

Integrated Transportation Systems Business Unit



MITSUI & CO.

July 10th, 2015
Mitsui & Co., Ltd.

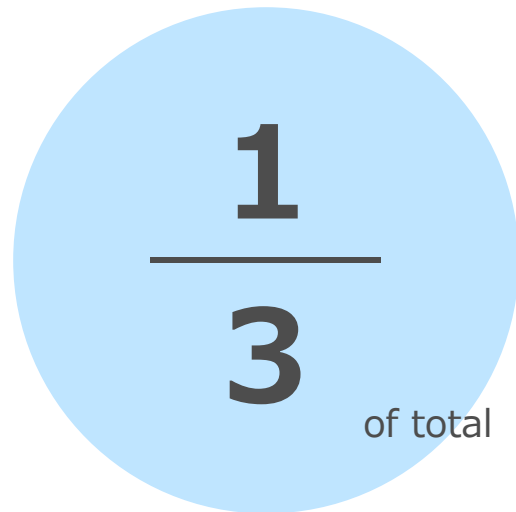
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1.Overview

Numbers Tell Our Business Unit

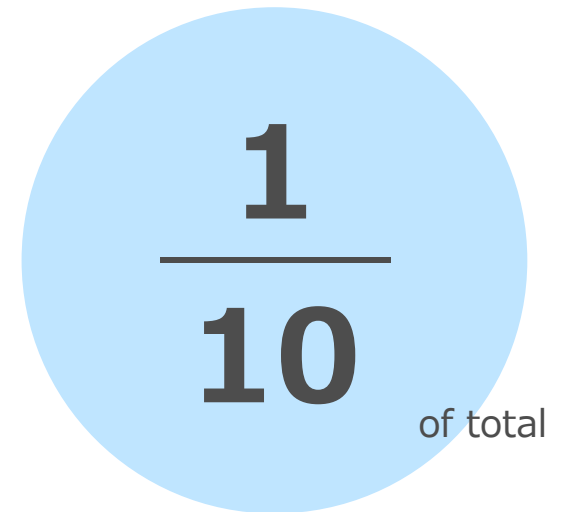
Number of Employees
(Consolidated)



Number of Subsidiaries
(Equity Accounted Investees)

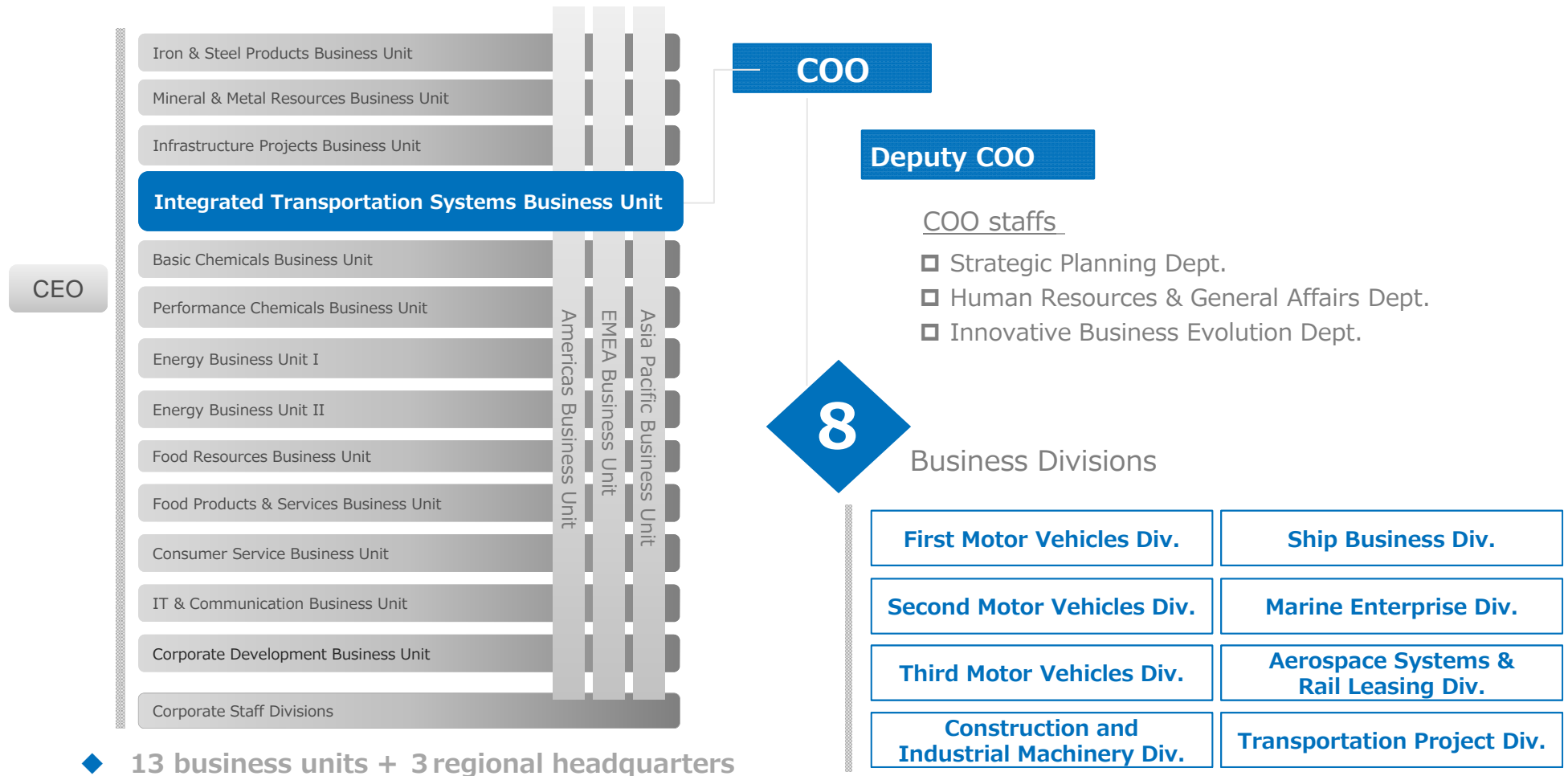


Total Assets & Net Income



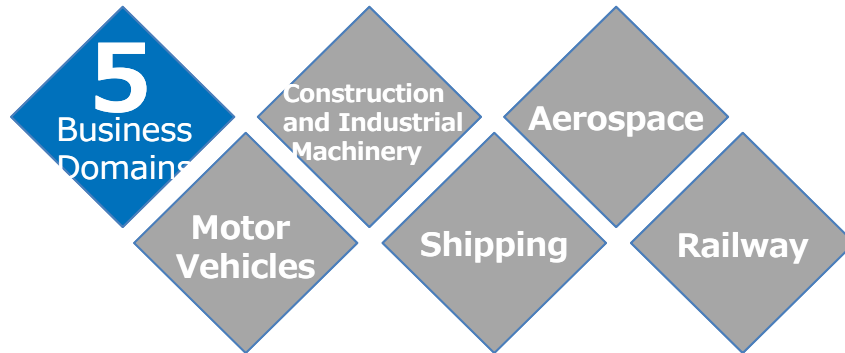
1. Overview

Organization Structure



1. Overview

Business Domains



Motor Vehicles

Motor vehicle/motorcycle assembly and production; parts import and export; freight business for parts, etc. used in motor vehicle production; wholesale agency business; retail sales business; financing business; truck leasing and rental business



Construction and Industrial Machinery

Export/sales/servicing business for industrial equipment including mining/construction machinery, manufacturing equipment, and machine tools; leasing business



Shipping

Sale & purchase of newly-built ships, ship owning, and finance. Brokering of chartering and sale & purchase of secondhand ships. Sale of marine equipment. Ship management/technical services.



Aerospace

Aircraft leasing; aircraft engine development investment, leasing and sales; import and sales of helicopters



Railway

Rolling stock and freight car leasing business; railway infrastructure project; freight railway transportation business; passenger railway concession business



1. Overview

Global Network

Business Locations

Approx.

