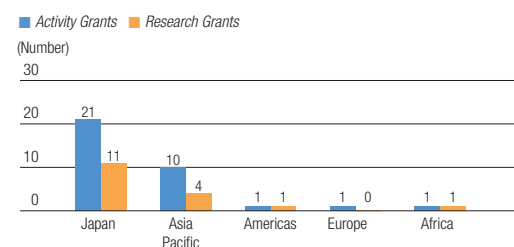
Graph 1 Trends in Number and Value of Grants Provided



Graph 2 Grants Provided by Field of Activity and Research (During the Fiscal Year Ended March 31, 2010)



Graph 3 Number of Activity and Research Grants Provided by Region (During the Fiscal Year Ended March 31, 2010)



Post-Project Evaluation

Mitsui conducts assessments of the results and remaining issues of the activities that are conducted with *Activity Grants* after such projects are completed. Thus far, in most cases, granting organizations of Japan have made no follow-up assessments after projects have been completed. Mitsui has adopted the “Plan-Do-Check-Act” (PDCA) cycle, which it applies to regular business activities, in managing the fund and, beginning in the year ended March 31, 2009, began to conduct assessments following the conclusion of grant projects. Assessments are conducted together with outside professional organizations, and the first step is establishing evaluation criteria. These include not only the measurement of the level of attainment of the planned objectives but also the consideration of the efforts made for improvement, the impact and the sustainability of projects, and the sustainability of the related organizations.

Based on these criteria, visits are made to grant recipients, and they are provided with feedback on the assessment of results. These assessments have received a favorable reception from recipients as the opportunity to look back over their activities from an objective standpoint and improve their activities going forward. In addition, these assessments offer an opportunity for Mitsui to identify issues related to the systems and operation of the fund as well as make improvements.

Interchange among Grant Recipients

In addition to providing grants, since the fiscal year ended March 31, 2007, Mitsui has held a Grant Recipient Interchange Meeting, to which grant recipients of *Activity Grants* are invited. The objectives of this meeting are to share the results of activities and encourage networking among grant recipients. In the meeting, lectures are delivered as well by specialists of various fields in operating NPOs to support grant recipients in improvement of their capability for the administration of their organizations and projects.

In the fiscal year ended March 31, 2010, about 140 representatives of 95 grant recipient organizations from Japan attended the interchange meeting. Eight organizations gave presentations on the results of projects, while 13 organizations presented posters related to their activities. In addition, in the meeting, seminars on NPO fund-raising and preparation of project plans were held, which were followed by a reception where participants actively exchanged views.



The Grant Recipient Interchange Meeting held in fiscal 2009

Examples of Grant Projects (Fiscal Year Ended March 31, 2010)

Field	Types of Grant	Recipients	Project Description
Climate Change	<i>Activity Grant</i>	Kiko Network (NPO)	Development and testing of an educational program on global warming for children
	<i>Research Grant</i>	Hokkaido University	Clarification of historical changes in habitats through analysis of seabed sediment layers in Beppu Bay
Marine Resources and Foodstuffs	<i>Activity Grant</i>	Ehime University	Activities to develop and disseminate a teaching tool for sustainable selection of marine products
	<i>Research Grant</i>	Nagoya University	Providing assistance to the apiary (beekeeping) business and related agricultural production through clarification of the factors accounting for the decline in the number of bees
Soil and Forests	<i>Activity Grant</i>	Association to help Chernobyl, Chubu district, Japan (NPO)	Activities to absorb and purify the soil polluted with radioactive material from the accident in the Chernobyl nuclear plant in Ukraine through cultivation of rapeseed and activities to make use of biofuels
	<i>Research Grant</i>	Hokkaido University	Monitoring of the decline in forests in the Daxing'anling region of China through the use of remote sensing
Energy	<i>Activity Grants</i>	World Wide Fund for Nature China	Promotion of wider use of micro-hydroelectric power generating plants to restrain the cutting of forests and preserve biodiversity in the giant panda preservation area of Sichuan Province in China
	<i>Research Grant</i>	Tokyo University	Research on measures to improve the living standards of relocated persons by the promotion of hydroelectric power generation
Water Resources	<i>Research Grant</i>	Tohoku University	Joint international development of highly energy-saving sewage processing technology that can be applied in developing countries
Biodiversity	<i>Activity Grant</i>	Omotehama Network (NPO)	Seashore protection activities to encourage breeding of loggerhead turtles in the Omotehama Seashore area of Aichi Prefecture in Japan
	<i>Research Grant</i>	Prefectural University of Kumamoto	Research to investigate the reasons for changes in the natural environment in the Ariake Sea and make proposals for measures to restore the coastal ecosystem
Sustainable Development	<i>Activity Grant</i>	Asaza Fund (NPO)	Activities with a diverse range of participants for the recycling-type protection of the environment in the Lake Kasumigaura catchment basin
	<i>Research Grant</i>	Kyushu University	Research on the feasibility of a low-carbon-type society through an energy-saving lifestyle through studies of model cases in the vicinities of large cities

Multicultural Collaboration Activities

Mitsui has provided support since 2005 to the Brazilian community in Japan, mainly to the Brazilian children who are at the ages for compulsory school education. Mitsui's activities in this field have been highly evaluated by the parties concerned and will be continued with the aim of achieving proper multicultural collaboration.

Activities in Japan

Educational Activities

1 Scholarships for Brazilian Children in Japan

Until 2008, Mitsui donated education-related materials to 30 Brazilian schools. 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 could afford to send their children to relatively expensive Brazilian schools in Japan drastically decreased. This resulted in a sharp 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 through 25 schools to cover monthly tuition. As of March 2010, 284 children are commuting to schools thanks to this scholarship program.



Brazilian children residing in Japan attending school classes



2 Correspondence Courses for Training Teachers for Brazilian Schools in Japan Provided for Four Years

Mitsui also decided to support the joint remote area education program sponsored through the collaboration of Brazil's Mato Grosso National University and Japan's Tokai University. This program enables its students to obtain official Brazilian teacher's licenses to qualify for teaching positions. Since July 2009, 300 persons have been participating in this program.

3 Seminars for the *Kaeru* (Going Home) Project in Areas where Brazilians Reside in Japan

Mitsui invited two lecturers from Brazil and held seminars in such cities as Toyota City in Aichi Prefecture and Hamamatsu City in Shizuoka Prefecture, where populations of Brazilians are concentrated, with the aim of the parents and the parties concerned to deepen the understanding of the problems faced by children who return to Brazil, and a total of 627 people attended these seminars. Mitsui is scheduled to sponsor these seminars during the fiscal year ending March 31, 2011.

In conducting these activities, Mitsui is pleased to have the cooperation of NPO Action for a Better International Community (ABIC).

