

New Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium –



MITSUI & CO., LTD.

May 8, 2014

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.

Challenge & Innovation for 2020 - Basic Policy

Positioning

Important 3 years towards achieving our 2020 Vision (*1)

Basic Policy

- Provide industrial solutions to our customers' needs through higher level of competitiveness, managerial excellence and successful business development
⇒ Establishing “Key Strategic Domains” in line with our core strengths
- Enhance earnings base of “Existing Business” and fully execute “Projects in the pipeline” (*2)
- Pursue both “New Investments” and “Shareholder Return” backed by strong cash generation capabilities



*1: In 2009, we announced our Long-Term Management Vision outlining our vision for the coming ten years.

*2: Projects our participation in which have been decided and announced as of May 2014 and profit contribution by which are expected within several years.

Our 2020 Vision

Create new values through effective collaboration of businesses in
“Key Strategic Domains”
Balanced allocation to growth investments and shareholder return
EBITDA: Constantly over ¥1 trillion
Achieve sustained net income growth and double digit ROE

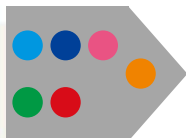


**Demonstrating
Mitsui Premium**

“Key Strategic Domains” founded on Mitsui’s strengths

Create new value through effective collaboration among businesses in “Key Strategic Domains”

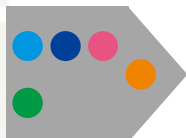
Hydrocarbon Chain



Energy upstream to downstream and expansion of related businesses

- Upstream oil & gas development, commercialization (LNG, Chemicals, Power Generation)
- Transportation and associated businesses (ships, steel pipes, infrastructure development)

Mineral resources (urban & underground) and materials



Mineral mining to material processing, building a recycle-oriented society

- Development and production of mineral resources, processing, distribution and recycling of products
- With focus on technical advancement, expand steel and chemical material business

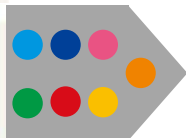
Food and agriculture



Provide solutions for increasing production and stabilizing food supply

- Fertilizer and food resources, Food product materials
- Agricultural, food and nutritional sciences

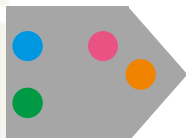
Infrastructure



Contribute to new nation building and business expansion from infrastructure

- Power generation, water supply and port terminals
- Next generation development of local economies

Mobility



Services related to manufacturing, marketing & financing of transportation machineries

- Automobile, industrial machinery, ships, aircrafts, mass transit and rail transportation systems
- Logistics business and expansion to other “Key Strategic Domains”

Medical / Healthcare



Business development in healthcare and pharmaceutical value chain

- Hospital business and surrounding healthcare services
- Pharmaceutical development, manufacturing and marketing

Lifestyle products and value-added services



Consumer linked business utilizing next generation functions (IT, Finance, Logistics)

- Clothing and food (distribution, data, e-commerce)
- Housing (real-estate, financial and related services)

Corresponding business segments



- 1 Iron & Steel Products
- 2 Mineral & Metal Resources
- 3 Machinery & Infrastructure
- 4 Chemicals
- 5 Energy
- 6 Lifestyle
- 7 Innovation & Corporate Development

Cash Flow Allocation

Pursue both growth investments and return to shareholders based on strong cash generation capabilities

Cumulative total: FY Mar/2015 to Mar/2017

Recurring Free Cash Flow ¥1.0~1.4 trillion

Core Operating Cash Flow
+ ¥1.8 to 2.0 trillion

【Asset recycling】
Cash inflow from Divestitures
+ ¥0.7 to 0.9 trillion

【Existing Business + Projects in the pipeline】
Investment cash outflow - ¥1.5 trillion

Achieve
positive Free
Cash Flow

RESOURCES

ALLOCATION

【New Investments】 Investment cash outflow (Net)

【Return to Shareholders】 Dividends, Share buyback

Borrowing/repayment of interest-bearing debt (±)

Existing Business foundation established during previous Medium-term Management Plan -1

Competitive and high-quality business assets that support our corporate value

Metals

- Steel products value chain
(Gestamp/Steel Tech/Global Energy, etc.)
- Iron Ore business
Equity production: 51M ton/year (FY Mar/14)
- Copper business in Chile
Equity production: 110k ton/year (FY Mar/14)

Machinery & Infrastructure

- IPP business
Net generation capacity: 8.5GW(End Mar/14)
- Automotive and related business
- Local gas distribution
(Brazil, Mexico, Malaysia)

Chemicals

- Trading of chemical products
- High-quality upstream assets
(Fertilizer feedstock/Salt/EDC/Methanol)
- Agrichemicals, Fertilizers, Feed additives
- Tank terminal

Further profit growth potential

Automobile parts

Environmental solution

Ports/infrastructure, Water supply

Machinery & Transportation

Agrichemical area

US shale driven Chemicals

Existing Business foundation established during previous Medium-term Management Plan -2

Competitive and high-quality business assets that support our corporate value

Energy

- Oil and gas upstream assets
Equity production: 243kbbbl/day (FY Mar/14)
US shale gas/oil business
Mozambique recoverable resources: 45~70+Tcf
- LNG business
8 producing projects / 3 development projects

