# Consolidated Financial Results for the Year Ended March 31, 2013

［Based on accounting principles generally accepted in the United States of America ("U.S. GAAP")］

Tokyo, May 7, 2013 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2013.

Mitsui & Co., Ltd. and subsidiaries
(Web Site : http://www.mitsui.com/jp/en/)

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1. Consolidated financial results (Unaudited)

(1) Consolidated operating results information for the year ended March 31, 2013
(from April 1, 2012 to March 31, 2013)

| | | Years ended March 31, | | | |
|---|---|---|---|---|---|
| | | 2013 | % | 2012 | % |
| Revenues | Millions of yen | 4,911,609 | △ 6.5 | 5,251,602 | 12.2 |
| Income before Income Taxes and Equity in Earnings | Millions of yen | 314,098 | △ 24.0 | 413,211 | 51.5 |
| Net income attributable to Mitsui & Co., Ltd. | Millions of yen | 307,926 | △ 29.1 | 434,497 | 41.7 |
| Net income attributable to Mitsui & Co., Ltd. per share, basic | Yen | 168.72 | | 238.10 | |
| Net income attributable to Mitsui & Co., Ltd. per share, diluted | Yen | - | | - | |
| Net income ratio to Mitsui & Co., Ltd. Shareholders' equity | % | 10.6 | | 17.4 | |

Notes:

1.Percentage figures for Revenues, Income before Income Taxes and Equity in Earnings, and Net income attributable to Mitsui & Co., Ltd. represent changes from the previous year.

2.Equity in Earnings of Associated Companies - Net for the years ended March 31, 2013 and 2012 were ¥176,226 million and ¥232,090 million, respectively.

3.Comprehensive Income for the years ended March 31, 2013 and 2012 were ¥631,260 (69.2 %) million and ¥373,029 million (95.0 %), respectively.

4.Diluted net income attributable to Mitsui & Co., Ltd. per share for the years ended March 31, 2013 and 2012 is not disclosed as there are no dilutive potential shares.

(2) Consolidated financial position information

| | | March 31, 2013 | March 31, 2012 |
|---|---|---|---|
| Total assets | Millions of yen | 10,324,581 | 9,011,823 |
| Total equity (net worth) | Millions of yen | 3,440,104 | 2,860,810 |
| Mitsui & Co., Ltd. shareholders' equity | Millions of yen | 3,181,819 | 2,641,318 |
| Mitsui & Co., Ltd. shareholders' equity ratio | % | 30.8 | 29.3 |
| Mitsui & Co., Ltd. shareholders' equity per share | Yen | 1,743.34 | 1,447.34 |

(3) Consolidated cash flow information

| | | Years ended March 31, | |
|---|---|---|---|
| | | 2013 | 2012 |
| Operating activities | Millions of yen | 461,430 | 380,984 |
| Investing activities | Millions of yen | (753,297) | (438,191) |
| Financing activities | Millions of yen | 221,635 | 57,394 |
| Cash and cash equivalents at the end of the year | Millions of yen | 1,425,174 | 1,431,112 |

2. Dividend information

| | | Years ended March 31, 2013 | Years ended March 31, 2012 | Year ending March 31, 2014 (Forecast) |
|---|---|---|---|---|
| Interim dividend per share | Yen | 22 | 27 | 25 |
| Year-end dividend per share | Yen | 21 | 28 | 26 |
| Annual dividend per share | Yen | 43 | 55 | 51 |
| Annual dividend (total) | Millions of yen | 78,493 | 100,397 | |
| Consolidated dividend payout ratio | % | 25.5 | 23.1 | 25.2 |

Note: Regarding our dividend policy, please refer to "(3) Shareholder Return Policy" on p. 26.

3. Forecast of consolidated operating results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

| | | Year ending March 31, 2014 |
|---|---|---|
| Net income attributable to Mitsui & Co., Ltd. | Millions of yen | 370,000 |
| Net income attributable to Mitsui & Co., Ltd. per share, basic | Yen | 202.74 |

4. Others

(1) Increase/decrease of important subsidiaries during the period : Yes
New : 1 company (MMRD Gama Limitada)
Decrease : 1 company (Mitsui & Co. Europe Holdings PLC)

(2) Number of shares :

| | March 31, 2013 | March 31, 2012 |
|---|---|---|
| Number of shares of common stock issued, including treasury stock | 1,829,153,527 | 1,829,153,527 |
| Number of shares of treasury stock | 4,027,206 | 4,204,441 |

| | Year ended March 31, 2013 | Year ended March 31, 2012 |
|---|---|---|
| Average number of shares of common stock outstanding | 1,825,019,130 | 1,824,888,914 |

**Disclosure Regarding Annual Audit Procedures:**
As of the date of disclosure of this annual earnings release, an audit of the annual financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

**A Cautionary Note on Forward-Looking Statements:**
This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. (“Mitsui”), and these statements are based on Mitsui’s current assumptions, expectations and beliefs in light of the information currently possessed by it. Various factors may cause Mitsui’s actual results to be materially different from any future performance expressed or implied by these forward-looking statements. Therefore, these statements do not constitute a guarantee by Mitsui that such future performance will be realized.
For key assumptions on which the statements concerning future performance are based, please refer to (2) “Business Plan for the Year Ending March 31, 2014” on p. 21. For cautionary notes with respect to forward-looking statements, please refer to the “Notice” section on p. 26.

**Supplementary materials and IR meeting on financial results:**
Supplementary materials on financial results can be found on our web site.
We will hold an IR meeting on financial results for analysts and institutional investors on May 8, 2013.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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## 1. Qualitative Information

As of the date of disclosure of this earnings report, the audit procedures for consolidated financial statements have not been completed.

**(1) <u>Operating Environment</u>**

During the first half of this fiscal year, the slowdown in the advanced economies such as the financial crisis in Europe had spillover effects to the emerging economies, raising concerns over a further slowdown in the global economy. However, with the monetary easing and stimulus packages in place, the global economy regained signs of modest improvement in the second half of the fiscal year.

Although negative economic growth is still anticipated in the euro area, measures against the crisis such as the implementation of the bond purchase program have shown some progress. In the United States, with the implementation of Quantitative Easing 3, backed by solid job growth, improvement in the real estate market as well as rising in stock prices, consumer spending showed a robust performance. In Japan, as a result of the significant monetary easing and fiscal action, rapid depreciation of the yen as well as rising stock prices are being observed, leading to an expectation that corporate performance and the economic climate will start to pick up. As a next step, early implementation of a growth strategy that would realize sustainable economic growth is awaited.

In China, a temporary slowdown in the economy was seen, due to a decline in export volumes to the euro area and sluggish real estate investment. However, the Chinese economy has bottomed out supported by the monetary policy easing and stimulus package on consumption in place, along with investments related to infrastructure development, and we expect a steady 7.5-8% per annum growth.

The commodities markets, including crude oil and metal resources, showed a large drop affected by the financial crisis in Europe, presenting severe challenges to our operations. Recently, the commodities markets are regaining stability along with the normalization of the international financial market, but as the world economy lacks a strong driving force like China after the Lehman Shock, recovery is yet limited to certain commodities and we remain cautious of the high levels of volatility.

While we maintain our view that the global economy will continue to grow at a moderate rate driven by reasonable growth in the emerging economies and the moderate recovery in Japan and the U.S., we expect that such growth will remain sluggish and the global economy vulnerable. We will further intensify our monitoring of the commodities markets as well as the changes in economic policies, and, with a long term perspective, reinforce our disciplined approach in conducting our businesses.

**(2) <u>Results of Operations</u>**

1) Analysis of Consolidated Income Statements

*Revenues*

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenues of ¥4,911.6 billion for the year ended March 31, 2013, a decline of ¥340.0 billion from ¥5,251.6 billion for the corresponding previous year.

Revenues from sales of products for the year ended March 31, 2013 were ¥4,408.1 billion, a decline of ¥345.1 billion from ¥4,753.2 billion for the corresponding previous year, as a result of the following:

- The Energy Segment reported a decline of ¥320.7 billion. Petroleum trading activities recorded a decline of ¥351.0 billion due to the decline in trading volume at Westport Petroleum, Inc. (United States), while an increase of ¥47.2 billion was recorded in oil and gas producing activities due to increases in both volume and oil prices.
- The Machinery & Infrastructure Segment reported an increase of ¥30.4 billion due to a solid performance in motor vehicle-related as well as mining and construction machinery-related businesses.
- The Chemicals Segment reported a decline of ¥44.1 billion mainly due to underperforming trading activities in petrochemical intermediate materials as well as fertilizer resources and materials.

Revenues from sales of services for the year ended March 31, 2013 were ¥392.1 billion, an increase of ¥15.1 billion from ¥377.0 billion for the corresponding previous year.
Revenues from other sales for the year ended March 31, 2013 were ¥111.4 billion, a decrease of ¥10.0 billion from ¥121.4 billion for the corresponding previous year. Mitsui recorded losses and gains in revenues related to the commodity derivatives trading business, which correspond to foreign exchange gains of ¥6.4 billion and ¥5.8 billion posted in other expense-net for the year ended March 31, 2013 and 2012, respectively.

*Gross Profit*

Gross profit for the year ended March 31, 2013 was ¥790.4 billion, a decline of ¥87.9 billion from ¥878.3 billion for the corresponding previous year as a result of the following:

- The Mineral & Metal Resources Segment reported a decline of ¥36.1 billion in gross profit. Iron ore mining operations in Australia reported a decline of ¥37.2 billion reflecting the decline in iron ore prices, which was partially offset by the positive effect of increases in sales volume led by both the effect of incremental capacity and the reversal effect of unseasonably wet weather for the corresponding previous year.
- The Energy Segment reported a decline of ¥28.4 billion in gross profit. Mitsui Coal Holdings Pty. Ltd. (Australia) reported a decline of ¥32.4 billion and Mitsui E&P USA LLC (United States) reported a decline of ¥11.6 billion due to an increase in depreciation costs as well as a decline in gas prices in the U.S. Meanwhile, Mitsui Oil Exploration Co., Ltd. (Japan) reported an increase of ¥22.2 billion due to increases in both volume and oil prices; and Mitsui E&P Texas LP (United States) recorded an increase of ¥6.7 billion.
- The Innovation & Cross Function Segment reported a decline of ¥12.1 billion in gross profit. Mitsui & Co. Commodity Risk Management Ltd. (United Kingdom) reported a decline of ¥6.4 billion due to underperforming derivatives trading.
- The Americas Segment reported a decline of ¥9.6 billion in gross profit. Novus International, Inc. (United States) reported a decline of ¥6.7 billion due to a decline in sales price of methionine, as well as a write-down on inventories of feed additives other than methionine.
- The Lifestyle Segment reported a decline of ¥6.0 billion in gross profit, due to a decline in trading business of grain reflecting lower prices.
- The Machinery & Infrastructure Segment reported an increase of ¥10.3 billion in gross profit. The main cause of the increase was the reversal effect of a loss allowance for vessels under construction recorded in the corresponding previous year and solid performance of mining and construction machinery-related businesses.

*Selling, General and Administrative Expenses*

Selling, general and administrative expenses for the year ended March 31, 2013 were ¥521.1 billion, an increase of ¥6.3 billion from ¥514.8 billion for the corresponding previous year. The table below provides a breakdown of selling, general and administrative expenses used for our internal review.

Billions of Yen

| | Personnel | Welfare | Travel | Entertainment | Communication |
|---|---|---|---|---|---|
| Year ended March 31, 2013 | 275.5 | 12.0 | 30.9 | 7.8 | 48.1 |
| Year ended March 31, 2012 | 275.6 | 11.4 | 29.8 | 7.5 | 47.2 |
| Change | (0.1) | 0.6 | 1.1 | 0.3 | 0.9 |

| | Rent | Depreciation | Tax | Others | Total |
|---|---|---|---|---|---|
| Year ended March 31, 2013 | 16.9 | 14.6 | 8.8 | 106.5 | 521.1 |
| Year ended March 31, 2012 | 17.0 | 13.3 | 7.7 | 105.3 | 514.8 |
| Change | (0.1) | 1.3 | 1.1 | 1.2 | 6.3 |

The table below provides selling, general and administrative expenses broken down by operating segment. Effective April 1, 2012, we changed our reportable operating segments. Starting from the year ended March 31, 2013, the headquarters' cost allocation system was changed from partial allocation to full allocation to the operating segments. For more information, see 2) Operating Results by Operating Segment.

Billions of Yen

| Operating Segment | Iron & Steel Products | Mineral & Metal Resources | Machinery & Infrastructure | Chemicals | Energy | Lifestyle | Innovation & Cross Function |
|---|---|---|---|---|---|---|---|
| Year ended March 31, 2013 | 36.1 | 34.2 | 100.4 | 62.0 | 55.9 | 111.4 | 74.3 |
| Year ended March 31, 2012 | 33.3 | 21.5 | 86.9 | 55.2 | 45.1 | 101.0 | 72.3 |
| Change | 2.8 | 12.7 | 13.5 | 6.8 | 10.8 | 10.4 | 2.0 |

| Operating Segment | Americas | Europe, the Middle East and Africa | Asia Pacific | Total | All other | Adjustments and Eliminations | Consolidated Total |
|---|---|---|---|---|---|---|---|
| Year ended March 31, 2013 | 52.4 | 19.3 | 16.6 | 562.6 | 5.5 | (47.0) | 521.1 |
| Year ended March 31, 2012 | 51.1 | 19.0 | 16.2 | 501.6 | 5.9 | 7.3 | 514.8 |
| Change | 1.3 | 0.3 | 0.4 | 61.0 | (0.4) | (54.3) | 6.3 |

*Provision for Doubtful Receivables*

Provision for doubtful receivables for the year ended March 31, 2013 was ¥14.8 billion, a decline of ¥0.3 billion from ¥15.1 billion for the corresponding previous year. The provisions for both periods represented aggregated reserves for individually small receivables.

*Interest Income (Expense)—Net*

Interest income, net of interest expense, for the year ended March 31, 2013 was ¥1.2 billion, an improvement of ¥4.2 billion from ¥5.4 billion of expense for the corresponding previous year. Income increased by ¥4.5 billion mainly attributable to the deferred commitment fee related to the loan extended to the subsidiary of Corporación Nacional del Cobre de Chile ("Codelco") recorded for the year ended March 31, 2013. The following table provides the periodic average of 3 month Tibor for the Japanese yen and 3 month Libor for the U.S. dollar for the years ended March 31, 2013 and 2012.

