

# 2nd Quarter Financial Results Year Ending March 2014

**Mitsui & Co., Ltd.**  
**November 6, 2013**

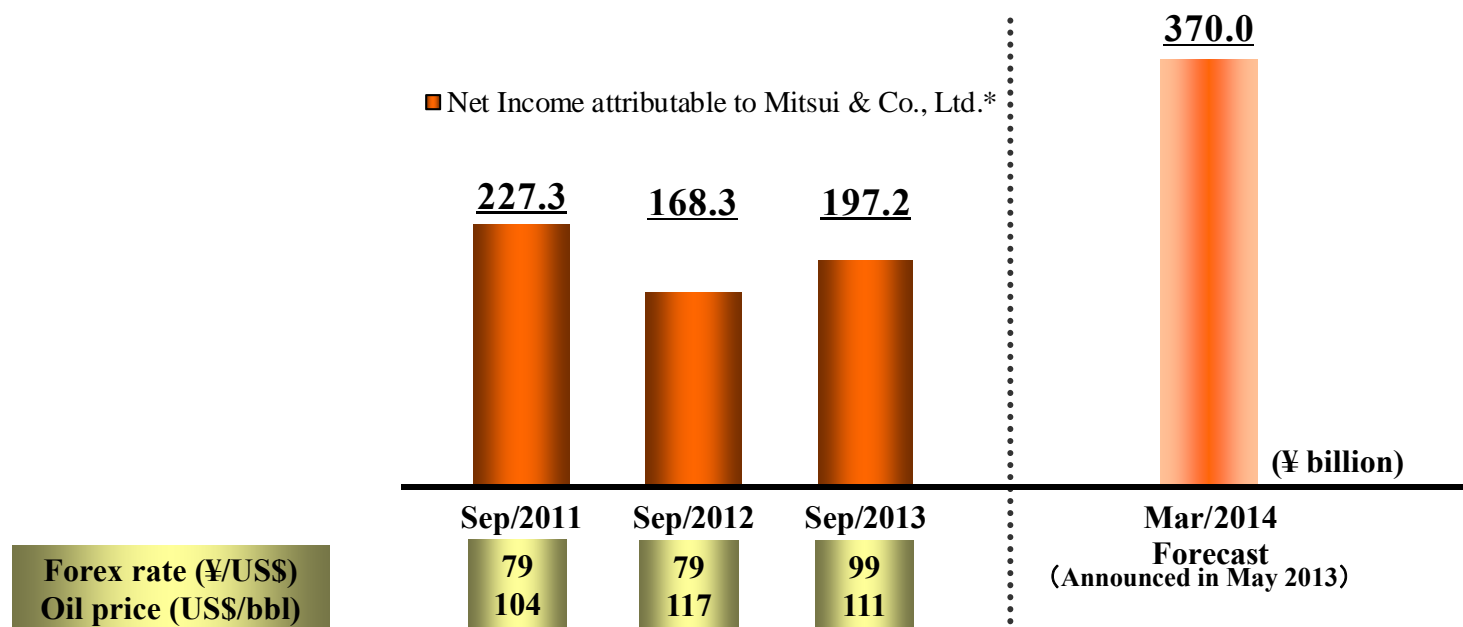
**A Cautionary Note on Forward-Looking Statements:**

This material contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) change in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui’s ability to fulfill its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective.

# Overview of the Results for 6-month Period Ended Sep/2013

The global economy has recovered at a moderate pace supported by solid economic growth in Japan, U.S. and China. Commodity prices have remained relatively stable due to easing concerns on China's hard landing scenario.

- ✓ Net Income attributable to Mitsui for the first half was ¥197.2 billion, an increase of ¥28.9 billion from the corresponding period of the previous year.
- ✓ Weaker commodity prices and one-time losses were outweighed by positive factors including depreciation of the Japanese yen, increase in iron ore/oil/gas production volumes, increase in dividends received from LNG projects, recovery in trading activities of Chemicals and Iron & Steel Products as well as solid automobile sales.



\* In this presentation material, "net income" means "net income attributable to Mitsui & Co., Ltd."

# Investments and Loans

- Investments and loans for the first half were ¥550 billion, in line with the full year plan.
- Strategic divestitures totaled ¥110 billion. As a result net cash outflow was ¥440 billion.

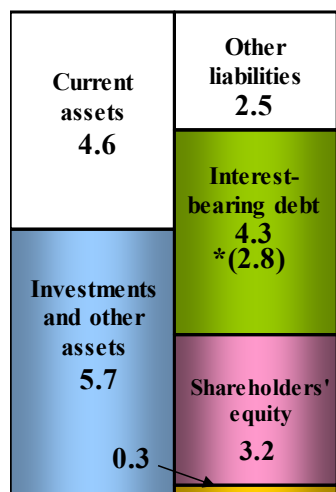
<u>Business Area</u>	<u>Plan</u> <u>Mar/2014</u>	<u>Result</u> <u>Mar/2014 1H</u> (¥ billion)	<u>Major Projects</u>
<b>Metals</b>	280	195	Acquisition and expansion of Australian iron ore mines, Automotive components, Caserones copper development
<b>Machinery &amp; Infrastructure</b>	280	95	Czech water business, Urban development of smart city, Rolling stock leasing
<b>Chemicals</b>	40	15	Tank terminal expansion in U.S.
<b>Energy</b>	320	205	Onshore oil field in Italy, Shale gas/oil development, Expansion of oil & gas and coal
<b>Lifestyle</b>	50	30	Intravenous products in India manufacturing, Salmon farming in Chile
<b>Innovation &amp; Corporate Development</b>	30	10	Logistics facility in Japan
<b>Gross Investments &amp; Loans</b>	1,000	550	
<b>Divestiture</b>	▲170	▲110	Refinancing of FPSO project, Sale of shares, European real estate, U.S. Ethanol business
<b>Net Cash Outflow</b>	830	440	•Progress during July-September 2013 in blue

# Balance Sheets & Cash Flows

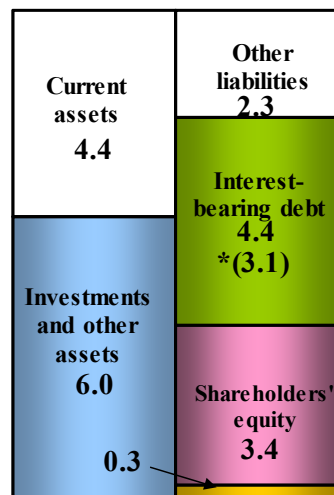
## Balance Sheets

(¥ trillion)

Mar/2013



Sep/2013



Total assets	¥10.3
Shareholders' equity	¥3.2
Net DER	0.89x

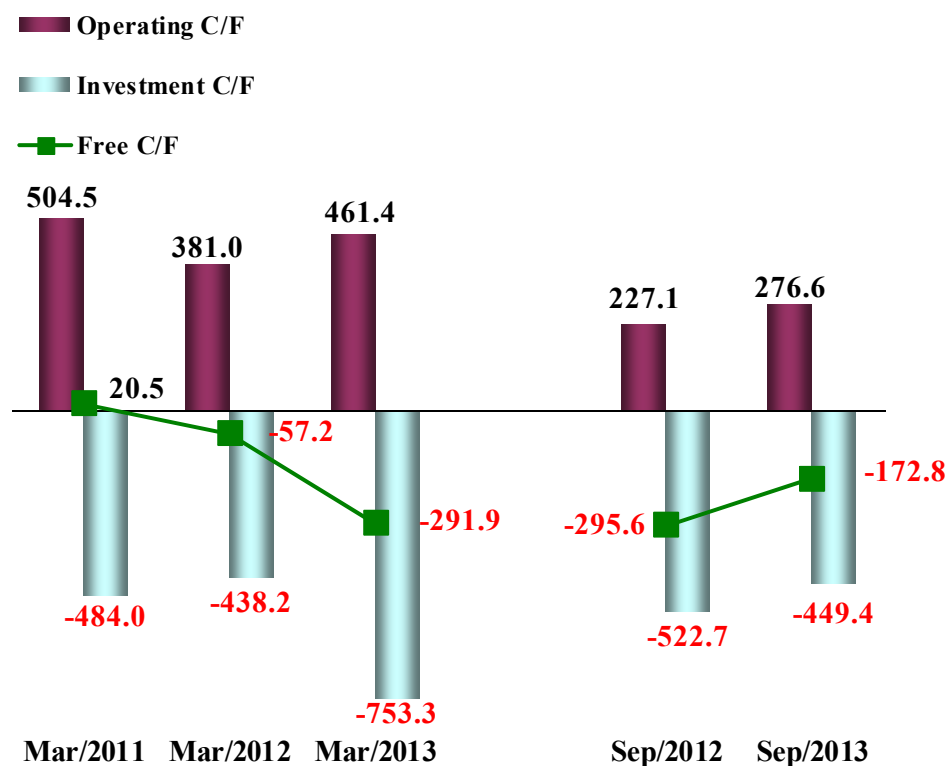
Total assets	¥10.4
Shareholders' equity	¥3.4
Net DER	0.91x

(\*) 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.

## Cash Flows

➤ First half operating cash inflow was ¥276.6 billion, an increase of ¥49.5 billion compared with the same period of the previous year.

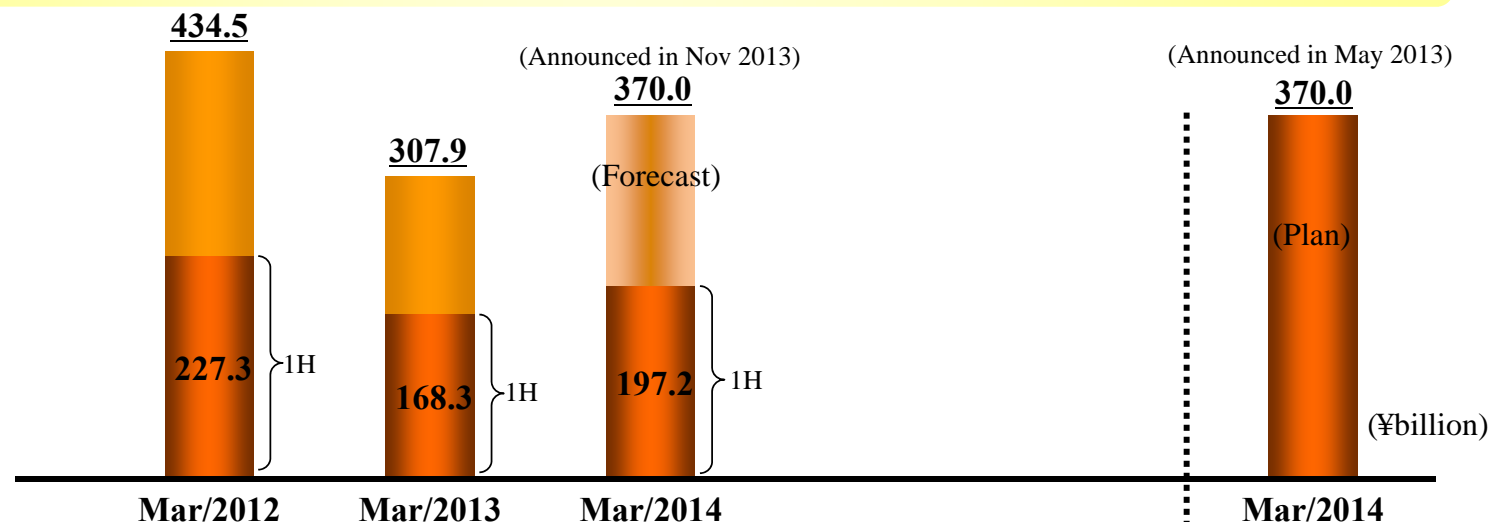
(¥ billion)



**Net Income Forecast  
Year Ending March 2014**

## Net Income Forecast for Year Ending March 2014

- Full year net income forecast remains unchanged at ¥370 billion.
- Despite the one-time losses recorded in Mineral & Metal Resources, increases expected in Energy etc.



