

## **Consumer Service & IT Segment**

This segment is comprised of the First Consumer Service Business Unit; the Second Consumer Service Business Unit; and the IT Business Unit. Effective April 2009, the Consumer Service Business Unit was established through reorganizing the First and the Second Consumer Service Business Units. Media-related business was transferred from the First Consumer Service Business Unit to the IT Business Unit.

Gross profit and net loss for this segment for the year ended March 31, 2009 were ¥73.7 billion or 7.3% and minus ¥31.4 billion or minus 17.7% of our consolidated totals, respectively.

This segment owns 29 subsidiaries including:

- Mitsui Bussan Inter-Fashion Ltd. (Japan) in the First Consumer Service Business Unit;
- BUSSAN REAL ESTATE CO., LTD. (Japan) and Mitsui Bussan Woodchip Oceania Pty. Ltd. (Australia) in the Second Consumer Service Business Unit; and
- Mitsui Knowledge Industry Co., Ltd. (Japan), J-SCube Inc. (Japan), Mitsui Electronics Inc. (Japan) and MBK Distribuidora de Produtos Eletronicos Ltda. (Brazil) in the IT Business Unit.

And it has 33 associated companies including:

- QVC JAPAN INC. (Japan) and AIM SERVICES CO., LTD. (Japan) in the First Consumer Service Business Unit;
- Sumisho & Mitsuibussan Kenzai Co., Ltd. (Japan) in the Second Consumer Service Business Unit; and
- Nihon Unisys, Ltd. (Japan), Moshi Moshi Hotline, Inc. (Japan) and T-GAIA Corporation (Japan) in the IT Business Unit.

### **First Consumer Service Business Unit**

Together with 11 subsidiaries and 17 associated companies, the First Consumer Service Business Unit is engaged in the followings:

- media-related business including broadcasting, content service, television shopping channels and internet-based marketing service;
- service and outsourcing businesses including contract food service, uniform rental, facility management, and temporary personnel service;
- medical and health care-related businesses including supporting for operation and

management of hospitals and clinics, supporting pharmaceutical manufacturing and logistic, senior living service including housing, facility and nursing care services and medical-related information service;

- fashion business including global procurement service of apparel and accessories, participation and management of joint ventures with fashion brand holders, and other brand related business including importing, licensing and marketing; and
- consumer goods including beauty and health-related products and interior and living items.

In the media-related business, as a consumer service and content provider, this business unit provides television shopping services operated by an associated company, QVC Japan, Inc. (Japan), which was established jointly with QVC Inc. of the United States. In March 2009, this business unit acquired Taiwan's third largest provider of 24-hour television shopping. BS digital high definition free television channel subsidiary, World Hi-Vision Channel, Inc. started broadcasting service under the name of BS channel 12 "TwelIV" in Japan in December 2007. This business unit is engaged in development of business opportunities by accessing from broadcasting business to Internet and mobile-related businesses.

In the service and outsourcing businesses, as joint businesses with ARAMARK Corporation in the United States, AIM SERVICES CO., LTD. (Japan) provides a variety of services, such as contract food service, refreshment service and related support services for companies, schools, hospitals and social welfare facilities, while ARAMARK Uniform Japan Co., Ltd. (Japan) provides uniform rental services. This business unit acquired 5% of the outstanding shares in Recruit Co., Ltd. for ¥27 billion in February 2007 and entered into a business collaboration agreement with Recruit Co., Ltd. under the agreement both have developed new business opportunities such as senior-care, and other medical related information services.

This business unit positions medical and healthcare business as a business domain subject to company wide intensification, and integrated the whole medical and pharmaceutical businesses within this business unit in 2008. This business unit handles support for operation and management of medical facilities in healthcare service area, support for manufacturing and transportation in pharmaceutical area, planning of senior housing and related services in senior area, and healthcare related information service in the preventive care area.

In the fashion business domain, this business unit provides services to accommodate developments in the markets in:

- original equipment manufacturing (“OEM”) business for apparel manufacturers; and
- brand marketing business including brand licensing.

In the field of apparel and OEM, this business unit plays roles at various stages in the value chain, including the design, planning and procurement of materials as well as sewing and processing. OEM business is transferred to the subsidiary company Mitsui Bussan Inter-Fashion Ltd. (Japan) which is engaged in planning and production of apparel and accessories, aiming to strengthen specialty and cost efficiency.

With respect to brand marketing businesses in Japan, this business unit is engaged in both license and import business involving international brands such as Burberry, Paul Stuart and Max Mara, while some trademark rights such as Pierre Cardin and Hanae Mori are held by this business unit. This business unit enters into license agreements to retain their exclusive marketing manufacturing rights and establishes joint ventures with the brand holders, which control licensing or distributing imported products establishing nationwide sales network.

Responding to the changes in lifestyles, this business unit supplies a variety of consumer goods such as beauty and health-related products, interior and living items.

### ***Second Consumer Service Business Unit***

Major business areas of this business unit, including 10 subsidiaries and 10 associated companies, consist of the followings:

- real estate business including development of housing, office buildings and commercial facilities, and related services such as senior service housing, self-storage and service office business in both Japan and overseas; and
- industrial materials such as housing materials, wood chips, pulp & paper products, packaging materials and off-the-road tires for mines.