40

locations

Affiliates

Approx.

150

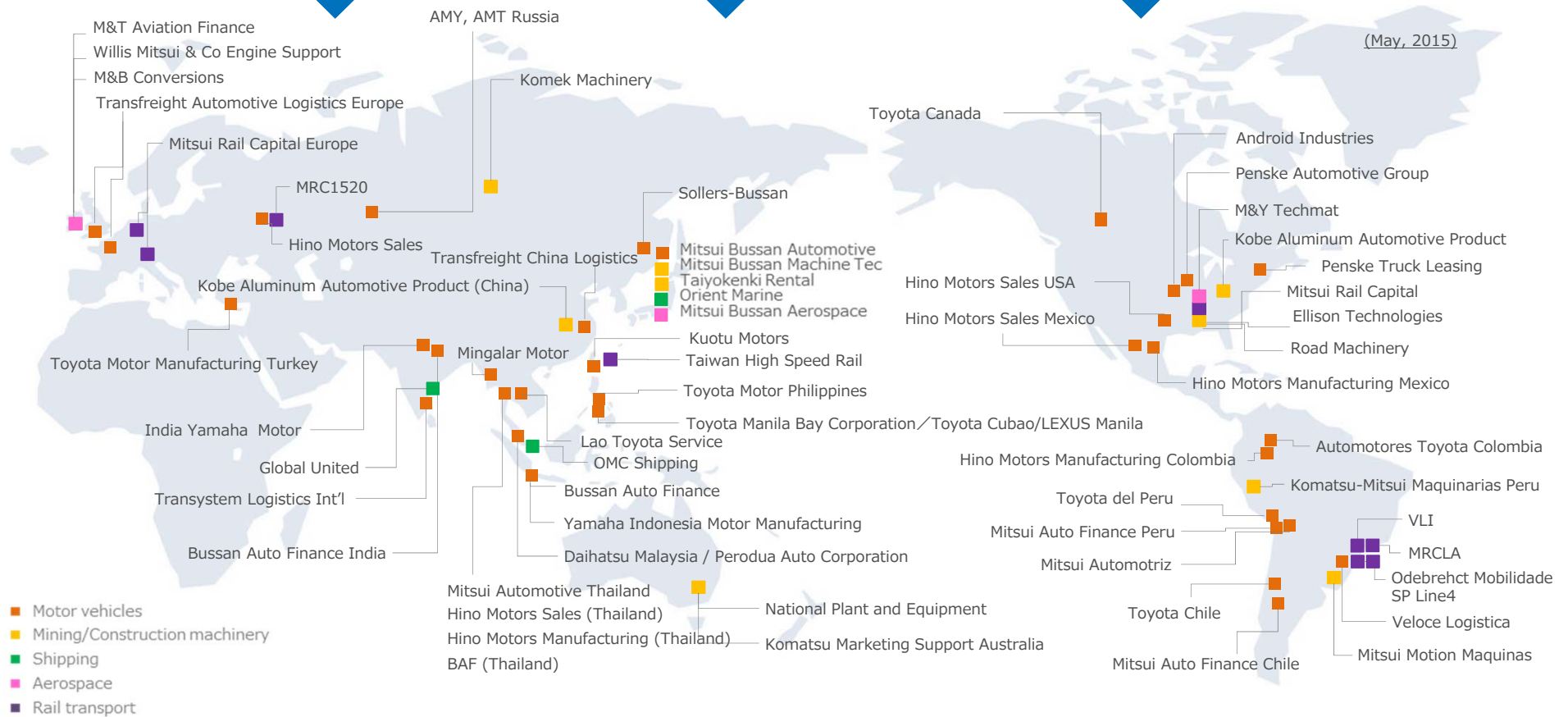
companies

Consolidated Employees

Approx.

17,000

Staff



1. Overview

Activities in Recent Years – News Releases

Y2013

- Sep. Mitsui to participate in Integrated Logistics Business in Brazil
 - Dec. Allocation of new shares by PT. Bussan Auto Finance
-

Y2014

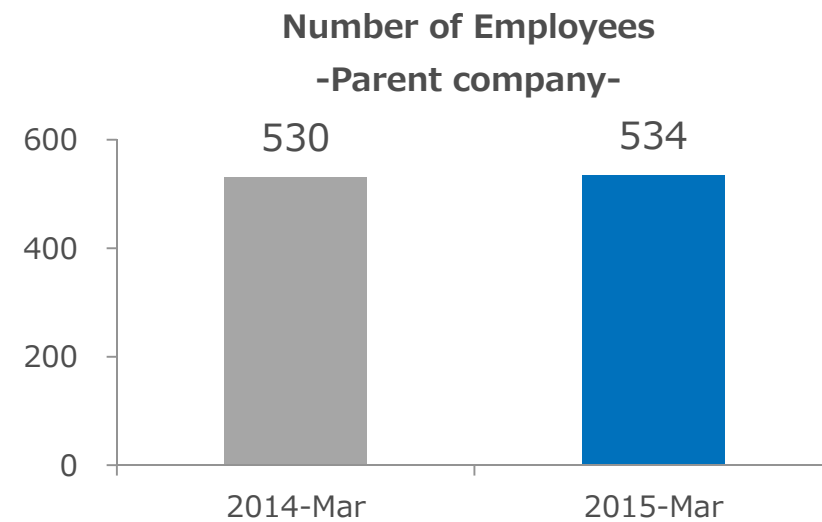
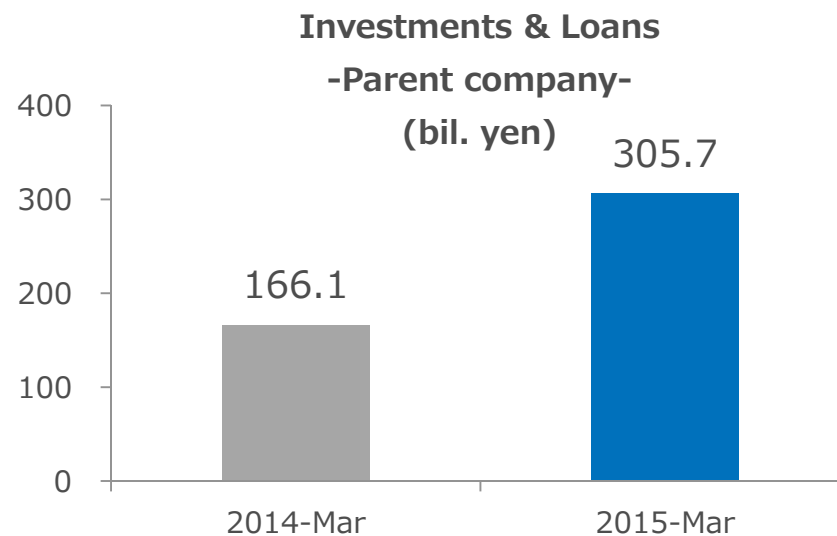
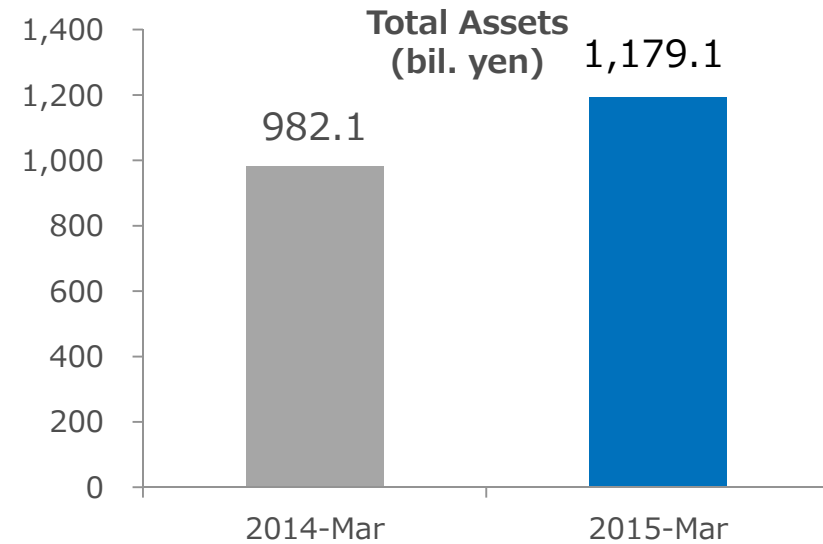
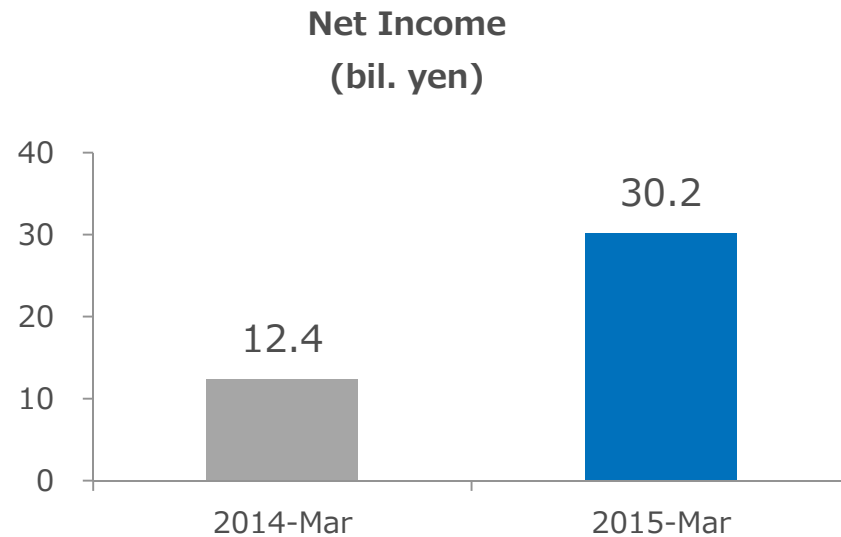
- Apr. Mitsui to Participate in Farm Machinery Manufacturing and Distribution Business in India
 - May. Establishment of Automobile Service Workshop in Myanmar
 - Sep. Conclusion of Time Charter Parties for LNG ships for Cameron LNG Export Project in the U.S.A.
 - Nov. Mitsui to participate in Passenger Railway Transportation Business in Brazil
-

