December 9, 2014

For Immediate Release
To Whom It May Concern

Mitsui & Co., Ltd.

Mitsui to participate in Coal and Rail & Port Infrastructure Business in Mozambique

Mitsui & Co., Ltd. ("Mitsui", Head Office: Tokyo, President & CEO: Masami Iijima), has agreed with Vale S.A. (“Vale”) to participate in the Moatize coal mine project (“Moatize project”) and the Nacala Corridor rail & port infrastructure project (“Nacala project”), which Vale has been operating and developing in Mozambique.

Mitsui will own a 15% equity interest in Vale’s wholly-owned investment subsidiary that holds a 95% equity interest in the Moatize project, and own a 50% equity interest in Vale’s investment subsidiaries that have been promoting the Nacala project. Mitsui’s upfront payment amount for investment and loans is USD 450 million for the mine and USD 313 million for the infrastructure. The amount for the mine will be adjusted based on the future actual performance results of the Moatize project, so the final payment amounts could vary based on the conditions of the contracts.
The completion of the transaction is expected upon satisfaction of conditions, such as obtaining the relevant approvals and licenses including those given by local governments.

< Moatize Coal Mine >
Moatize mine is one of the largest and cost-competitive operating coal mines in the world as it has a huge coal reserve amounting to 690 million tons of metallurgical coal and thermal coal, and its coal seams are relatively near surface, which enables the large-scale open-cut operation. Vale began its production in August, 2011, and now exports coal via Sena railway from the Port of Beira, which is about 600km south of the mine. The annual production in 2013 was 3.8 million tons. Vale has now been expanding the annual production capacity of the mine up to 22 million tons, which is expected to be reached in 2016. The expected expansion cost is approximately USD 2.1 billion, part of which Vale has already paid, and Mitsui’s future payment for the expansion cost on a pro rata basis is expected to be USD 190 million. Also, as the mine expansion mentioned above would produce more coal than Sena rail and port capacity, there is a plan in the Nacala project to construct new infrastructure, which enables shipments from the Port of Nacala, which is located 912km east of the mine.

Since its participation in the development project of Moura coal mine (currently called Dawson mine) in Australia in 1963, Mitsui has diligently committed itself to securing and enhancing the stable supply of coal centered on Japanese customers. Moatize mine is the first mine that Mitsui has participated in since 2004, and it is a durable and excellent resource asset that will provide the diversification of our supply sources and enhancement of our coal business revenue base. Also this Moatize/Nacala project is an integrated project that covers the development of the transportation and port infrastructure, which is essential for the whole coal business operations, from mining development to the shipments of the coal.

< Nacala Corridor Rail & Port Infrastructure Project >

The Nacala project requires the upgrade of the 682km existing rail line, which runs across Mozambique and Malawi, and the construction of the new 230km rail line and new construction of a coal terminal in the Port of Nacala and development of general commodities terminals. By managing such infrastructure effectively, its railway transport annual capacity is planned to increase gradually up to 22 million tons, the port's coal shipping capacity is designed to 18 million tons annually and general commodities shipping capacity is expansible to 4 million tons annually. The total construction cost is expected to be approximately USD 4.4 billion, and part of the cost is planned to be funded with project finance from public financial institutions overseas and Japanese banks.

This Nacala project will handle a large part of the coal transportation of the expanded Moatize mine based on the long-term contract. Therefore, stable revenue can be expected. Also, part of the transport capacity of the rail line is planned to be utilized for general cargo other than coal, such as other minerals and agricultural products produced as well as for passengers. In addition, the rail line and port shipping capacities have room for further expansion should there be a future increase of the demand.

Our plans for equity participation in the Moatize project and the Nacala project are classed as growth investments in the Key Strategic Domains of "mineral resources and materials" and "infrastructure", under the cash flow allocation policy defined in our New Medium-Term Management Plan, which was announced in May 2014.

Vale, with which we have signed a strategic alliance agreement, has knowledge and experience accumulated through its involvement in the integrated operation of large-scale iron ore mines and rail and port infrastructure in Brazil. In addition, Vale and Mitsui are jointly running a general freight transportation business through VLI S.A. We are confident that we can maximize the value of the Moatize and Nacala projects by utilizing our knowledge in these areas, and by working with this excellent partner.