Estimated effect on net income for the Year Ending Mar/2014 (Announced in May 2013)			Forecast for Mar/2014 (Ave. of 1H & 2H) (Announced in Nov 2013)	Year Ending Mar/2014 1H (Result)	Year Ending Mar/2014 2H (Assumption)	Year Ending Mar/2014 (Original Forecast) (Announced in May 2013)
Commodity Price	Crude Oil / JCC	¥1.9 bn (US\$1/bbl)	105	108	103	103
	Crude Oil / Consolidated <sup>(*)1</sup>		108	111	105	106
	Iron Ore	¥2.2 bn (US\$1/ton)	(*)2	124.8 <sup>(*)3</sup>	(*)2	(*)2
	Copper	¥0.6 bn (US\$100/ton)	7,413	7,537 <sup>(*)4</sup>	7,500 <sup>(*)5</sup>	7,500
Exchange Rate <sup>(*)6</sup>	USD	¥1.9 bn (¥1/USD)	96.83	98.65	95	95
	AUD	¥1.9 bn (¥1/AUD)	91.47	92.94	90	95
	BRL	¥0.4 bn (¥1/BRL)	42.47	44.94	40	45

(\*)1 Oil price trend is reflected in net income with a 0-6 month time lag, and Consolidated oil price is calculated on such basis.

For the year ending Mar/2014: 4-6 month time lag: 34%, 1-3 month time lag: 47%, without lag: 19%

(\*)2 We refrain from disclosing iron ore price assumption.

(\*)3 Year ending Mar/2014 1H Result: Daily average of representative reference prices (fine, Fe 62% CFR North China) during Apr '13-Sep '13.

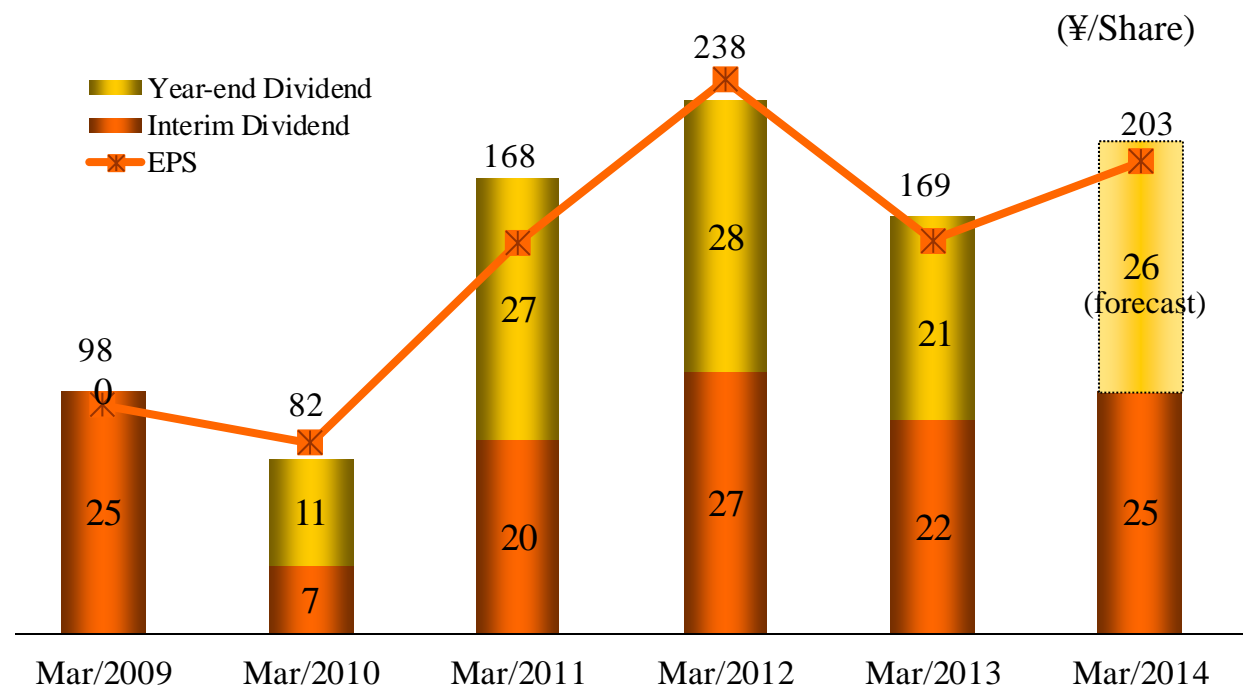
(\*)4 Year ending Mar/2014 1H Result: Average of LME cash settlement monthly average price during Jan '13-Jun '13.

(\*)5 Year Ending Mar/2014 2H Assumption: Price assumption for Jan'14-Mar'14.

(\*)6 Impact of currency fluctuation on net income of overseas subsidiaries and associated companies (denominated in functional currency) against JPY. Depreciation of JPY has the effect of increasing the net income through the conversion of net income of overseas subsidiaries and associated companies (denominated in functional currency) into JPY. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange hedging are not included.

# Annual Dividend for the Year Ending Mar/2014

- Minimum dividend payout ratio to be maintained at 25% of consolidated net income, the target set forth in the current Medium-term Management plan.
- Assuming the annual consolidated net income will be ¥370billion for the year ending March 2014, envisaged annual dividend is ¥51/share including an interim dividend of ¥25/share

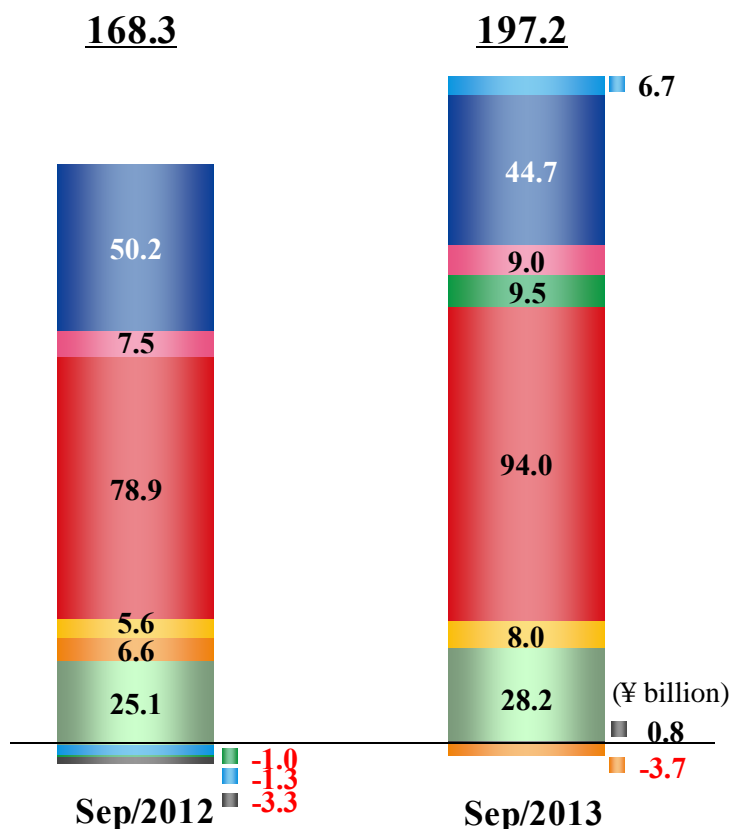


# Supplementary Information



# Net Income by Operating Segment

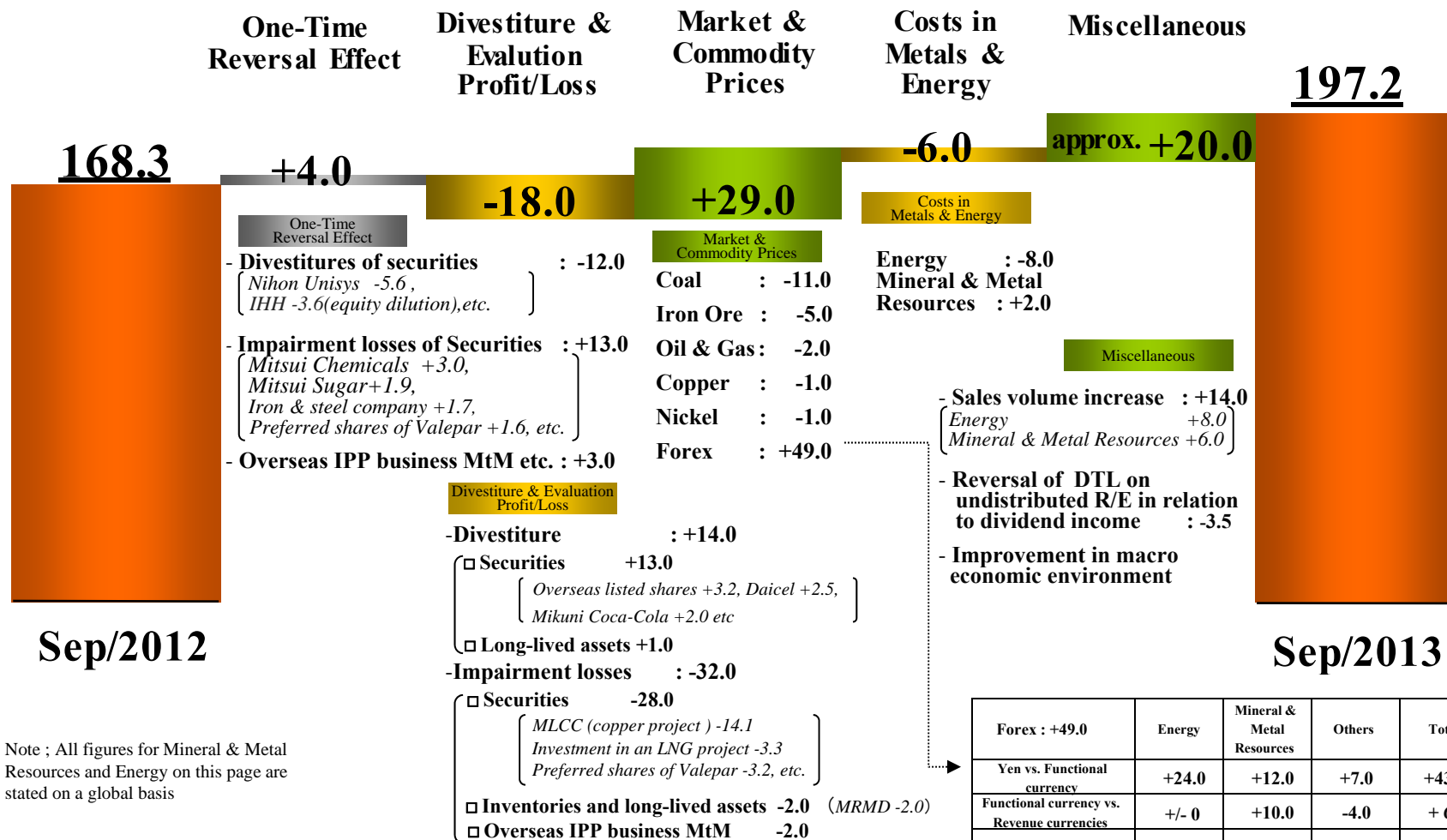
## Major Factors in Y-on-Y Changes (after tax basis)