Lifestyle

- Grain production and origination businesses
Handling volume: 15M ton (FY Mar/14)
- IHH Healthcare hospital business
Number of beds: 5,000 (FY Mar/14)
- TV Shopping business

Innovation & Corporate Development

- Fully leverage IT, Financial and Logistical functions
- Affiliates with respective expertise
Mitsui Knowledge Industry / Moshi Moshi Hotline
JA Mitsui Leasing
Tri-net Logistics

Further profit growth potential

US shale gas

Global Exploration & Production

Global grain operations

Medical / Healthcare

Tele-communication & service platform

Financial business

Consumer goods logistics

Valuable "Projects in the pipeline" : Total present value (PV) in excess of ¥1 trillion

Execution of projects in the pipeline that leads to sustained increase in corporate value



Strong earnings base : Mineral & Metal Resources and Energy

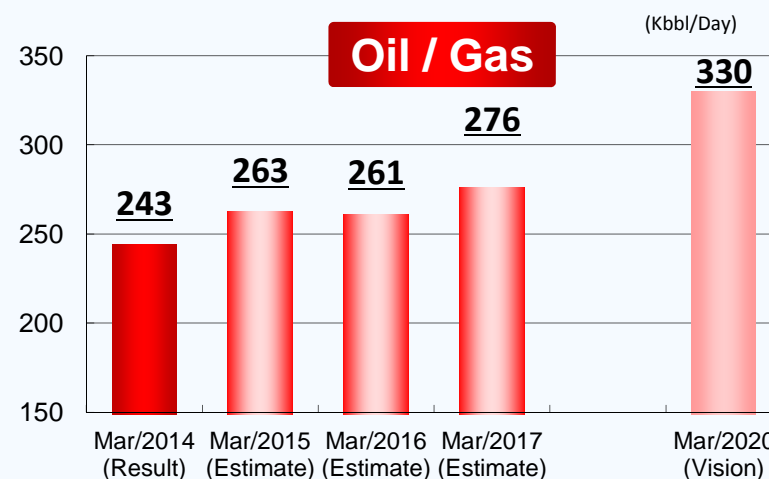
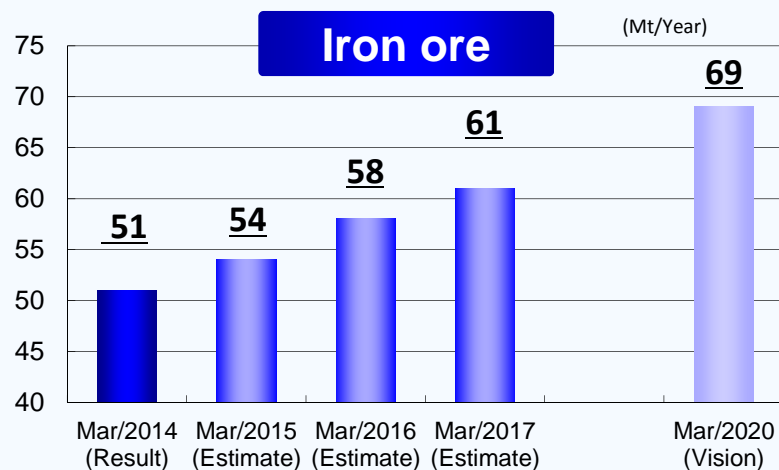
Further improve and expand our cost competitive portfolio of assets

Building upon our cost competitive existing assets, seek expansion of production capacity and addition of competitive reserves, so as to achieve our 2020 Vision.

- Mineral & Metal Resources (iron ore/copper/coal, etc.) equity share of production ⇒ 40% increase
- LNG/liquefaction capacity, Oil & Gas reserves ⇒ 100% increase
(LNG: 4.8Mt→9.4Mt, 2P reserves : 1.2Bil BOE→2.9Bil BOE)
- Oil & Gas production ⇒ 40% increase (240m BOE/day→330m BOE/day)

* Increases from Mar/14 to Mar/20.
All figures based on our equity share.

Equity share of production



Investments & Divestitures in “Existing Business” & “Projects in the pipeline”

Gross Investment of ¥1.5 trillion in “Existing Business” & “Projects in the pipeline” during 3 years

Operating Segment (¥ billion)	Investments & Divestitures	
	Existing & Pipeline (FY 15/3~17/3 total)	Key Projects
Iron & Steel Products	10	Service Centre, etc.
Mineral & Metal Resources	290	Australian iron ore & coal expansion, etc.
Machinery & Infrastructure	230	IPP, FPSO, Rolling stock for leasing, etc.
Chemicals	20	Australian salt, etc.
Energy	660	3 LNG projects, Onshore oil field in Italy, Oil & gas expansion
Lifestyle	110	Global grain operations, etc.
Innovation & Corporate Development	60	Financing business, etc.
Overseas	120	ITC expansion, Aust. wind power generation, etc.
Total	1,500	
Divestitures	-700~900	Strategic Divestitures
Net	600~800	



**Investments in
“New Business”**

【Basic concept】

In addition to investments of ¥1.5 trillion in “Existing Business” & “Projects in the pipeline”, invest cash available from Recurring FCF in “New Business” that will be the driving force for future growth.