Y2015

- Jan. Conclusion of Time Charter Parties for LNG ships for Cameron LNG Export Project in the U.S.A.
- Mar. Mitsui invests in North America-based Penske Truck Leasing Co., L.P.
- Mar. Mitsui Reaches an Agreement regarding the acquisition of Transfreight North America by Penske Logistics
- Mar. Railcar Leasing Business in North America
- Apr. Mitsui to Reinforce Mining-machine Sales and Service Company in Mexico
- Apr. Mitsui, Toyo, KOBELCO and IKPT enter into Contract for Integrated Railway Systems and Trackwork for North-South Line of Jakarta Mass Rapid Transit System in Indonesia
- May. Conclusion of Time Charter Parties for LNG ships for Cameron LNG Export Project in the U.S.A.

1. Overview

Scale of Business

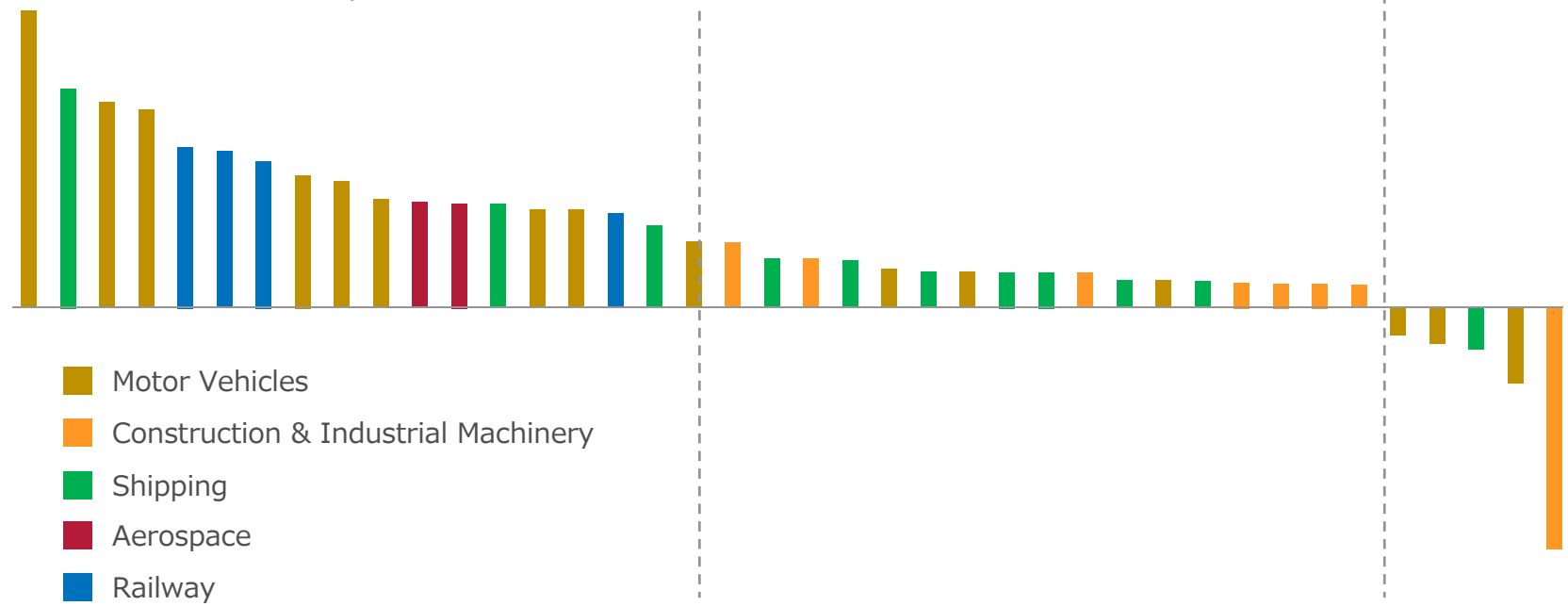


1. Overview

Net Income by Business Domain (Mar/2015)

(excluding parent company, businesses with net income/loss of ¥300mil or more)

Businesses with net income of ¥1bil or more
(17 companies)