<b>Energy</b>	<b>¥94.0 bn</b>	<b>+¥15.1 bn (+19%)</b>
<ul style="list-style-type: none"> <li>↑ Increase in dividend income from LNG projects +15.7</li> <li>↑ MEPME +5.4: Increase reflecting higher oil production volume and depreciation of JPY</li> <li>↑ Japan Australia LNG (MIMI): Increase reflecting higher production volume and depreciation of JPY</li> <li>↓ MEPAU -11.0: Decline in production associated with overhauling of its oil production facility</li> <li>↓ MCH -4.0*: Decline in coal prices</li> </ul>		
<b>Chemicals</b>	<b>¥9.5 bn</b>	<b>+¥10.5 bn</b>
<ul style="list-style-type: none"> <li>↑ Reversal effect of impairment loss on shares in Mitsui Chemicals +3.0</li> <li>↑ Gain on the sale of shares in Daicel +3.3</li> <li>↑ Recovery of underperforming trading activities for petrochemical materials</li> </ul>		
<b>Iron &amp; Steel Products</b>	<b>¥6.7 bn</b>	<b>+¥8.0 bn</b>
<ul style="list-style-type: none"> <li>↑ Exchange gains on foreign exchange contracts for trade settlement</li> <li>↑ Recovery of underperforming trading activities</li> <li>↑ Reversal effect of impairment loss on listed shares in an iron &amp; steel company +1.0</li> </ul>		
<b>Innovation &amp; Corporate Development</b>	<b>-¥3.7bn</b>	<b>-¥10.3 bn</b>
<ul style="list-style-type: none"> <li>↓ Reversal effect of gain on sales of shares in Nihon Unisys -5.6</li> </ul>		
<b>Mineral &amp; Metal Resources</b>	<b>¥44.7 bn</b>	<b>-¥5.5 bn (-11%)</b>
<ul style="list-style-type: none"> <li>↓ Impairment loss on MLCC (Caserones copper project company) -14.1</li> <li>↓ MRMD -6.0: Restructuring cost in scrap metal recycling business</li> <li>↓ Valepar -4.0: Depreciation of JPY offset by absence of reversal of deferred tax liabilities and decline in iron ore prices</li> <li>↑ MIOD +11.3*, MII +3.0*: Depreciation of JPY and higher iron ore sales volume</li> <li>↑ SUMIC : Improvement due to dilution of ownership interest in VNC</li> </ul>		
* This segment's holding portion		
<b>Overseas</b>	<b>¥28.2 bn</b>	<b>+¥3.1 bn</b>
<b>Lifestyle</b>	<b>¥ 8.0 bn</b>	<b>+¥2.4 bn</b>
<b>Machinery &amp; Infrastructure</b>	<b>¥ 9.0 bn</b>	<b>+¥1.5 bn</b>
<b>All Others/Adjustments &amp; Eliminations</b>	<b>¥ 0.8 bn</b>	<b>+¥4.1 bn</b>

# Breakdown of Y-on-Y Change in Net Income (Sep/2013 vs. Sep/2012)

(¥ billion)  
(After tax basis)

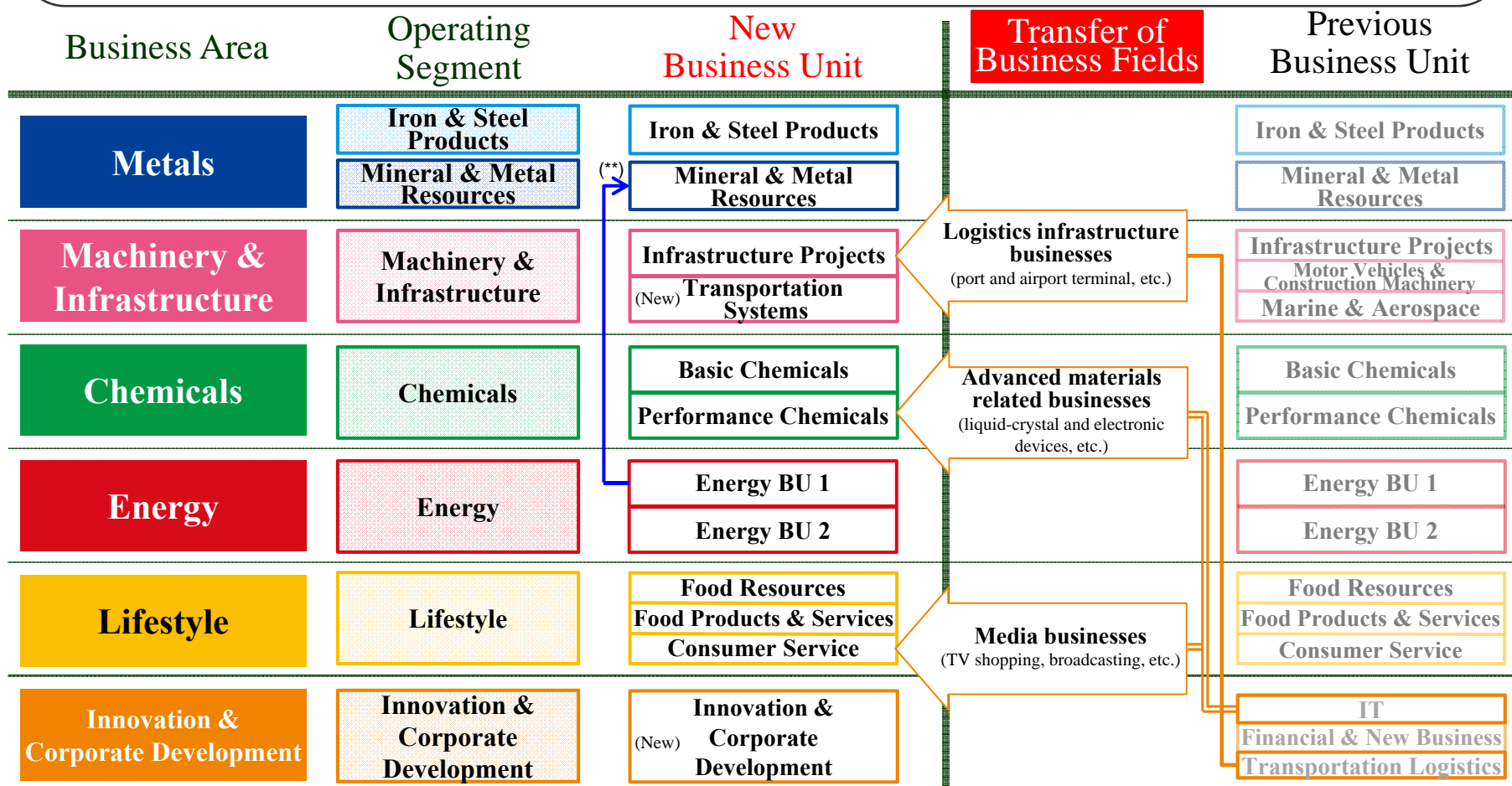


Note ; All figures for Mineral & Metal Resources and Energy on this page are stated on a global basis

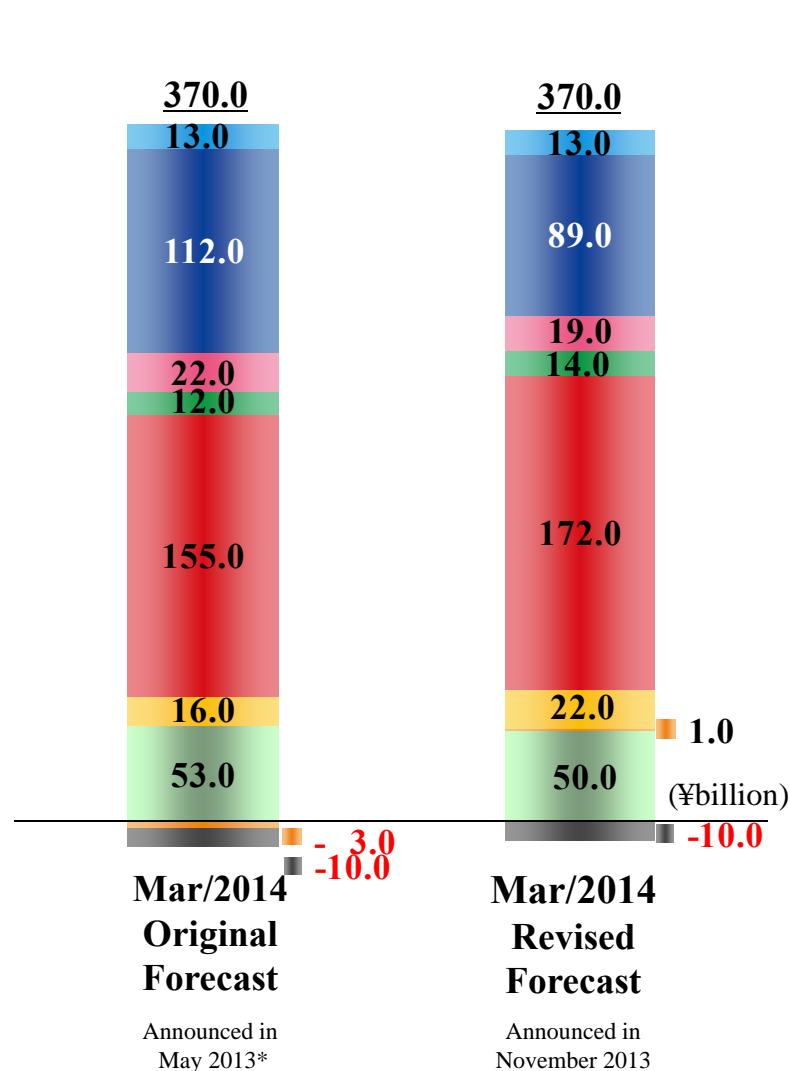
	Forex : +49.0	Energy	Mineral & Metal Resources	Others	Total
Yen vs. Functional currency		+24.0	+12.0	+7.0	+43.0
Functional currency vs. Revenue currencies		+/- 0	+10.0	-4.0	+ 6.0
<b>Total</b>		<b>+24.0</b>	<b>+22.0</b>	<b>+3.0</b>	<b>+49.0</b>

# Reorganization of Business Units (Mar/2014)

- Consolidate business fields to achieve wide-ranging synergies across product categories. (15 ⇨ 12 business units from FY Mar/2014) (\*)
  - ☑ Establishment of Transportation Systems Business Unit
  - ☑ Establishment of Innovation & Corporate Development Business Unit (provide a cross-organizational functional capabilities, contribute to creating new business for the next-generation)
  - ☑ Integration and Transfer of business fields (Infrastructure Projects, Performance Chemicals and Consumer Service)
- Coal business (except for sales to power utilities) has been transferred from Energy BU1 to Mineral & Metal Resources BU effective Oct/2013.\*\*)