Providing Job Support and Other Activities

In addition to providing support for NPOs and other organizations in areas with concentrations of Brazilian residents, Mitsui Bussan Forest Co., Ltd., has also offered temporary employment to Brazilians in company-owned forests in Japan (a total of 112 positions during the fiscal year ended March 31, 2010). Mitsui personnel are also members of the committee organized by the Ministry of Education, Culture, Sports, Science & Technology-Japan to make policy suggestions regarding the education of children of non-Japanese parents who qualify as Japanese residents. In addition, Mitsui has proactively provided support and cooperation to the relevant government offices in this area.

Activities in Brazil (The Mitsui Bussan do Brasil Foundation)

The Mitsui Bussan do Brasil Foundation, a fund that was established in February 2008, implements initiatives to contribute to ties of friendship between Japan and Brazil and expand exchange programs. The principal initiatives of the foundation during the year ended March 31, 2010, were as follows.

1 *Kaeru* (Going Home) Project

Led by psychologist Dr. Kyoko Nakagawa, this project assists Brazilian children who have returned to Brazil from Japan in adapting to the local schools and communities. Care is offered in the three areas of psychological support, remedial learning, and environmental activities.

2 Mitsui-Endowed Lecture Program at the University of Sao Paulo

Mitsui has established a lecture program for Japanese studies in collaboration with the University of Sao Paulo. In addition to the lecture program, Mitsui has donated English-language materials introducing Japan's politics, economy, culture, legal system, and other topics.

Aiming to Attain U.N. Millennium Development Goals (MDGs)

To attain the U.N. MDGs, in May 2008, Mitsui became a signatory of the Business Call to Action proclamation, an initiative promoted by then Prime Minister Gordon Brown of the United Kingdom, and the United Nations Development Programme (UNDP), which is aimed at reducing poverty in developing countries by drawing on corporate economic activities, expertise, technology, and other capabilities.

In addition, in November 2009, Mitsui President and CEO Masami Iijima met with UNDP Administrator Helen Clark and exchanged views on how Mitsui as a corporation should go about addressing the issue of poverty in developing countries. As part of its program of social contribution activities, Mitsui is working with UNDP, and an agreement has been reached to construct a river water pumping facility at a village in

Mozambique in Africa, for which Mitsui will donate an irrigation water pumping system running on solar power. Looking ahead, installation of this pump facility will enable the community where it will be located to move more toward autonomy. Through this project, Mitsui will be making specific contributions in the sub-Saharan region, which contains many of the world's poorest countries. Accordingly, Mitsui has decided to move ahead with this path-breaking project involving a public/private partnership that will provide support to an African nation.



Mitsui made the decision to provide assistance to Chibuto Village in Mozambique.

Mitsui's Initiatives for Human Resources Development with an International Perspective

As part of its initiatives in the fields of "international exchange" and "education," which are two areas cited for focus under Mitsui's Social Contributions Policy, Mitsui is working to foster personnel with an international perspective and conduct activities to gain an understanding of the needs of various regions.

Mitsui-Endowed Lecture Programs

China: Peking University/Mitsui Innovation Forum

In this lecture program, Mitsui selects topics that are of strong interest in China and presents a series of six lectures each year. During the fiscal year ended March 31, 2010, since interest was increasing in the real estate market in China, Hiromichi Iwasa, President and CEO of Mitsui Fudosan Co., Ltd., spoke on the theme of "Innovation: Social and Economic Development and the Challenge of New Value Creation," whereas Jitsuro Terashima, Corporate Advisor of Mitsui Global Strategic Studies Institute, gave a talk on principal current topics in the world today. Well-established experts from China in the fields of finance, medical care, and other fields were also invited to speak, and the total attendance at the lecture series was approximately 1,300 persons. The Mitsui-endowed lecture programs as well other lectures were held at the Fudan University in Shanghai.

Russia: Saint Petersburg State University

To enhance the content of this lecture program, which has been held since 2007, Mitsui signed a three-year memorandum of understanding with Saint Petersburg State University in October 2009, and Mitsui President and CEO Masami Iijima gave a memorial lecture. In addition to the endowed lectures held twice

each year, Mitsui has broadened the scope of the series to include all departments of the university and is aiming to expand the program through a study tour to Japan and the donation of materials for Japanese studies. During the fiscal year ended March 31, 2010, Tokai University Professor Yasuhiro Yamashita, Dean of the School of Physical Education, spoke on the topic of human innovation and education through sports, in particular, judo.

In addition to these lecture programs, the Mitsui (USA) Foundation (http://www.mitsui.com/about_mitUSAfound.shtml) and the Mitsui Bussan do Brasil Foundation (refer to page 28) conduct activities aimed at fostering personnel who will have an international perspective.



Mitsui's President and CEO Masami Iijima giving a talk as part of a Mitsui-endowed lecture program

Mitsui Bussan Scholarship Program for Indonesia

This program was established to contribute to cultural exchange between Japan and Indonesia as well as help to foster personnel who can contribute to development in the latter country. Thus far, the scholarship has provided assistance to 26 persons, including those who have already graduated (with six of these having obtained their doctorates). During the fiscal year ended March 31, 2010, active public relations of the program was conducted, including explanatory lectures at high schools in Indonesia, distribution of materials at fairs held to promote study in Japan, and other activities.

Large-Scale Disaster Relief on a Global Group Basis

When disasters occur in Japan and overseas, on a global Group basis, Mitsui wants to help to prevent the spread of the after-effects of the disaster and provide relief for the fastest-possible recovery in affected areas. To this end, Mitsui and its Group

companies offer financial assistance and needed materials, drawing on the special features and strengths of the Group.

The major earthquake that occurred in January 2010 in the Republic of Haiti caused extremely serious damage and resulted



in the loss of many lives. In view of this, and the magnitude of the damage inflicted by the quake, Mitsui and its overseas offices donated ¥10 million. In addition, the Mitsui USA Foundation provided a grant to match the approximately US\$20,000 collected by employees, and subsidiaries of Mitsui & Co. (U.S.A.) provided various needed items, including solar-powered lanterns, and made donations.

In February, another major earthquake occurred, in the Republic of Chile, which caused extensive damage to roads and buildings. Many were also injured and lives were lost because of the tsunami that hit the coastal regions of Chile. To provide relief, Mitsui and its overseas offices made a donation of ¥10 million. In addition, Toyota Chile, a wholly owned subsidiary of Mitsui, responded to requests for contributions from the local communities affected and donated four Toyota Hiace ambulances.

It has been about 30 years since Mitsui began to establish Toyota dealerships in Chile, and the donation following the earthquake was a reflection of Toyota Chile's close ties to the local communities and the strong desire of all its employees to contribute to recovery from the earthquake.

In addition to these activities, Mitsui and its overseas offices donated ¥10 million to provide relief following the Sumatra, Indonesia, earthquake that occurred in September 2009. Mitsui's employees, including those of overseas regional business units, have also collected donations and made the proceeds available for disaster relief.



Toyota Chile donated ambulances to the relief effort following the major earthquake in Chile.

Activities with Participation of Mitsui Personnel

Along with activities that contribute to society, Mitsui expects that its staff members will take an interest in and heighten their sensitivity to social issues through participation in volunteer activities. Mitsui, therefore, engages in the activities that are described below.