Allocation of Recurring FCF / ¥1.0~1.4 trillion

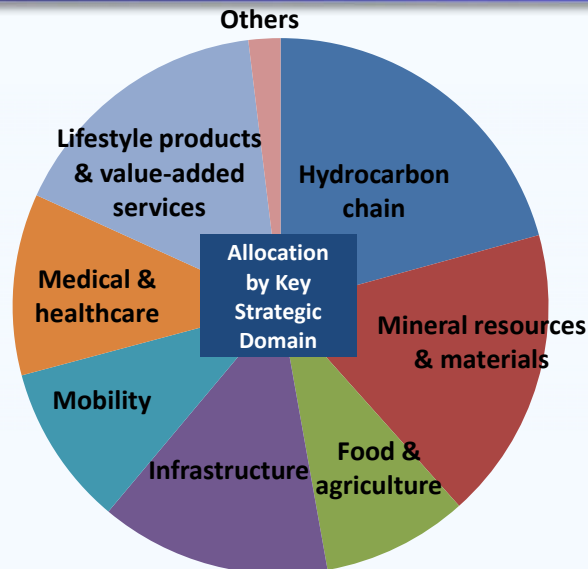
Return to shareholders

- **Basic policy:** Direct shareholder return through dividends
- **Consolidated dividend payout ratio :** 30%
- **Share Buyback Program:** Take measures in a prompt and flexible manner as needed with due consideration of operating environment such as prospect of future investment requirements, FCF level, interest bearing debt and ROE



Well-balanced allocation

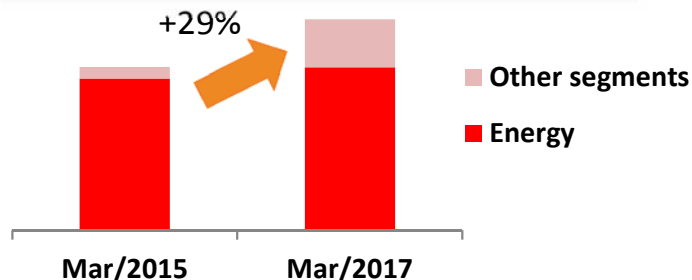
Investment in “New Business” that leads to future growth



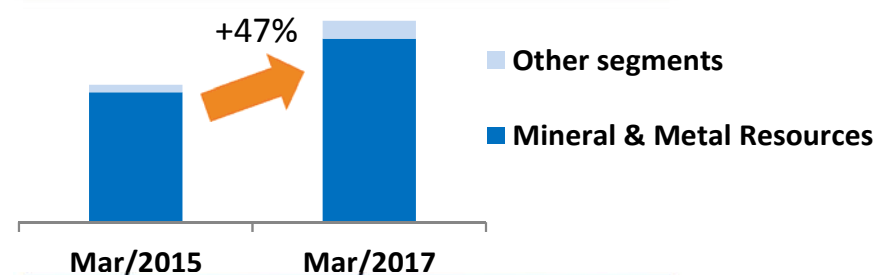
- Implement stringent selection of growth-oriented investment in Key Strategic Domains
- Investments in high-earning fields identified through our expert knowledge in the various connections of the industrial chain
- Foster development in strategic areas to boost future earnings base through small to medium size investments