## Forecast for the Year Ending Mar/2014 (Revised)



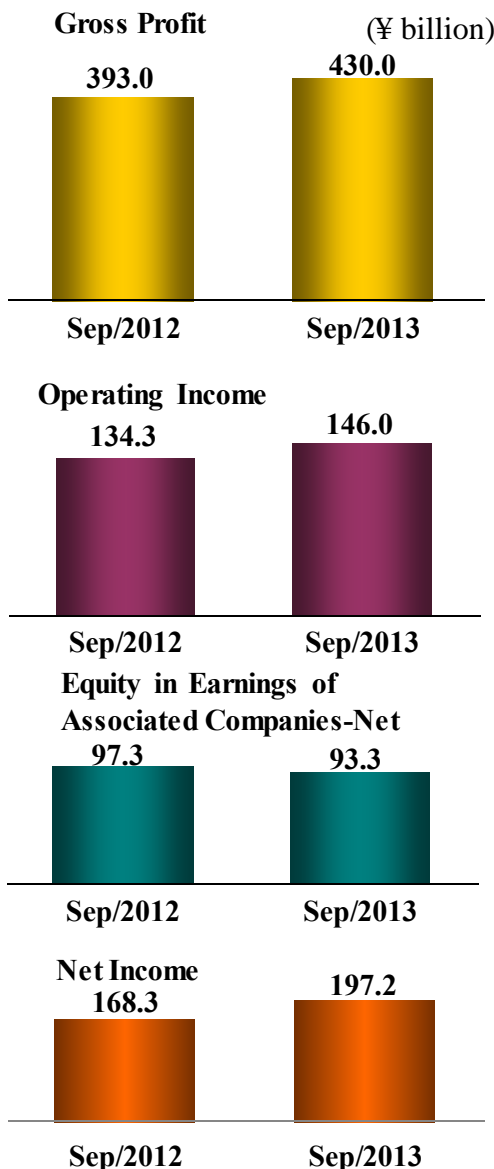
<b>Energy</b>	¥172.0 bn	+¥17.0 bn
↑ Decline in cost at oil & gas producing operations		
↑ Depreciation of JPY, increase in oil prices		
↓ Decline in production volume at oil & gas producing operations		
<b>Lifestyle</b>	¥22.0 bn	+¥6.0 bn
↑ Increase in gains on sales of securities		
↓ Impairment loss on equity investment		
<b>Innovation &amp; Corporate Development</b>	¥1.0bn	+¥4.0 bn
↑ Increase in gains on sales of securities		
↓ Underperforming commodity derivatives trading at MCRM		
↓ Underperforming venture capital business		
<b>Mineral &amp; Metal Resources</b>	¥89.0 bn	-¥23.0 bn
↓ Impairment loss on MLCC (Caserones copper project) -14.1		
↓ MRMD -6.0: Foreign exchange loss and restructuring cost in scrap metal recycling business		
↓ Decline in coal prices		
↑ Increase in iron ore prices		
<b>Chemicals</b>	¥14.0 bn	+¥2.0 bn
<b>Iron &amp; Steel Products</b>	¥13.0 bn	±¥0 bn
<b>Machinery &amp; Infrastructure</b>	¥19.0 bn	-¥3.0 bn
<b>Overseas</b>	¥50.0 bn	-¥3.0 bn
<b>All Others/Adjustments &amp; Eliminations</b>	- ¥10.0 bn	±¥0 bn

\*Restated to conform with reorganization of business units and transfer of coal business

# Appendix

# Operating Results for Sep/2013 (KPIs)

## Major Factors in Y-on-Y Changes



### Gross Profit ¥430.0 bn +¥37.0 bn (+9%)

↑ Mineral & Metal Resources	: +24.4	MIOD/ MII +22.3: Positive effect of depreciation of JPY and increase in iron ore sales volume due to capacity expansion Positive effect of depreciation of JPY, increase in sales of tubular products and higher export volumes from Japan Automotive and mining and construction machinery businesses in South America achieved a solid performance Depreciation of JPY, recovery of underperforming trading activities for petrochemical materials and strong sales of agricultural chemicals Commodity derivative trading business recorded a decline of -12.7 corresponding to an improvement in the foreign exchange gains and losses
↑ Iron & Steel Products	: +8.4	
↑ Machinery & Infrastructure	: +6.6	
↑ Chemicals	: +6.2	
↓ Innovation & Corporate Development	: -15.0	

### Operating Income ¥146.0 bn +¥11.7 bn (+9%)

↑ Increase in gross profit partially offset by increased selling, general and administrative expenses of overseas subsidiaries due to depreciation of JPY

### Equity in Earnings of Associated Companies ¥93.3 bn -¥4.0 bn (-4%)

- ↓ Impairment loss on MLCC (Caserones copper project) -14.1
- ↓ Valepar -6.1: Depreciation of JPY offset by absence of reversal of deferred tax liabilities and decline in iron ore prices
- ↓ Lifestyle Segment : Impairment loss on equity investment
- ↑ RRMC (iron ore mining company) +6.8: Increase reflecting depreciation of JPY
- ↑ IPP business +6.0: Improvement in mark-to-market valuation gains/losses and start up of Hezhou and Paiton 3
- ↑ Japan Australia LNG (MIMI) : Increase reflecting higher volume and depreciation of JPY

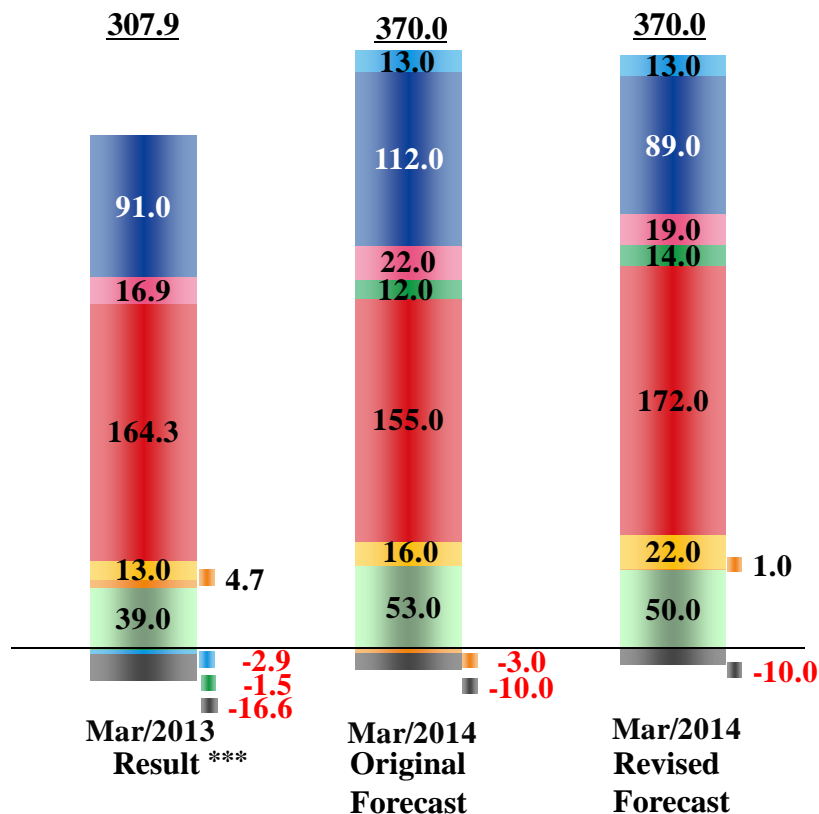
### Net Income ¥197.2 bn +¥28.9 bn (+17%)

#### Other Major Line Items that Affected Y-on-Y Changes on Net Income

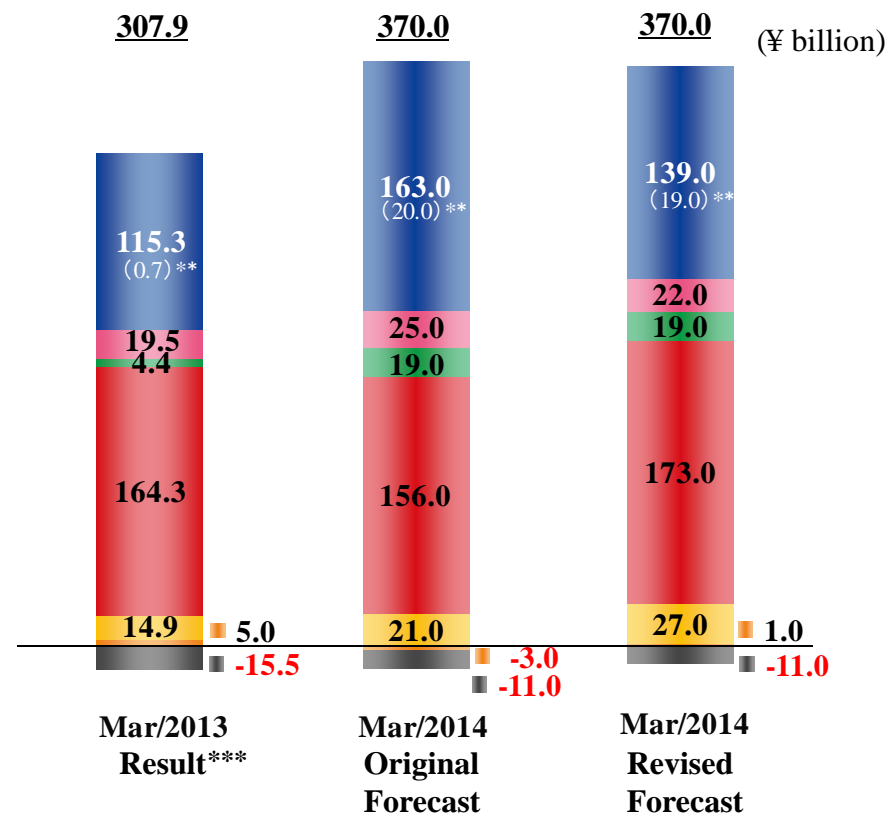
- ↑ Dividend income (pre-tax) : +18.1 LNG projects +15.7, reflecting increase in dividends from Sakhalin II
- ↑ Impairment losses on securities (pre-tax) : +7.8
  - ⎓ Sep/2013 -10.6: Valepar preferred shares -4.9, Investment in LNG project -3.3, etc.
  - ⎓ Sep/2012 -18.4: Iron & steel company -4.9, Mitsui Chemicals -3.0, Valepar preferred shares -2.6, etc.
- ↑ Other expenses (pre-tax): +4.0 Commodity derivative trading business recorded improvement of +12.7 in the foreign exchange gains and losses corresponding to a decline in gross profit

# FY Mar/2014 Net Income Forecast (Reference)

## By Operating Segment



## By Business Area (Reference)\*

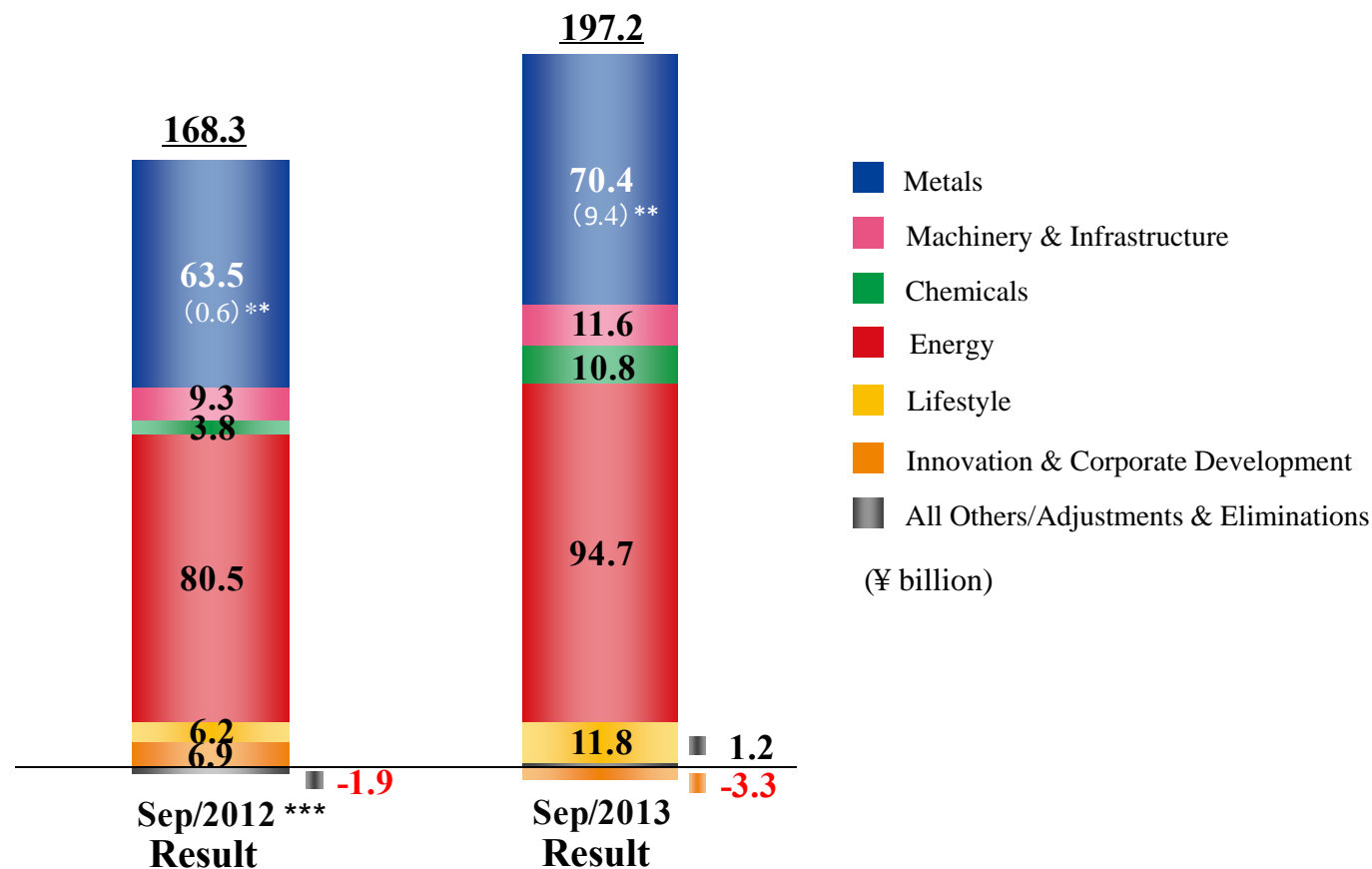


- Iron & Steel Products
- Machinery & Infrastructure
- Energy
- Innovation & Corporate Development
- All Others/Adjustments & Eliminations
- Mineral & Metal Resources
- Chemicals
- Lifestyle
- Overseas