**Periodic average of 3 month rate (%p.a.)**

| | **Year ended March 31,** | |
|---|---|---|
| | **2012** | **2013** |
| Japanese yen | 0.34 | 0.31 |
| U.S. dollar | 0.40 | 0.37 |

*Dividend Income*

Dividend income for the year ended March 31, 2013 was ¥80.1 billion, a decline of ¥6.4 billion from ¥86.5 billion for the corresponding previous year. Dividends from six LNG projects (Abu Dhabi, Oman, Qatargas 1 and 3, Equatorial Guinea and Sakhalin II) were ¥61.2 billion in total, a decline of ¥7.4 billion from ¥68.6 billion for the corresponding previous year, reflecting a decline in dividends received from the Sakhalin II project.

*Gain on Sales of Securities—Net*

Gain on sales of securities for the year ended March 31, 2013 was ¥44.9 billion, an increase of ¥23.0 billion from ¥21.9 billion for the corresponding previous year.

- For the year ended March 31, 2013, an ¥8.0 billion gain on the sale of shares in Mikuni Coca-Cola

Bottling Co., Ltd.; a ¥6.2 billion gain on the sale of shares in INPEX CORPORATION; a ¥4.8 billion gain on the sale of shares in Nihon Unisys, Ltd.; a ¥4.4 billion gain on the sale of shares in LME Holdings Limited; a ¥3.1 billion gain on the sale of shares in MED3000 Group, Inc.; and a ¥3.0 billion gain on the sale of shares in an iron & steel company were recorded, respectively. Furthermore, MBK Healthcare Partners Limited (United Kingdom) recorded a ¥5.5 billion gain related to equity dilution in IHH Healthcare Bhd. (Malaysia) (*) The relevant gain includes a ¥5.3 billion gain due to the dilution of MBK Healthcare Partners Limited's stake in IHH Healthcare Bhd. from 26.63% to 20.48% reflecting the issuance of new shares by IHH Healthcare Bhd. upon its initial public offering on the Bursa Malaysia and Singapore Exchange in July 2012.

- For the corresponding previous year, a gain of ¥8.4 billion on the sale of INPEX CORPORATION and a remeasurement gain of ¥3.6 billion on existing interests resulting from acquisition of the entire stake in Multigrain AG (Switzerland) were recorded.

(*) IHH Healthcare Bhd. changed its name from Integrated Healthcare Holdings Sdn. Bhd. on April 20, 2012.

*Loss on Write-Downs of Securities*

Loss on write-downs of securities for the year ended March 31, 2013 was ¥27.3 billion, an improvement of ¥6.2 billion from ¥33.5 billion for the corresponding previous year.

- Due to a decline in share price, impairment losses on listed securities of ¥4.9 billion in an iron & steel company and ¥3.0 billion in Mitsui Chemicals Inc. were recorded for the year ended March 31, 2013. Furthermore, an impairment loss of ¥4.5 billion on preferred shares of Valepar S.A. was recorded reflecting an other-than-temporary decline related to a foreign exchange translation loss in the investment value of the current portion of preferred shares.
- For the corresponding previous year, an impairment loss of ¥4.1 billion on preferred shares of Valepar S.A. was recorded in the same manner as the year ended March 31, 2013. An impairment loss of ¥4.0 billion on shares in Formosa Epitaxy Incorporation was recorded as well. Furthermore, an impairment loss reflecting an other-than-temporary decline in the investment value of aviation-related stock was recorded.

*Gain (Loss) on Disposal or Sales of Property and Equipment—Net*

Gain on disposal or sales of property and equipment—net for the year ended March 31, 2013 was ¥6.2 billion, an increase of ¥0.5 billion from ¥5.7 billion for the corresponding previous year.

- For the year ended March 31, 2013, a gain on sale of land used for logistics in Canada was recorded.
- For the corresponding previous year, a ¥4.5 billion gain on sale of unused land in Japan was recorded.

*Impairment Loss of Long-Lived Assets*

Impairment loss of long-lived assets for the year ended March 31, 2013 was ¥12.3 billion, an improvement of ¥1.7 billion from ¥14.0 billion for the corresponding previous year.

- For the year ended March 31, 2013, Australian iron ore operations, which are run as joint ventures with BHP Billiton through Mitsui Iron Ore Development Pty. Ltd. and Mitsui-Itochu Iron Pty. Ltd., recorded impairment losses totaling ¥6.4 billion for the revision of the development sequence triggered by the suspension of pre-commitment works for the outer harbour development option at Port Hedland in Western Australia.
- For the corresponding previous year, Mitsui & Co. Uranium Australia Pty. Ltd. reported an impairment loss of ¥5.0 billion in mining equipment and mineral rights due to its decision to withdraw from the uranium mine development project in Australia.

*Impairment Loss of Goodwill*

There was no impairment loss of goodwill for the year ended March 31, 2013, and ¥4.2 billion of impairment loss of goodwill consisting of miscellaneous small impairments was recorded for the corresponding previous year.

*Other Expenses (Income)—Net*

Other expense—net for the year ended March 31, 2013 was ¥30.9 billion, a deterioration of ¥38.8 billion from income of ¥7.9 billion for the corresponding previous year.

- For the year ended March 31, 2013, exploration expenses totaled ¥37.4 billion including those recorded at oil and gas producing businesses. Mitsui Oil Exploration Co., Ltd. recorded a foreign exchange translation gain of ¥9.5 billion related to foreign currency deposits. Meanwhile, Mitsui recorded foreign exchange losses of ¥22.9 billion, including foreign exchange losses of ¥8.3 billion on foreign trade transactions in the Iron & Steel Products Segment, as well as a foreign exchange gain of ¥6.4 billion in the commodity derivatives trading business in the Innovation & Cross Function Segment, which corresponded to related revenues in the same segment.
- For the corresponding previous year, Mitsui recorded foreign exchange gain of ¥5.8 billion in the commodity derivatives trading business in the Innovation & Cross Function Segment, which corresponded to related revenues in the same segment. Mitsui Oil Exploration Co., Ltd. recorded foreign exchange gains of ¥3.9 billion as well. Shark Bay Salt Pty. Ltd. (Australia) recorded a gain of ¥5.8 billion in other income-net as consideration for releasing a part of the mining lease area to support the progress of an LNG project in the vicinity of the salt field. Meanwhile, exploration expenses of ¥19.8 billion in total were recorded, including those at oil and gas producing businesses.

*Income Taxes*

Income taxes for the year ended March 31, 2013 were ¥158.3 billion, a decline of ¥14.3 billion from ¥172.6 billion for the corresponding previous year.

- “Income before income taxes and equity in earnings” and “equity earnings of associated companies-net” declined.
- Reversal of deferred tax liabilities related to dividends received from the undistributed retained earnings of associated companies was approximately ¥26.0 billion for the year ended March 31, 2013, equivalent to the level for the corresponding previous year.
- For the corresponding previous year, a positive impact was caused by enactment of the Australian Mineral Resource Rent Tax Act 2012 (“MRRT”) which led to the recognition of deferred tax assets (net of valuation allowances) for the operating assets subject to the MRRT. Meanwhile, negative impacts were recorded due to the current tax burden of the MRRT executed in July 2012, as well as the reversal of deferred tax assets (net of valuation allowances) for the operating assets subject to the MRRT (*).
- For the year ended March 31, 2013, a ¥7.1 billion positive impact was recorded due to the reversal of deferred tax assets and liabilities attributable to factors including an evaluation of realizability of deferred tax assets related to corporate income tax in Japan, as well as a revision of the deferred tax rate applicable to the unrealized holding gains on available-for-sale securities at Mitsui Oil Exploration Co., Ltd.
- For the corresponding previous year, a ¥26.1 billion one-time positive impact, mainly consisted of a reversal of deferred tax liabilities on undistributed retained earnings of associated companies, was recorded due to a reduction of the Japanese corporate income tax rate, while a ¥7.7 billion negative impact of the valuation allowance against deferred tax assets of the national corporate tax was also recorded.

The effective tax rate on “income from continuing operations before income taxes and equity in earnings” for the year ended March 31, 2013 was 50.4%, an increase of 8.6% from 41.8% for the corresponding previous year. The major factors for the increase were the reversal effect of the one-time positive impact of the aforementioned tax rate reduction and enactment of the Australian Mineral Resource Rent Tax recorded in the corresponding previous year, while factors for the decrease include the decline in deferred tax burden related to the undistributed retained earnings of associated companies.

(*) Entities have the option to elect to uplift the tax book values of assets as of the end of May 2010 to the market value, at the adoption of the Australian Mineral Resource Rent Tax Act 2012, which can be depreciated up to 25 years for taxable income calculation purposes. Our iron ore and coal producing businesses intend to apply the uplift allowance to the operating assets subject to the Mineral Resource Rent Tax. The Mineral Resource Rent Tax is regarded as a kind of corporate income tax and is subject to tax effect accounting. We record deferred tax assets for the difference in the book values for accounting purposes and tax purposes (the present market value based on our best estimation), and apply a valuation allowance for the portion we believe is not more likely than not to be realized.

*Equity in Earnings of Associated Companies—Net*

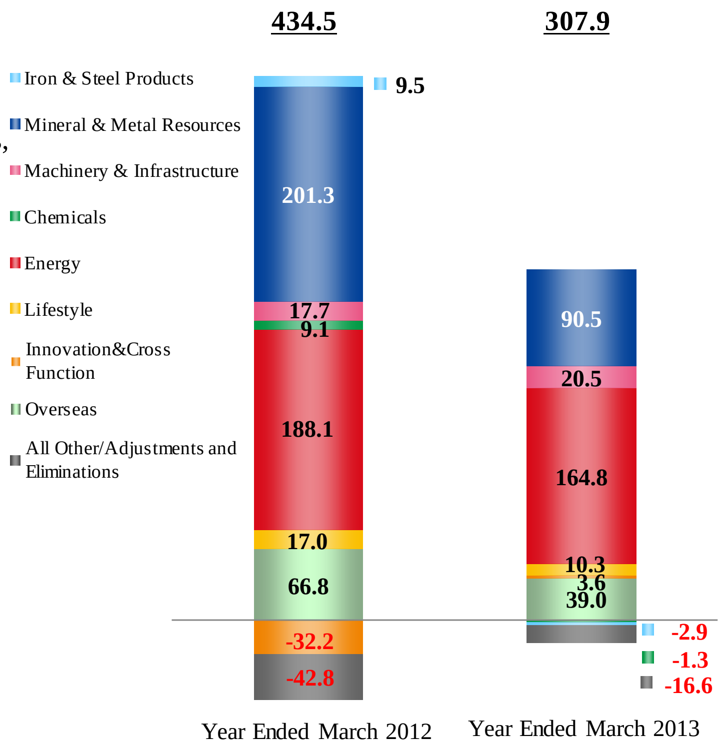
Equity in earnings of associated companies for the year ended March 31, 2013 was ¥176.2 billion, a decline of ¥55.9 billion from ¥232.1 billion for the corresponding previous year as a result of the following:

- A decline of ¥67.3 billion was recorded at Valepar S.A. (Brazil), mainly due to a decline in iron ore prices and impairment losses on nickel and aluminium assets.
- Earnings at Robe River Mining Co. Pty. Ltd. (Australia) reported a decline of ¥17.9 billion, due to the decline in iron ore prices and an increase in income taxes related to the Australian Mineral Resource Rent Tax, which was partially offset by the positive effect of an increase in sales volume led by both the effect of incremental capacity and the reversal effect of unseasonably wet weather for the corresponding previous year.
- Compañía Minera Doña Inés de Collahuasi SCM (Chile) reported a decline of ¥11.8 billion, mainly due to a decline in sales volume.
- BHP Mitsui Coal Pty. Ltd. (Australia) recorded a decline of ¥3.1 billion due to lower coal prices.
- Due to the dilution of ownership interest in Vale Nouvelle-Calédonie S.A.S. held by SUMIC Nickel Netherlands B.V., a ¥9.2 billion gain on the equity dilution was recorded.
- Japan Australia LNG (MIMI) Pty. Ltd. (Australia) reported an increase due to higher oil prices.
- Due to a decline in share price, impairment losses on investments of ¥33.1 billion in total, including ¥18.3 billion for TPV Technology Limited, ¥6.7 billion for Moshi Moshi Hotline, Inc. and ¥6.0 billion for Nihon Unisys, Ltd., were recorded in equity earnings of associated companies-net for the corresponding previous year. In addition to the impairment loss of ¥6.0 billion in investment, equity in losses of ¥3.3 billion was recorded at Nihon Unisys, Ltd. mainly due to the setting up of valuation allowances for its deferred tax assets for the year ended March 31, 2012.

*Net Income attributable to Noncontrolling Interests*

Net income attributable to noncontrolling interests for the year ended March 31, 2013 was ¥24.0 billion, a decline of ¥14.2 billion from ¥38.2 billion for the corresponding previous year. Mitsui Oil Exploration Co., Ltd. recorded an increase of ¥7.4 billion. Meanwhile, Mitsui E&P Mozambique Area 1 Limited (United Kingdom), Japan Collahuasi Resources (Netherlands) and Mitsui-Itochu

**Net Income attributable to Mitsui & Co., Ltd. by Operating Segment (Billions of Yen)**



Iron Pty. Ltd. (Australia) recorded declines of ¥10.1 billion, ¥3.6 billion and ¥3.4 billion, respectively.

*Net Income attributable to Mitsui & Co., Ltd.*

As a result, net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥307.9 billion, a decline of ¥126.6 billion from ¥434.5 billion for the corresponding previous year.