Mitsui regards Mozambique as a corporate priority region because of its potential growth as one of Africa's leading resource-producing nations. Our policy toward Mozambique emphasizes business activities that contribute to national development and economic growth that are mutually beneficial. We are already implementing a large-scale gas field development in Mozambique.

Coal from Moatize will be a major export product for Mozambique. Together with the Nacala project to improve transportation infrastructure in Mozambique and Malawi, the mine is expected to make a significant contribution to economic development in both countries. We will continue to contribute to development and growth, not only in Mozambique but throughout Africa, by using infrastructure created through these projects as the foundation for efforts to develop related business activities in this region.

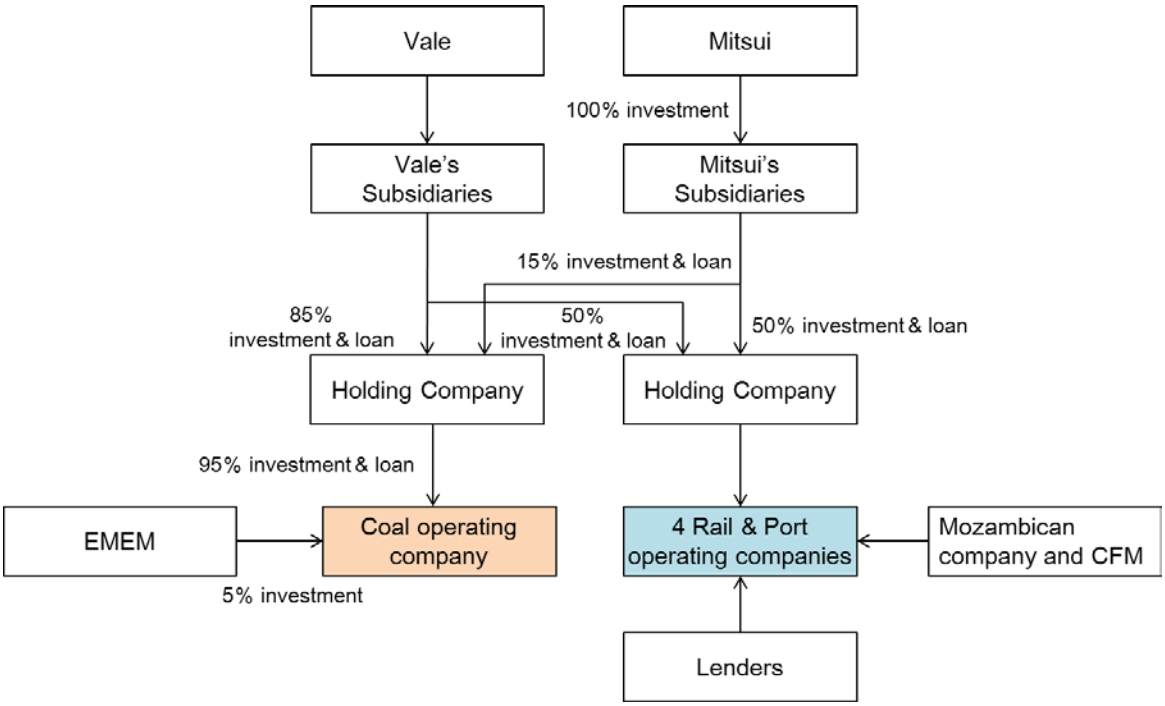
< Moatize mine >

Ownership portion	The holding company of Vale and Mitsui: 95% (Vale's subsidiary: 85%, Mitsui's subsidiary: 15%) Empresa Moçambicana de Exploração Mineira (EMEM): 5%
Location	Tete state, Republic of Mozambique
Production	22 million tons/annual