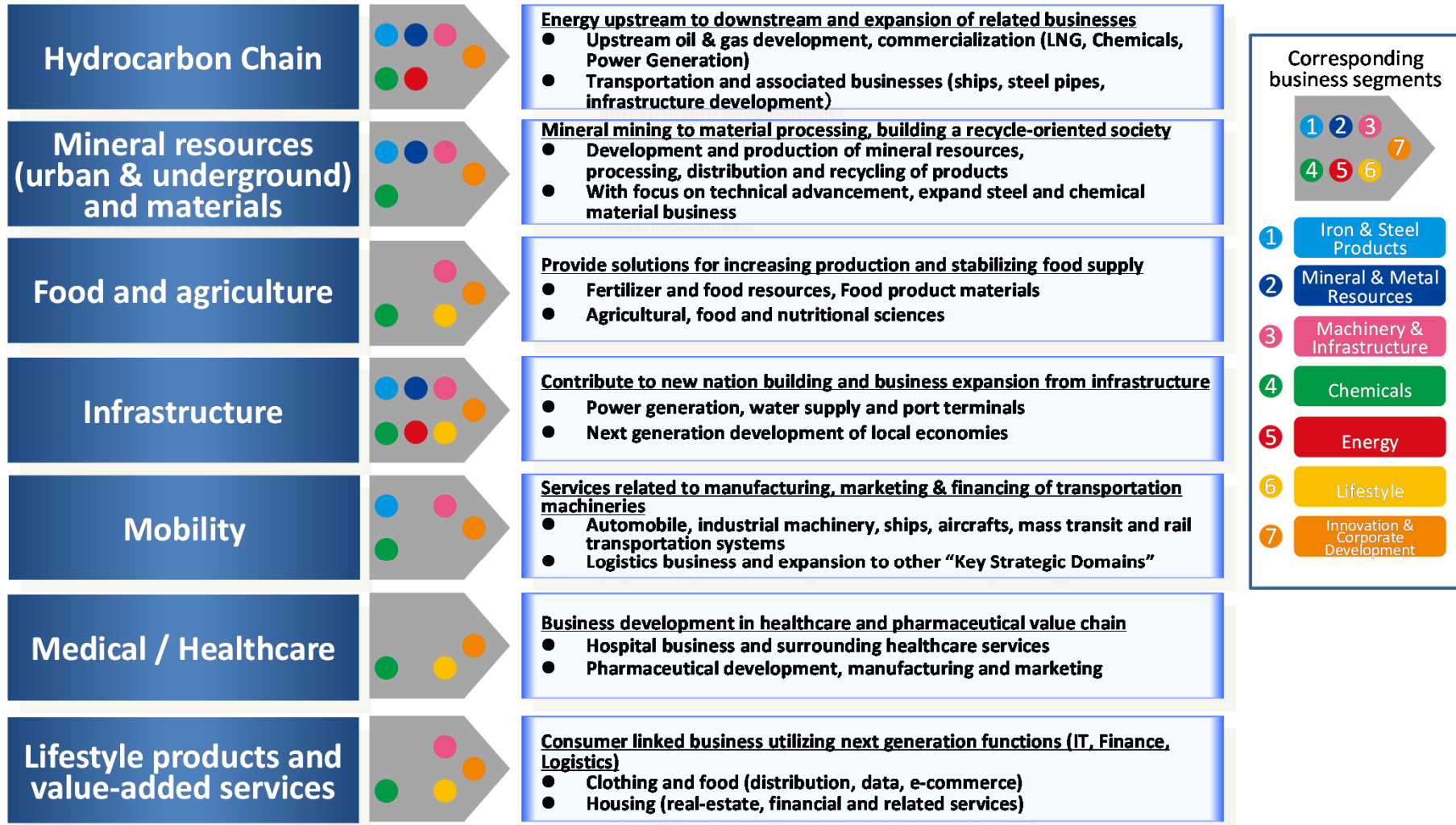
2.Mobility

-a Key Strategic Domain-

2. Mobility

Mobility is one of “Key Strategic Domains” founded on Mitsui’s strength

-Create new value through effective collaboration among business in Key Strategic Domains-



2. Mobility

-Connection with a wide range of industries and growth potential-

Supply of Transportation Systems (automobile, ships, aircraft, railcars, etc.)



Food Resources/Products (Multigrain)



Chemicals



Resources (Vale)



Steel Products (Shipyards)



Energy (LNG)



Passenger Transportation



Finance & Lease



Supply of mining equipment and agricultural machinery



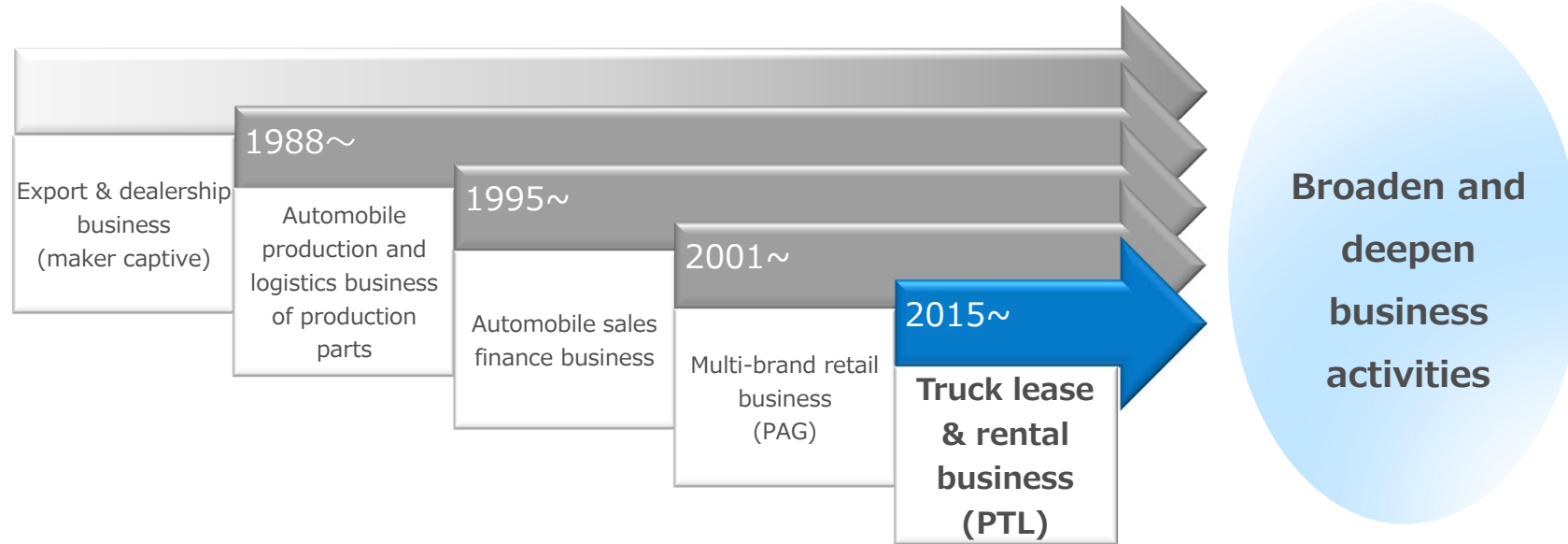
- Contribution to global logistics in a wide range of industries
- Sharing information related to clients and markets with other business units at Mitsui. ➡ Leveraging comprehensive capabilities of Mitsui.
- Contribution to resource development and agricultural sectors.

3.Repositioning

-Transition from “Seller Side” to “Buyer Side” and/or “User Side”-

3. Repositioning

Automobile Domain-Development of business models over the decades



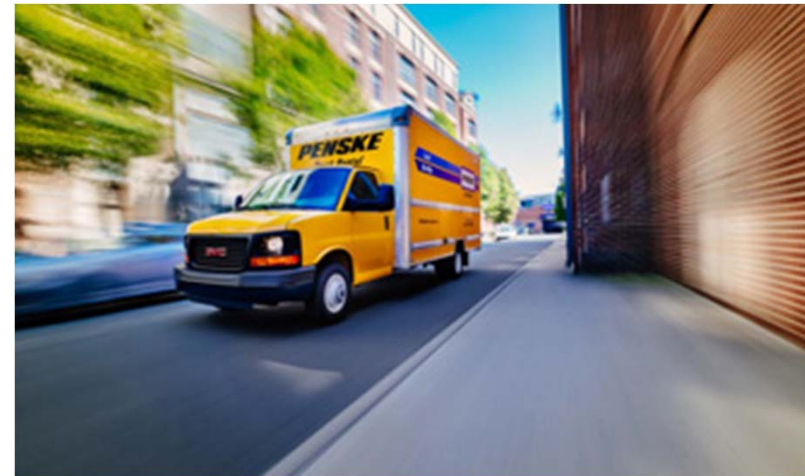
- ◆ Export & dealership business: Export completed cars from Japan, dealership and distributorship business out of Japan based on commercial rights with specific auto-makers(maker captive business)
- ◆ Automobile production business: Equity participation in automobile production businesses (Turkey, Philippines, India, Indonesia, Malaysia)
- ◆ Logistics business of : Transportation of production parts for automakers (USA, Canada, Mexico, India, China, Europe)
- ◆ Sales finance business : Motorbike and passenger cars for retail (Indonesia, Thai, India, Chile, Peru)
- ◆ Multi-brand retail business: PAG (Penske Automotive Group)
- ◆ Truck lease and rental business: PTL (Penske Truck Leasing) - merged logistics businesses in North America