Mitsui Global Volunteer Program (MGVP)

To develop a sense of unity among staff members in Japan and overseas and create an environment that encourages staff members to participate actively in volunteer activities, in October 2009, MGVP began activities focusing on the topics described below.

1 "Try It V-1000" Program

Under this program, Mitsui donates ¥1,000 for each employee who has participated in a volunteer activity for a period of one year. For the period ending in September 2010, the decision was made to make a donation to the Special Olympics (United States), which offers support for sports activities of intellectually challenged persons.

1 Global Volunteer Month (November)

During this one-month period, Mitsui doubles its donations under the Try It V-1000 Program and conducts a concentrated program of activities in various parts of the world. As a result, the cumulated number of participants for the period rose to 422.

3 Issuance of Volunteer Work Report

To facilitate the sharing of information on volunteer activities, Mitsui also published a brochure on 34 of the activities that had



Staff members of Mitsui & Co. (U.S.A.) and their families provide assistance to regional charitable organizations.

been conducted in 28 locations around the world, mainly those held in connection with Global Volunteer Month, and distributed about 10,000 copies to all Mitsui employees.

Table for Two (TFT) Program

During the fiscal year ended March 31, 2010, Mitsui conducted an in-house questionnaire survey and, with the cooperation of AIM SERVICES CO., LTD., made special refinements in the menus of employee cafeterias and box lunches. As a consequence, a cumulated total of 8,977 persons (or about 18,000 meals when converted to the number of servings provided), more than twice the previous year's level, participated in the program.

For further information on the specific activities of this program, please access <http://www.tablefor2.org/en/index.html>

Joint Activity Programs with Grant Recipients of Mitsui & Co., Ltd., Environment Fund

Mitsui promotes participation of its employees in joint activities and exchange with grant recipients of the Mitsui & Co., Ltd., Environment Fund to raise environmental awareness among its employees. During the fiscal year ended March 31, 2010, activities included collaboration with the NPO Asaza Fund in rejuvenating idle agricultural land in Ibaraki Prefecture of Japan and collaboration with the NPO Fujisan Club to continue cleanup activities at the base of Mount Fuji. A total of about 340 employees and their family members participated in these activities.

Also, among domestic offices and branches in Japan, the Niigata Branch joined with the NPO Tokidoki Oendan, a group for the protection of the Japanese crested ibis, in repairing a feeding field for these birds. Similarly, the Takamatsu Branch worked with the town of Inocho in Kochi Prefecture to thin forestlands, and the Hiroshima Office cooperated with the NPO Eco Future Fund in planting trees. Mitsui employees, including those of Group companies and their family members, are participating in these cooperative activities. In addition, the employees of Mitsui & Co. (U.S.A.) and its group company ITC as well as their family members continued their collaboration with the Galveston Bay Foundation in the United States to help restore marshland in Barnett Bay in the vicinity of Houston.

Environment

Responsibility for and Contributions to the Global Environment

Environmental consideration is essential for society's sustainable development and Mitsui's sound business growth. Mitsui has established its Environmental Policy and is moving forward with measures to standardize its systems and operational procedures for promoting environmental management on a global Group basis. At the same time, through a range of measures, such as working to nurture human resources who are capable of promoting and guiding Yoi-Shigoto in the environmental area, we are striving to make continual improvements in our activities to preserve the global environment.

Environmental Policy

Revised February 2005

Guiding Principles

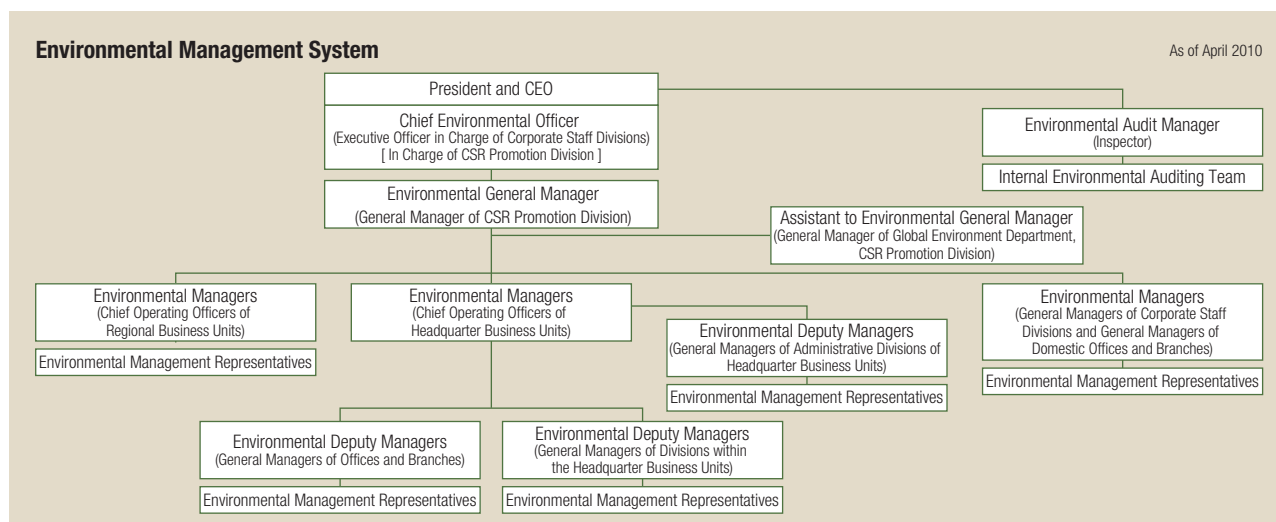
- 1 Mitsui & Co. believes that one of its most important management themes involves providing a positive response to environmental issues in order to contribute to the creation of a future where the dreams of the inhabitants of our irreplaceable Earth can be fulfilled.
- 2 Mitsui & Co. will make every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

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 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.

Action Guidelines

- 1 **Compliance with related regulations**
We will comply with the various regulations relating to environmental protection, 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 prevention, 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.
- 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 System





To promote environmental management, Mitsui has appointed a chief environmental officer to assist the President in performing his management responsibilities for environmental issues. To execute environmental management, the general manager of the CSR Promotion Division has been appointed as the environmental general manager. In addition, the chief operating officers of each business unit, the general managers of each corporate

Execution of Environmental Management

Mitsui has positioned environmental management on a global Group basis as one of its highest priority issues and is implementing a wide range of measures to strengthen its environmental management.

Environmental Management System under ISO 14001

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

In overseas regional business units and overseas subsidiaries, Mitsui has established a policy for those to obtain ISO 14001 certification, taking a significant burden on the environment into consideration. During the fiscal year ended March 31, 2009, Mitsui identified the first targeted subsidiaries and, beginning during the fiscal year ended March 31, 2010, moved ahead steadily with preparations for obtaining ISO 14001 certification for those subsidiaries.