- Metals
- Chemicals
- Lifestyle
- All Others/Adjustments & Eliminations
- Machinery & Infrastructure
- Energy
- Innovation & Corporate Development

\* Global result/forecast by business area, including all overseas operations.  
 \*\* Iron & Steel Products Segment in brackets.  
 \*\*\* Restated to conform with reorganization of business units and transfer of coal business.  
 Mar/2013 Result by Business Area (reference) on Machinery & Infrastructure, Chemicals, Lifestyle, Innovation & Corporate Development are revised from May 2013 announcement.

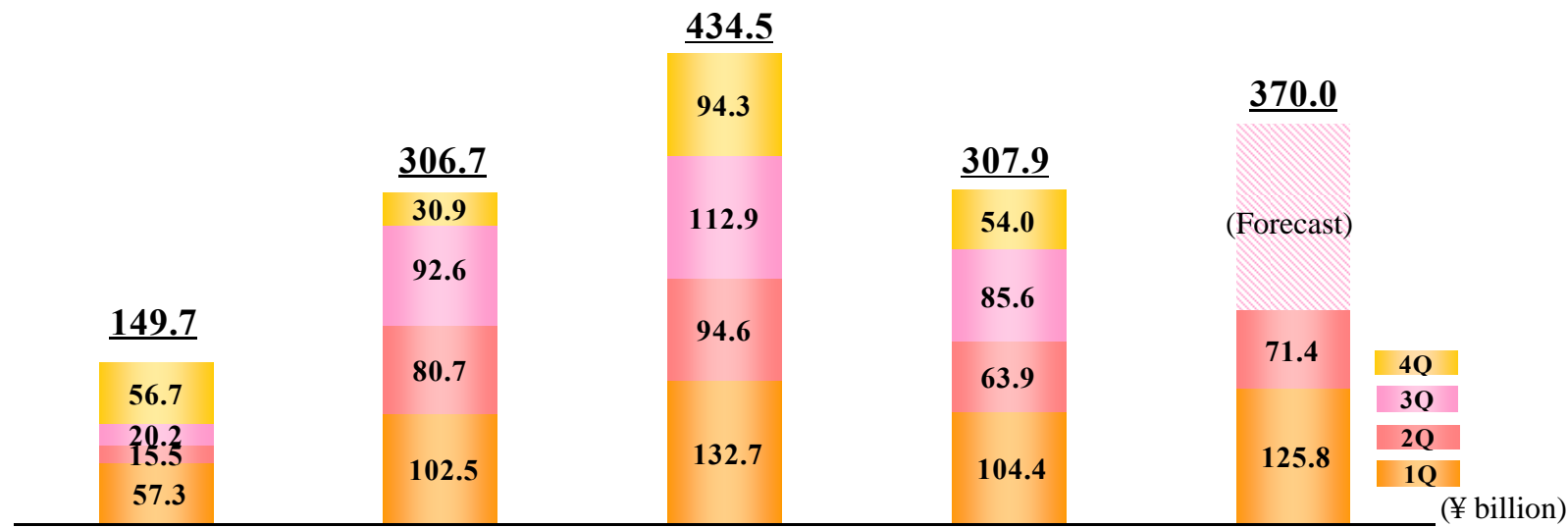
# Net Income for 6-month Period by Business Area -Global Basis- (Reference\*)



\* Global result by business area, including all overseas operations.  
 \*\* Iron & Steel Products Segment in brackets.  
 \*\*\* Restated to conform with reorganization of business units.



# Quarterly Net Income Results



Mar/2010

Mar/2011

Mar/2012

Mar/2013

Mar/2014\*

Forex rate (¥/US\$)  
Oil price (US\$/bbl)

93  
62

85  
80

79  
108

83  
114

99  
111

\* Average of 6-month period ended Sept 30, 2013

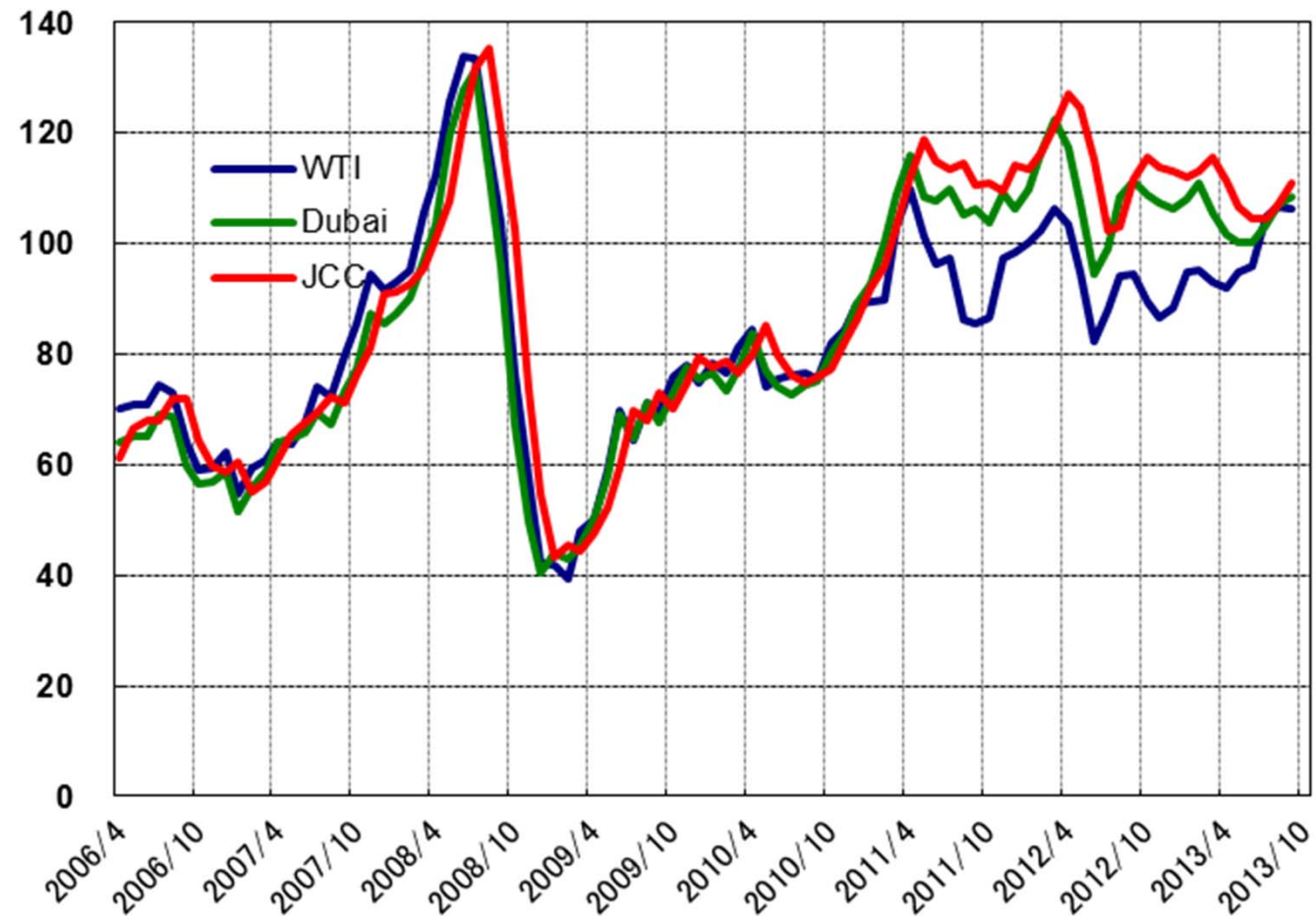
# Iron Ore Spot Price\* (Reference)



\*Average of representative reference prices

# Oil Price

US\$/BBL



## Equity Share of Delivery (Results)

	Mar/2013 1Q	Mar/2013 2Q	Mar/2013 3Q	Mar/2013 4Q	Mar/2013 Total	Mar/2014 1Q	Mar/2014 2Q*	Mar/2014 Total
<b>Iron Ore (Mt)</b>	11.4	12.4	12.7	11.7	48.0	12.0	13.0	25.0
<b>MIOD</b>	7.0	7.6	7.6	6.3	28.6	7.4	8.1	15.5
<b>MII</b>	1.1	1.0	1.1	1.1	4.2	1.3	1.3	2.6
<b>Vale**</b>	3.3	3.8	3.9	4.2	15.2	3.3	3.6	6.9
<b>Coal (Mt)</b>	2.5	2.5	2.6	2.0	9.6	2.5	2.7	5.1
<b>MCH</b>	2.1	2.2	2.3	1.7	8.3	2.1	2.3	4.4
<b>BMC**</b>	0.3	0.3	0.4	0.3	1.3	0.4	0.4	0.8
<b>Coking Coal</b>	1.9	1.8	1.8	1.4	7.0	1.6	1.7	3.4
<b>Thermal Coal</b>	0.5	0.7	0.8	0.6	2.6	0.8	1.0	1.8
<b>Copper (Kt)***</b>	11.1	10.9	12.5	20.0	54.4	21.1	22.6	43.8