Net Income growth by Key Strategic Domain

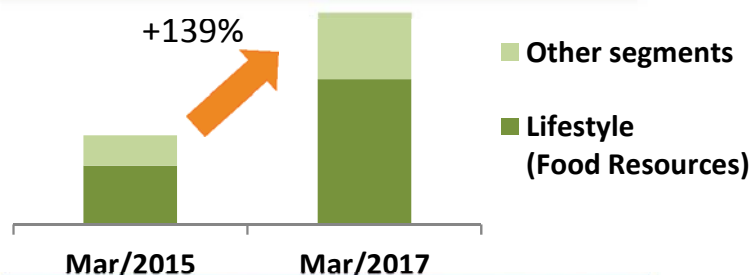
Hydrocarbon chain



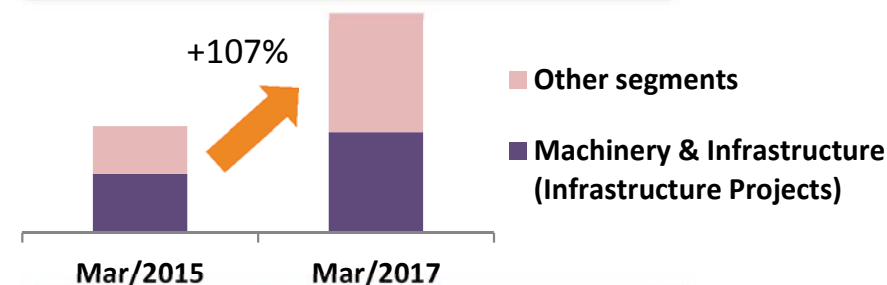
Mineral resources and materials



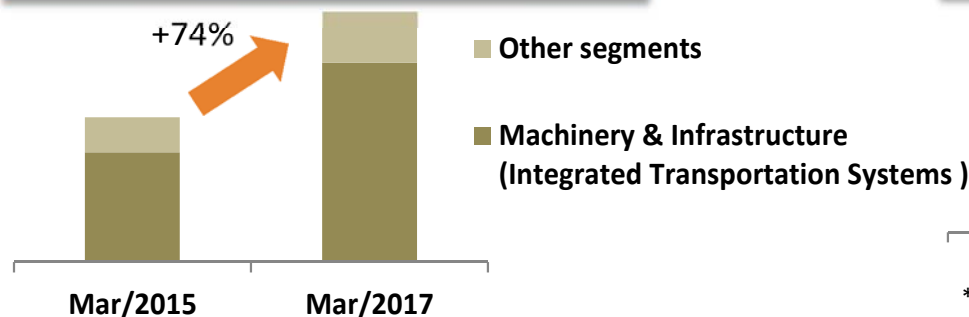
Food and agriculture



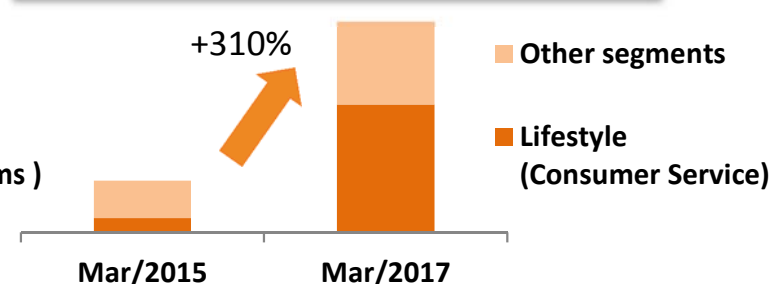
Infrastructure



Mobility



Lifestyle products and value-added services + Medical / Healthcare



*Graphs indicate Net Income growth rates but are not drawn to scale

Key Initiatives

Key initiatives to solidify the roadmap to our 2020 Vision

Evolution of portfolio strategy

- Accumulation of good quality assets
 - ⇒ Improve earnings of Existing Business & fully execute Projects in the pipeline
 - ⇒ Strategic asset recycling
 - ⇒ Small to medium size investments in strategic areas
- Achieve positive Free Cash Flow
 - ⇒ Reinforced management system of investments & loans

Enhanced capacity for global development

- Hybrid management system based on both commodity and region
- Priority countries : China, India, Indonesia, Russia, Mexico, Myanmar, Mozambique, Chile (new), Turkey(new)
- Maintain focus on United States, Australia and Brazil

Reinforced group management structure

- Reinforce front line management
- Nurture talented individuals capable of managing operations at both parent and subsidiary level
- Prioritize placement of individuals according to Key Strategic Domains