Mitsui obtained ISO 14001 certification more than 10 years ago, and, to commemorate this milestone, we conducted a major review of the system with the aim of substantially increasing its effectiveness as part of activities conducted during the fiscal year ending March 31, 2011. Specific activities included attaining uniform objectives for achieving greater efficiency on a company-wide basis through further reductions in office paper usage, waste disposal, and electric power use. In parallel with these activities, we are also working to use the ISO 14001 system to focus on reducing risk in our main businesses.

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 the obtaining of ISO 14001 certification on a global Group basis. To further upgrade the specialties of our staff, we are training additional personnel with ISO 14001 Chief Environmental Auditor qualifications on a company-wide basis. To monitor the environmental management status of subsidiaries and provide advice and guidance as necessary, we are also promoting the training of personnel to obtain ISO 14001 Provisional Environmental Auditor qualifications in principal business units.

staff division, the general managers of each branch and office in Japan, and the chief operating officers of overseas regional business units 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.

Environmental Advisory Committee and Environmental Incident Response System

To further develop “environmental-related businesses” and “R&D-related manufacturing” responsibly and with maximum consideration for the environment, Mitsui has formed its Environmental Advisory Committee to deliberate environmental-related issues. This committee is composed of outside members who have a basis of an understanding of environmental matters and have an objective perspective. In addition, Mitsui appoints experts with knowledge of environmental matters and related technologies (with manufacturing experience) who conduct follow-up activities related to new and existing business activities.

During the fiscal year ended March 31, 2010, there were zero environmental-related incidents at the parent company, but four small environmental-related incidents were reported by subsidiaries and associated companies. 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 & Regulations and Environmental Inspections

As part of 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, which takes account of recent revisions in environmental laws and regulations, Mitsui conducts reviews regarding environmental legislation in its domestic subsidiaries, with the aims of determining whether subsidiaries recognize the laws and/or regulations they must follow and making sure that they are in compliance with these legal and regulatory provisions. In addition, senior staff of the Global Environment Department and environmental consultants visit the plants and offices of domestic subsidiaries in manufacturing, processing, warehousing, transportation, and other industries that have an impact on the environment to provide specific guidance regarding compliance with environmental laws and regulations, reducing the environmental burden, and preventing environmental pollution.

During the fiscal year ended March 31, 2010, 12 subsidiaries were visited in Japan. In addition, to substantially improve responsiveness to environmental risk on a global Group basis, two overseas subsidiaries had on-site inspections, whose operations may place significant burden on the environment.

Management of Greenhouse Gas (GHG) Emissions

Mitsui is implementing initiatives aimed at reducing the volume of GHG emissions on a global Group basis. The total volume of emissions of Mitsui and domestic subsidiaries was 332,000 tons during the fiscal year ended March 31, 2010. During that year, our principal subsidiaries set voluntary emission reduction targets, based on our first verification results, which were prepared by a third party during the fiscal year ended March 31, 2009, and the results of an energy conservation diagnosis conducted on subsidiaries consuming high levels of energy. In addition, in overseas subsidiaries, we conducted our first research on GHG (CO₂) emissions, and the results indicated total CO₂ emissions of 1,750,000 tons during the fiscal year ended March 31, 2009. Looking ahead, after determining the potential for further reductions in emissions and the measures to be implemented, we will work to substantially cut GHG emissions.

Assessment of Environmental Liabilities

Corporations are being strongly urged to take aggressive initiatives to address environmental issues. As part of these initiatives, 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, not limited just to possible legal claims, related to asbestos, PCB, and soil pollution, with the aim of contributing to capabilities for making rapid decisions and judgments on management policies.

Raising Environmental Awareness of Executives and Employees

Mitsui Environment Month—Environment Seminars

From the fiscal year ended March 31, 2009, Mitsui designated June as “Mitsui Environment Month” and held a number of lectures and presented courses with the aims of raising interest in environmental issues and facilitating environmental protection activities. During the fiscal year ended March 31, 2010, the focus of these activities was on global warming and biodiversity, and a cumulative total of 700 members of management and employees participated. Besides sponsoring “Mitsui Environment Month,” we hold periodic seminars and work to increase the level of awareness of environmental issues among the executives of the parent company, subsidiaries, and associated companies.

Environmental Performance

Electricity Consumption

Unit: MWh

	09/3	10/3
Domestic locations ¹	49,868	44,086

CO₂ Emissions

Unit: thousand t-CO₂

	09/3	10/3
Domestic locations ¹	29	26
Subsidiaries in Japan ²	308	306
Total	337	332
Overseas subsidiaries ³	1,750	—

Notes: 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 the domestic consolidated subsidiaries as specified in the Financial Instruments and Exchange Law. Estimates are based on the computation criteria stipulated in the Revised Act on the Rational Use of Energy.

³ Overseas subsidiaries and associated companies are overseas subsidiaries included within the scope of consolidation. Estimates are based on the computation criteria contained in the World Business Council for Sustainable Development (WBCSD) and GHG protocols (2004).

Water Consumption

Unit: m³

	09/3	10/3
All offices in Japan	94,395	84,663

Paper Consumption

Thousand sheets; A4-size sheet equivalent

	09/3	10/3
All offices in Japan	83,519	76,034

Waste Recycling

Unit: t

	09/3	10/3
Amount recycled	1,469	1,321
Amount of final disposal	371	356
Volume of waste recycled	1,098	965
Recycling rate	74.7	73.1

Environmental Accounting

Environmental Conservation Costs

Unit: ¥ thousand

Category	Investments	Expenses
Business area costs	—	1,188,833
Upstream/downstream costs	—	127,229
Administration costs	—	529,881
R&D costs	—	—
Social activity costs	—	1,076,940
Environmental remediation costs	—	4,457
Total	—	2,927,340

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

Scope of coverage: All offices in Japan

Target period: April 1, 2009–March 31, 2010

Environmental Preservation/Economic Effects

	Environmental Preservation	Economic Effects
Paper consumption	7,485 thousand	¥4,940 thousand
Electricity consumption	2,183 thousand kWh	¥73,470 thousand
Waste recycling	148 t	¥61 thousand

Environmental preservation/Economic effects are computed as follows: Actual numerical results for the previous year - Actual numerical results for the year under review

Scope of coverage:

Paper: All offices in Japan

Volume of electric power used and volume of waste emissions: Buildings owned by and in use by Mitsui in Japan

Explosion and Fire on Oil Rig in Gulf of Mexico Drilling Area

On April 20, 2010, a third party semi-submersible drilling rig, which was conducting exploration work in an oil drilling area in the Gulf of Mexico, experienced a fire incident, which sank the drilling rig and resulted in leakage of hydrocarbons from the well. MOEX Offshore 2007 LLC, a 100% subsidiary of MOEX USA Corporation, has a 10% working interest in this area as a non-operator. MOEX USA Corporation is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd., in which Mitsui & Co., Ltd., has a 69.91% equity interest. As of June 30, 2010, the operator of the project, BP Exploration and Production Inc., and the U.S. government authorities are taking the principal roles in closing the borehole where the leakage is occurring and making efforts to prevent the spreading of the crude oil. This information was as of the date of the preparation of this report on June 30, 2010.