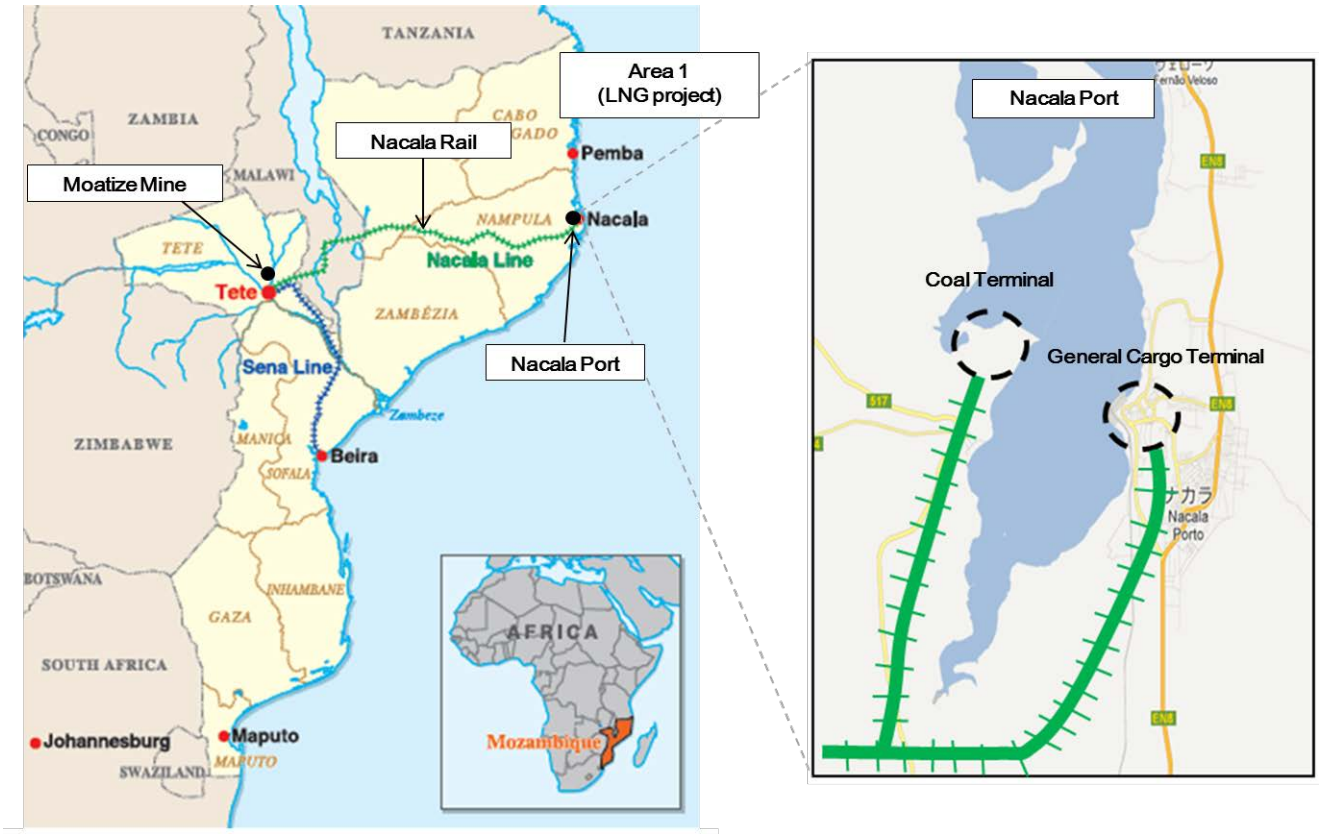
< Nacala rail & port infrastructure business >

Purpose of the business	The transport and shipment of coal, general commodities and passenger
Main assets Rail Coal terminal General cargo terminal	 Total length : 912km Transport capacity : 22million tons/annual Loading capacity : 18million tons/annual Loading capacity : 4million tons/annual
Ownership portion	The holding company of Vale and Mitsui: approx. 70% (Vale's subsidiary: 50%, Mitsui's subsidiary: 50%) Mozambican company and Portos e Caminhos de Ferro de Moçambique (CFM): approx. 30%

< Investment structure >



< Map >



For further information, please contact:

Mitsui & Co., Ltd.

Investor Relations Division Tel: +81-3-3285-7910

Corporate Communications Division Tel: +81-3-3285-7596

Notice:
This announcement contains forward-looking statements. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors referred to above include, but are not limited to, those contained in Mitsui's latest Annual Securities Report and Quarterly Securities Report, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements. This announcement is published in order to publicly announce specific facts stated above, and does not constitute a solicitation of investments or any similar act inside or outside of Japan, regarding the shares, bonds or other securities issued by us.