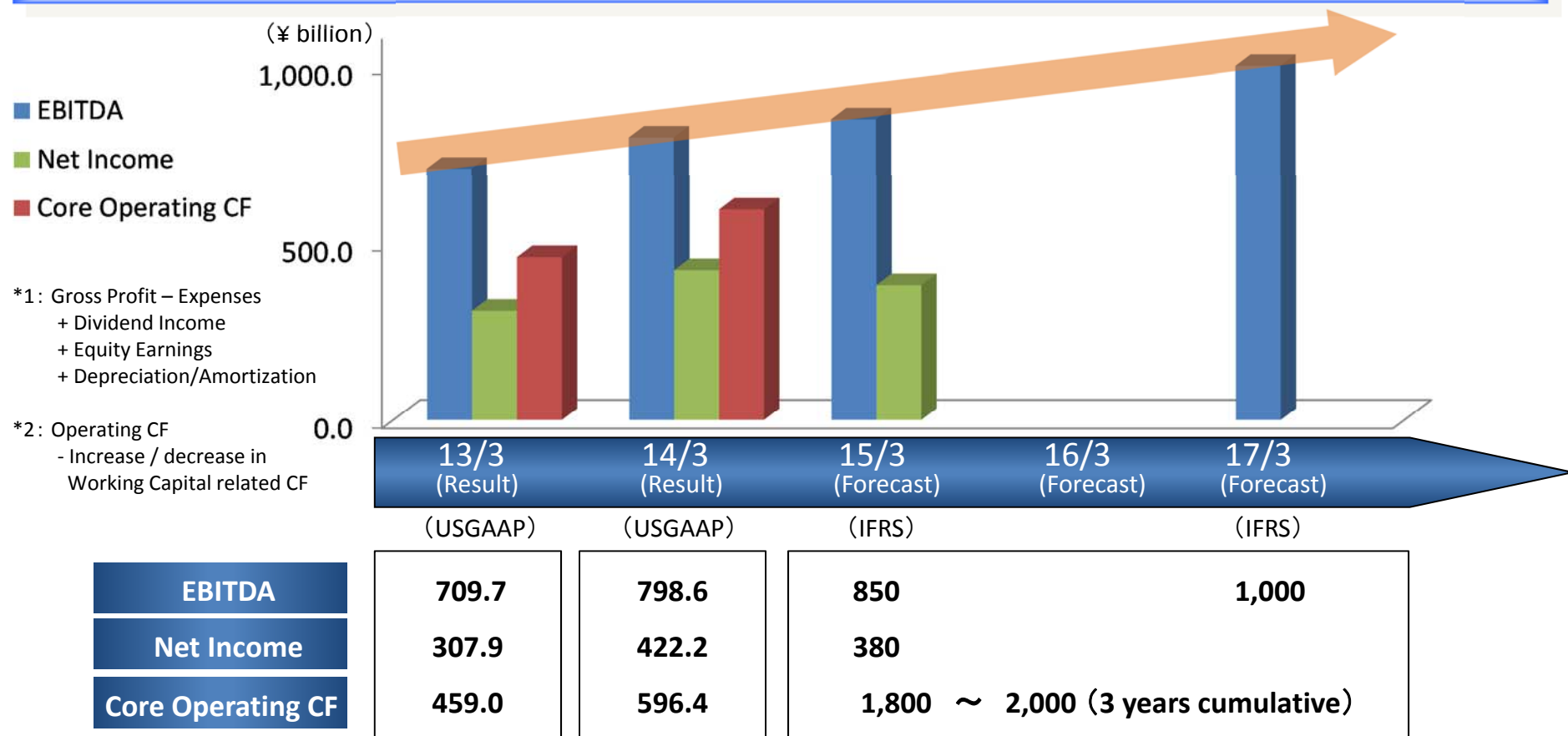
Innovation for the next generation

- Take measures to create businesses for the next-generation, and promote autonomous application
- Continue to engage in business creation targeting Japan

Quantitative Target : ¥1 trillion level EBITDA by FY Mar/17

Profitability / Cash flow index

- EBITDA (*1) : Measures underlying earning power
- Consolidated Net Income : Base index to measure performance under IFRS
- Core Operating CF (*2) : Measures cash generation capabilities, source of cash reallocation



Quantitative Target: 10 to 12% ROE in FY Mar/17

Pursue improvement of capital efficiency while maintaining financial stability

	FY Mar/2014 (USGAAP)	FY Mar/2017 (IFRS)
ROE	12.5%	10 to 12%
Net DER	X 0.90	X 0.8

B/S image (*1)

*1 Excluding any impact of potential share buyback

*2 Adjustment due to adoption of IFRS (preliminary figures)

Total Assets + ¥0.5 trillion

Shareholders' Equity + ¥0.2 trillion

End Mar/2014(*2)
(USGAAP)

Total Assets 11.0	
	Interest - bearing debt 4.5 (Net3.2)
	Shareholders' equity 3.6

End Mar/2017
(IFRS)

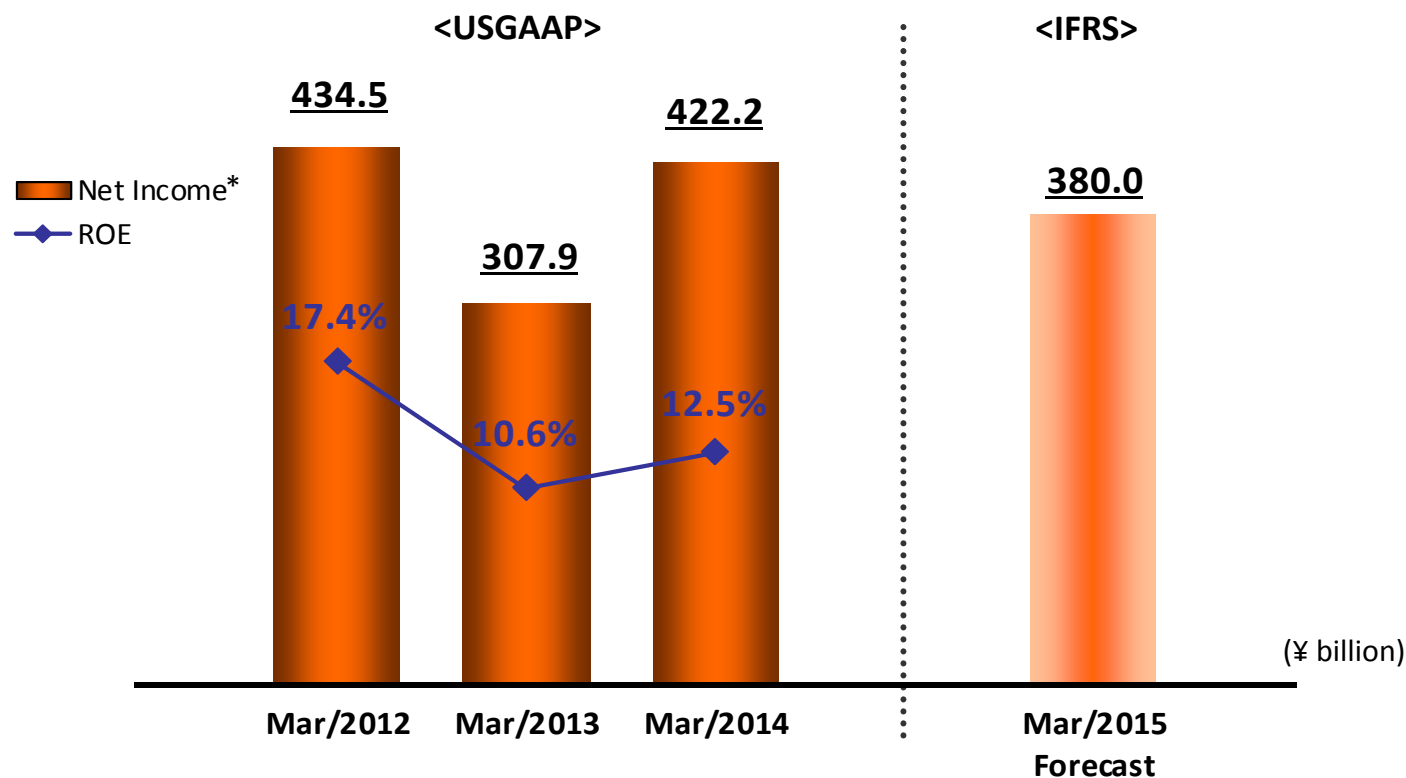
(¥trillion)