Initiatives for Compliance with Environmental Regulations (Revised Act on the Rational Use of Energy, Waste Disposal and Public Cleaning Law, and REACH)

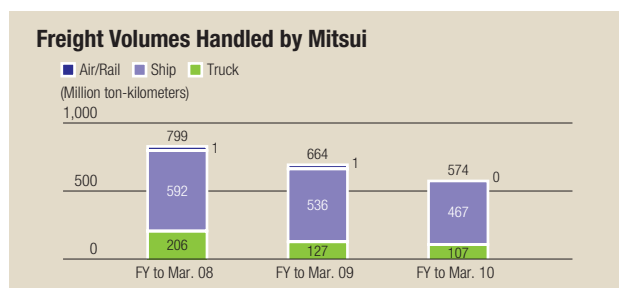
Response to the Rational Energy Use Law

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* basis, we handle a total of 574 million ton-kilometers of freight annually. By mode of transportation used, about 80% or more of this is carried by ship, 18% or more by truck, and the remainder by rail or airplane.

Since we handle more than 30 million gross ton-kilometers 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.

*Ton-kilometers are calculated by multiplying the number of metric tons of cargo transported by the distance they are transported (in 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 reduce the use of energy 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*. 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 CSR Promotion Division, which is responsible for overall company-wide environmental management systems, is making steady progress.

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

Energy Reduction Policy

• Selection of transportation method

Use of railways, shipping (modal shift)

Use of sophisticated freight services

• Measures to improve transportation efficiency

Use of shared/mixed loading

Selection of appropriate vehicle class

Optimization of routing and method

Scaling up of vehicle size

Use of most efficient freight vehicles

Review of schedules to avoid congestion

• Alliances between transportation service providers and users

Review of distribution frequencies

Adoption of coordinated logistics planning

• Measures to increase fuel efficiency

Eco-drive driving techniques

Installation of fuel-saving equipment

Results for Fiscal Years Ended March 31, 2009 and 2010 and Plan for Fiscal Year Ending March 31, 2011

Specific consumption, fiscal year ended March 31, 2009	17.6
Specific consumption, fiscal year ended March 31, 2010	15.7
Percentage improvement	10.8% YoY
Target specific consumption, fiscal year ending March 31, 2011	16.1

Notes: 1. Plan is as provided to the Kanto Bureau of Economy, Trade and Industry in June 2010.

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 manifests 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 Regulations

REACH is the abbreviation for "registration, evaluation, authorization, and restriction of chemicals," which is a system of regulations developed by the European Union (EU) that places restrictions on the registration, assessment, and permits required for chemicals. The REACH law went into effect on June 1, 2007, the preparatory registrations related to these regulations were completed on December 1, 2008, and the final date for the first set of registrations will fall on December 1, 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.

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 in the following pages.

Based on its founding principle of "Challenge and Innovation," Mitsui has developed many pioneering businesses over the years. Further information on these initiatives, including environment-related businesses, is presented on our website. Please access the following URL for additional information:
(<http://www.mitsui.co.jp/en/business/challenge/index.html>)

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	Country	Generating capacity/Scale
Solar power generation business	IPM Eagle Desarrollos Espana, S.L.	Spain	1.5MW
	Haneda Solar Power Co., Ltd.	Japan	2MW
Wind power generation business	Brazos Wind, LP	U.S.A.	160MW
	Bald Hills Wind Farm Pty Ltd	Australia	106.6MW (planned)
	Zajaczkowo Windfarm Sp.zo.o.	Poland	48MW
	NS Wind Power Hibiki Co., Ltd.	Japan	15MW
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.	1,050,000kl/year
Other biomass-related business	Sale of pour point depressant for biodiesel fuel (U.S.A., EU)		



Wind turbine generators in operation in a field of rape blossoms

Zajaczkowo Windfarm Sp.zo.o.

This windfarm, with a generating capacity of 48MW, is a joint investment with Electric Power Development Co., Ltd. (J-POWER), and it went into commercial operation in Zajaczkowo, Poland, in September 2008. This facility received an award as a project contributing to the earth's environment at the 2010 Environment Energy Contest sponsored by the province of Pomorskie, where the windfarm is located. Operation of the project is proceeding with an awareness that it is contributing to the community and helping to preserve the earth's environment.

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. Drawing on the experience and knowledge it has gained from CDM projects thus far, Mitsui will further develop such projects and businesses to reduce greenhouse gas emissions, providing Japanese technologies especially in the field of renewable energy and energy efficiency.

Through these initiatives, Mitsui aims to address global climate change issues in the medium-to-long term.

Project	Country	Greenhouse gas emissions reduced
Bell Eco Methane Recovery from Industrial Effluent and Power Generation Project	Malaysia	50,000 tons/year
China Fluoro Technology Co., Ltd. HFC23 Abatement Project	China	4,250,000 tons/year
Guangdong Shenzhen Qianwan LNG Generation Project	China	1,000,000 tons/year
Tiefa Coal Industry Group CMM Utilization Project for City Gas	China	800,000 tons/year
Hydro-electric power plant project in the Sando Bay area of China's Gansu Province	China	240,000 tons/year
N ₂ O reduction project at a nitric acid plant in Deepak, India	India	200,000 tons/year
Lepanto Landfill Gas Management Project	Chile	100,000 tons/year
15 other projects		1,910,000 tons/year
Total of 22 projects		8,550,000 tons/year

*These projects include those for which applications have been submitted to the United Nations.



The anaerobic biogas digester, recovering methane from the effluent

Malaysia/Methane Recovery from Industrial Effluent and Power Generation Project

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

Recycling

In addition to development of underground resources, Mitsui has positioned the recycling of aboveground resources as an area for emphasis within its comprehensive energy and environmental strategy. Mitsui also participates actively in implementing demonstration business activities sponsored by national and local government ministries for the recovery and recycling of used mobile phones and their parts, appliances, and other items. The objective of these activities is to offer industrial solutions to environmental problems and provide stable supplies of various resources.

Business investment	Main business	Country	Scale
Sims Metal Management Ltd.	General recycling business (metal scrap, home appliances recycling, etc.)	North America, Europe, Australia, New Zealand, and elsewhere	Handles 13 million tons of metal scrap and 400,000 tons of home appliances recycled annually
Mitsui Bussan Metals Co., Ltd.	Trading of ferrous/non-ferrous metal scrap and provision of environmental solutions	Japan	Handles 3,500,000 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



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

Metal Scrap and Used Home Appliances Recycling Business

Mitsui invested in Sims Metal Management, the world's largest ferrous and non-ferrous metal recycler, in June 2007, and, as of March 31, 2010, Mitsui had become the largest shareholder with a 17.8% ownership. In addition to ferrous and non-ferrous metal scrap, the company is focusing on expanding in such business fields as e-recycling operations; for example, New York City municipal recycling operations. Sims Metal Management is, therefore, continuing to grow as a general recycling enterprise.

