

Investment in Brazilian Agricultural Production Business

Nov. 13, 2007



On November 9, Mitsui obtained shares in Xingu AG ("Xingu" - head office Switzerland), the parent company of Agricola Xingu SA, which owns extensive farms and carries out agricultural production in Brazil, and simultaneously transferred these shares to Multigrain AG ("Multigrain" - head office: Switzerland). In August this year, Mitsui carried out a 25% capital acquisition of Multigrain, the parent company of Multigrain S.A., whose core business is the origination and export of grain in Brazil, largely soybeans. As a result of the above share transfer, Xingu will now become a wholly-owned subsidiary of Multigrain. Consequently, Multigrain will expand its product range from soybeans to corn and cotton, and will also create a coherent management system from production right through to exports. Mitsui's total investment in Multigrain including the above acquisition will reach 10 billion yen. We regard this as a first step in entering the Brazilian agricultural production business.

With demand for food increasing every year as a result of an increasing world population and the economic development of emerging nations, the number of regions with the capacity to increase production is limited. With abnormal weather events also occurring, it is expected that the ability to secure stable food resources will become an increasingly important requirement in the future. According to a publication by the United Nations Food and Agriculture Organization (FAO), there is 250 million hectares of arable land in Brazil, of which only 60 million hectares is currently being used for farming, leaving room for a significant future expansion in cultivated land and making Brazil one of the few countries in the world known to be capable of satisfying an increase in the global demand for food.

Multigrain is jointly operated by CHS Inc ("CHS" - head office: United States; listed on NASDAQ), which is a leading energy and grain-based foods company in the United States, Brazilian grain company PMG Trading S.A. ("PMG" - head office: Brazil), and Mitsui. By gaining control of Xingu, which owns approximately 100,000 hectares of expansive farms (approximately 1.6 times that of Tokyo's 23 wards; equivalent to 2% of the total cultivated land of Japan), Multigrain will be able to acquire a steady food source at the same time as allowing the creation of a coherent management system from production to exports for the reliable and safe supply of food. Moreover, Multigrain plans to strengthen its transport logistics in order to deliver agricultural produce to customers more quickly and more efficiently. The company is also considering investigating new agribusiness fields in the future, such as ethanol production from sugarcane produced on its own farms.

Mitsui aims to develop Multigrain into a comprehensive agribusiness enterprise which carries out a chain of production, processing and exports by making the most of the synergistic strength we have built up over our many years in Brazil, in partnership with CHS, with its know-how of agriculture in the United States, and PMG, which has a deep understanding of Brazilian agribusiness. Through our entry into the Brazilian agricultural production business, which possesses the capacity to expand its agricultural production, we also intend to respond to food demand, not only in Japan but also globally, and to contribute to the realization of 'food security', as well as looking to create new employment in the regions where farms are located and contribute to regional economies.

Outline of Investment Target

Multigrain AG

Established	2006
Head office location	Switzerland
Shareholders	CHS/37.5%, PMG/37.5%, Mitsui & Co., Ltd./25%
Business	Multigrain is a holding company established through the investment of CHS, PMG and Mitsui. Its 100% subsidiary Multigrain S.A. is engaged in the origination and export of soybeans, the export and sale of sugar, wheat imports, and the milling and domestic fertilizer businesses.

Head office location	Switzerland
Business	Wholly-owned subsidiary Agricola Xingu S.A. owns approximately 100,000 hectares of farms in the states of Bahia, Minas Gerais and Maranhão, and is involved in the cultivation of soybeans, corn and cotton, as well as the cotton ginning business (the process of refining raw cotton). The total size of its farms is approximately 1.6 times that of Tokyo's 23 wards, equivalent to 2% of the total cultivated land of Japan.

Partner Outlines

CHS INC.

Established	1998, as the result of the merger of Cenex and Harvest States
Head office location	Inver Grove Heights, Minnesota (5 miles south of St Paul)
No. of Employees	Approx 12,000
Business	Listed on NASDAQ as a leading energy and grain-based foods company in the United States
Outline of results	Net revenues for 2006 were \$14.4 billion, with net income at \$490 million.