Total Assets 13.0	
	Interest - bearing debt 4.9 (Net3.7)
	Shareholders' equity 4.8

Forecast for the Year Ending March 2015

Net Income for Year Ending March 31, 2015

- Net Income forecast for the year ending March 2015 is ¥380 billion.
- Forecast for the year ending March 2015 is prepared on International Financial Reporting Standards (IFRS) basis.

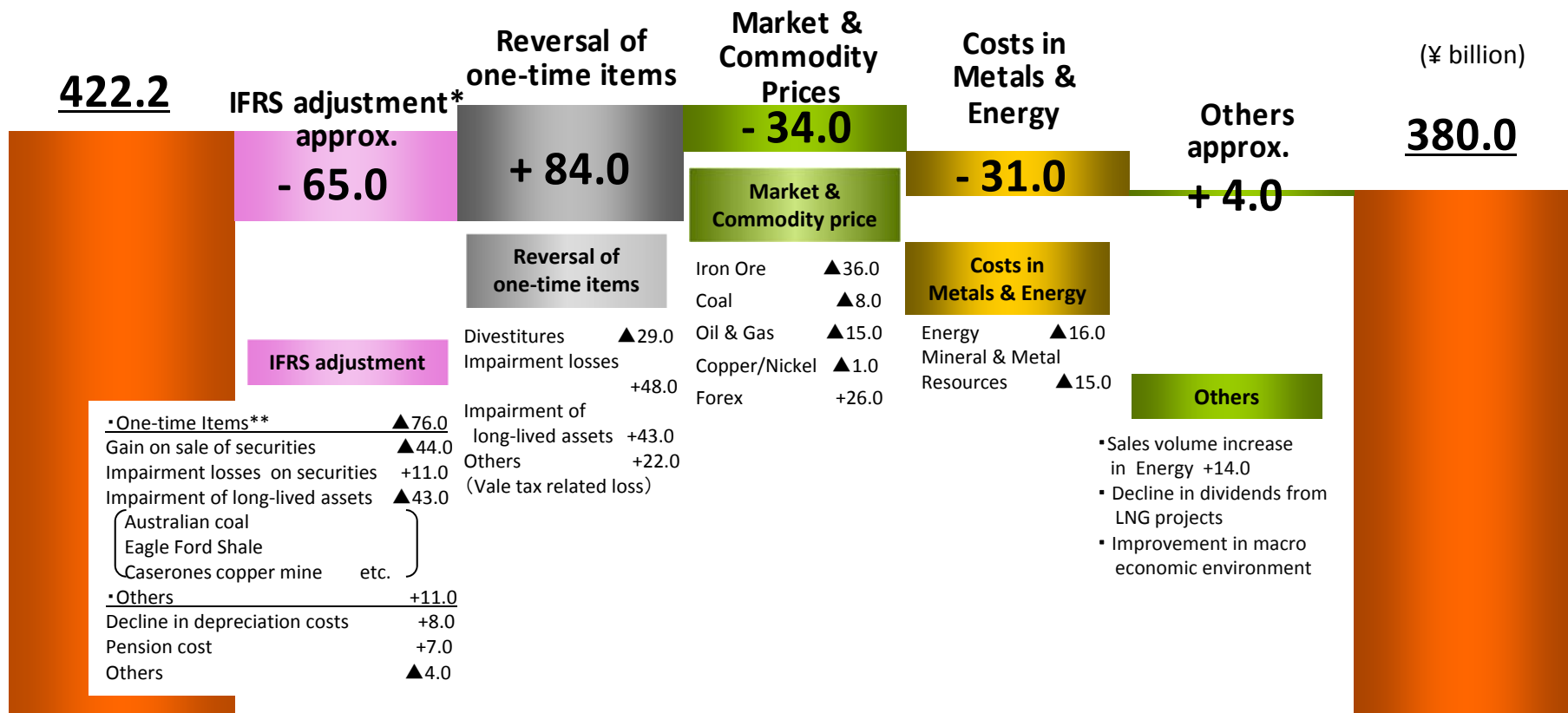


Forex rate (¥/US\$)	79	83	100	100
Oil price (US\$/bbl)	108	114	110	104**

* In this presentation, "Consolidated Net Income Attributable to Mitsui & Co., Ltd." is referred to as "Net Income".