2) Operating Results by Operating Segment

Effective April 1, 2012, we changed our reportable operating segments. In accordance with this change, the operating segment information for the year ended March 31, 2012 has been restated to conform to the current year presentation. In addition, starting from the year ended March 31, 2013, we changed the headquarters' cost allocation system from partial allocation to full allocation to the operating segments. The impact of this change on operating income (loss) and net income (loss) attributable to Mitsui & Co., Ltd. for each operating segment for the year ended March 31, 2013 was as follows:

| (Billions of yen) | Impact on Operating Income (Loss) | Impact on Net income (Loss) attributable to Mitsui & Co., Ltd. |
|---|---|---|
| Iron & Steel Products | (2.0) | (1.5) |
| Mineral & Metal Resources | (10.9) | (8.1) |
| Machinery & Infrastructure | (7.4) | (5.5) |
| Chemicals | (4.6) | (3.4) |
| Energy | (10.3) | (7.6) |
| Lifestyle | (7.5) | (5.6) |
| Innovation & Cross Function | (4.0) | (3.0) |
| Americas | - | - |
| Europe, the Middle East and Africa | - | - |
| Asia Pacific | - | - |
| All Other/Adjustments and Eliminations | 46.6 | 34.7 |
| Consolidated Total | 0 | 0 |

***Iron & Steel Products Segment***

Gross profit for the year ended March 31, 2013 was ¥40.6 billion, a decline of ¥2.2 billion from ¥42.8 billion for the corresponding previous year. The main cause of decline was sluggish market conditions for steel products and reduction in export volumes from Japan caused by appreciation of the Japanese yen.

Operating income for the year ended March 31, 2013 was ¥3.6 billion, a decline of ¥6.0 billion from ¥9.6 billion for the corresponding previous year.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥3.1 billion, a decline of ¥0.9 billion from ¥4.0 billion for the corresponding previous year.

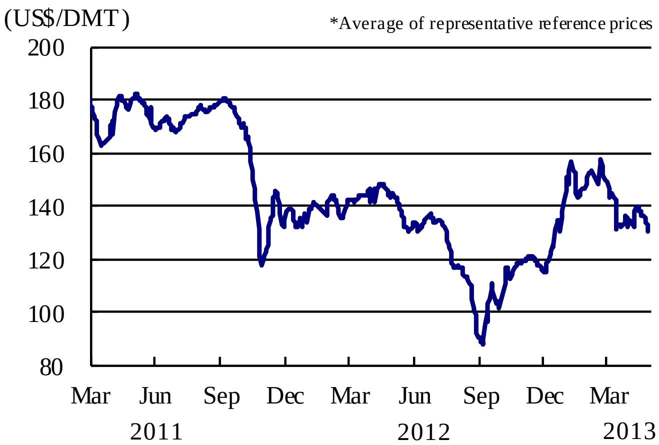
Net loss attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥2.9 billion, a decline of ¥12.4 billion from net income of ¥9.5 billion for the corresponding previous year. In addition to the above-mentioned factors, foreign exchange losses of ¥8.3 billion on foreign trade transactions were recorded for the year ended March 31, 2013.

***Mineral & Metal Resources Segment***

Gross profit for the year ended March 31, 2013 was ¥158.7 billion, a decline of ¥36.1 billion from ¥194.8 billion for the corresponding previous year. The main factor behind the decline was the decrease in iron ore prices.

The majority of contract prices applied for products sold during the corresponding previous year were based on a

Iron Ore (Fine) CFR North China (Fe 62%)



daily average of spot reference prices during the twelve-month period starting from December 1, 2010 through November30, 2011.

Reflecting the transition to a more diversified sales contract portfolio starting from the three-month period ended December 31, 2011, however, the majority of contract prices applied for products sold during the year ended March 31, 2013 were based on pricing that reflects current spot reference prices, such as the daily average of spot reference prices for the current quarter of shipment and a daily average of spot reference prices for the shipment month.

Mitsui Iron Ore Development Pty. Ltd. reported a decline of ¥26.1 billion in gross profit reflecting the decline in iron ore prices, which was partially offset by the positive effect of increases in sales volume caused by both the effect of incremental capacity and the reversal effect of unseasonably wet weather for the corresponding previous year. Mitsui-Itochu Iron Pty. Ltd. also recorded a decline of ¥11.2 billion due to the decline in iron ore prices.

Operating income for the year ended March 31, 2013 was ¥123.9 billion, a decline of ¥49.2 billion from ¥173.1 billion for the corresponding previous year. In addition to a decline in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥42.9 billion, a decline of ¥88.3 billion from ¥131.2 billion for the corresponding previous year. Major factors were as follows:

- Valepar S.A. posted earnings of ¥7.8 billion, a decline of ¥67.3 billion from ¥75.1 billion for the corresponding previous year, mainly due to a decline in iron ore prices and impairment losses including those on nickel and aluminium assets.
- Earnings at Robe River Mining Co. Pty. Ltd. were ¥31.1 billion, a decline of ¥17.9 billion from ¥49.0 billion for the corresponding previous year. This was due to the decline in iron ore prices and increased tax burden related to the Australian Mineral Resource Rent Tax Act 2012, despite an increase in sales volume led by both the effect of incremental capacity and the reversal effect of unseasonably wet weather for the corresponding previous year.
- Compañía Minera Doña Inés de Collahuasi SCM recorded earnings of ¥2.6 billion, a decline of ¥11.8 billion from ¥14.4 billion for the corresponding previous year mainly due to a decline in sales volume.
- Due to the dilution of ownership interest in Vale Nouvelle-Calédonie S.A.S. held by SUMIC Nickel Netherlands B.V., a ¥9.2 billion gain on the equity dilution was recorded.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥90.5 billion, a decline of ¥110.8 billion from ¥201.3 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- For the year ended March 31, 2013, deferred commitment fee related to the loan extended to the subsidiary of Codelco was recorded on interest income.
- For the year ended March 31, 2013, Australian iron ore operations, which are run as joint ventures with BHP Billiton through Mitsui Iron Ore Development Pty. Ltd. and Mitsui-Itochu Iron Pty. Ltd., recorded impairment losses totaling ¥6.4 billion for the revision of the development sequence triggered by the suspension of pre-commitment works for the outer harbour development option at Port Hedland in Western Australia.
- Australian iron ore operations recorded a negative impact of ¥6.7 billion in total, resulting from the current tax burden of the MRRT and the reversal of deferred tax assets (net of valuation allowances) for the operating assets subject to the MRRT for the year ended March 31, 2013. On the other hand, Australian iron ore operations recorded a positive impact of ¥18.1 billion in income taxes caused by enactment of the MRRT, which included the positive impact of the Robe River Mining Co. Pty. Ltd. recorded in equity in earnings of associated companies (including tax effect on undistributed retained earnings) , for the corresponding previous year.
- For the corresponding previous year, an ¥11.9 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive

impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.

- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution decreased by approximately ¥8.0 billion from the corresponding previous year.

***Machinery & Infrastructure Segment***

Gross profit for the year ended March 31, 2013 was ¥104.3 billion, an increase of ¥10.3 billion from ¥94.0 billion for the corresponding previous year.

- The Infrastructure Projects Business Unit reported an increase of ¥1.3 billion.
- The Motor Vehicles & Construction Machinery Business Unit reported an increase of ¥3.1 billion. Mining and construction machinery-related businesses in the Americas achieved a solid performance.
- The Marine & Aerospace Business Unit reported an increase of ¥6.0 billion due to a reversal effect of a loss allowance for vessels under construction recorded in the corresponding previous year.

Operating loss for the year ended March 31, 2013 was ¥8.3 billion, a deterioration of ¥0.1 billion from ¥8.2 billion for the corresponding previous year. Despite the increase in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥32.0 billion, a decline of ¥6.0 billion from ¥38.0 billion for the corresponding previous year.

- The Infrastructure Projects Business Unit reported a decline of ¥2.9 billion. Overseas power producers reported equity in earnings of ¥12.3 billion in total, the same amount as the corresponding previous year. Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, declined by ¥1.1 billion to a loss of ¥1.0 billion from a gain of ¥0.1 billion for the corresponding previous year. Meanwhile, Paiton 3 in Indonesia and Hezhou in China, both coal-fired power plants, started to contribute along with the commencement of commercial operation.
- The Motor Vehicles & Construction Machinery Business Unit reported an increase of ¥1.7 billion. Although motorcycle manufacturing and distributing business in Indonesia reported a decline, automotive-related businesses in North America and Asia reported an increase.
- The Marine & Aerospace Business Unit reported a decline of ¥4.8 billion, reflecting a reversal effect of the gain on reversal of a loss allowance at the LNG vessels chartering business recorded in the corresponding previous year.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥20.5 billion, an increase of ¥2.8 billion from ¥17.7 billion for the corresponding previous year. In addition to the above factors, there are the following factors.

- For the corresponding previous year, a ¥4.0 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.
- For the corresponding previous year, an impairment loss on an aviation-related stock was recorded reflecting an other-than-temporary decline in the investment value.

***Chemicals Segment***

Gross profit for the year ended March 31, 2013 was ¥69.1 billion, an increase of ¥3.9 billion from ¥65.2 billion for the corresponding previous year. P.T. Kaltim Pasifik Amoniak (Indonesia) reported an increase of 3.8 billion due to higher ammonia prices.

Operating income for the year ended March 31, 2013 was ¥7.4 billion, a decline of ¥2.9 billion from ¥10.3 billion for the corresponding previous year. The increase in selling, general and administrative expenses surpassed the amount of increase in gross profit.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥6.6 billion, a decline of ¥0.1 billion from ¥6.7 billion for the corresponding previous year.

Net loss attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥1.3 billion, a deterioration of ¥10.4 billion from net income of ¥9.1 billion for the corresponding previous year.

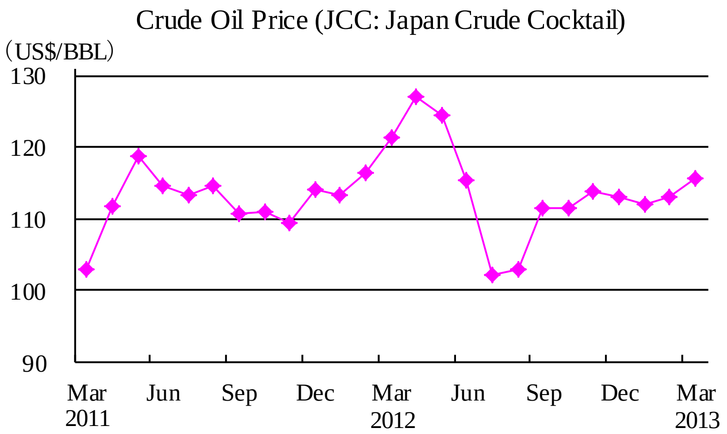
In addition to the above-mentioned factors, the following factors also affected results:

- For the corresponding previous year, Shark Bay Salt Pty. Ltd. recorded a gain of ¥5.8 billion in other income-net as consideration for releasing a part of the mining lease area to support the progress of an LNG project in the vicinity of the salt field, which was partly offset by its impairment loss of goodwill.
- For the year ended March 31, 2013, this segment recorded an impairment loss of ¥3.0 billion on listed securities in Mitsui Chemicals Inc. reflecting the decline in share price.

***Energy Segment***

The weighted average crude oil prices applied to our operating results for the year ended March 31, 2013 and 2012 were estimated to be US$114 and US$108 per barrel, respectively.

Gross profit for the year ended March 31, 2013 was ¥190.7 billion, a decline of ¥28.4 billion from ¥219.1 billion for the corresponding previous year, primarily due to the following factors:




- Mitsui Oil Exploration Co., Ltd. reported an increase of ¥22.2 billion due to increases in both production volume and oil prices. Mitsui E&P Texas LP, which acquired a working interest in the Eagle Ford shale project during the three-month period ended December 31, 2011, and was consolidated with a three-month time lag, recorded a gross profit of ¥6.7 billion.
- Mitsui Coal Holdings Pty. Ltd. reported a decline of ¥32.4 billion due to lower coal prices, in spite of the reduction in production costs.
- Mitsui E&P USA LLC reported a decline of ¥11.6 billion due to an increase in depreciation costs as well as a decline in gas prices in the United States, despite an increase in production volume.
- A decline in gross profit of ¥7.8 billion and ¥3.3 billion respectively were recorded in petroleum trading activities of Mitsui, as well as in Mitsui Oil Co., Ltd., due to deterioration of market conditions.

Operating income for the year ended March 31, 2013 was ¥134.9 billion, a decline of ¥38.6 billion from ¥173.5 billion for the corresponding previous year. In addition to a decline in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥56.7 billion, an increase of ¥2.8 billion from ¥53.9 billion for the corresponding previous year. Japan Australia LNG (MIMI) Pty. Ltd. reported an increase due to higher oil prices.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥164.8 billion, a decline of ¥23.3 billion from ¥188.1 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- Dividends from six LNG projects (Abu Dhabi, Oman, Qatargas 1 and 3, Equatorial Guinea and Sakhalin II) were ¥61.2 billion in total, a decline of ¥7.4 billion from ¥68.6 billion for the corresponding previous year, due mainly to a decline in dividends received from the Sakhalin II project.
- For the year ended March 31, 2013, Mitsui Oil Exploration Co., Ltd. recorded a ¥22.0 billion one-time positive impact on income taxes due to the reversal of deferred tax liabilities associated with a revision of the deferred tax rate applicable to the unrealized holding gains on available-for-sale securities. Net

income attributable to noncontrolling interests of Mitsui Oil Exploration Co., Ltd. increased by ¥7.4 billion from the corresponding previous year mainly due to such positive impact on income taxes.

- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution increased by approximately ¥8.5 billion from the corresponding previous year.
- For the year ended March 31, 2013, Mitsui Oil Exploration Co., Ltd. recorded a gain of ¥6.2 billion on the sale of shares in INPEX CORPORATION. For the corresponding previous year, Mitsui and Mitsui Oil Exploration Co., Ltd. recorded gains of ¥8.4 billion in total on the sale of the same shares.
- For the year ended March 31, 2013, exploration expenses of ¥36.1 billion in total were recorded in other expenses-net, including those recorded by Mitsui E&P Mozambique Area 1 Limited, Mitsui Oil Exploration Co., Ltd. and Mitsui E&P Australia Pty Limited (Australia). For the corresponding previous year, Mitsui Oil Exploration Co., Ltd. recorded foreign exchange gains of ¥3.9 billion, while exploration expenses totaled ¥18.9 billion including those recorded by Mitsui E&P Australia Pty Limited and Mitsui Oil Exploration Co., Ltd.
- For the corresponding previous year, a ¥5.1 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.
- For the corresponding previous year, Mitsui & Co. Uranium Australia Pty. Ltd. reported an impairment loss of ¥5.0 billion in mining equipment and mineral rights due to its decision to withdraw from a uranium mine development project in Australia, while at the same time a ¥4.0 billion positive impact was recorded on income taxes due to the recording of deferred tax assets.