3. Repositioning (Automobile Domain)

Truck Leasing Business in North America

- Penske Truck Leasing (PTL)- Mitsui's equity participation of 20% -

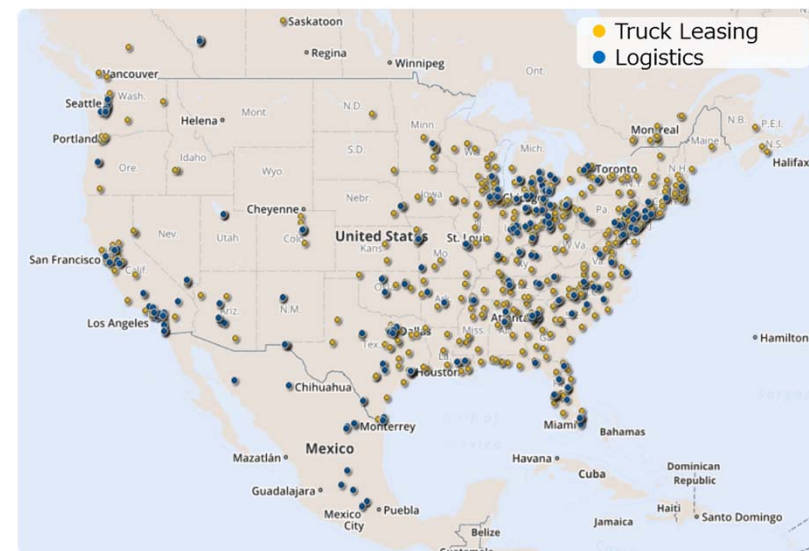
U.S. market is expected to have sustainable population growth and incremental cargo transportation needs, Mitsui to take up this opportunity and work on optimization of customer needs.



PTL Service Offerings

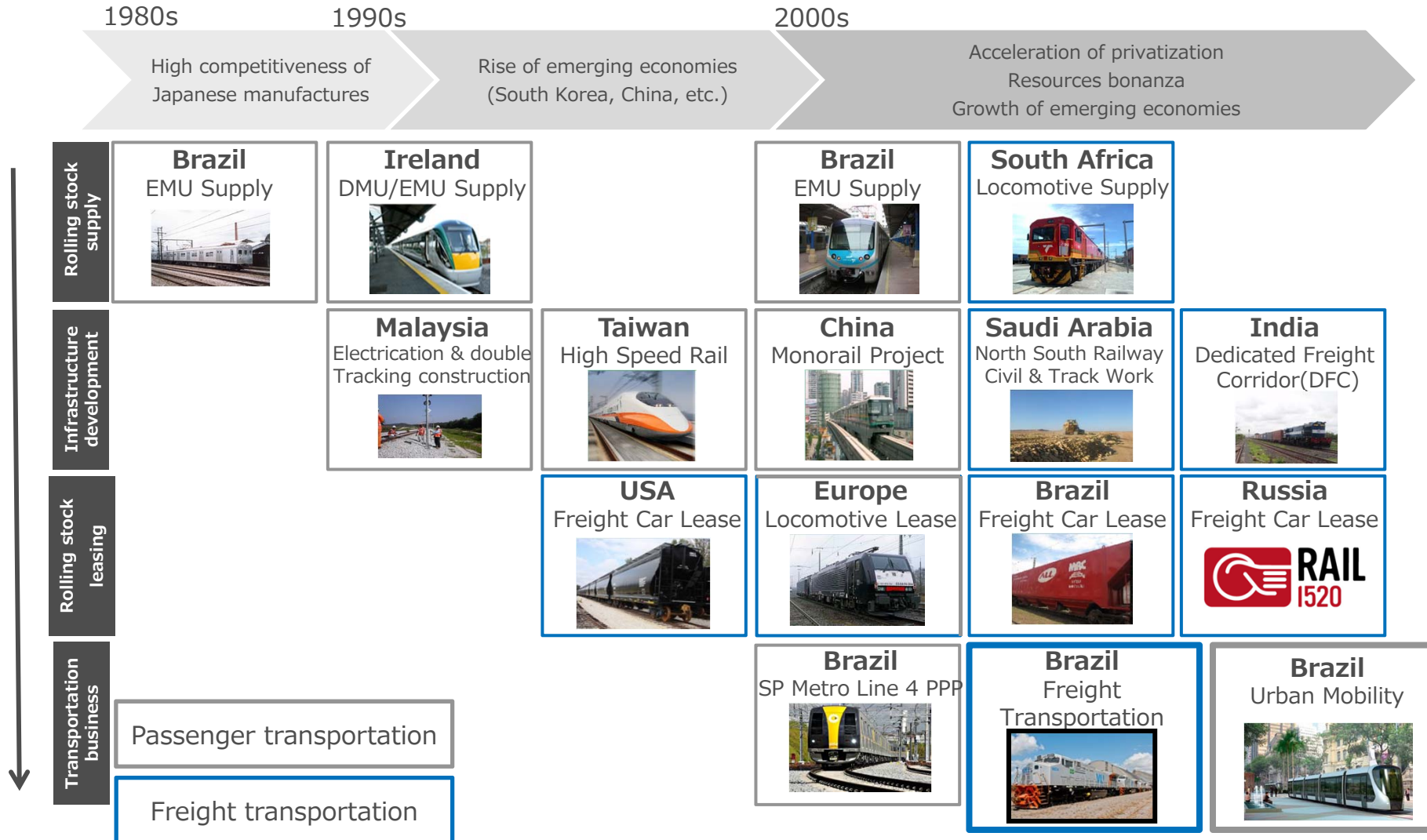
<p>Full-Service Leasing</p>	<ul style="list-style-type: none"> ● Vehicles customized to customer needs. ● Preventive and full maintenance by utilizing 700 North American locations
<p>Contract Maintenance</p>	<ul style="list-style-type: none"> ● Maintenance for customer-owned equipment ● Have potential to future leasing contracts
<p>Truck Rental</p>	<ul style="list-style-type: none"> ● Short-term rental for corporation & individual
<p>Logistics</p>	<ul style="list-style-type: none"> ● Dedicated Contract Carriage ● Distribution Center Management ● Transportation Management