**The annual average price applicable to FY Mar/2015 based on the premise that the crude oil price (JCC) will be maintained at US\$102/bbl throughout FY Mar/2015.

Breakdown of Y-on-Y Change in Net Income (Mar/2015 Forecast vs. Mar/2014 Result)



**Mar/2014
Result
(USGAAP)**

* IFRS effect represents the difference between USGAAP and IFRS accounting standards on year ended March 2014 accounts. The figure is an estimate, and the actual year ended March 2014 financial results on IFRS basis could change materially.

** Gains on sales of securities and impairment losses on securities are related to other investments (FVTOCI) which are recorded in the P/L under USGAAP but are recorded in OCI under IFRS. Impairment of long-lived assets are those that are not recorded in the P/L under USGAAP but are recorded under IFRS.

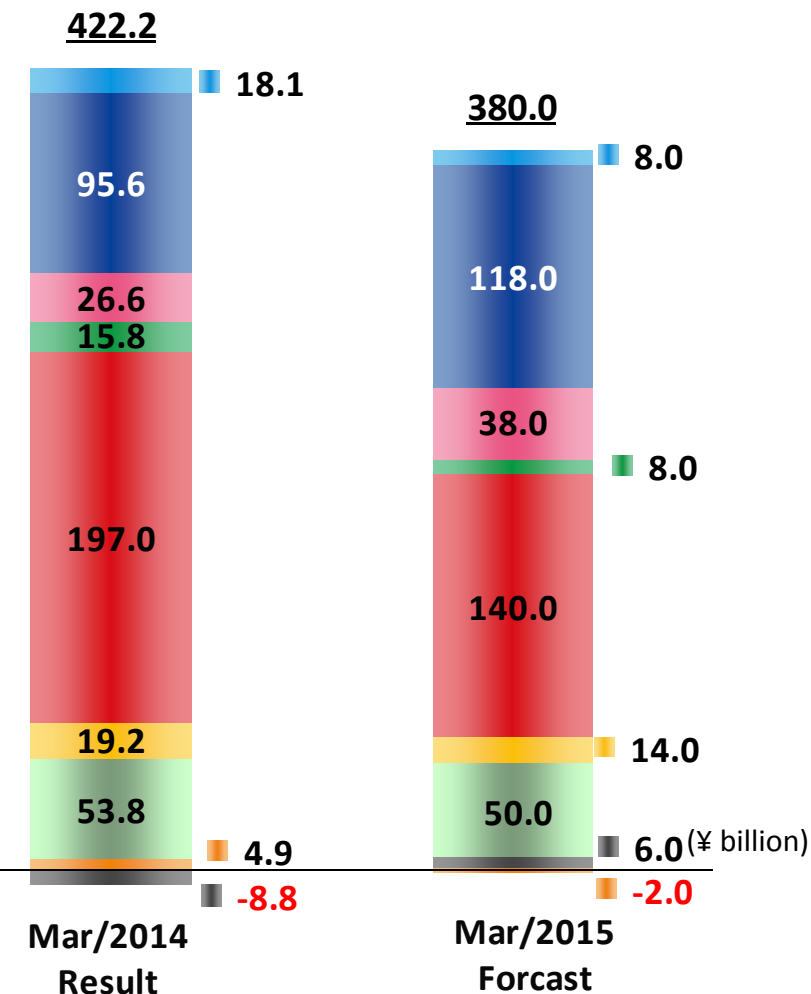
**Mar/2015
Forecast
(IFRS)**

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

Net Income Forecast for FY Mar/2015 by Operating Segment

<USGAAP>

<IFRS>

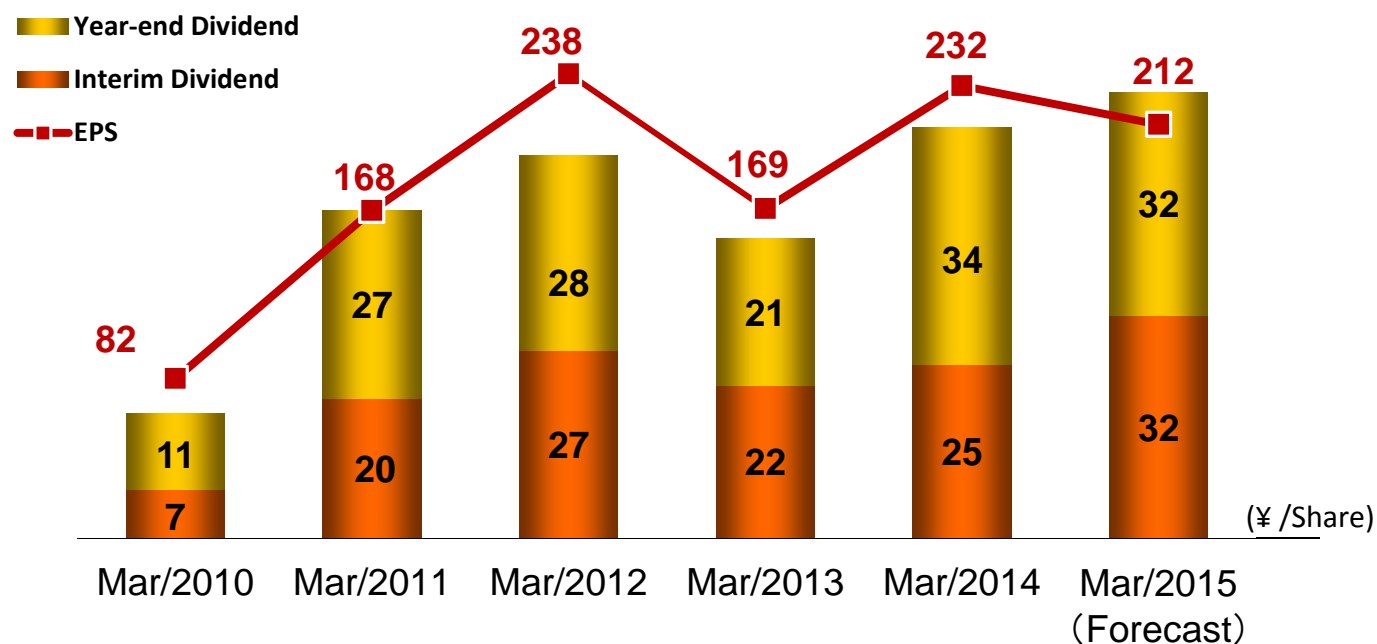


- Energy** ¥140.0bn -¥57.0bn (-29%)
 - ↓ Reversal of one-time items (Divestiture)
 - ↓ Decrease in dividends from LNG projects
 - ↓ Decline in oil prices
 - ↓ Increase in cost in oil and gas operations and explorations
 - ↑ Sales volume increase
 - ↑ Decline in depreciation costs at Marcellus shale
- Iron & Steel products** ¥8.0bn -¥10.1bn (-56%)
 - ↓ Reversal of one-time items (Divestiture)
 - ↓ Reversal of forex gains on trading activities
 - ↑ increases in earnings from Gestamp-related business
- Mineral & Metal Resources** ¥118.0bn +¥22.4bn (+23%)
 - ↑ Reversal of Valepar one-time loss (Including Vale tax related loss (REFIS))
 - ↑ Reversal of impairment loss on MLCC (Caserones copper project company)
 - ↑ Reversal of impairment loss on preferred shares of Valepar
 - ↓ Decline in iron ore prices
- Machinery & Infrastructure** ¥38.0bn +¥11.4bn (+43%)
 - ↑ Reversal of one-time items (Impairment)
 - ↑ Decrease in research and development costs for aircraft engine
 - ↑ Contribution from new IPP businesses