***Lifestyle Segment***

Gross profit for the year ended March 31, 2013 was ¥106.0 billion, a decline of ¥6.0 billion from ¥112.0 billion for the corresponding previous year.

- The Food Resources Business Unit reported a decline of ¥4.2 billion due to the decline in trading business of grain reflecting lower prices.
- The Food Products & Services Business Unit recorded a decline of ¥2.8 billion, reflecting the reversal effect of a ¥4.7 billion mark-to-market valuation gains on commodity derivative contracts related to coffee for the corresponding previous year.
- The Consumer Service Business Unit reported an increase of ¥1.1 billion.

Operating loss for the year ended March 31, 2013 was ¥5.5 billion, a decline of ¥16.1 billion from operating income of ¥10.6 billion for the corresponding previous year. In addition to the decline in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥8.3 billion, a decline of ¥1.0 billion from ¥9.3 billion for the corresponding previous year.

- The Food Resources Business Unit reported an increase of ¥0.5 billion. This business unit recorded a ¥2.9 billion impairment loss on listed securities in Mitsui Sugar Co., Ltd. for the year ended March 31, 2013, reflecting the decline in share price.
- The Food Products & Services Business Unit recorded a decline of ¥0.1 billion.
- The Consumer Service Business Unit reported a decline of ¥1.4 billion. IHH Healthcare Bhd., in which MBK Healthcare Partners Limited invested, recorded an increase of ¥2.1 billion. Meanwhile, an impairment loss reflecting an other-than-temporary decline in the investment value was recorded for another associated company.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥10.3 billion, a decline of ¥6.7 billion from ¥17.0 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- For the year ended March 31, 2013, this segment reported a gain of ¥8.0 billion on the sale of shares in Mikuni Coca-Cola Bottling Co., Ltd.
- MBK Healthcare Partners Limited recorded a ¥5.5 billion gain related to equity dilution in IHH Healthcare Bhd. The relevant gain includes a ¥5.3 billion gain due to the dilution of MBK Healthcare Partners Limited's stake in IHH Healthcare Bhd. from 26.63% to 20.48% reflecting the issuance of new shares by IHH Healthcare Bhd. upon its initial public offering on the Bursa Malaysia and Singapore Exchange in July 2012.
- For the corresponding previous year, this segment recorded a ¥3.6 billion remeasurement gain due to the reclassification of Multigrain AG.

***Innovation & Cross Function Segment***

Gross profit for the year ended March 31, 2013 was ¥41.4 billion, a decrease of ¥12.1 billion from ¥53.5 billion for the corresponding previous year.

- The IT Business Unit reported a decline of ¥1.7 billion.
- The Financial & New Business Unit reported a decrease of ¥12.1 billion. Mitsui & Co. Commodity Risk Management Ltd. posted a decline of ¥6.4 billion due to underperforming derivatives trading. Gross profits corresponding to foreign exchange gains of ¥6.4 billion and ¥5.8 billion related to the commodity derivatives trading business at Mitsui posted in other expenses-net were included in gross profit for the year ended March 31, 2013 and for the corresponding previous year, respectively.
- The Transportation Logistics Business Unit reported an increase of ¥1.6 billion.

Operating loss for the year ended March 31, 2013 was ¥32.9 billion, a deterioration of ¥12.8 billion from ¥20.1 billion for the corresponding previous year.

Equity in earnings of associated companies for the year ended March 31, 2013 was ¥18.0 billion, an increase of ¥38.4 billion from equity in losses of ¥20.4 billion for the corresponding previous year. Reflecting the decline in share price, this segment recorded impairment losses on listed securities for the amount of ¥18.3 billion in TPV Technology Limited, ¥6.7 billion in Moshi Moshi Hotline, Inc. and ¥6.0 billion in Nihon Unisys, Ltd., for the year ended March 31, 2012. In addition to the impairment loss of ¥6.0 billion in investment, equity in losses of ¥3.3 billion was recorded at Nihon Unisys, Ltd. mainly due to the setting up of valuation allowances for its deferred tax assets for the year ended March 31, 2012.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥3.6 billion, an increase of ¥35.8 billion from net loss of ¥32.2 billion for the corresponding previous year. In addition to the above-mentioned factors, there were the following factors:

- For the year ended March 31, 2013, this segment reported a gain of ¥4.8 billion on the sale of shares in Nihon Unisys, Ltd.
- For the year ended March 31, 2013, Mitsui Bussan Commodities Ltd. (United Kingdom) recorded a gain of ¥4.3 billion on the sale of shares in LME Holdings Limited.
- For the corresponding previous year, this segment recorded a ¥4.0 billion impairment loss on shares in Formosa Epitaxy Incorporation and a ¥2.7 billion impairment loss on shares in QIWI Limited in Russia.
- For the year ended March 31, 2012, Trinet Logistics Co., Ltd. (Japan), a warehousing company, recorded a ¥3.2 billion gain on sales of unused land in Japan.
- For the year ended March 31, 2013 and for the corresponding previous year, foreign exchange gains of ¥6.4 billion and ¥5.8 billion, respectively, were posted in other expense-net in relation to the commodity derivatives trading business at Mitsui.

***Americas Segment***

Gross profit for the year ended March 31, 2013 was ¥66.0 billion, a decline of ¥9.6 billion from ¥75.6 billion

for the corresponding previous year. Novus International, Inc. reported a decline of ¥6.7 billion due to a decline in sales price of methionine as well as a write-down on inventories of feed additives other than methionine.
Operating income for the year ended March 31, 2013 was ¥11.4 billion, a decline of ¥12.9 billion from ¥24.3 billion for the corresponding previous year. In addition to the decline in gross profit, this segment reported increases in the provision for doubtful receivables and in general and administrative expenses.
Equity in earnings of associated companies for the year ended March 31, 2013 was ¥3.5 billion, a decline of ¥0.8 billion from ¥4.3 billion for the corresponding previous year.
Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥12.4 billion, a decline of ¥4.0 billion from ¥16.4 billion for the corresponding previous year. In addition to the above-mentioned factors, for the year ended March 31, 2013, this segment recorded a gain of ¥3.1 billion on the sale of shares in MED3000 Group, Inc.

***Europe, the Middle East and Africa Segment***

Gross profit for the year ended March 31, 2013 was ¥15.6 billion, a decline of ¥2.6 billion from ¥18.2 billion for the corresponding previous year.
Operating loss for the year ended March 31, 2013 was ¥3.7 billion, a deterioration of ¥3.0 billion from ¥0.7 billion for the corresponding previous year.
Equity in earnings of associated companies for the year ended March 31, 2013 was ¥0.4 billion, a decline of ¥0.1 billion from ¥0.5 billion for the corresponding previous year.
Net loss attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥0.9 billion, a decline of ¥2.1 billion from ¥1.2 billion of net profit for the corresponding previous year.

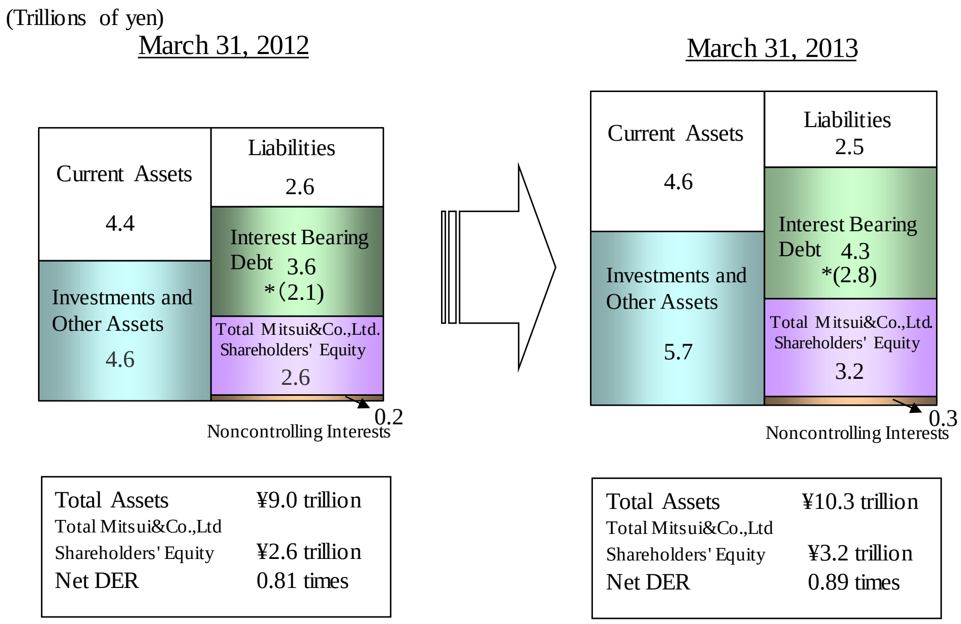
***Asia Pacific Segment***

Gross profit for the year ended March 31, 2013 was ¥10.5 billion, a decline of ¥1.2 billion from ¥11.7 billion for the corresponding previous year.
Operating loss for the year ended March 31, 2013 was ¥5.9 billion, a deterioration of ¥1.7 billion from ¥4.2 billion for the corresponding previous year.
Equity in earnings of associated companies for the year ended March 31, 2013 was ¥4.9 billion, an increase of ¥0.2 billion from ¥4.7 billion for the corresponding previous year.
Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 was ¥27.5 billion, a decline of ¥21.7 billion from ¥49.2 billion for the corresponding previous year. In addition to the above-mentioned factors, this segment recorded earnings from the segment’s minority interest in Mitsui Iron Ore Development Pty. Ltd., Mitsui-Itochu Iron Pty. Ltd. and Mitsui Coal Holdings Pty. Ltd., which were lower due to declines in the prices of iron ore and coal.

**(3) <u>Financial Condition and Cash Flows</u>**

1) Financial Condition
Total assets as of March 31, 2013 were ¥10,324.6 billion, an increase of ¥1,312.8 billion from ¥9,011.8 billion as of March 31, 2012.
Total current assets as of March 31, 2013 were ¥4,631.5 billion, an increase of ¥205.2 billion from ¥4,426.3 billion as of March 31, 2012. Inventories increased by ¥230.8 billion. Certain physical commodity swap transactions related to precious metals, which were previously accounted for as derivative transactions, are accounted for as financings from the three-month period ended December 31, 2012, and as a result, an increase of ¥139.0 billion in inventories was reported. Furthermore, increases in inventories of ¥20.1 billion and ¥11.0 billion were reported due to an increase in trading volume at petroleum trading business and the mining and construction machinery-related business in South America. Cinco Pipe & Supply, LLC, a newly acquired oil and gas well tubular distributor in the United States, also reported an increase of ¥15.4 billion.

Total current liabilities as of March 31, 2013 increased by ¥421.3 billion to ¥3,045.3 billion from ¥2,624.0 billion as of March 31, 2012. Short-term debt increased by ¥356.0 billion, including an increase of ¥143.1 billion due to the aforementioned change related to physical commodities swap transactions.
As a result, working capital, or current assets less current liabilities, as of March 31, 2013 totaled ¥1,586.2 billion, a decline of ¥216.1 billion from ¥1,802.3 billion as of March 31, 2012.




(*) Figures in brackets in interest-bearing debt are "net interest-bearing debt," which is interest-bearing debt minus cash and cash equivalents and time deposits.

The sum of “total investments and non-current receivables,” “net property and equipment,” “intangible assets, less accumulated amortization,” “deferred tax assets-non-current,” and “other assets” as of March 31, 2013 totaled ¥5,693.1 billion, an increase of ¥1,107.6 billion from ¥4,585.5 billion as of March 31, 2012, mainly due to the following factors:
Total of investments and non-current receivables as of March 31, 2013 was ¥3,958.8 billion, an increase of ¥767.1 billion from ¥3,191.7 billion as of March 31, 2012.
Within this category, investments in and advances to associated companies as of March 31, 2013 was ¥2,325.3 billion, an increase of ¥616.2 billion from ¥1,709.1 billion as of March 31, 2012. Major factors were as follows:

- An increase of ¥166.6 billion due to an acquisition of 32.20% stake in Inversiones Mineras Acrux SpA (Chile), a joint venture with Codelco;
- An increase of ¥85.7 billion due to an additional investment in Japan Australia LNG (MIMI) Pty. Ltd. for the acquisition of working interests in the Browse LNG project;
- An increase of ¥24.1 billion due to an investment in the Caserones copper and molybdenum project in Chile;
- An increase of ¥20.9 billion due to investments in and loans to FPSO (Floating Production, Storage and Offloading vessel) leasing businesses for oil and gas production in Brazil;
- An increase due to an acquisition of a 30% stake in renewable energy power generation projects in Canada;
- An increase of ¥9.4 billion due to an acquisition of a 49.9% stake in National Plant and Equipment Pty Ltd., an Australian mining equipment rental company;
- Factors that do not involve cash flow included net increases in equity earnings of ¥49.4 billion (net of ¥126.8 billion in dividends received from associated companies) as well as an increase of ¥224.3

billion resulting from a foreign exchange translation adjustment on foreign investments due to the depreciation of the Japanese yen.

Other investments as of March 31, 2013 were ¥816.3 billion, an increase of ¥23.8 billion from ¥792.5 billion as of March 31, 2012, mainly due to the following factors:

- A ¥43.3 billion net increase in unrealized holding gains on available-for-sale securities;
- An increase of ¥9.4 billion due to an investment in Sodrugestvo Group S.A., which operates grain business mainly in Russia;
- A decline of ¥31.7 billion in investment in Sakhalin Energy Investment Company Ltd. due to capital redemption (in addition, a ¥2.9 billion increase due to a foreign exchange translation gain); and
- A decline of ¥22.8 billion due to the recognition of impairment in investments.

Non-current receivables, less unearned interest as of March 31, 2013, totaled ¥523.9 billion, an increase of ¥69.7 billion from ¥454.2 billion as of March 31, 2012. Major components included:

- An increase of ¥78.2 billion in the loan to Codelco's subsidiary;
- A decline of ¥17.0 billion (excluding a foreign exchange translation gain of ¥1.1 billion) at PT. Bussan Auto Finance (Indonesia) , a motorcycle retail finance subsidiary; and
- A decline of ¥12.5 billion in the loan to Grace Ocean Private Limited, a ship-owning company, mainly due to collection of loans.