Modal Shift, Rolling Stock Leasing

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 (The number of freight cars is as of March 31, 2010.)	Country	Quantitative effect (annual CO ₂ emissions)
Mitsui Rail Capital, LLC (MRC)	Railway freight car leasing (11,000 freight cars under lease)	United States	—
Mitsui Rail Capital Europe B.V. (MRCE)	Railway locomotive leasing (250 locomotives under lease)	Europe	—
Mitsui Rail Capital Participants Ltda. (MRC-LA)	Railway freight car leasing (4,000 freight cars under lease)	Brazil	—
Tri-net Logistics Co., Ltd.	Tokyo Bay barge transportation (Ichihara to Yokohama)	Japan	91% reduction in CO ₂ emissions compared to truck transportation
Mitsui & Co., Ltd.	Russia-Siberia rail transportation	Russia	30% - 40% reduction in CO ₂ emissions compared to marine transportation (according to Mitsui's estimates)



A railway engine owned by Mitsui Rail Capital Europe

Railway Rolling Stock Leasing (250 locomotives and 15,000 freight cars under lease)

The MRC group, which is developing its operations from three global bases in the United States, Europe, and Brazil, provides assistance to its customers to help them increase 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 additional value by providing maintenance and fleet 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.

Tree Plantations

Business investment	Country	Scale of operations (*target)
Mitsui's company-owned forests	Japan	44,000 ha
Bunbury Treefarm Project	Australia	20,000 ha*
Green Triangle Treefarm Project	Australia	10,000 ha*
Victoria Treefarm Project	Australia	8,000 ha*
Australian Afforestation Pty., Ltd.	Australia	2,000 ha*
Portland Treefarm Project	Australia	3,000 ha*



Eucalyptus tree-farming project implemented by Bunbury Treefarm Project

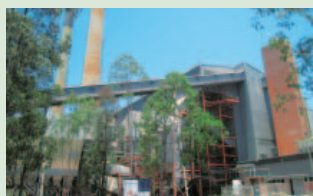
Tree Farming in Australia

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.



Other Environment-Related Business

Project	Main business
Japan-Australia oxyfuel combustion CCS verification project	Please refer to the information below.
Natural gas hydrates	Business participation in NGH Japan Co., Ltd. Work is now in progress toward commercialization of related technology.
Water treatment business	Through subsidiary AtrTech, which is a water treatment engineering company headquartered in Mexico, Mitsui has participated jointly with Mitsui & Co. (U.S.A.) in the sewage processing business in the state of Queretaro de Arteaga in that country and in the effluent processing business for projects of PEMEX, Mexico's national oil company. In addition, in December 2008 and again in September 2009, an order was received for a sewage processing project from the water utility of the state of Jalisco in Mexico. Also, in January 2010, an order was obtained from Mexico's water utility for a sewage processing facility that, on completion, will be the largest single plant of its kind in the world.
Water treatment business in China	With an eye to offering solutions for future needs, Mitsui offers specialized membranes, water treatment agents, and technologies for application in municipal waste processing, sewage systems, sewage waste processing, and other areas.
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 for wind power generation equipment
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
Clean-tech venture capital investment business	Capital participation includes investment in the following enterprises. DNP Green Technology (a U.S. company engaged in developing chemicals derived from biomass and in the licensing business), W-SCOPE Corporation (a Japanese company developing and manufacturing separator film for use in secondary batteries), and FIS Inc. (a Japanese company developing gas sensors for fuel cell batteries, Prudent Energy Inc. (a company (in China) developing, manufacturing, and selling vanadium redox batteries), Fisker Automotive Inc. (a company in the United States manufacturing luxury cars equipped for use as plug-in hybrid electric vehicles (PHEVs)), and Solaria Inc. (a U.S. manufacturer of silicon solar batteries).
High-pressurized tank for NGVs, FCVs, and for H ₂ storage	Import and sale of tanks for installation on vehicles powered by natural gas and fuel cells as well as stationary tanks for storing hydrogen
Rooftop gardening, green wall building, and greening at educational institutions	Proposal sales of greening (landscape)-related materials and development of sales business for greenery to improve the environment through Mitsui Bussan Agro Business Co., Ltd. (Japan)
Double-layer electric capacitor business	These capacitors incorporate technology that makes them safe and long-lasting, and they are suited for the internal recycling of electricity in industrial machinery and heavy machinery; for frequent major power surges required by immediate-response equipment, servomotors, and other devices; and for absorption of strong currents. Mitsui and Omron Corporation are investing jointly in Power Systems Co., Ltd., which manufactures and sells these double-layer electric capacitors (ultracapacitors).
Energy-efficient lighting (organic electroluminescence)	Giving consideration to commercialization through Lumittec Inc.
Smart Office Environment Consortium	Consortium established three years ago with Doshisha University and Panasonic Electric Works, Ltd., playing central roles. The consortium is seeking to promote the wider use and understanding of total systems based on independent, distributed control systems, especially for lighting, with the aim of ensuring more comfortable and energy-efficient office environments.
Building energy conservation engineering business in China	Participation in a company established jointly by Taigo Co., Ltd., of China, and Panasonic Electric Works, which is engaged in promoting the automation of buildings and energy-conserving engineering
Car-sharing business	Please refer to the information below.



No. 1 oxyfuel combustion boiler at the joint Japan-Australia CallidaA electric power generating plant

Japan-Australia Oxyfuel Combustion CCS Verification Project

As a coal supplier, to provide one of the solutions for the climate change issue, making an equity participation in a verifying and testing project in Australia for installing oxyfuel combustion boilers at existing coal-fired power generation plants, capturing CO₂ and storing it underground (carbon capture and storage ("CCS") project)



Use of electric vehicles (EVs) in the car-sharing business is contributing to the broader use of EVs.

Car-Sharing Business

Car sharing is a newly emerging approach that enables people who become members of car-sharing arrangements to use automobiles jointly. This reduces the number of automobiles and the number of miles that cars are driven. It also promotes the increased use of public transportation. These and other benefits are expected to lead to reduction in the volume of greenhouse gas emissions and alleviate traffic congestion. Car Sharing Japan Co., Ltd., a wholly owned Mitsui subsidiary, selects cars with good fuel economy and low emissions, and conducts its operations with due regard for the natural environment.

Mitsui's Forest Management

Mitsui's forestry cultivation activities began in Japan's Meiji Period (1868 to 1912), and its forestlands have been handed down from generation to generation. The task of protecting and nurturing forests is never-ending. We are looking ahead to our next 100 years of forestry cultivation with the aim of passing on our forestlands to generations to come.

More than 100 Years' Involvement in Forestry

Mitsui has company-owned forests in 73 locations throughout Japan, from Hokkaido to Kyushu, covering a total area of approximately 44,000 hectares. These forestlands account for 0.1% of Japan's total land area, and Mitsui takes pride in the fact that they are among one of the largest holdings of forestlands of companies in Japan.