In the field of real estate business, this business unit is engaged in development, management and lease of condominiums, office buildings and other commercial properties mainly in the Tokyo metropolitan area. This business unit also develops houses and office buildings overseas. Moreover, it owns, operates and leases senior housing properties abroad. This business unit is also engaged in self-storage business and service office business as business development activities in Japan.

In the field of the industrial materials, Sumisho & Mitsuibussan Kenzai Co., Ltd. (Japan) supplies housing materials in the Japanese market. Mitsui Bussan Woodchip Oceania Pty. Ltd. operates afforestation projects with Japanese and the local partners in Australia. It also produces and exports woodchips to Japan. As for the pulp & paper business field, Mitsui Bussan Packaging Co., Ltd. (Japan) imports, exports and sells in the domestic market various paper products and packaging materials. This business unit also provides mines with off-the-road tires and related services in South America, Russia and Southeast Asia.

### ***IT Business Unit***

IT Business Unit provides a variety of services, which are delivered through the unit's 8 subsidiaries and 6 associated companies established in the following five major fields:

- network and systems integration ("NI/ SI") businesses;
- business process outsourcing services including enterprise information management and call-center services;
- mobile communication businesses including sales agency of mobile handset and telecommunications lines; distribution of mobile handsets; and development and sales of mobile content;
- electronics businesses including import and domestic trade of semiconductor devices and equipment/materials for semiconductor and liquid crystal displays; and
- display related businesses including export and trade of liquid crystal displays and parts.

In the field of NI/SI businesses, a subsidiary, Mitsui Knowledge Industry Co., Ltd. (Japan), and an associated company, Nihon Unisys, Ltd. (Japan), both listed on the Tokyo Stock Exchange, provide integrated solutions to a wide range of customers.

- Mitsui Knowledge Industry Co., Ltd. provides services, such as consultation, designing, building and operation of network systems to a wide range of customers including telecommunications carriers, government offices, local municipalities and healthcare and education related public bodies. It is also engaged in planning and development of network systems which are equipped with voice recognition technology and typically used by call centers and in high-security systems such as automatic billing systems used by pay-TV broadcasters. Mitsui Knowledge Industry Co., Ltd. was formed by a merger in April 2007 between NextCom K.K. and Mitsui Knowledge Industry Co., Ltd. Mitsui owns a 58.4% voting interest in Mitsui Knowledge Industry Co., Ltd. as of March 2009.
- Nihon Unisys, Ltd. is engaged in the designing and building of computer systems,

business process outsourcing services, support services and other peripheral services as well as sales of computer systems. These services are provided to business enterprises in the financial, manufacturing and distribution and public sectors. Mitsui owns a 31.8% voting interest in Nihon Unisys, Ltd. as of March 2009.

This business unit has developed business process outsourcing businesses through a subsidiary, J-SCube Inc. (Japan), and an associated company, Moshi Moshi Hotline, Inc. (Japan). J-SCube Inc., which has been engaged in distribution of information processing devices and information input devices, has recently focused on enterprise information management such as customer information input, management and operation. Moshi Moshi Hotline, Inc. (Japan) is one of the Japanese major providers of call centers and related outsourcing services. Moshi Moshi Hotline, Inc. is now listed on the Tokyo Stock Exchange, with this business unit's current voting interest at 34.4% as of March 2009.

This business unit is engaged in various mobile communication businesses through alliances with domestic cell phone service providers and manufacturers. Telepark Corp. (Japan), which was a core subsidiary in this field, merged with MS Communications Co., Ltd., a domestic large scale agency and distributor engaged in the same business line, and changed its name to T-GAIA Corporation (Japan) and continued to be listed on the Tokyo Stock Exchange. The merger is to establish its leading position in domestic mobile handset sales and distribution market, by reinforcing cost-efficiency. As a result of the merger, this business unit's voting interest was diluted to 22.8%, and T-GAIA Corporation became an associated company of this business unit. T-GAIA Corporation is the biggest agencies for cell phone subscription as well as a retailer and distributor of cell phone handsets in Japan, engaged in agent for subscription of fixed telecommunications lines, including broadband connections. This business unit is engaged in mobile distribution with Brightstar Inc., a U.S.-based worldwide distributor of mobile handsets.

In the field of electronics products, this business unit is engaged in import and domestic trade of semiconductor devices and equipment/materials for semiconductor and liquid crystal displays mainly through Mitsui Electronics Inc. (Japan). In recent years, this business unit provides semiconductor and liquid crystal displays related products and services in China, principal production base, mainly through our affiliated companies in China.

This business unit is also engaged in export and offshore trade of liquid crystal displays and related parts. In July 2007, it established a subsidiary, MBK Distribuidora de Produtos

Eletronicos Ltda. in Brazil for the sales and distribution of Japanese manufacturer Sharp Corporation's electric household appliances including liquid crystal television, and business machines.

This business unit is dependent on the business of our subsidiaries and associated companies, most of which are located in Japan, where technological innovation is rapid and competition is fierce. Our important function involves business incubation of IT related products and services, as seen in the case with T-GAIA Corporation and Moshi Moshi Hotline, Inc.