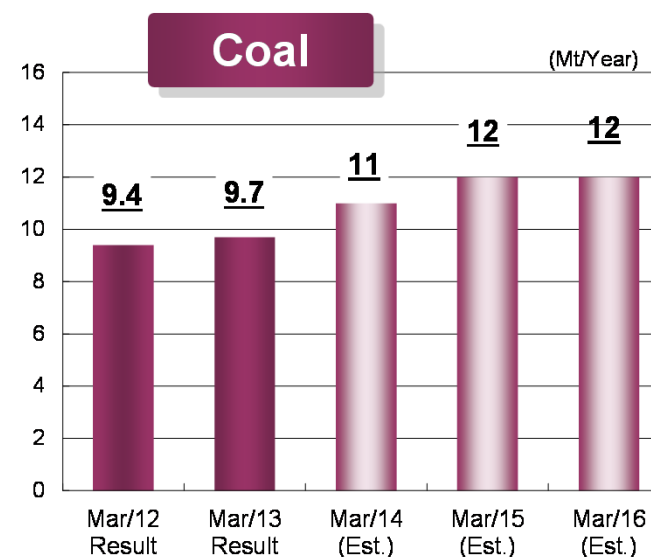
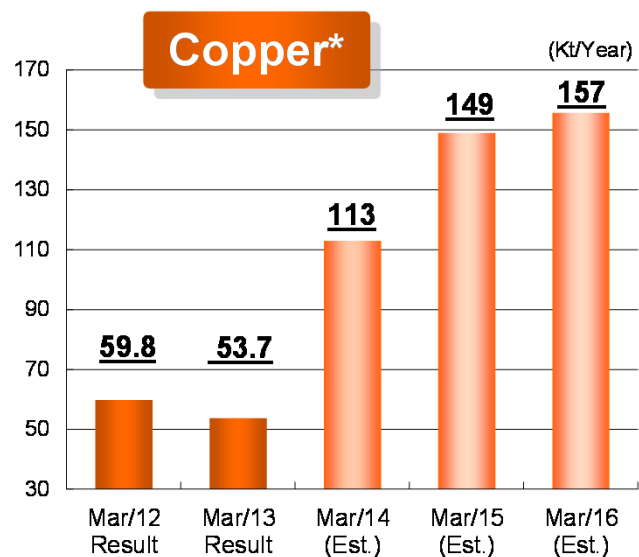
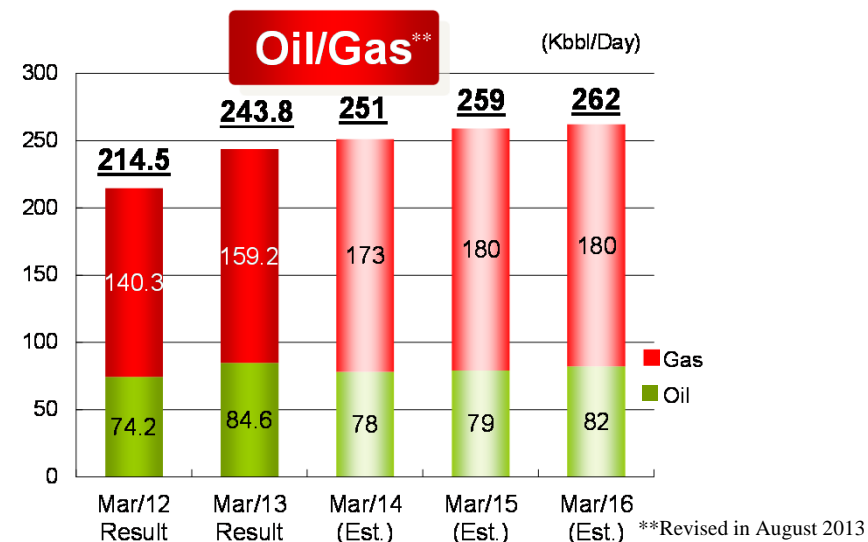
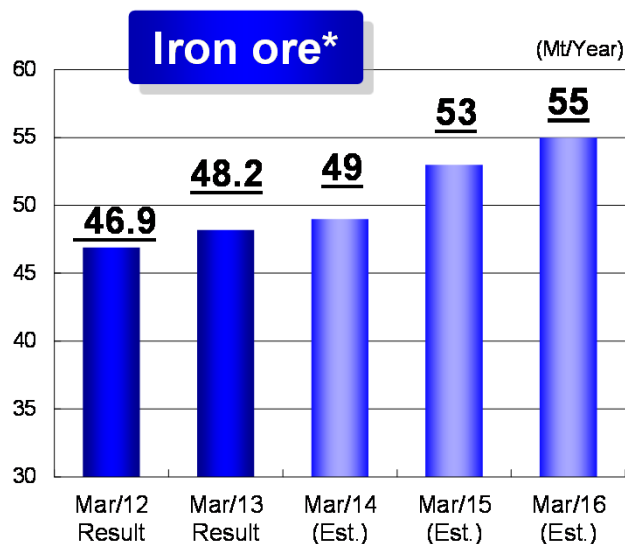
\* Preliminary figures for coal

\*\* Vale, BMC and Copper ; 1Q: Result of Jan-Mar, 2Q: Result of Apr-Jun, 3Q: Result of Jul-Sep, 4Q: Result of Oct-Dec

\*\*\* Including 5% equity share of Vale

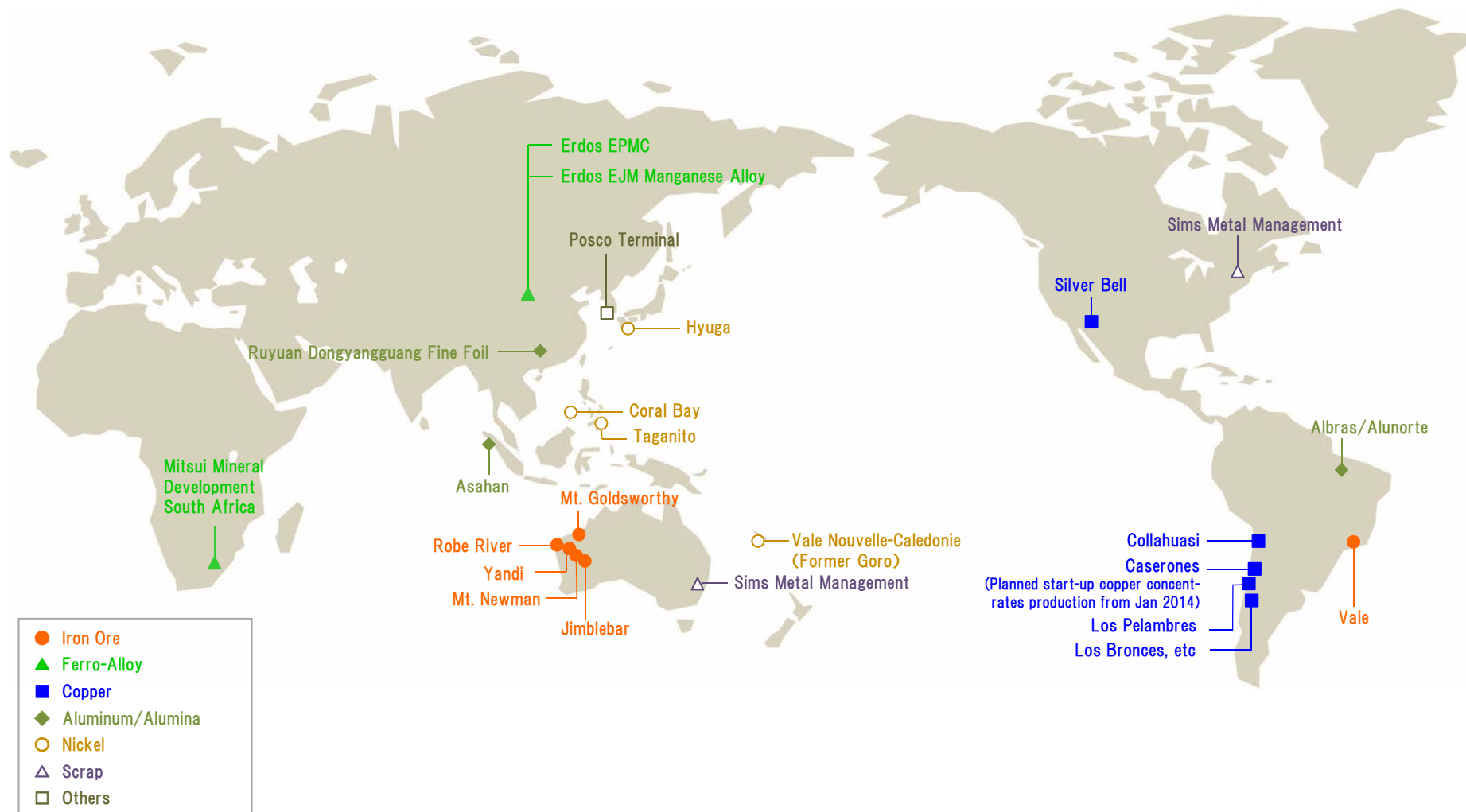
※Figures may not add up due to rounding.