Mitsui's involvement in forestry goes back more than 100 years. During the Meiji period, the former Mitsui began to acquire felling rights for standing timber for its lumber business. Subsequently, as the business grew, Mitsui acquired forestlands and has nurtured its forests over the many intervening years.

Forests perform a number of public functions that are indispensable for our lives and for preserving the national land. These include the absorption of carbon dioxide, the replenishment of water resources through the purification of rainwater retained by forest soil, and the preservation of natural habitats. Our company-owned forests absorb and fix (sequester) approximately 160,000 tons of carbon dioxide annually, and, based on the appraisal value of the public functions of forests issued by Japan's Forestry Agency, it is estimated that the total value of the public functions of Mitsui's forestlands on an annual basis is ¥120 billion. For these forestlands to perform these public functions optimally, Mitsui works with our subsidiary Mitsui Bussan Forest Co., Ltd., to continuously maintain our forestlands.

Activities to Preserve Biodiversity

As corporations are being required to take initiatives related to biodiversity, Mitsui has recategorized its forests, of which 40% are artificially planted forests, while the remaining 60% are natural forests. They have been revised into six management categories, including "Biological Conservation Forests," and

management policies have been established for managing each of these categories. In addition, Biological Conservation Forests, which account for about 10% of Mitsui's forestland, are 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 more appropriate and carefully tailored conservation of biodiversity in specific forest areas.

Among the forests designated as Biological Conservation Forests, areas categorized as Special Conservation Forests include the Tashiro forest in Fukushima Prefecture, which is a part of Oze National Park and contains high-altitude moorlands in the mountain summit regions. Areas specified as Environmental Conservation Forests include the Soya forest in Hokkaido, which contains wide-ranging forests of Yezo spruce, one of Hokkaido's typical coniferous trees, and the Ito fish, which is Japan's largest freshwater fish. Forestlands specified as Water and Soil Conservation Forests include the Nanba forest in Niigata Prefecture, where beech trees flourish, which are highly effective in replenishing water resources. In addition, areas classified as Cultural Conservation Forests include the Saru forest of Biratori Town, Hokkaido, which is close to Nibutani, an area sacred to the Ainu people and where many Ainu people continue to live nearby. Other Cultural Conservation Forests include the Kiyotaki forest, which is located in the Saga district of Kyoto Prefecture and is culturally significant because it supplies materials needed for Kyoto's traditional Daimonji Gozan Okuribi (Daimonji Bonfire) and the Kurama Fire Festival. Specific activities include those connected with the Kyoto Model Forest Movement, an initiative of Kyoto Prefecture and the Kyoto Model-Forest Association, aimed at preserving and nurturing the forests of Kyoto. Mitsui concluded an agreement with the association and Kyoto Prefecture in August 2008 to provide part of Kiyotaki forest as one of the venues for the Kyoto Model Forest Movement. Under the agreement, the area will be made available to the Movement for a period of 10 years beginning in 2008 on a non-compensatory basis. Similarly, Mitsui concluded an agreement, in connection with the Saru forest, with the Hokkaido Ainu Association to protect and encourage the Ainu culture. Through these activities, Mitsui is working to strengthen its collaboration with regional communities and provide protection from a cultural perspective.

In addition, as the 21st century has been described as the "Water Century," and attention is focusing on the issue of the



Personnel of Mitsui Bussan Forest engaged in tree-planting activities (in the Niwan forest in Hokkaido)

world's water resources, Mitsui has designated 3,163 hectares of its forestlands as Water and Soil Conservation Forests and is managing them with a focus on protecting their water resources with the aim of providing abundant supplies of water to society.

In December 2009, Mitsui was awarded FSC (Forestry Stewardship Council) Certification, which is an internationally unified forest certification for adequate forest management, for all its forestlands. Forests receiving this certification are strictly screened according to international standards and must be healthy and properly managed. Criteria for certification include environmental issues (Is biodiversity being preserved?), social perspectives (Are the forests successfully co-existing with the people connected with them?), and economic issues (Are the forests being managed on a rotational basis?). In addition, the certification process includes the examination of whether lumber cut from certified forests has been properly processed and appropriately delivered to consumers. Therefore, as products bearing the FSC Certification mark come into wider use, this will lead to the preservation of the health of the world's forestlands and help to protect the earth's environment.



As another initiative aimed at protecting biodiversity, in cooperation with the Japan Biodiversity Association, Mitsui conducted a biodiversity evaluation of its forestlands over a one-year period that began in April 2008. This evaluation is known as the "Habitant Evaluation Procedures (HEP)," and the method employed involves assessing the diversity of plant and animal life in a specified region. By choosing five model forest areas where usage for forestry and forest environmental programs was highest, this evaluation yielded important basic information for the consideration of forest management policies and plans for individual forest areas. Looking ahead, we want to make

effective use of this kind of quantitative information on biodiversity in our forest management activities.

Nurturing the Forests for Utilization in the Future

Mitsui aims not only to manage its forests appropriately but also make the best use of them from a number of perspectives. As part of its activities to contribute to society and regional areas, Mitsui uses its Forest Environment Program, which is targeted at a wide range of stakeholders, to communicate the importance of nurturing forestlands and provides support for the cultural and traditional activities that are linked to the use of forest resources in the vicinity of surrounding communities. Moreover, as part of initiatives to develop new uses for domestic wood resources, Mitsui is considering the use of the unused wood fiber and biomass from our company-owned forests to generate electric power and as fuel for boilers. Also, by making use of the Japan Voluntary Emissions Trading Scheme (J-VER) environmental offset credit system, Mitsui is moving ahead with obtaining certification for the volume of carbon dioxide that is sequestered (fixed) as a result of the proper management of our company-owned forests and then implementing the necessary measures to sell emission rights based on this certification.

Forests are not just resources for our generation. Mitsui's corporate mission is "contributing to the creation of a future where the dreams of the inhabitants of our irreplaceable earth can be fulfilled." Based on this mission, we want to continue to nurture the Mitsui forests, use them with an eye to the future, and pass them on to future generations.



Mitsui forestlands in the Tashiro area of Fukushima Prefecture

Mitsui's Forestry Management Categories

	Categories		Definition	Total area (hectares)
Artificially Planted Forests	Harvest-Oriented Sustainable Forests		Forests where trees are felled, planted, and cultivated in rotation to produce and supply wood resources	8,500
	Natural Restoration Forests		Forests comprising coniferous and deciduous trees, where the regeneration and transformation into natural forests is under way	9,100
Artificially Planted, Harvest-Oriented Sustainable Forests, and Natural Restoration Forests	Biological Conservation Forests	Special Conservation Forests	Forests deemed to possess invaluable biodiversity at a regional and national level and that are determined to have high conservation value	324
		Environmental Conservation Forests	Forests where biological value is concentrated, i.e., rare species are identified	876
		Water and Soil Conservation Forests	Forests of importance for protection of soil and water and conservation of the ecosystem by providing public functions, such as prevention of landslides	3,163
		Cultural Conservation Forests	Forests which are deemed to possess particularly important links with special cultural, ecological, economic, or religious significance to people nearby	117
Natural Forests	Productive Natural Forests		Forest areas that have species of trees that are valuable as wooden materials, and, if cultivated, these trees can be harvested as wood resources	1,400
	General Natural Forests		Forest areas that, although they do not have trees that are commercially valuable, if cultivated, their value for performing public functions can be increased	18,713
	Other Natural Forests		Natural forests other than those mentioned previously	1,900