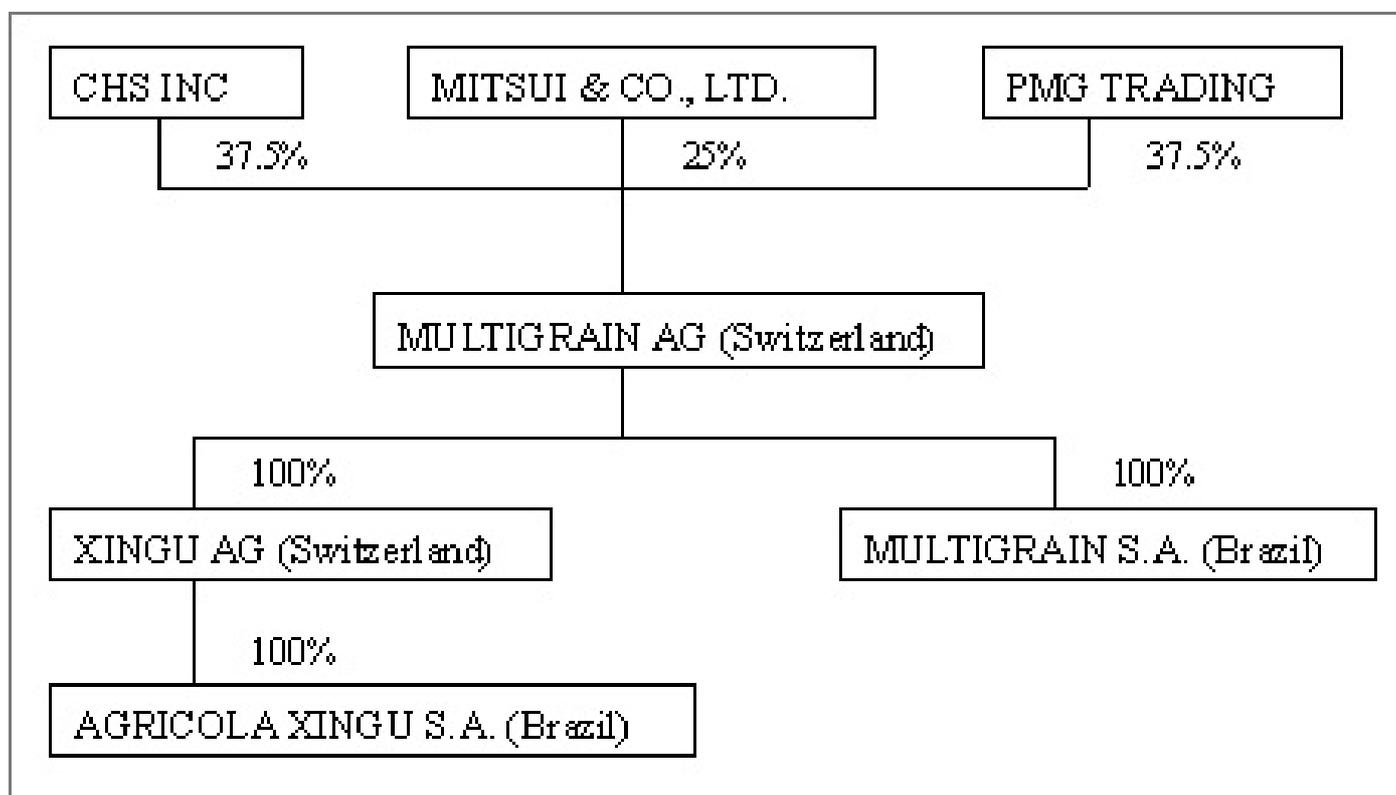
CHS and Mitsui are 50/50 partners of Ventura Foods, LLC and United Harvest, LLC.

PMG Trading S.A

Established	1999
Head office location	Sao Paolo, Sao Paolo State, Brazil

As a domestic grain company, PMG transferred control of its soybean, wheat and milling businesses to Multigrain after its establishment in 1999, becoming a Multigrain holding company.

Investment Outline



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