PTL Network in North America



3. Repositioning

Rail Domain-Development of business models over the decades



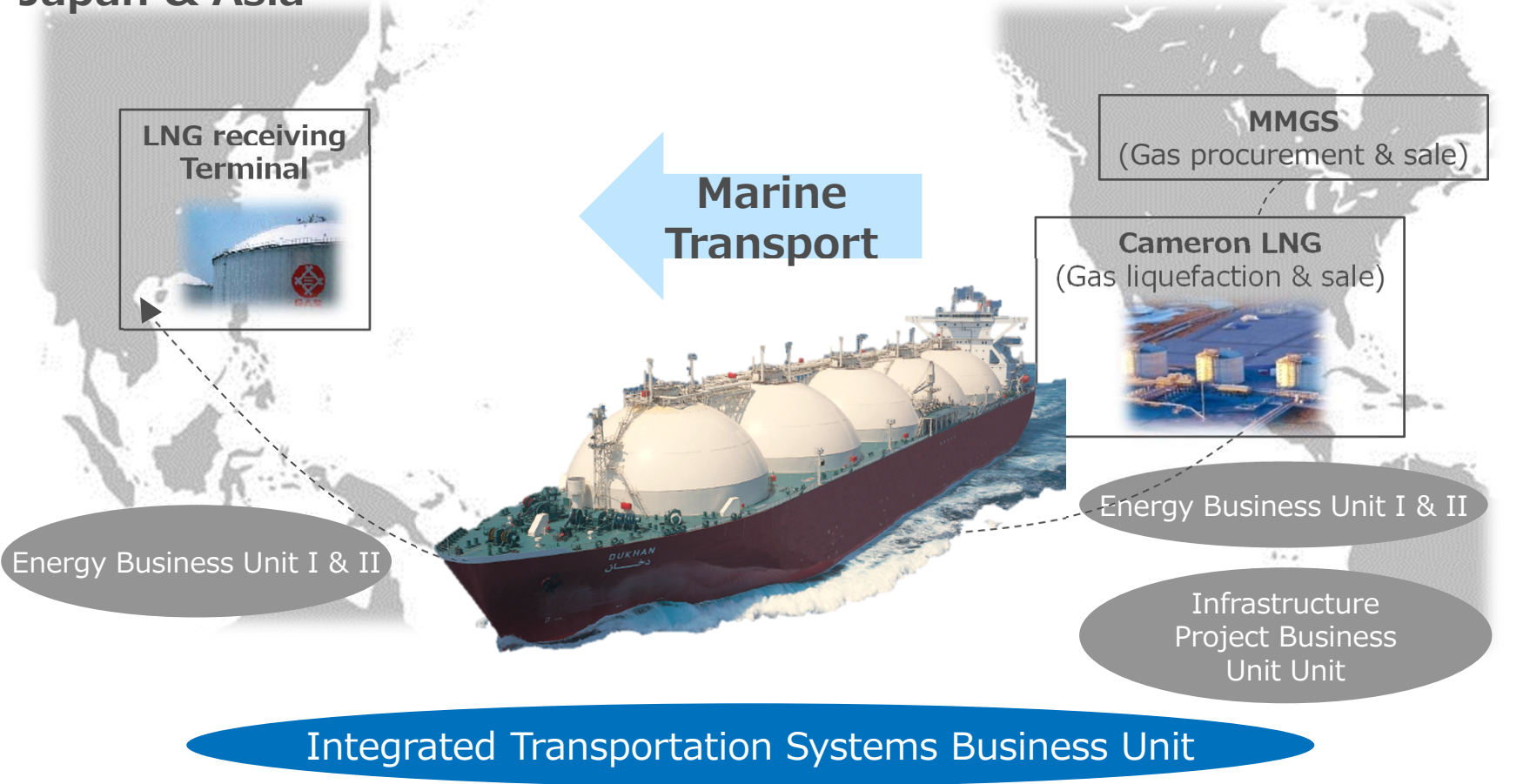
3. Repositioning

Shipping Domain

Leveraging comprehensive capabilities in the "Gas Value Chain"
- Cameron LNG Project -

Japan & Asia

North America



4. Business Strategy

4. Business Strategy

- Review of the 1st year of the New Medium-term Management Plan

Financial Results

Consolidated net income ¥30.2bil.(¥34.6bil. global base)

() = changes from previous year

Gross Profit	¥105bil. (+¥10.6bil.)
Net Income	¥30.2bil. (+¥17.8bil.)
Total Assets	¥1,179.1bil. (+¥196.9bil.)



Major factors (positive)

- Increased number of newly built and second-hand ship transactions
- Increase in sales of automobiles in the North America and Asia
- Increased deliveries of helicopters(Agusta Westland made)
- Decreased R&D costs related to aircraft engine development
- Contribution of VLI business



Major factors (negative)

- Declined demand for mining equipment due to stagnation of mining industry



Implementation

① Completed investment in 3 Repositioning Projects

VLI (Rail freight transportation business in Brazil)

OM (Passenger transportation concession business in Brazil)

PTL (Truck leasing and rental business in North America)

② Leveraging comprehensive capabilities of Mitsui

Conclusion of time-charter parties for LNG vessels for Cameron LNG Project(USA)

- joint project with Energy Business Units



4. Business Strategy

Goals and Basic Policy

Focus on earnings

To achieve the business plan- net income ¥40bil. (global basis) and improve ROA

→ step toward net income ¥40 bil to ¥50 bil in FY 2020

Promote concrete actions in challenging areas

Commercial vehicles, robotics-automation business, Development of new business opportunities around railway business, Indian market

Improvement of quality of asset portfolio

Controlling asset portfolio by dilution of existing assets and reallocation of resources

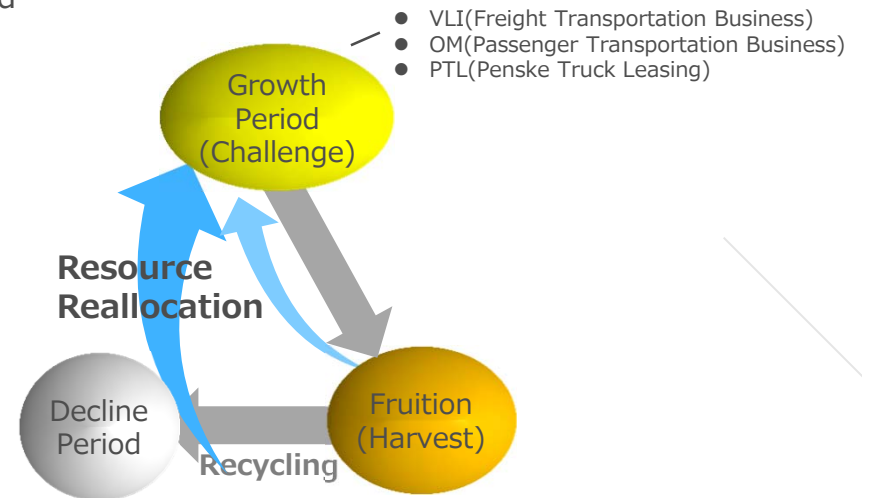
Actions to Do

Constantly execute reallocation of resources taking into account the business lifecycle and efficient harvesting

Building balanced profit platforms at all business domains through rearrangement of existing and new business

Get the newly invested businesses (i.e. VLI, OM, PTL) off the ground and proceed with PMI(Post Merger Integration)