Property leased to others—at cost, less accumulated depreciation as of March 31, 2013, totaled ¥330.6 billion, an increase of ¥57.9 billion from ¥272.7 billion as of March 31, 2012, mainly due to the following factors:

- An increase of leased rolling stock for ¥17.4 billion (including a foreign exchange translation gain of ¥9.2 billion) ; and
- An increase of ¥10.0 billion at ME Serviços de Energia do Brasil Participações Ltda., a newly acquired energy service company in Brazil.

Net property and equipment as of March 31, 2013 totaled ¥1,570.3 billion, an increase of ¥314.4 billion from ¥1,255.9 billion as of March 31, 2012, mainly due to the following factors:

- An increase of ¥107.8 billion (including a foreign exchange translation gain of ¥33.4 billion) at the Marcellus and Eagle Ford shale gas and oil projects in the United States;
- An increase of ¥103.0 billion (including a foreign exchange translation gain of ¥44.6 billion) at iron ore mining projects in Australia;
- An increase of ¥41.8 billion (including a foreign exchange translation gain of ¥17.5 billion) at oil & gas projects other than shale gas and oil projects; and
- An increase of ¥33.5 billion (including a foreign exchange translation gain of ¥24.1 billion) at coal mining projects in Australia.

Long-term debt less current maturities as of March 31, 2013 was ¥3,185.0 billion, an increase of ¥286.8 billion from ¥2,898.2 billion as of March 31, 2012. Oriente Copper Netherlands B.V. (Netherlands) and a financial subsidiary in the United States reported an increase in long-term borrowings.

Total Mitsui & Co., Ltd. shareholders' equity as of March 31, 2013 was ¥3,181.8 billion, an increase of ¥540.5 billion from ¥2,641.3 billion as of March 31, 2012. The major component of the increase was a net increase of ¥285.6 billion in foreign currency translation adjustments mainly due to appreciation of the Australian dollar, US dollar and Brazilian real against the Japanese yen. Furthermore, retained earnings increased by ¥216.7 billion and unrealized holding gains on available-for-sale securities increased by ¥45.3 billion reflecting the higher stock prices.

As a result, the equity-to-asset ratio as of March 31, 2013, was 30.8%, 1.5 points higher compared to 29.3% as of March 31, 2012. Net interest-bearing debt, or interest-bearing debt less cash and cash equivalents and time deposits as of March 31, 2013 was ¥2,839.4 billion, an increase of ¥696.6 billion from ¥2,142.8 billion as of March 31, 2012. The net debt-to-equity ratio (DER) as of March 31, 2013 was 0.89 times, 0.08 points higher compared to 0.81 times as of March 31, 2012.

| | | Billions of Yen | | |
|---|---|---|---|---|
| | | As of March 31, 2012 | | As of March 31, 2013 |
| Short-term debt | ¥ | 307.1 | ¥ | 663.1 |
| Long-term debt | ¥ | 3,270.9 | ¥ | 3,606.2 |
| Interest bearing debt | ¥ | 3,578.0 | ¥ | 4,269.3 |
| Less cash and cash equivalents and time deposits | ¥ | (1,435.2) | ¥ | (1,429.9) |
| | | | | |
| Net interest bearing debt | ¥ | 2,142.8 | ¥ | 2,839.4 |
| Total Mitsui & Co., Ltd. Shareholders' equity | ¥ | 2,641.3 | ¥ | 3,181.8 |
| | | | | |
| Net DER (times) | | 0.81 | | 0.89 |

2) Cash Flows

***Cash Flows from Operating Activities***

Net cash provided by operating activities for the year ended March 31, 2013 was ¥461.4 billion, an increase of ¥80.4 billion from ¥381.0 billion for the corresponding previous year. Major components of net cash provided by operating activities were our operating income of ¥254.6 billion, dividend income of ¥195.8 billion, including dividends received from associated companies, and net cash inflow of ¥2.4 billion from a decline in working capital, or changes in operating assets and liabilities.

Compared with the corresponding previous year, while operating income declined by ¥93.8 billion and dividend income declined by ¥49.9 billion, net cash flow from increases and decreases in working capital improved by ¥209.0 billion.

***Cash Flows from Investing Activities***

Net cash used in investing activities for the year ended March 31, 2013 was ¥753.3 billion, an increase of ¥315.1 billion from ¥438.2 billion for the corresponding previous year. The net cash used in investing activities consisted of:

- Net outflows of cash that corresponded to investments in and advances to associated companies (net of sales of investments in and collection of advances to associated companies) were ¥230.6 billion. The major cash outflows were as follows:
  - An acquisition of a 16.95% stake in Inversiones Mineras Acrux SpA for ¥85.9 billion (*);
  - An additional investment in Japan Australia LNG (MIMI) Pty. Ltd. for ¥85.7 billion;
  - An investment in the Caserones copper and molybdenum project in Chile for ¥24.1 billion;
  - Investments in and loans to FPSO leasing businesses for oil and gas production in Brazil for ¥20.9 billion;
  - An acquisition of a 30% stake in renewable energy power generation projects in Canada; and
  - An acquisition of a 49.9% stake in National Plant and Equipment Pty Ltd. for ¥9.4 billion.

  The major cash inflows were the partial sale of shares in Mikuni Coca-Cola Bottling Co., Ltd. for ¥15.5 billion and the partial sale of shares in Nihon Unisys, Ltd. for ¥11.4 billion.
- Net inflows of cash that corresponded to other investments (net of sales and redemption of other investments) were ¥9.2 billion. Cash inflows mainly consisted of a capital redemption from Sakhalin Energy Investment Company Ltd for ¥31.7 billion. Meanwhile, major cash expenditures included an acquisition of oil and gas concessions in the UK North Sea for ¥21.3 billion and an investment in Sodrugestvo Group S.A. for ¥9.4 billion.
- Net outflows of cash that corresponded to long-term loan receivables (net of collection) were ¥132.6 billion. Increases in long-term loans mainly consisted of the loan to Codelco's subsidiary for ¥146.7 billion (*). The major cash inflows was from collection of a loan for ¥13.6 billion from Grace Ocean

Private Limited as well as a cash inflow of ¥10.0 billion due to the decline in loan receivables at PT. Bussan Auto Finance.

- Net outflows of cash relating to purchases of property leased to others and property and equipment (net of sales of those assets) were ¥398.9 billion. Major expenditures included:
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥112.0 billion;
  - Iron ore mining projects in Australia for ¥91.1 billion;
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥84.1 billion;
  - Coal mining projects in Australia for ¥29.1 billion; and
  - Leased rolling stock for ¥22.2 billion.

(*) We currently have a 32.20% stake in Inversiones Mineras Acrux SpA as a result of repayment of a part of the loan extended to Codelco's subsidiary with the 15.25% stake in Inversiones Mineras Acrux SpA in November 2012.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the year ended March 31, 2013 was a net outflow of ¥291.9 billion.

***Cash Flows from Financing Activities***

For the year ended March 31, 2013, net cash provided by financing activities was ¥221.6 billion, an increase of ¥164.2 billion from net cash provided by financing activities of ¥57.4 billion for the corresponding previous year. Cash outflows from payments of cash dividends were ¥91.3 billion. The net cash inflow from the borrowing of short-term debt was ¥161.5 billion and the net cash inflow from the borrowing of long-term debt was ¥150.5 billion.

In addition to the changes discussed above, there was an increase in cash and cash equivalents of ¥64.3 billion due to foreign exchange translation; as a result, cash and cash equivalents as of March 31, 2013 totaled ¥1,425.2 billion, a decline of ¥5.9 billion from ¥1,431.1 billion as of March 31, 2012.

## 2. Management Policy

**(1) Progress with the Medium-term Management Plan to March 31, 2014**

1) Progress in five key initiatives

Progress in five key initiatives for the Medium-term Management Plan was as follows:

**(a) Reinforcement of the earnings base and business engineering capabilities**

i) Focus on upstream resource businesses

- In the Metals business area, we acquired a working interest in copper, through the joint holding of Anglo American Sur shares with Codelco, and expansion of iron ore export port capacity owned by Robe River J/V was decided;
- In the Energy business area, oil and gas concessions in the UK North Sea were acquired and an agreement was concluded to acquire an oil field in Italy;
- In the Chemicals business area, a basic agreement was signed with Idemitsu Kosan Co., Ltd. for joint production and marketing of alpha olefins that utilizes the shale gas produced in the United States; and an initial agreement was also reached with The Dow Chemical Company of the United States concerning the procurement of feedstock for the production and the supply of a part of its production.
- In the Lifestyle business area, progress was made in enhancing the global grain collection network with projects such as investment in Sodrugestvo Group S.A. in Russia.

ii) Reinforcement of initiatives in the natural gas value chain

Progress was seen in commercialization projects for LNG in the United States, Australia and Mozambique. In our shale gas related businesses in the United States, we are making progress connecting the natural gas value chain to the chemical businesses by utilizing our business engineering capabilities: an example would include the above-mentioned project with Idemitsu Kosan Co., Ltd. In Mexico, besides participating in the business of this country's largest natural gas distribution company, the LNG receiving terminal, a project in which we played an initiative role during the development stage, started operation.

iii) Proactive approach to capture the momentum of growth in emerging economies and to meet global industrial requirement.

We have made steady progress with initiatives in emerging economies in each business areas, from upstream to downstream businesses. In the Machinery & Infrastructure business area, operations have started and contributions are being made to profits by a coal-fired thermal power plant project in Hezhou, China, automobile assembly business in Russian Far East, and drillship and FPSO projects in Brazil. In the Lifestyle business area, we have expanded our hospital and related businesses, utilizing IHH Healthcare Bhd. as a business platform.

iv) Elevation of functional capabilities and reinforcement of challenges to create and incubate new businesses

As initiatives to create and incubate new businesses, in the Metals business area, we are endeavoring to build a functional platform within the value chain of iron and steel products and automobiles, and to attain this aim, agreed to invest in Gestamp Automoción S.L.'s North and South American operations.

In addition, to elevate functional capabilities, aiming to integrate finance, logistics and IT functions and to further contribute to company-wide earnings, we have established the Innovation & Corporate Development Business Unit on April 1, 2013.

v) Enhancement of partnership strategy

We have strengthened the relationship with Codelco by conducting a strategic alliance agreement. In addition, in emerging countries such as Indonesia, India, Singapore and Thailand, we have strengthened the relationships with prominent local companies and built the basis for a multifaceted approach in the future.

vi) Enhancement of project management capabilities

We will continue to strengthen our project management capabilities for the implementation and promotion of projects and businesses.

**(b) Creating businesses for the next generation**

Aiming to create businesses that will support our earnings base for the next generation, we have built a company-wide framework to enhance business innovation. Centered on the Business Innovation Committee, a committee located under the Corporate Management Committee, we are implementing plans to strengthen our ability to formulate new projects, such as building relationships with universities and research institutions inside and outside of Japan so as to enhance our information-gathering ability. as well as introducing the idea of "business innovation projects," which use criteria for evaluating next generation projects that are different from those applied to ordinary investments.

We are also placing an emphasis on participating in domestic businesses that would contribute to stimulating the local economy. Progress has been seen in projects such as those one related to the seafood processing zone in Kesennuma, an aquarium in Sendai, the Softbank Tottori-Yonago Solar Park and the mega solar power facility project in Higashimatsushima-city of Miyagi prefecture, all in Japan, which are expected to contribute to revitalization of local economies.

**(c) Evolution of portfolio strategy**

Working primarily through the Portfolio Management Committee, we are improving asset quality and implementing strategic recycling of investments we have made, and are executing dynamic allocation of management resources.

Continuous effort is being invested in human resources management, such as recruitment of personnel who match the demands and strengthening of nurturing program for project managers.

**(d) Acceleration of globalization initiatives**

By strengthening the ties with prominent local companies in countries and regions where we conduct business, we succeeded in participating in projects, such as Yulin Business Park project in Chongqing, China, where we are to promote inward investment and participate in the selection of sites, and building development project within a business park in Singapore in collaboration with Ascendas Ptd Ltd.

The Nay Pyi Taw office in Myanmar being an example, we are establishing offices and business organizations in our key strategic countries including the BRICs, Mexico, Indonesia, Mozambique and Myanmar, as well as in frontier regions such as Africa, thereby raising our presence in the region and creating new projects.

As for globalization of human resources, we have expanded recruitment into the international market and are continuously implementing human resources training programs.

**(e) Reinforcement of group management infrastructure**

To further strengthen the business and corporate structure and to maximize our business engineering capabilities for the realization of our vision for the future as set forth in our current Medium-term Management Plan, starting April 1, 2013, we are reorganizing our business units and corporate staff divisions.

We will continue to develop our own CSR initiatives bearing in mind “Yoi-Shigoto (good quality work),” as well as enhance and strengthen communication with the community.

2) Progress with the Investment and Loan Plan

Our progress with the investment plan in each of the six business areas in this fiscal year is as follows:

(Billions of Yen)

| Business Area | Year ended March 31, 2013 | | Major Projects |
|---|---|---|---|
| | Plan | Result | |
| Metals | 200 | 370 | Codelco (copper mine), Australia iron ore expansion, Caserones copper development |
| Machinery & Infrastructure | 200 | 145 | Rolling stock lease, FPSO lease, Renewable energy IPP |
| Chemicals | 50 | 20 | Tank terminal expansion |
| Energy | 250 | 335 | Shale gas/oil, Browse LNG (capital increase in JAL-MIMI), Expansion of oil & gas and coal, UK North Sea oil & gas |
| Lifestyle | 50 | 65 | Senior living facility, Grain merchandising |
| Innovation & Cross Function | 50 | 25 | Private equity-sponsored loans |
| Gross Investments & Loans | 800 | 960 | |
| Divestiture | ▲160 | ▲220 | Sakhalin II capital redemption, Mikuni Coca-Cola shares, Loan collection from ship-owning company, Nihon Unisys shares |
| Net Cash Outflow | 640 | 740 | |

During this fiscal year, the first year of the Medium-term Management Plan, we executed new investments and loans of approximately ¥960 billion, which was above the original plan of ¥ 800 billion. In August 2012, we agreed to jointly acquire 29.5% of the shares in Anglo America Sur S.A. with Codelco and executed a combined investment and loan of US$3 billion (¥232.6 billion). Since this transaction was not

included in our original annual investments and loans plan for this fiscal year, the amount of investments and loans for the Metals business area significantly exceeded the plan.
On the other hand, we collected approximately ¥220 billion through disposal of assets and investments, which surpassed the original plan of ¥160 billion.
Sakhalin II capital redemption, sale of listed stocks, and collection of loans in Machinery & Infrastructure business area contributed to contain the increases of our net cash outflow to ¥100 billion above the original plan.
While our free cash flow for the year ended March 31, 2013 was negative, we will maintain our efforts to improve our portfolio by further reinforcing our investment discipline and enhancing recycling of assets.
Due to the cash outflow for the above-mentioned large-scale investment as well as a change in accounting method regarding certain physical commodity swap transactions related to precious metals, net DER rose to 0.89 times as of March 31, 2013, against our original outlook of below 0.8 times during the current Medium-term Management Plan. Since our plan for the next year is above our original assumption in the Medium-term Management, we forecast the net DER to rise somewhat further.