# Equity Share of Production (Announced in May 2013)



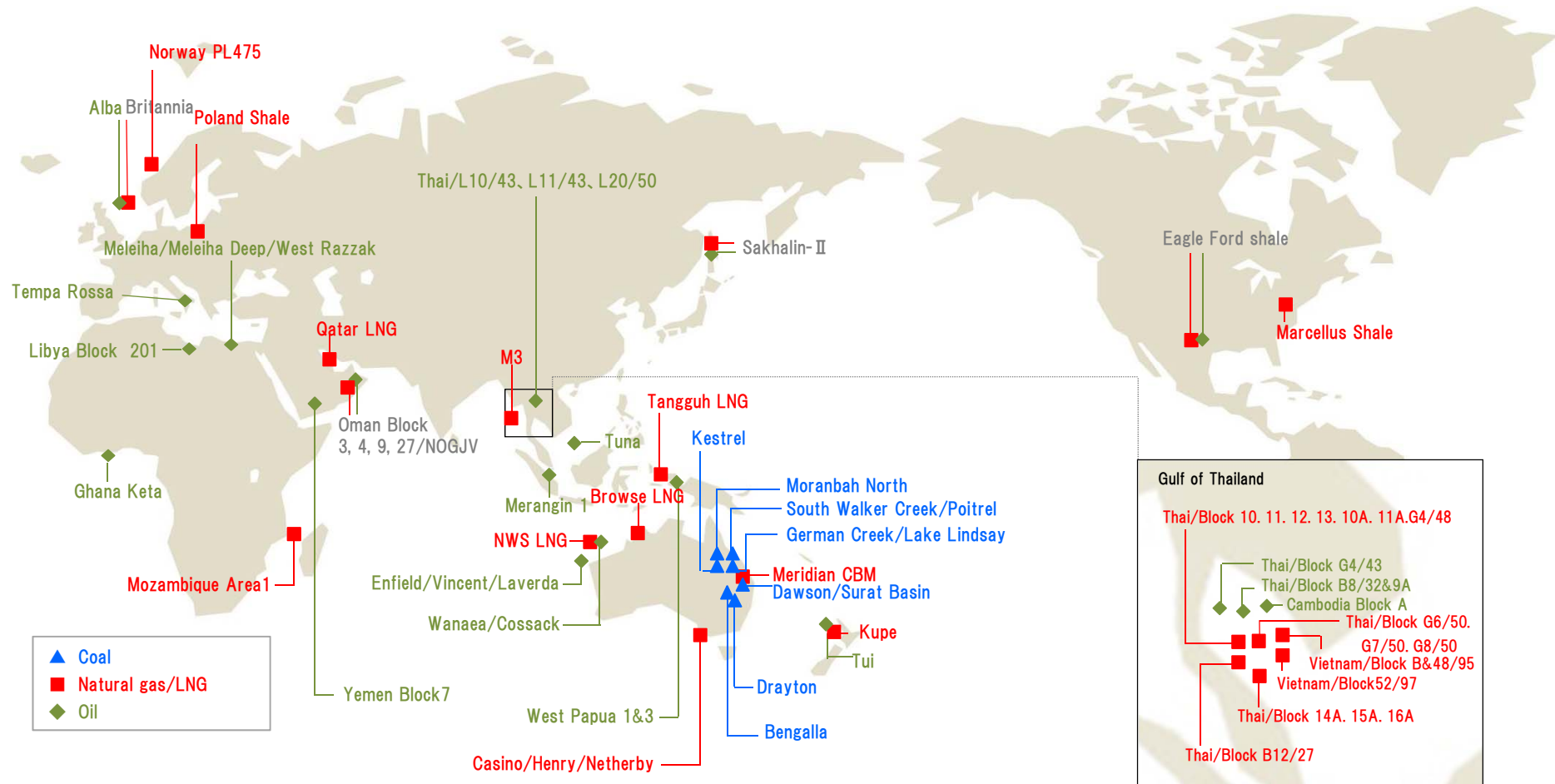
As of September 30, 2013

## Major Projects in Mineral & Metal Resources Business



As of September 30, 2013

## Upstream Assets in Energy Business



As of September 30, 2013

## Upstream Assets (Natural Gas/LNG/Oil)



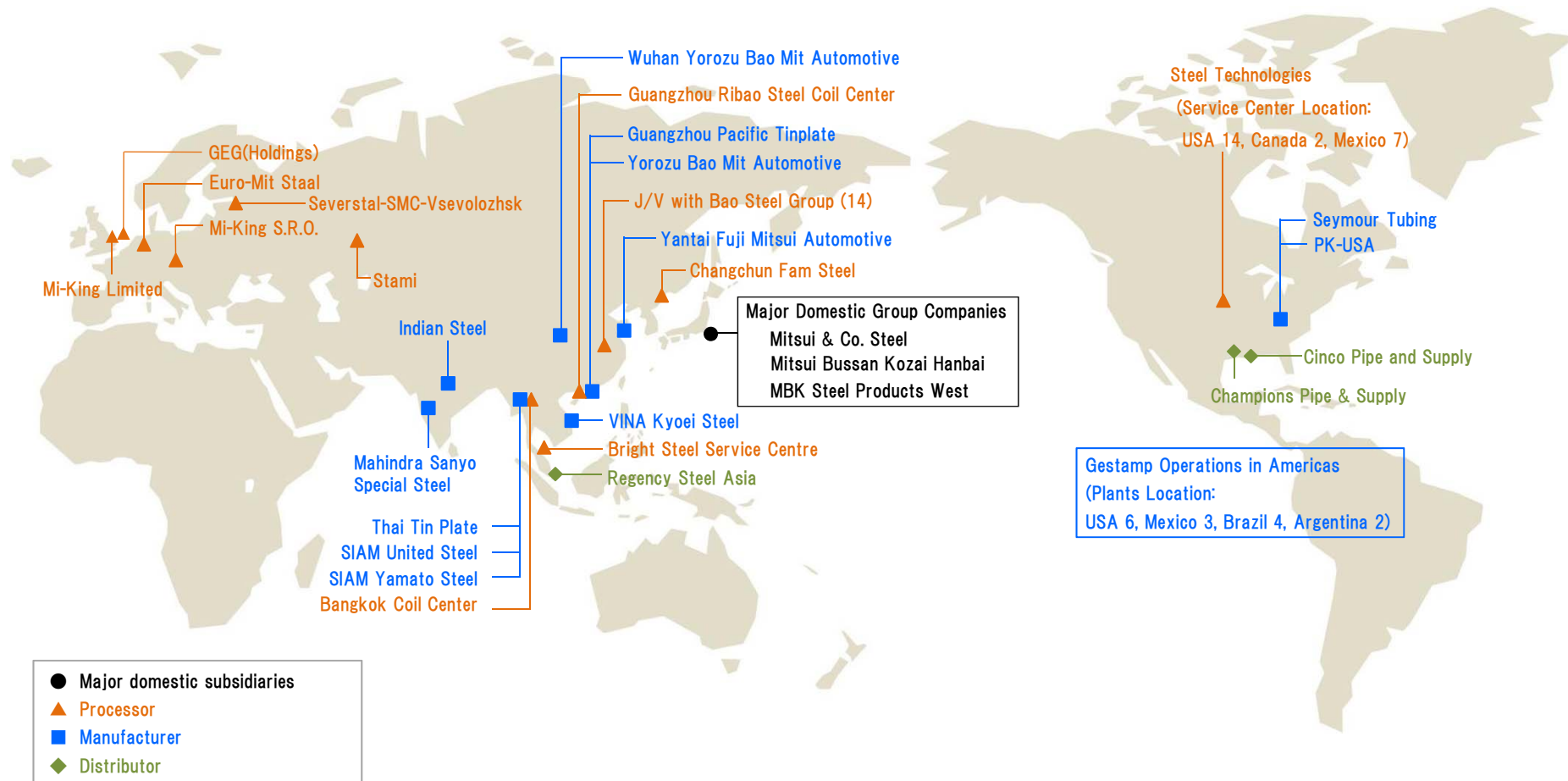
	Exploration	Development	Production
Natural gas/LNG Project	<p><b>Australia:</b> Laverda*1 and 23 other permits (MEPAU)</p> <p><b>New Zealand:</b> PEP50119 and PEP54863 (MEPAU)</p> <p><b>Papua New Guinea:</b> PPL426 (MEPAU)</p> <p><b>Thailand:</b> Block L10/43.L20/L50 and 3 other permits (MOECO)</p> <p><b>Vietnam:</b> Blocks B&amp;48/95, 52/97*1 (MOECO)</p> <p><b>Cambodia:</b> Block A (MOECO)</p> <p><b>Indonesia:</b> Merangin I, Tuna, West Papua I / III (MOECO)</p> <p><b>Myanmar:</b> M3 (MOECO)</p> <p><b>Poland:</b> Poland Shale (MEPPOL)</p> <p><b>Norway:</b> PL475 (MOECO)</p>	<p><b>USA:</b> Marcellus Shale (MEPUSA) *2 Eagle Ford Shale (MEPTX) *2</p> <p><b>Australia:</b> Meridian CBM (MEPAU) *2 Browse LNG (JAL-MIMI)</p> <p><b>Mozambique:</b> Area1*1 (MEPMOZ)</p>	<p><b>Russia:</b> Sakhalin II LNG (Sakhalin Energy)</p> <p><b>Australia:</b> NWS LNG (JAL-MIMI), Casino/Henry/Netherby, Meridian CBM (MEPAU)</p> <p><b>New Zealand:</b> Kupe (MEPAU)</p> <p><b>Thailand:</b> Blocks 10.11.12.13.10A.11A.G4/48, Block B12/27, Blocks 14A.15A.16A, Blocks B8/32&amp;9A, Block G4/43 (MOECO)</p> <p><b>Indonesia:</b> Tangguh LNG (KG Berau/KG Wiriagar)</p> <p><b>USA:</b> Marcellus Shale (MEPUSA) Eagle Ford Shale (MEPTX)</p> <p><b>Qatar:</b> Qatargas 1 LNG (MILNED) Qatargas 3 LNG (Mitsui Qatargas 3)</p> <p><b>Oman:</b> NOGJV (MEPME)</p> <p><b>United Kingdom:</b> Britannia (MEPUK)</p>
	Oil Project	<p><b>Egypt:</b> Meleiha Deep (MEPME)</p> <p><b>Yemen:</b> Block 7 (MEPME)</p> <p><b>Libya:</b> Block 201 (MOECO)</p> <p><b>Mozambique:</b> Area1*1 (MEPMOZ)</p> <p><b>Ghana:</b> Keta (MEPGK)</p>	<p><b>USA:</b> Eagle Ford Shale (MEPTX) *2</p> <p><b>Italy:</b> Tempa Rossa (MEPIT)</p>

\*1 Proved undeveloped \*2 Partly in production



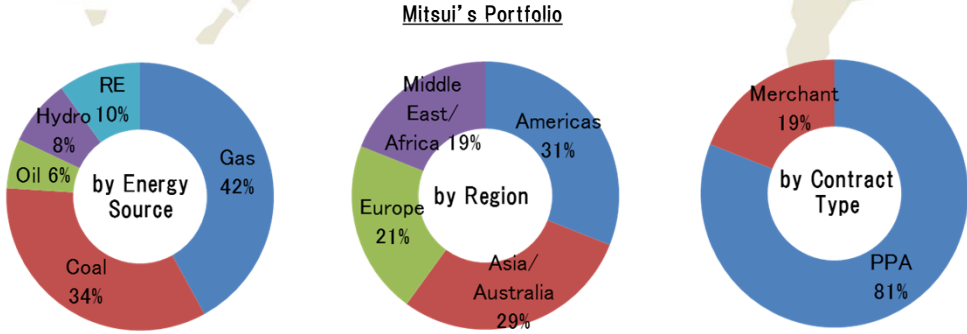
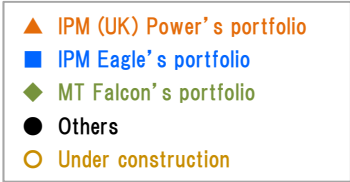
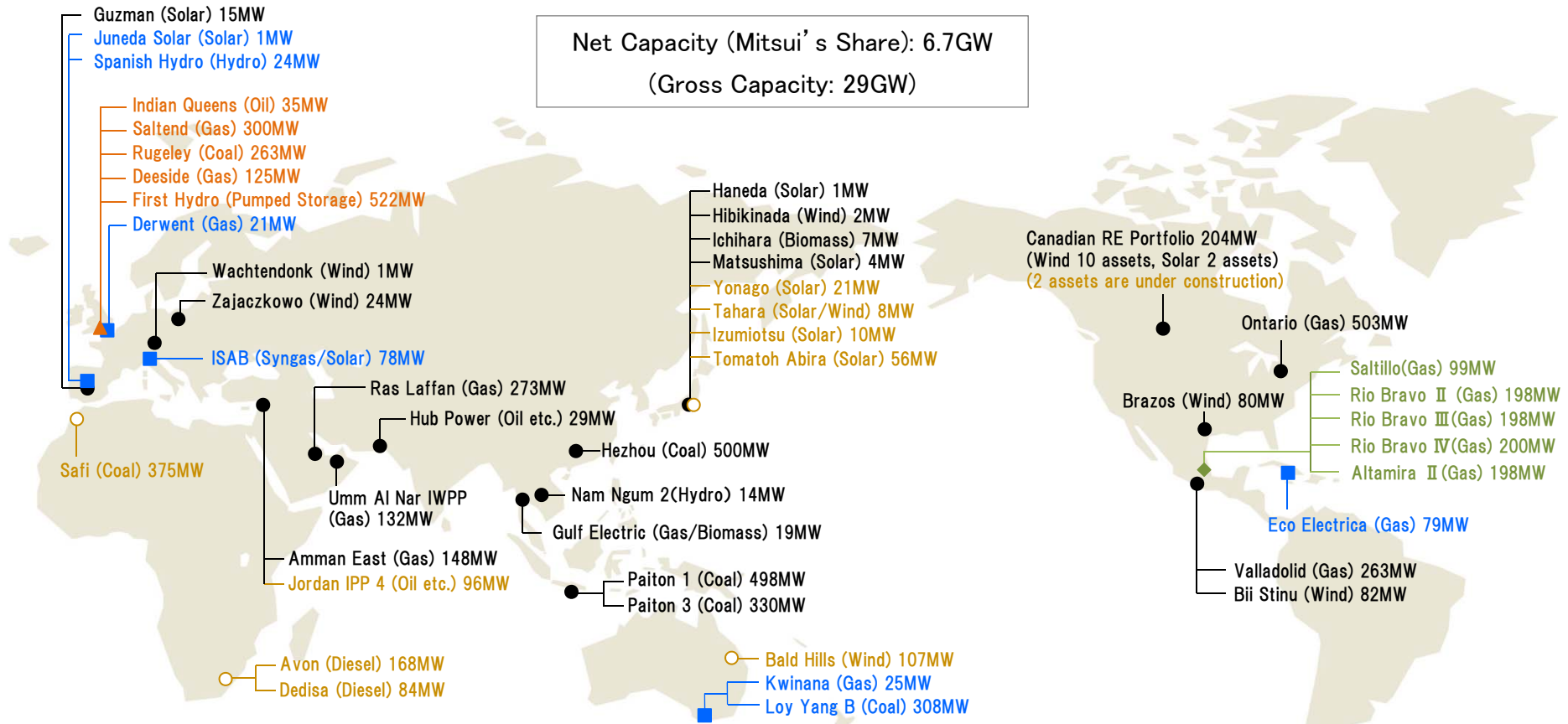
As of September 30, 2013