Lifecycle management through constant resource reallocation



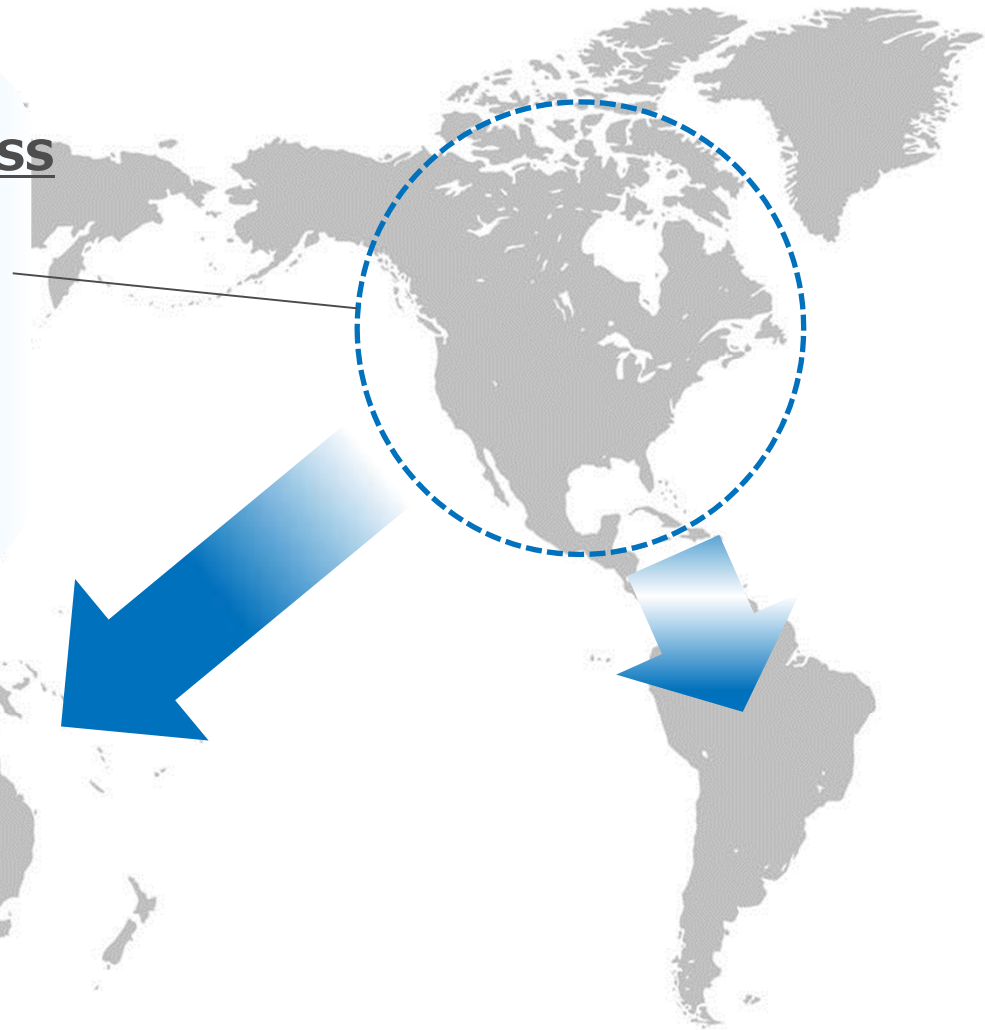
5.Keywords

- Challenging areas for further development -

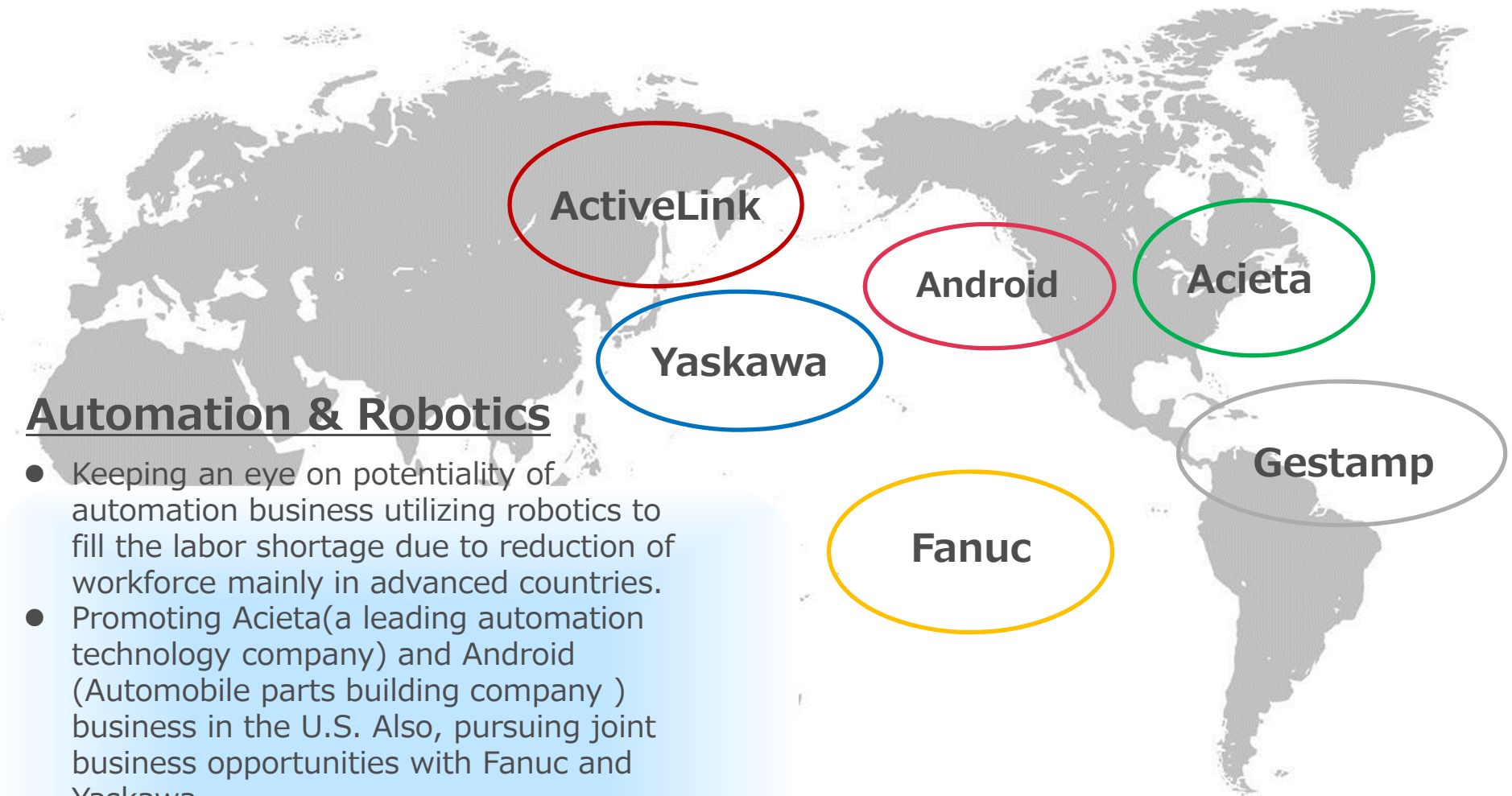
5. Keywords

Commercial Vehicle Business

- Mounting efforts to increase production and sales of Hino Truck business in U.S. and Mexico.
- Pursuing synergy between Mitsui Group in the Americas and PTL(Penske Truck Leasing).
- Working to expand the field of vision to Latin America and Australian markets.



5. Keywords



Automation & Robotics

- Keeping an eye on potentiality of automation business utilizing robotics to fill the labor shortage due to reduction of workforce mainly in advanced countries.
- Promoting Acieta(a leading automation technology company) and Android (Automobile parts building company) business in the U.S. Also, pursuing joint business opportunities with Fanuc and Yaskawa.
- Power assist suites by ActiveLink is a promising technology to assist workers at warehouses and factories.

5. Keywords

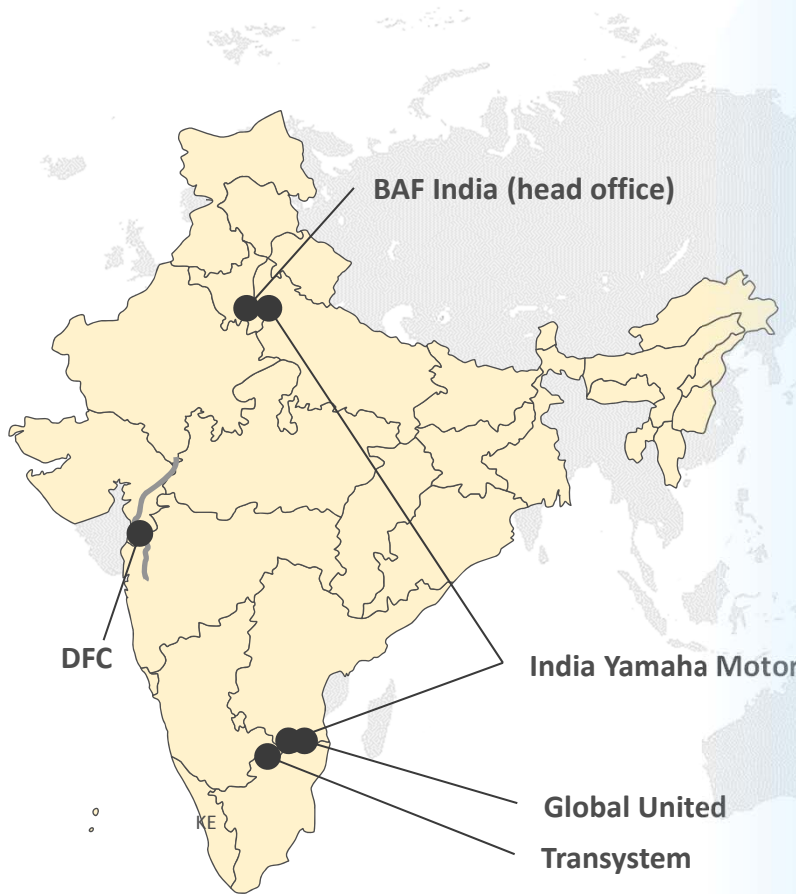


Business Development around Passenger Railway Transportation

Expanding business around passenger transportation business in Brazil and others – adding value on OM project.