## (2) Business Plan for the Year Ending March 31, 2014

1) Forecasts for the year ending March 31, 2014

| | | |
|---|---|---|
| Exchange rate (JPY/USD) | 95.00 | 83.32 |
| Crude oil (JCC) | $103/bbl | $114/bbl |
| Consolidated oil price | $106/bbl | $114/bbl |

(Billions of yen)

| | Mar-14 Forecast | Mar-13 Result | Change | Description of Increase/Decrease |
|---|---|---|---|---|
| Gross profit | 900.0 | 790.4 | 109.6 | Positive impact of depreciation of Yen. Oil, iron ore and coal prices declined. |
| SG & A expenses | -580.0 | -521.1 | -58.9 | |
| Provision for doubtful receivables | -10.0 | -14.7 | 4.7 | |
| Operating income | 310.0 | 254.6 | 55.4 | |
| Interest expenses | -10.0 | -1.2 | -8.8 | Reversal of commitment fee related to the loan to Codelco recorded in Mar-13. |
| Dividend income | 90.0 | 80.1 | 9.9 | Increase in dividends from LNG projects |
| Gain on sales of securities, PPE and other gains-net | -5.0 | -19.4 | 14.4 | Reversal of impairments recorded in Mar-13. |
| Income before income taxes and equity in earnings | 385.0 | 314.1 | 70.9 | |
| Income taxes | -200.0 | -158.3 | -41.7 | |
| Income before equity in earnings | 185.0 | 155.8 | 29.2 | |
| Equity in earnings of associated companies | 200.0 | 176.2 | 23.8 | Reversal of impairments recorded in Mar-13. |
| Net income before attribution of noncontrolling interests | 385.0 | 332.0 | 53.0 | |
| Net income attributable to noncontrolling interests | -15.0 | -24.1 | 9.1 | |
| Net income attributable to Mitsui & Co., Ltd. | 370.0 | 307.9 | 62.1 | |

We assume foreign exchange rates for the year ending March 31, 2014 will be ¥95/US$, ¥95/AU$ and ¥45/BRL, while average foreign exchange rates for the year ended March 31, 2013 were ¥83.32/US$, ¥85.89/AU$ and ¥41.27/BRL. Our assumption for the annual average crude oil price applicable to our financial results for the year ending March 31, 2014 is US$106/barrel, down US$8 from US$114/barrel applied for the year ended March 31, 2013, based on the assumption that the crude oil price (JCC) will be maintained at US$103/barrel throughout the year ending March 31, 2014.
Gross profit is expected to be ¥900.0 billion. Despite the assumption that prices of mineral resources and

energy such as oil, iron ore and coal will decline, we expect an increase in sales volume, as well as a positive effect from depreciation of the Japanese yen and a recovery of economic conditions in other business areas. Dividend income is expected to be ¥90.0 billion due to an increase in dividend income from LNG projects. We anticipate a rebound effect from impairment losses recorded in the year ended March 31, 2013, in gains on sales of securities, property and equipment and other gains-net. Equity in earnings of associated companies is expected to be ¥200.0 billion reflecting the reversal effect of impairment losses and contribution starting from equity method investees in which we invested by the year ended March 31, 2013. As a result, net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2014 is expected to be ¥370.0 billion.

The forecast for annual operating results by operating segment compared to the results for the year ended March 31, 2013 is described as follows:

| (Billions of yen) | Year ending March 31, 2014 | Year ended March 31, 2013 | Change |
|---|---|---|---|
| Iron & Steel Products | 13.0 | (2.9) | 15.9 |
| Mineral & Metal Resources | 107.0 | 90.5 | 16.5 |
| Machinery & Infrastructure | 22.0 | 16.9 | 5.1 |
| Chemicals | 12.0 | (1.5) | 13.5 |
| Energy | 160.0 | 164.8 | (4.8) |
| Lifestyle | 16.0 | 13.0 | 3.0 |
| Innovation & Corporate Development | (3.0) | 4.7 | (7.7) |
| Americas | 17.0 | 12.4 | 4.6 |
| Europe, the Middle East and Africa | 3.0 | (0.9) | 3.9 |
| Asia Pacific | 33.0 | 27.5 | 5.5 |
| All Other/Adjustments and Eliminations | (10.0) | (16.6) | 6.6 |
| Consolidated total | 370.0 | 307.9 | 62.1 |

Effective April 1, 2013, the Innovation & Cross Function Segment, where IT, FT and LT capabilities of our company are concentrated, changed its name to Innovation & Corporate Development Segment. Logistics infrastructure businesses, including development and management of ports and airport terminal, advanced materials related businesses such as liquid-crystal and electronic devices, and media related businesses such as TV Shopping and broadcasting, all included in the Innovation & Cross Function Segment until March 31, 2013, were transferred to Machinery & Infrastructure Segment, Chemicals Segment, and Lifestyle Segment, respectively.
The Innovation & Corporate Development Segment, through its integrated IT, FT and LT capabilities, aims to solidify a business base for the business fields included in the scope of this segment, contribute in connecting the various segments within the company, and provide functions that will contribute in creating next-generation businesses.
In accordance with the aforementioned change, the operating segment information for the year ended March 31, 2013 has been restated to conform to the operating segment as of April 1, 2013.

- Projected net income attributable to Mitsui & Co., Ltd. from the Iron & Steel Products Segment for the year ending March 31, 2014 is ¥13.0 billion, an increase of ¥15.9 billion from the year ended March 31, 2013. We expect an increase in profit attributable to the recovery in market conditions and a profit contribution from the automotive components manufacturing business in the Americas, in addition to the reversal effect of foreign exchange losses recorded in the year ended March 31, 2013.

- Projected net income attributable to Mitsui & Co., Ltd. from the Mineral & Metal Resources Segment is ¥107.0 billion, an increase of ¥16.5 billion from the year ended March 31, 2013. The primary reasons for the increase are the positive effect from depreciation of the Japanese yen; an increase in sales volume of iron ore and copper reflecting expansion investments in iron ore projects; and an increase in income from infrastructure expansion investments, including port facilities. On the other hand, we took into consideration the negative impact of a decline in prices of mineral resources.
- Projected net income attributable to Mitsui & Co., Ltd. from the Machinery & Infrastructure Segment is ¥22.0 billion, an increase of ¥5.1 billion from the year ended March 31, 2013. While the research and development costs for development of a new aircraft engine is expected to increase, we also expect positive effect from depreciation of the Japanese yen and profit contribution from new projects in the FPSO leasing business and IPP business.
- Projected net income attributable to Mitsui & Co., Ltd. from the Chemicals Segment is ¥12.0 billion, an increase of ¥13.5 billion from the year ended March 31, 2013. In addition to the recovery in underperforming trading activities, such as in petrochemical materials, we anticipated a reversal effect of impairment losses on securities recorded in the year ended March 31, 2013.
- Projected net income attributable to Mitsui & Co., Ltd. from the Energy Segment is ¥160.0 billion, a decline of ¥4.8 billion from the year ended March 31, 2013. Expected positive factors include the positive effect from depreciation of the Japanese yen; an increase in dividends received from LNG projects; and an increase in sales volume of oil & gas and coal. Meanwhile, negative factors are also expected including an increase in depreciation cost in oil & gas producing activities; a decline in oil and coal prices; and the reversal effect of the gain posted in the year ended March 31, 2013 from the reversal of deferred tax liabilities at Mitsui Oil Exploration Co., Ltd.
- Projected net income attributable to Mitsui & Co., Ltd. from the Lifestyle Segment is ¥16.0 billion, an increase of ¥3.0 billion from the year ended March 31, 2013, reflecting the recovery in Multigrain AG, despite the reversal effect of gains on sales of securities recorded in the year ended March 31, 2013.
- Projected net loss attributable to Mitsui & Co., Ltd. from the Innovation & Corporate Development Segment is ¥3.0 billion, a decline of ¥7.7 billion from the year ended March 31, 2013, mainly attributable to the reversal effect of gains on sales of securities including those in Nihon Unisys, Ltd. and LME Holdings Limited recorded in the year ended March 31, 2013.
- Projected net income attributable to Mitsui & Co., Ltd. from the Americas Segment is ¥17.0 billion, an increase of ¥4.6 billion from the year ended March 31, 2013, reflecting the positive effect from depreciation of the Japanese yen; an expansion of the chemical tank business; and contribution from Cinco Pipe & Supply, LLC. Projected net income attributable to Mitsui & Co., Ltd. from the Europe, the Middle East and Africa Segment is ¥3.0 billion, an increase of ¥3.9 billion from the year ended March 31, 2013, reflecting the recovery in business conditions in these regions. Projected net income attributable to Mitsui & Co., Ltd. from the Asia Pacific Segment is ¥33.0 billion, an increase of ¥5.5 billion from the year ended March 31, 2013, due to increases in this segment's portion of net incomes of subsidiaries of the Mineral & Metal Resources and Energy segments.

2) Key commodity prices and other parameters for the year ending March 31, 2014

The table below shows assumptions for key commodity prices and other parameters for the projected net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2014. Effects of price movements for each commodity on annual net income attributable to Mitsui & Co., Ltd. are included in the table.

| Year ended March 31, 2013 Result | Impact on Net Income attributable to Mitsui & Co., Ltd. for the Year ending March 31, 2014 | | | Year ending March 31, 2014 Assumption |
|---|---|---|---|---|
| 114 | Commodity | Crude Oil/JCC | ¥1.9 bn (US$1/bbl) | 103 |
| 114 | | Consolidated Oil Price(*1) | | 106 |
| 129(*2) | | Iron Ore | ¥2.2 bn (US$1/ton) | (*3) |
| 7,950(*4) | | Copper | ¥0.6 bn (US$100/ton) | 7,500 |
| 83.32 | Forex (*5) | USD | ¥1.9 bn (¥1/USD) | 95 |
| 85.89 | | AUD | ¥1.9 bn (¥1/AUD) | 95 |
| 41.27 | | BRL | ¥0.4 bn (¥1/BRL) | 45 |

(*1) the oil price trend is reflected in net income with a 0-6 month time lag. We assume the annual average price applicable to our financial results as the Consolidated Oil Price based on the estimation: 4-6 month time lag, 34%; 1-3 month time lag, 47%; no time lag, 19%.
(*2) Average of representative reference prices (Fine, 62% Fe CFR North China) during April 2012 to March 2013
(*3) We refrain from disclosing the iron ore price assumptions.
(*4) Average of LME cash settlement price during January 2012 to December 2012
(*5) Impact of currency fluctuation on net income of overseas subsidiaries and associated companies (denomination in functional currency) against the Japanese yen

Note: Impact of Foreign Currency Exchange Fluctuation on Operating Results
The total sums for net incomes attributable to Mitsui & Co., Ltd. for the years ended March 31, 2012 and 2013 reported by overseas subsidiaries and associated companies were ¥473.5 billion and ¥350.9 billion, respectively. These companies principally use the U.S. dollar, the Australian dollar and the Brazilian real as functional currencies in their reporting.
We conducted a simplified estimation for the effect of foreign currency exchange fluctuations on net income attributable to Mitsui & Co., Ltd. for the year ending March 2014.

a) We aggregated a total projected net income attributable to Mitsui & Co., Ltd. in the business plans of these companies covering the year ending March 31, 2013, according to their functional currencies. Firstly, we aggregated Australian dollar and Brazilian real denominated projected net income attributable to Mitsui & Co., Ltd. of those companies using two currencies as functional currencies. Secondly we aggregate the rest of the projected net income attributable to Mitsui & Co., Ltd. from overseas subsidiaries and associated companies as a US dollar-equivalent amount. We conducted a sensitivity analysis on foreign currency fluctuation for three categories of aggregated net income attributable to Mitsui & Co., Ltd.
For example; yen appreciation of ¥1 against US$1 would have the net effect of reducing net income attributable to Mitsui & Co., Ltd. by approximately ¥1.9 billion. Specifically, for the net income attributable to Mitsui & Co., Ltd. from those companies using Australian dollar and Brazilian real as functional currencies, appreciation of ¥1 against Australian AU$1 and BRL$1 would have the net effect of reducing net income attributable to Mitsui & Co., Ltd. by approximately ¥1.9 billion and ¥0.4 billion, respectively.
b) Net income attributable to Mitsui & Co., Ltd. from those mineral resources and energy producing companies are affected by the currency fluctuation between U.S. dollar as a contractual currency of sales contracts and the two currencies as functional currency, affecting their Australian dollar or Brazilian real denominated revenues. Attention should be paid to this, in addition to the impact that is discussed in a) above.
c) Furthermore, some subsidiaries and associated companies, including the mineral resources and energy related production companies, carry out hedging on the exchange rates between their

functional currencies and the U.S. dollar, which is the contract currency for sales contracts. There are also cases that they carry out exchange rate hedging for yen equivalence valuation of net income attributable to Mitsui & Co., Ltd. that is denominated in foreign currencies. It is necessary to take the impact of these factors into consideration separately from the sensitivity resulting from the yen equivalence valuation of net income attributable to Mitsui & Co., Ltd. in each of the three currencies mentioned in a) above.