## Major Investments in Iron & Steel Products Business



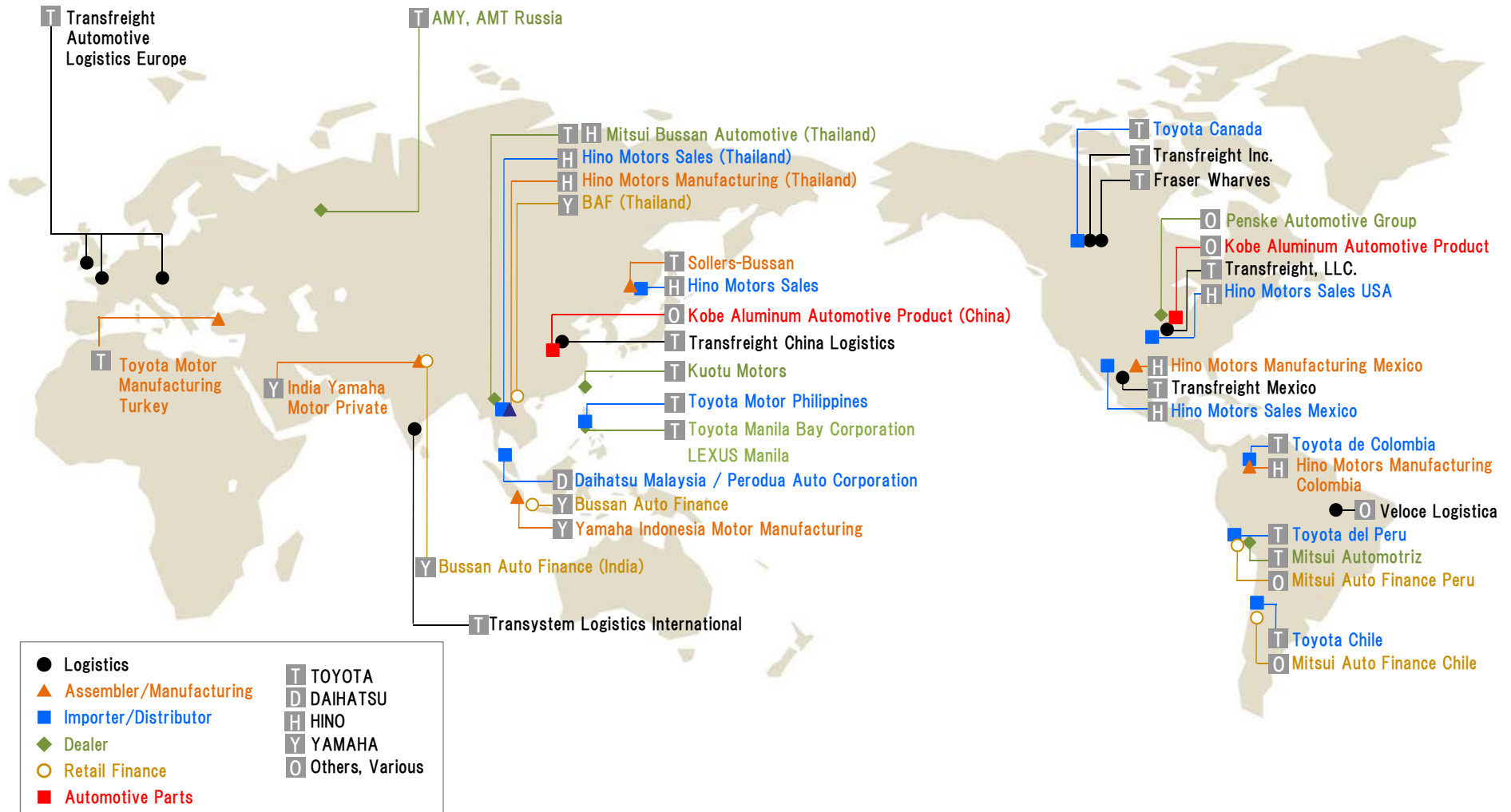
As of September 30, 2013

## Portfolio of IPP (Independent Power Producer) Business



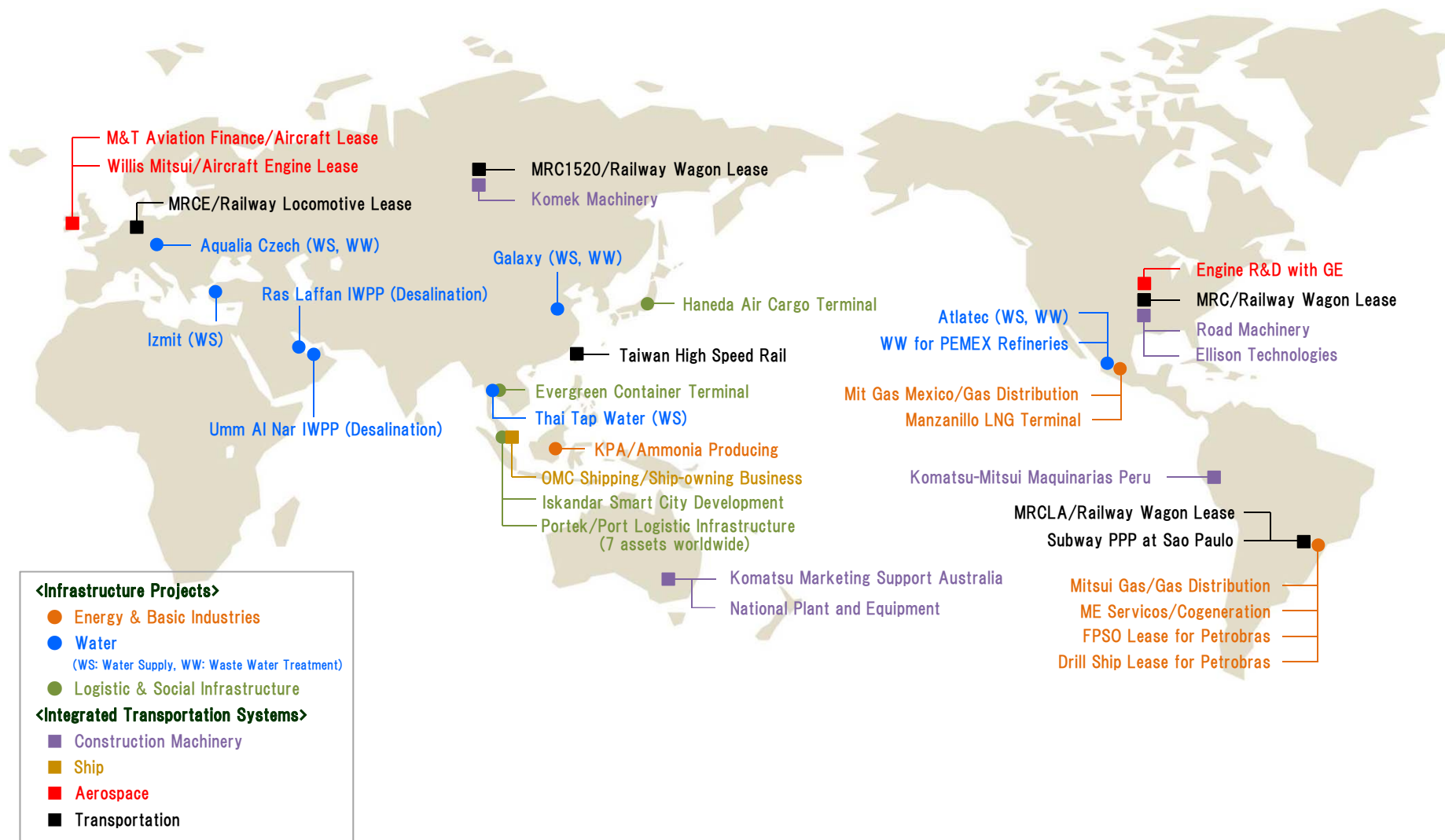
As of September 30, 2013

## Portfolio of Automotive-Related Business



As of September 30, 2013

## Other Major Machinery & Infrastructure Business



As of September 30, 2013

## Major Investments in Trading Business in Chemical Business



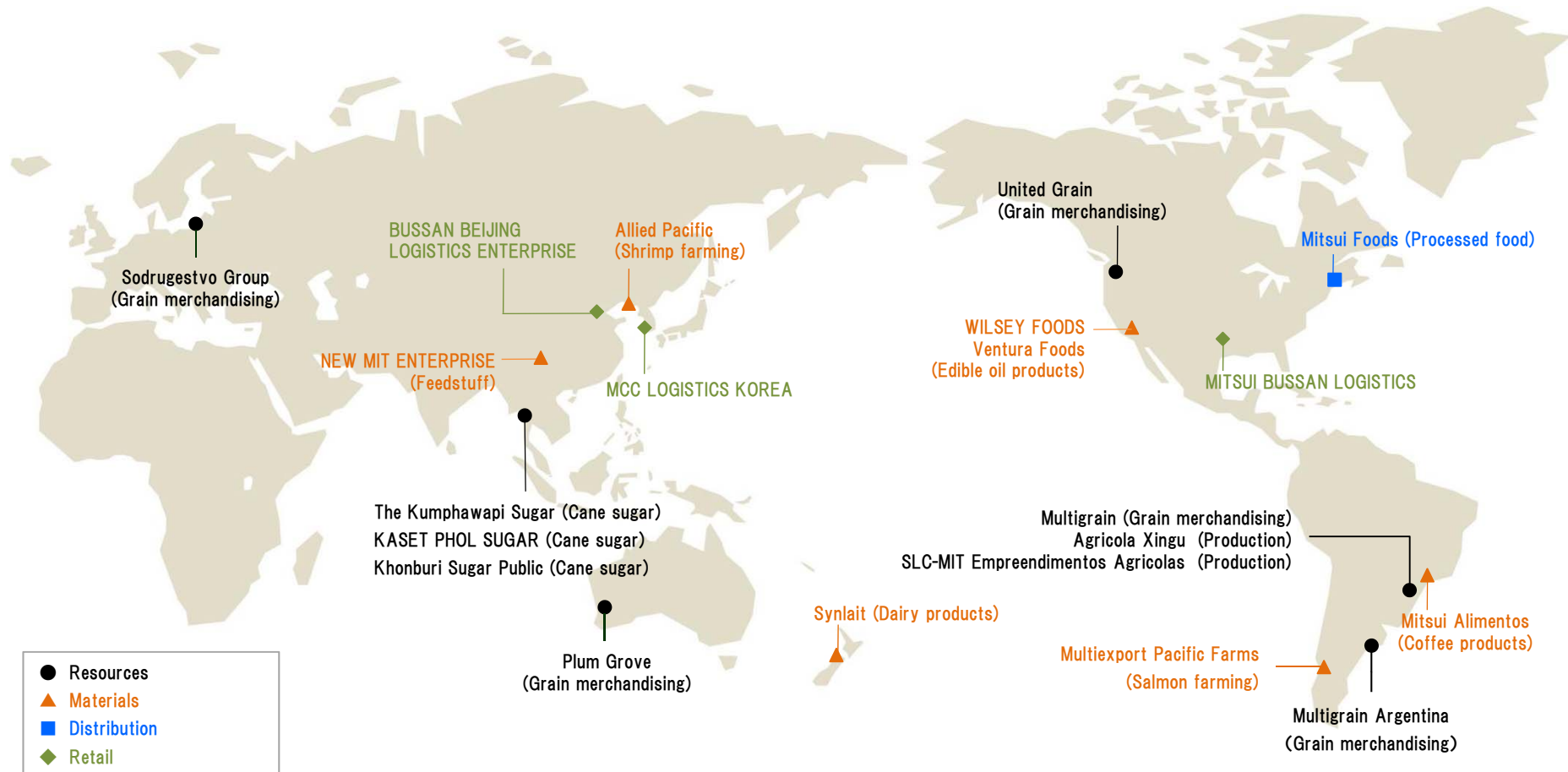
As of September 30, 2013

## Major Investments in Manufacturing Business in Chemical Business



As of September 30, 2013

## Major Overseas Investments in Food Resources and Food Products & Services



As of September 30, 2013

## Major Investments in Consumer Service Business