- Japanese railway companies are in the forefront in the business of running shopping malls in train stations.
- To provide local people with high quality Japanese style services and unprecedented experience of convenient and enjoyable shopping at stations.
- Cooperation with Consumer Service Business Unit at Mitsui and local partners.

5. Keywords



India – ongoing projects

Our business unit holds the largest number of staff (13) in India among machinery business division of Japanese trading companies. Having high expectation towards the Indian market, we are operating and getting involved in passenger/cargo transportation business.

◆ Ongoing Projects

- **DFC:** participating in the tender of Dedicated Freight Corridor project to construct approx. 1,467km of track for the Western Corridor between Delhi and Mumbai.
- **Global United (Shipping)** Coastal shipping business. Synergetic effect is expected between local business network and the global network of shipping domain at Mitsui.
- **India Yamaha Motor (Motorbike production)** Invested in 2008. Indian motorbike market has surpassed that of the Chinese in 2012.
- **BAF India (sales finance of motorbike)** Covering across the Indian market with a HQ, 15 branch offices and 4 district offices.
- **Transystem (Logistics service for automobile production parts)** Mitsui holds 51% equity share. TCI, Indian's largest logistics company, is business partner.

Appendix

Main Business of 5 Business Domains

Motor Vehicles



In addition to strengthening our business base centered on the Toyota Group, we are taking a global approach to business development by expanding business with strategic partners such as Penske Automotive Group, Inc. and planning business expansion rooted in each market. We are strengthening our value chain from maker to user, including assembly and manufacturing, logistics, wholesale, retail and financing, and truck leasing and rental.

Motor vehicle manufacturing / wholesaling business

- **Business outline:**
Establishment of motor vehicle manufacturing hubs; motor vehicle sales business
- **Main businesses:**
 - Sales of Toyota motor vehicles (Chile)
 - Manufacture and sales of Hino trucks (Thailand)
 - Manufacture and sales of Yamaha motorcycles (Indonesia, India)

Logistics business

- **Business outline:**
Operation of logistics business and parts business in the Americas and other regions
- **Main businesses:**
 - Motor vehicle parts logistics (North America, Brazil)



Motor vehicles/motorcycles financing business

- **Business outline:**
Asia / South America retail financing business
- **Main businesses:**
 - Financing for Yamaha motorcycles (Indonesia, India, Thailand)
 - Financing for Toyota motor vehicles (Chile, Peru)

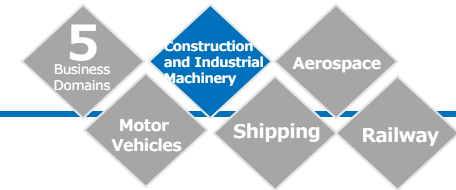
Multi-brand business

- **Business outline:**
Collaboration, global expansion with PAG
Participation in multi-brand business

Truck leasing and rental business

- **North America**

Construction and Industrial Machinery



We are focusing efforts on developing our revenue base in the Americas, Australia, and Russia, where there is steady demand for mining and construction machinery for mineral resource developments. We are also working to strengthen our machine tool business in the Americas, Asia and Japan.

Construction machinery sales business

- **Business outline:**
Centering on sales and rental of Komatsu construction/mining machinery, along with expansion of peripheral businesses including underground machinery
- **Main businesses:**
Sale and rental of Komatsu construction and mining machinery
 - Australia
 - 5 states in U.S.A (Arizona, California, etc.)
 - Mexico (mining machinery only)
 - Peru
 - Russia (Ural, West Siberia)
 - Kazakhstan



Industrial machinery sales business

- **Business outline:**
Sales of Industrial machinery, agricultural machinery, and robots
- **Main businesses:**
 - Domestic and international sales of industrial machinery (Mitsui Bussan Machine Tech Group)
 - Sales of FANUC products (Thailand, Malaysia, Brazil)
 - Sales of DMG Mori Seiki Products (U.S.)
 - Sales of Yanmar agricultural machinery (Asia)
 - Sales of ActiveLink robots (Japan)
 - Sales of Yaskawa Electric (Japan)



Rental, Financing business

- **Business outline:**
Mining machinery, dump truck rental; Komatsu construction machinery, mining machinery financing
- **Main businesses:**
Construction machinery rental business
 - Japan (Taiyo Kenki, Nippatsu Rental)
 - Australia (NPE, mining machinery)
 Financing business
 - Australia (Komatsu construction machinery)





We are strengthening sales of newly-built ships in commercial ship business, and also enhance our ship owning business (investment). Anticipating the surged demand for LNG transportation due to shale gas project development, we are further promoting LNG ship business as a stable and long-term source of revenue.

Commercial ship business

- **Outline:**
 - Sale & purchase of newly-building ships
 - Broking of chartering and sale & purchase of secondhand.

Owned ship business

- **Outline:**
 - Ship owning and chartering to shipping companies together with ship management
 - Co-ownership/operation with strategic partners



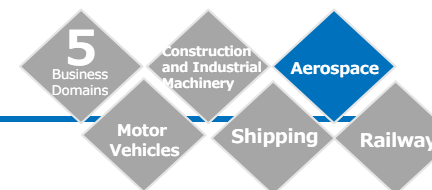
LNG ship business

- **Outline:**
 - LNG ship ownership
 - Development of LNG trading and shipping transactions through collaboration with Mitsui Energy Business Unit

New business

- **Outline:**
 - Development of global partner strategy
 - New initiatives including big data, reinforcement of Mitsui's logistics capabilities





We are developing our business by building up our own aircraft leasing fleet and engine related business with strategic partner. On top of that, our helicopter business is in a strong position in the Japanese market. Through these businesses, we will continue to tap into the continuous stable growth demand for air transportation worldwide, and look to enhance our long-term revenue.

Aircraft leasing business

● Business outline:

Aircraft operating leasing; arrangement, management, remarketing of leases for Japanese investors.

● Main businesses:

- Short- to Mid-term operating leasing of Boeing (U.S.) and Airbus (EUR) narrow body aircraft



Aircraft engine business

● Business outline:

Aircraft engine development investment, leasing and sales

● Main businesses:

- Participation in development investment of new GE (U.S.) aircraft engines
- aircraft engine lease business with Willis Lease
- Sales of GE aircraft engines



Helicopter business

● Business outline:

Import and sale of helicopters; Development of Japan-made regional jet aircraft program; Cargo conversion business

● Main businesses:

- Import and sale of Augusta Westland (Italy) helicopters
- Participation in Mitsubishi Regional Jet development/manufacturing program
- Cargo conversion business with IAI (Israel)





We are pursuing further development in railway infrastructure project, freight transportation business and passenger railway concession business, with our rolling stock and freight car leasing business in the U.S., Europe, Brazil, and Russia as a revenue base.

Rolling stock and freight car leasing business

- **Business outline:**
Rolling stock and freight car leasing business
- **Main businesses:**
 - U.S. freight car leasing business (MRC)
 - Europe locomotive leasing business (MRCE)
 - Brazil freight car rental business (MRCLA)
 - Russia freight car leasing business (MRC 1520)



Railway infrastructure project

- **Business outline:**
Railway system construction project, import and export of rolling stock
- **Major projects:**
 - Taiwan High Speed Rail
 - Chongqing Monorail
 - Okinawa Monorail
 - Malaysia electrified double-tracking construction
 - Locomotive export to South Africa
 - E&M systems supply for Jakarta MRT



Freight transportation business, passenger railway concession business

- **Business outline:**
 - Freight transportation business (railway, port and inland terminal)
 - Urban transportation concession business
- **Main businesses:**
 - VLI freight transportation business (Brazil)
 - Odebrecht Mobilidade passenger transportation business (SuperVia, Sao Paulo Metro Line 6) (Brazil)
 - São Paulo Metro Line No.4 (Brazil)



360° business innovation.



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