3) Investment and loan plan for the year ending March 31, 2014

During the year ending March 31, 2014, we plan ¥1trillion expenditure for investments and loans in total. The Medium-term Management Plan has a provisional budget of ¥600 billion allocated for the year ending March 31, 2014. However, since we continue to see many good investment opportunities to strengthen our earning base, including high quality upstream assets and infrastructure projects in emerging countries, we have decided to increase the investment budget by ¥400 billion.

The ¥1 trillion investment plan consists of investments in the Metals business area for ¥280 billion, mainly to investments in expansion projects and on-going projects for iron ore, in the Machinery & Infrastructure business area for ¥280 billion, in the Chemicals business area for ¥40 billion, in the Energy business area for ¥320 billion mainly to invest into the onshore oil field interest in Italy and shale gas and oil related projects in North America, in the Lifestyle business area for ¥50 billion, and in the Innovation & Corporate Development area for ¥30 billion.

Concurrently, we expect to implement divestiture projects amounting to ¥170 billion.

As a result, net cash to be used in investing activities is expected to be ¥830 billion, and, while cash flow from operating activities is expected to be positive, free cash flow is forecasted to be negative. We would like to reinforce strategic divestitures as well as investments and loans that will strengthen our earning base, keeping in mind the necessity to recover from negative free cash flow.

| (Billions of Yen) Business Area | Result * March 2013 | Plan March 2014 | Medium-term Management Plan to March 2014 (Announced in May 2012) March 2013 | March 2014 |
|---|---|---|---|---|
| Metals | 370 | 280 | 200 | 600 |
| Machinery & Infrastructure | 145 | 280 | 200 | |
| Chemicals | 20 | 40 | 50 | |
| Energy | 335 | 320 | 250 | |
| Lifestyle | 65 | 50 | 50 | |
| Innovation & Corporate Development | 25 | 30 | 50 | |
| Gross Investments & Loans | 960 | 1,000 | 800 | 600 |
| Divestiture | ▲220 | ▲170 | ▲160 | ▲140 |
| Net Cash Outflow | 740 | 830 | 640 | 460 |

* Result for the year ended March 31, 2013 was not restated to conform to the operating segment as of April 1, 2013.

### (3) Shareholder Return Policy

In order to increase corporate value and maximize shareholder value, we have sought to maintain an optimal balance between (a) meeting investment demand in areas that are our core strengths and growth largely through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends based on a target dividend payout ratio of consolidated net income.

For the two-year period of the Medium-term Management Plan to March 2014, while we principally aim for a steady increase in dividends through improvements in corporate performance, we will also consider more flexible compensation to the shareholders, provided that sufficient retained earnings for future business development is secured. Considering the strengthening of our financial standings that has been accomplished through the execution of our previous Medium-term Management Plan, we have set our minimum target dividend payout ratio at 25%.

As we have announced on November 2, 2012, for the year ended March 31, 2013, we plan to pay an annual dividend of ¥43 per share, a ¥12 per share decrease from the corresponding previous year.

Pursuant to our policy, for the year ending March 31, 2014, we currently envisage an annual dividend of ¥51 per share, an ¥8 increase from the year ended March 31, 2013, on the assumption that our annual consolidated net income attributable to Mitsui & Co., Ltd. will be ¥370 billion, as mentioned in our forecast net income for the year ending March 31, 2014.

We will continue to review the shareholder return policy taking into consideration the business environment, future investing activity trends, free cash flow and interest-bearing debt levels, and return on equity.

## 3. Other Information

Notice:

This earnings report contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently available to it and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the outcome of other events in the Gulf of Mexico relating to the oil spill incident that occurred in the exploration block of Gulf of Mexico, in which a subsidiary of Mitsui held certain working interest (Incident). Such risks, uncertainties and other factors may cause Mitsui's actual consolidated financial position, consolidated operating results or consolidated cash flows to be materially different from any future consolidated financial position, consolidated operating results or consolidated cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others, the risk of BP Exploration and Production Inc. and BP Corporation North America Inc. (collectively, BP Parties) failing to make payment for claims concerning the Incident that are to be paid by the BP Parties under the terms of the settlement entered into between MOEX Offshore 2007 LLC (MOEX Offshore), MOEX USA Corporation and Mitsui Oil Exploration Co., Ltd. (collectively, MOEX Parties) and the BP Parties, the risk of additional or amended legal proceedings being brought against MOEX Offshore and its affiliates by governmental entities or private parties seeking fines, penalties or sanctions (collectively, Penalties), punitive damages, injunctive relief and other remedies, and the imposition on the MOEX Parties and their affiliates in pending or new lawsuits of Penalties, punitive damages, injunctive relief or other remedies. We note, however, that to date, no Penalties, punitive damages or injunctive relief have been imposed on MOEX Offshore in connection with the Incident.

These risks, uncertainties and other factors also involve the other factors contained in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other public filings, press releases or website disclosures, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements. As a result, given these factors and the magnitude of the Incident, any such liability could have a material adverse effect on Mitsui's consolidated financial position, consolidated operating results or consolidated cash flows.

# 4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

| Assets | March 31, 2012 | March 31, 2013 |
|---|---|---|
| **Current Assets:** | | |
| Cash and cash equivalents | ¥ 1,431,112 | ¥ 1,425,174 |
| Time deposits | 4,130 | 4,740 |
| Marketable securities | 1,087 | 367 |
| Trade receivables: | | |
| Notes and loans, less unearned interest | 322,585 | 291,052 |
| Accounts | 1,616,191 | 1,608,915 |
| Associated companies | 116,885 | 138,588 |
| Allowance for doubtful receivables | (17,860) | (16,463) |
| Inventories | 515,758 | 746,584 |
| Advance payments to suppliers | 129,987 | 135,120 |
| Deferred tax assets—current | 37,513 | 15,644 |
| Derivative assets | 53,664 | 61,081 |
| Other current assets | 215,271 | 220,729 |
| Total current assets | 4,426,323 | 4,631,531 |
| **Investments and Non-current Receivables:** | | |
| Investments in and advances to associated companies | 1,709,082 | 2,325,255 |
| Other investments | 792,492 | 816,343 |
| Non-current receivables, less unearned interest | 454,191 | 523,904 |
| Allowance for doubtful receivables | (36,840) | (37,362) |
| Property leased to others—at cost, less accumulated depreciation | 272,746 | 330,627 |
| Total investments and non-current receivables | 3,191,671 | 3,958,767 |
| **Property and Equipment—at Cost:** | | |
| Land, land improvements and timberlands | 202,834 | 218,801 |
| Buildings, including leasehold improvements | 401,451 | 442,255 |
| Equipment and fixtures | 1,306,754 | 1,668,246 |
| Mineral rights | 158,967 | 203,142 |
| Vessels | 42,539 | 42,478 |
| Projects in progress | 152,789 | 235,084 |
| Total | 2,265,334 | 2,810,006 |
| Accumulated depreciation | (1,009,451) | (1,239,736) |
| Net property and equipment | 1,255,883 | 1,570,270 |
| **Intangible Assets, less Accumulated Amortization** | 110,307 | 118,448 |
| **Deferred Tax Assets—Non-current** | 15,626 | 31,538 |
| **Other Assets** | 12,013 | 14,027 |
| **Total** | ¥ 9,011,823 | ¥ 10,324,581 |

(Millions of Yen)

| Liabilities and Equity | March 31, 2012 | March 31, 2013 |
|---|---|---|
| **Current Liabilities:** | | |
| Short-term debt | ¥ 307,132 | ¥ 663,129 |
| Current maturities of long-term debt | 372,657 | 421,211 |
| Trade payables: | | |
| Notes and acceptances | 53,308 | 46,057 |
| Accounts | 1,342,343 | 1,438,287 |
| Associated companies | 110,289 | 71,272 |
| Accrued expenses: | | |
| Income taxes | 73,111 | 54,091 |
| Interest | 16,619 | 16,985 |
| Other | 93,266 | 80,971 |
| Advances from customers | 106,787 | 98,470 |
| Derivative liabilities | 65,262 | 83,940 |
| Other current liabilities | 83,256 | 70,917 |
| Total current liabilities | 2,624,030 | 3,045,330 |
| **Long-term Debt, less Current Maturities** | 2,898,218 | 3,184,957 |
| **Accrued Pension Costs and Liability for Severance Indemnities** | 55,799 | 68,312 |
| **Deferred Tax Liabilities—Non-current** | 283,614 | 266,544 |
| **Other Long-Term Liabilities** | 289,352 | 319,334 |
| **Equity:** | | |
| Common stock | 341,482 | 341,482 |
| Capital surplus | 430,491 | 429,828 |
| Retained earnings: | | |
| Appropriated for legal reserve | 65,500 | 69,653 |
| Unappropriated | 2,192,494 | 2,405,008 |
| Accumulated other comprehensive income (loss): | | |
| Unrealized holding gains and losses on available-for-sale securities | 90,476 | 135,832 |
| Foreign currency translation adjustments | (380,457) | (94,912) |
| Defined benefit pension plans | (68,163) | (74,124) |
| Net unrealized gains and losses on derivatives | (24,302) | (24,974) |
| Total accumulated other comprehensive loss | (382,446) | (58,178) |
| Treasury stock, at cost | (6,203) | (5,974) |
| Total Mitsui & Co., Ltd. shareholders' equity | 2,641,318 | 3,181,819 |
| Noncontrolling interests | 219,492 | 258,285 |
| Total equity | 2,860,810 | 3,440,104 |
| **Total** | ¥ 9,011,823 | ¥ 10,324,581 |

## (2) Statements of Consolidated Income and Comprehensive Income

### Statements of Consolidated Income

(Millions of Yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 |
|---|---|---|
| **Revenues:** | | |
| Sales of products | ¥ 4,753,167 | ¥ 4,408,144 |
| Sales of services | 377,033 | 392,088 |
| Other sales | 121,402 | 111,377 |
| Total revenues | 5,251,602 | 4,911,609 |
| Total Trading Transactions: Year ended March 31, 2012, ¥ 10,481,166 million Year ended March 31, 2013, ¥ 10,049,637 million | | |
| **Cost of Revenues:** | | |
| Cost of products sold | (4,166,337) | (3,901,272) |
| Cost of services sold | (147,561) | (161,858) |
| Cost of other sales | (59,425) | (58,040) |
| Total cost of revenues | (4,373,323) | (4,121,170) |
| **Gross Profit** | 878,279 | 790,439 |
| **Other Expenses (Income):** | | |
| Selling, general and administrative | 514,798 | 521,075 |
| Provision for doubtful receivables | 15,097 | 14,761 |
| Interest expense - net | 5,440 | 1,186 |
| Dividend income | (86,461) | (80,057) |
| Gain on sales of securities - net | (21,937) | (44,905) |
| Loss on write-down of securities | 33,481 | 27,278 |
| Gain on disposal or sales of property and equipment - net | (5,697) | (6,207) |
| Impairment loss of long-lived assets | 14,049 | 12,342 |
| Impairment loss of goodwill | 4,209 | - |
| Other (income) expenses - net | (7,911) | 30,868 |
| Total other expenses (income) | 465,068 | 476,341 |
| **Income before Income Taxes and Equity in Earnings** | 413,211 | 314,098 |
| **Income Taxes:** | | |
| Current | 186,815 | 182,327 |
| Deferred | (14,193) | (23,978) |
| Total income taxes | 172,622 | 158,349 |
| **Income before Equity in Earnings** | 240,589 | 155,749 |
| **Equity in Earnings of Associated Companies - Net** | 232,090 | 176,226 |
| **Net Income before Attribution of Noncontrolling Interests** | 472,679 | 331,975 |
| **Net Income Attributable to Noncontrolling Interests** | (38,182) | (24,049) |
| **Net Income Attributable to Mitsui & Co., Ltd.** | ¥ 434,497 | ¥ 307,926 |

### Statements of Consolidated Comprehensive Income

(Millions of Yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 |
|---|---|---|
| **Net Income before Attribution of Noncontrolling Interests** | ¥ 472,679 | ¥ 331,975 |
| **Other Comprehensive Income (Loss) (after income tax effect):** | | |
| Unrealized holding (losses) gains on available-for-sale securities | (9,897) | 40,871 |
| Foreign currency translation adjustments | (37,127) | 306,112 |
| Defined benefit pension plans | (9,645) | (5,908) |
| Net unrealized losses on derivatives | (9,899) | (753) |
| Total Other Comprehensive (Loss) Income (after income tax effect) | (66,568) | 340,322 |
| **Comprehensive Income before Attribution of Noncontrolling Interests** | 406,111 | 672,297 |
| **Comprehensive Income Attributable to Noncontrolling Interests** | (33,082) | (41,037) |
| **Comprehensive Income Attributable to Mitsui & Co., Ltd.** | ¥ 373,029 | ¥ 631,260 |