As of March 31, 2010

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, 2010)

Number of Employees:

6,132 at Mitsui & Co., Ltd.; 41,454 on a consolidated basis (as of March 31, 2010)

Number of Offices:

151 offices (as of June 1, 2010)

In Japan: 12 (Head Office: 1, Offices: 6, Branches: 5)

Overseas: 139 (Overseas offices: 43, Overseas trading subsidiaries: 96)

Main Businesses:

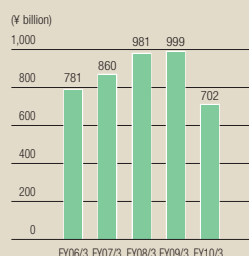
Mitsui, as a *sogo shosha* (or general trading company), draws on the information-gathering and other capabilities of its network of offices—which literally spans the globe—to conduct transactions in a diverse range of products and services, provide logistics and financial services to support these transactions, and use its business engineering acumen to organize international projects. Mitsui's trading and other activities are focused especially in iron and steel products, mineral and metal resources, infrastructure projects, motor vehicles, marine and aerospace, chemicals, energy, foods and retail, consumer services, IT, financial services, and transportation logistics.

Organization Chart (As of April 1, 2010)

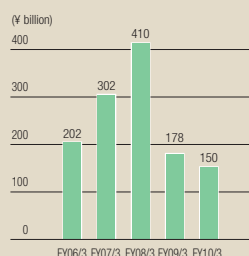


Financial Information (Consolidated)

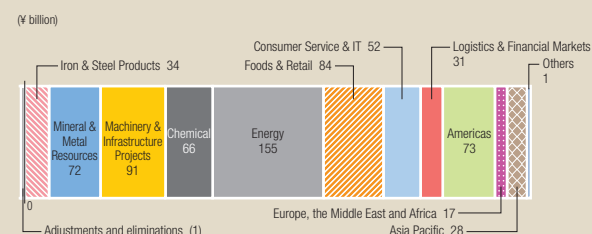
Gross Profit



Net Income



Operating Segment Gross Profit (FY2009)



Third Party Opinion



Professor,
Graduate School of Commerce
and Management
Hitotsubashi University

Kanji Tanimoto

Over the past several years, Mitsui & Co. has implemented measures to raise the awareness and understanding of Yoi-Shigoto and its CSR philosophy on a company-wide basis. When applying these concepts to specific situations, I understand that some misunderstandings arose at the working level. Therefore, Mitsui has again taken the initiative to explain its views of CSR and reconfirm these within the Company. Mitsui has stated clearly “This does not mean that there are businesses or projects that are somehow representative of CSR,” “Mitsui creates value through its core business as a general trading company,” and, as a basis, “Each and every member of staff should be aware of what Yoi-Shigoto means at all times.” The important issue lies in how each business unit puts CSR into practice at the working level. At the management level, the point is to watch how each business unit incorporates the content of Mitsui’s Basic CSR Policy into its business plans, how it implements this content, and then how it evaluates the results. Therefore, I believe it is important how each business unit implements the content of the section “CSR Management Accomplishments and Goals” contained on pages 19 and 20 of the CSR Report 2010.

The level of CSR is understood to be how well the Company can move from the “awareness of employees” to “creating value through the core business,” as the PDCA (plan, do, check, and act) cycle is implemented. On the other hand, the section “Activities of Mitsui’s Business Units” on pages 9 and 10 contains information on activities that are closely related to the environment and public interest, and the results of the previous fiscal year are shown. After defining CSR and describing the CSR promotion framework, this list of activities may invite some misunderstanding. Of course, each of these business activities is highly significant, but it appears that the phrase “taking initiatives and creating value through the core business” is to

be understood in two senses. Although introducing the training and other activities of the business units as well as their activities that contribute to society, which were included in the previous year’s CSR report, is important, the core issue in CSR management is how management is conducted on a day-to-day basis. The CSR report discloses management issues related to the environment, society, and governance.

In this sense, at the end of the third party opinion that I wrote last year, I stated, “In conclusion, as in previous years, the annual report discloses highlights and strategies by business unit. The CSR report should basically be coordinated with the annual report, and, if it discloses non-financial information on activities over the year under review, I anticipate that this would result in a more easily understandable overall presentation.” I would like to reiterate that point again this year.

In the case of a general trading company, since its business fields are highly diverse and touch upon quite different industries and regions, at the same time that a company-wide policy is needed, we also need a discussion of CSR initiatives, issues, and other related topics by each business unit during the year. These would include issues that are common throughout the Company (such as compliance, internal control, risk management, human resource training and development, investment discipline, and increasing the efficiency of assets), along with such broad issues as those related to the environment, society, and governance. Since the management environment and issues differ widely from one business unit to another, we believe what is needed is to select the major issues for each unit and give a presentation of what was accomplished during the past year, assessments of these results, and the objectives that have been set for the next year.

In conclusion, beginning last fiscal year, the policy for the CSR report has been to disclose non-financial information to various stakeholder groups, especially including investors, survey and research organizations, and other specialists; however, the feeling remains that information disclosure on individual issues is insufficient. Therefore, I am looking forward to the additional information that Mitsui will be posting on its website, which I understand is scheduled to be revised.



mitsui & co., ltd.

2-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Telephone: +81 (3) 3285-1111
Facsimile: +81 (3) 3285-9030
<http://www.mitsui.co.jp/en/index.html> E-mail: Csr@mitsui.com



WE SUPPORT

Global Compact

The Global Compact is a set of autonomous principles for action championed by the United Nations. Mitsui has declared its support for these 10 principles.



ISO 14001

Mitsui has received ISO 14001 certification for its environmental management systems.



FTSE4Good

Mitsui's stock has been selected and included in the FTSE4Good stock index, which is a global, socially responsible investing (SRI) index.

In producing and preparing this CSR Report 2010, some of the ways we gave consideration to CSR were as follows.



Waterless Printing

In printing this report, we used a process that uses printing plates made of ink-shedding material and eliminates the need for water.



Soy Ink

We used ink made from soybean oil, which is a vegetable material. By using soy ink instead of petroleum-based ink, it is possible to reduce the amount of organic solvent, making the process friendlier to the atmosphere and the working environment.



FSC-Certified Paper

This report was printed on paper made from trees grown in FSC-certified forests. FSC stands for the Forest Stewardship Council, and its mark is the uniform international certification for appropriate and responsible forest management.



Color Universal Design (CUD)

We designed this report for easy viewing by as many people as possible by giving consideration to individual differences in color recognition capabilities. The design was certified by the Color Universal Design Organization, a nonprofit corporation in Japan.