## (3)Statements of Changes in Consolidated Equity

(Millions of Yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 |
|---|---|---|
| **Common Stock:** | | |
| Balance at beginning of year | ¥ 341,482 | ¥ 341,482 |
| Balance at end of year | ¥ 341,482 | ¥ 341,482 |
| **Capital Surplus:** | | |
| Balance at beginning of year | ¥ 430,152 | ¥ 430,491 |
| Equity transactions with noncontrolling interest shareholders | 339 | (663) |
| Balance at end of year | ¥ 430,491 | ¥ 429,828 |
| **Retained Earnings:** | | |
| **Appropriated for Legal Reserve:** | | |
| Balance at beginning of year | ¥ 61,763 | ¥ 65,500 |
| Transfer from unappropriated retained earnings | 3,737 | 4,153 |
| Balance at end of year | ¥ 65,500 | ¥ 69,653 |
| **Unappropriated:** | | |
| Balance at beginning of year | ¥ 1,860,271 | ¥ 2,192,494 |
| Net income attributable to Mitsui & Co., Ltd. | 434,497 | 307,926 |
| Cash dividends paid to Mitsui & Co., Ltd. shareholders | (98,537) | (91,248) |
| Dividends paid per share: | | |
| Year ended March 31, 2012, ¥54.0 | | |
| Year ended March 31, 2013, ¥50.0 | | |
| Transfer to retained earnings appropriated for legal reserve | (3,737) | (4,153) |
| Losses on sales of treasury stock | (0) | (11) |
| Balance at end of year | ¥ 2,192,494 | ¥ 2,405,008 |
| **Accumulated Other Comprehensive Income (Loss) (After Income Tax Effect):** | | |
| Balance at beginning of year | ¥ (321,135) | ¥ (382,446) |
| Unrealized holding (losses) gains on available-for-sale securities | (6,293) | 44,052 |
| Foreign currency translation adjustments | (35,622) | 285,903 |
| Defined benefit pension plans | (9,619) | (5,961) |
| Net unrealized losses on derivatives | (9,934) | (660) |
| Equity transactions with noncontrolling interest shareholders | 157 | 934 |
| Balance at end of year | ¥ (382,446) | ¥ (58,178) |
| **Treasury Stock, at Cost:** | | |
| Balance at beginning of year | ¥ (6,341) | ¥ (6,203) |
| Purchases of treasury stock | (16) | (15) |
| Sales of treasury stock | 154 | 244 |
| Balance at end of year | ¥ (6,203) | ¥ (5,974) |
| Total Mitsui & Co., Ltd. shareholders' equity | ¥ 2,641,318 | ¥ 3,181,819 |

| | Year ended March 31, 2012 | | Year ended March 31, 2013 | |
|---|---|---|---|---|
| **Noncontrolling Interests:** | | | | |
| Balance at beginning of year | ¥ | 187,142 | ¥ | 219,492 |
| Dividends paid to noncontrolling interest shareholders | | (14,712) | | (13,580) |
| Net income attributable to noncontrolling interests | | 38,182 | | 24,049 |
| Unrealized holding losses on available-for-sale securities (after income tax effect) | | (3,604) | | (3,181) |
| Foreign currency translation adjustments (after income tax effect) | | (1,505) | | 20,209 |
| Defined benefit pension plans (after income tax effect) | | (26) | | 53 |
| Net unrealized gains (losses) on derivatives (after income tax effect) | | 35 | | (93) |
| Equity transactions with noncontrolling interest shareholders and other | | 13,980 | | 11,336 |
| Balance at end of year | ¥ | 219,492 | ¥ | 258,285 |
| **Total Equity:** | | | | |
| Balance at beginning of year | ¥ | 2,553,334 | ¥ | 2,860,810 |
| Losses on sales of treasury stock | | (0) | | (11) |
| Net income before attribution of noncontrolling interests | | 472,679 | | 331,975 |
| Cash dividends paid to Mitsui & Co., Ltd. shareholders | | (98,537) | | (91,248) |
| Dividends paid to noncontrolling interest shareholders | | (14,712) | | (13,580) |
| Unrealized holding (losses) gains on available-for-sale securities (after income tax effect) | | (9,897) | | 40,871 |
| Foreign currency translation adjustments (after income tax effect) | | (37,127) | | 306,112 |
| Defined benefit pension plans (after income tax effect) | | (9,645) | | (5,908) |
| Net unrealized losses on derivatives (after income tax effect) | | (9,899) | | (753) |
| Sales and purchases of treasury stock | | 138 | | 229 |
| Equity transactions with noncontrolling interest shareholders and other | | 14,476 | | 11,607 |
| Balance at end of year | ¥ | 2,860,810 | ¥ | 3,440,104 |

## (4) Statements of Consolidated Cash Flows

(Millions of Yen)

| | Year ended March 31, 2012 | Year ended March 31, 2013 |
|---|---|---|
| **Operating Activities:** | | |
| Net income before attribution of noncontrolling interests | ¥ 472,679 | ¥ 331,975 |
| Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities: | | |
| Depreciation and amortization | 153,475 | 198,852 |
| Pension and severance costs, less payments | 9,243 | 9,366 |
| Provision for doubtful receivables | 15,097 | 14,761 |
| Gain on sales of securities - net | (21,937) | (44,905) |
| Loss on write-down of securities | 33,481 | 27,278 |
| Gain on disposal or sales of property and equipment - net | (5,697) | (6,207) |
| Impairment loss of long-lived assets | 14,049 | 12,342 |
| Impairment loss of goodwill | 4,209 | - |
| Deferred income taxes | (14,193) | (23,978) |
| Equity in earnings of associated companies, less dividends received | (72,804) | (60,492) |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in trade receivables | (134,283) | 62,484 |
| (Increase) decrease in inventories | (33,045) | 106,338 |
| Increase in trade payables | 39,397 | 11,331 |
| Payment for the settlement of the oil spill incident in the Gulf of Mexico | (86,105) | - |
| Other - net | 7,418 | (177,715) |
| Net cash provided by operating activities | 380,984 | 461,430 |
| **Investing Activities:** | | |
| Net decrease (increase) in time deposits | 253 | (382) |
| Net increase in investments in and advances to associated companies | (98,896) | (230,592) |
| Net decrease in other investments | 2,718 | 9,155 |
| Net increase in long-term loan receivables | (1,402) | (132,560) |
| Net increase in property leased to others and property and equipment | (340,864) | (398,918) |
| Net cash used in investing activities | (438,191) | (753,297) |
| **Financing Activities:** | | |
| Net increase in short-term debt | 41,420 | 161,481 |
| Net increase in long-term debt | 118,940 | 150,516 |
| Transactions with noncontrolling interest shareholders | (4,533) | 921 |
| Sales (purchases) of treasury stock - net | 138 | (13) |
| Payments of cash dividends | (98,571) | (91,270) |
| Net cash provided by financing activities | 57,394 | 221,635 |
| **Effect of Exchange Rate Changes on Cash and Cash Equivalents** | (10,134) | 64,294 |
| **Net Decrease in Cash and Cash Equivalents** | (9,947) | (5,938) |
| **Cash and Cash Equivalents at Beginning of Year** | 1,441,059 | 1,431,112 |
| **Cash and Cash Equivalents at End of Year** | ¥ 1,431,112 | ¥ 1,425,174 |

(5) Assumption for Going Concern : None

(6) Basis of Consolidated Financial Statements

Scope of Subsidiaries and Associated Companies

① Subsidiaries
1) Overseas 192

2) Japan 76

② Associated Companies
1) Overseas 104

2) Japan 38

A total of 312 subsidiaries and associated companies are excluded from the above. These include the companies which are sub-consolidated or accounted for under the equity method by other subsidiaries, other than trading subsidiaries.

## (7) Notes to Consolidated Finalcial Statements

### ①Operating Segment Information

Year ended March 31, 2012 (from April 1, 2011 to March 31, 2012) (As restated)

(Millions of Yen)

| | Iron & Steel Products | Mineral & Metal Resources | Machinery & Infrastructure | Chemicals | Energy | Lifestyle | Innovation & Cross Function |
|---|---|---|---|---|---|---|---|
| Revenues | 189,338 | 567,718 | 312,589 | 789,283 | 1,730,010 | 775,143 | 171,649 |
| Gross Profit | 42,796 | 194,833 | 93,957 | 65,211 | 219,051 | 111,959 | 53,505 |
| Operating Income (Loss) | 9,637 | 173,141 | (8,181) | 10,271 | 173,533 | 10,602 | (20,056) |
| Equity in Earnings (Losses) of Associated Companies -Net | 4,006 | 131,178 | 37,985 | 6,736 | 53,928 | 9,282 | (20,364) |
| Net Income (Loss) Attributable to Mitsui & Co., Ltd. | 9,451 | 201,264 | 17,689 | 9,086 | 188,085 | 17,005 | (32,177) |
| Total Assets at March 31, 2012 | 523,884 | 1,121,721 | 1,340,703 | 685,933 | 1,750,490 | 1,239,109 | 573,493 |

| | Americas | Europe, the Middle East and Africa | Asia Pacific | Total | All Other | Adjustments and Eliminations | Consolidated Total |
|---|---|---|---|---|---|---|---|
| Revenues | 529,052 | 119,511 | 65,056 | 5,249,349 | 2,246 | 7 | 5,251,602 |
| Gross Profit | 75,616 | 18,151 | 11,685 | 886,764 | 684 | (9,169) | 878,279 |
| Operating Income (Loss) | 24,290 | (712) | (4,159) | 368,366 | (5,245) | (14,737) | 348,384 |
| Equity in Earnings (Losses) of Associated Companies -Net | 4,276 | 451 | 4,735 | 232,213 | - | (123) | 232,090 |
| Net Income (Loss) Attributable to Mitsui & Co., Ltd. | 16,389 | 1,232 | 49,221 | 477,245 | 2,196 | (44,944) | 434,497 |
| Total Assets at March 31, 2012 | 428,391 | 106,076 | 275,758 | 8,045,558 | 2,923,772 | (1,957,507) | 9,011,823 |

Year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Millions of Yen)

| | Iron & Steel Products | Mineral & Metal Resources | Machinery & Infrastructure | Chemicals | Energy | Lifestyle | Innovation & Cross Function |
|---|---|---|---|---|---|---|---|
| Revenues | 174,615 | 540,321 | 363,538 | 746,014 | 1,409,562 | 800,406 | 150,060 |
| Gross Profit | 40,564 | 158,749 | 104,259 | 69,102 | 190,743 | 106,006 | 41,351 |
| Operating Income (Loss) | 3,587 | 123,937 | (8,295) | 7,394 | 134,937 | (5,505) | (32,855) |
| Equity in Earnings of Associated Companies -Net | 3,114 | 42,865 | 31,957 | 6,635 | 56,725 | 8,334 | 18,015 |
| Net Income (Loss) Attributable to Mitsui & Co., Ltd. | (2,943) | 90,453 | 20,486 | (1,256) | 164,800 | 10,323 | 3,619 |
| Total Assets at March 31, 2013 | 510,582 | 1,576,961 | 1,526,655 | 703,546 | 1,940,433 | 1,313,883 | 768,952 |

| | Americas | Europe, the Middle East and Africa | Asia Pacific | Total | All Other | Adjustments and Eliminations | Consolidated Total |
|---|---|---|---|---|---|---|---|
| Revenues | 547,154 | 95,118 | 82,922 | 4,909,710 | 1,931 | (32) | 4,911,609 |
| Gross Profit | 66,009 | 15,646 | 10,513 | 802,942 | 934 | (13,437) | 790,439 |
| Operating Income (Loss) | 11,428 | (3,673) | (5,936) | 225,019 | (4,524) | 34,108 | 254,603 |
| Equity in Earnings of Associated Companies -Net | 3,473 | 398 | 4,936 | 176,452 | - | (226) | 176,226 |
| Net Income (Loss) Attributable to Mitsui & Co., Ltd. | 12,405 | (949) | 27,536 | 324,474 | 1,548 | (18,096) | 307,926 |
| Total Assets at March 31, 2013 | 501,536 | 114,026 | 321,936 | 9,278,510 | 3,540,159 | (2,494,088) | 10,324,581 |

Notes: 1. “All Other” includes business activities which primarily provide services, such as financing services and operations services to external customers and/or to the companies and associated companies. Total assets of “All Other” at March 31, 2012 and 2013 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of certain subsidiaries related to the above services.

2. Transfers between operating segments are made at cost plus a markup.

3. Net Income (Loss) Attributable to Mitsui & Co., Ltd. of “Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable operating segments, and eliminations of intersegment transactions.

4. During the year ended March 31, 2013, the companies changed the headquarters’ cost allocation system from partial allocation to full allocation to the operating segments in order to make business judgments which reflect the current cost structure. The effect of these changes was a decrease in the Operating Income (Loss) and the Net Income (Loss) Attributable to Mitsui & Co., Ltd. for the year ended March 31, 2013 as follows:

(Millions of Yen)

| | Iron & Steel Products | Mineral & Metal Resources | Machinery & Infrastructure | Chemicals | Energy | Lifestyle | Innovation & Cross Function |
|---|---|---|---|---|---|---|---|
| Operating Income (Loss) | (1,977) | (10,851) | (7,429) | (4,629) | (10,251) | (7,516) | (3,989) |
| Net Income (Loss) Attributable to Mitsui & Co., Ltd. | (1,473) | (8,084) | (5,535) | (3,449) | (7,637) | (5,600) | (2,971) |

5. During the year ended March 31, 2013, “Foods & Retail” Segment and the Consumer Service Business Unit that were included in the “Consumer Service & IT” Segment were aggregated into the “Lifestyle” Segment for the purpose of strengthening initiatives in our business geared towards consumer products and the service market in Japan and the emerging economies’ consumers that are expected to expand. Additionally, the “Logistics & Financial Business” Segment and the IT Business Unit that were included in the “Consumer Service & IT” Segment were aggregated into the “Innovation & Cross Function” Segment. This new segment provides the functions of financing, logistics and IT & process development for the purpose of reinforcing the entire companies’ earnings base. This segment will also pursue the creation of new businesses with its sights set on the next generation.
In accordance with these changes, the operating segment information for the year ended March 31, 2012, has been restated to conform to the current period presentation.

6. During the year ended March 31, 2013, “Machinery & Infrastructure Project” Segment changed its name to “Machinery & Infrastructure”.

7. Operating Income (Loss) reflects the companies' a) Gross Profit, b) Selling, general and administrative expenses, and c) Provision for doubtful receivables as presented in the Statements of Consolidated Income.

## ②Net Income Attributable to Mitsui & Co., Ltd. per share

The following shows basic net income attributable to Mitsui & Co., Ltd. per share for the years ended March 31, 2012 and 2013:

Year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

| | Net income (numerator) | Shares (denominator) | Per share amount |
|---|---|---|---|
| | Millions of Yen | In Thousands | Yen |
| **Basic Net Income Attributable to Mitsui & Co., Ltd. per Share** | 434,497 | 1,824,889 | 238.10 |

Year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

| | Net income (numerator) | Shares (denominator) | Per share amount |
|---|---|---|---|
| | Millions of Yen | In Thousands | Yen |
| **Basic Net Income Attributable to Mitsui & Co., Ltd. per Share** | 307,926 | 1,825,019 | 168.72 |

Note : Diluted net income attributable to Mitsui & Co., Ltd. per share for the years ended March 31, 2012 and 2013 is not disclosed as there are no dilutive potential shares.

## ③Subsequent Events

There are no material subsequent events to be disclosed.

Notes to Leases, Related party transactions, Tax effect accounting, Financial instruments, Securities, Derivative instruments, Pension cost and severance indemnities, Business combinations, Asset retirement obligations and others are omitted because there is less necessity for disclosure in the Flash Report.