■ Chemicals
 ■ Lifestyle
 ■ Innovation & Corporate Development
 ■ Overseas
 ■ All Others/Adjustments & Eliminations

Annual Dividend for the Year Ending Mar/2015

- Assuming the annual consolidated net income will be ¥380 billion for the year ending March 2015, envisaged annual dividend is ¥64/share.
- Dividend per share would increase compared to previous fiscal year.



	Mar/2010	Mar/2011	Mar/2012	Mar/2013	Mar/2014	Mar/2015 (Forecast)
Annual dividend per Share	¥18	¥47	¥55	¥43	¥59	¥64
Consolidated dividend payout ratio	22%	23% *	23%	25%	25%	30% **

*Based on net income of ¥367.9 billion which excludes the impact of recognized subsequent events relevant to the settlement of the oil spill incident in the Gulf of Mexico.

**Dividend payout ratio of 30% is assumed, based on Net Income forecast of ¥380 billion and number of issued shares of 1.79 billion.

Appendix

Assumptions and Sensitivities for the Year Ending Mar/2015 Forecast

Year Ended Mar/2014 (Result)	Estimated effect on net income for the year ending Mar/2015 (Announced in May 2014)			Year Ending Mar/2015 (Assumption)
110	Commodity Price	Crude Oil / JCC	¥1.8 bn (US\$1/bbl)	102
110		Crude Oil / Consolidated(*1)		104
3.73		U.S. Natural Gas (*2)	¥0.3 bn (US\$0.1/mmBtu) (*2)	4.25 (*3)
122 (*4)		Iron Ore	¥2.5 bn (US\$1/ton)	(*5)
7,326 (*6)		Copper	¥0.7 bn (US\$100/ton)	7,000
100.49		Exchange Rate (*7)	USD	¥2.7 bn (¥1/USD)
92.91	AUD		¥1.5 bn (¥1/AUD)	95
44.67	BRL		¥0.5 bn (¥1/BRL)	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/2015: 4-6 month time lag: 35%, 1-3 month time lag: 41%, without lag: 24%

(*2) US shale gas are not all sold at Henry Hub(HH) linked prices. Therefore the sensitivity does not represent the direct impact of HH movement, but rather the impact from the movement of weighted average gas sales price.

(*3) For natural gas sold in the US on HH linked prices, the assumed price used is US\$4.25/mmBtu.

(*4) Year ended Mar/2014 Result: Daily average of representative reference prices (fine, Fe 62% CFR North China) during Apr 2013 - Mar 2014.

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

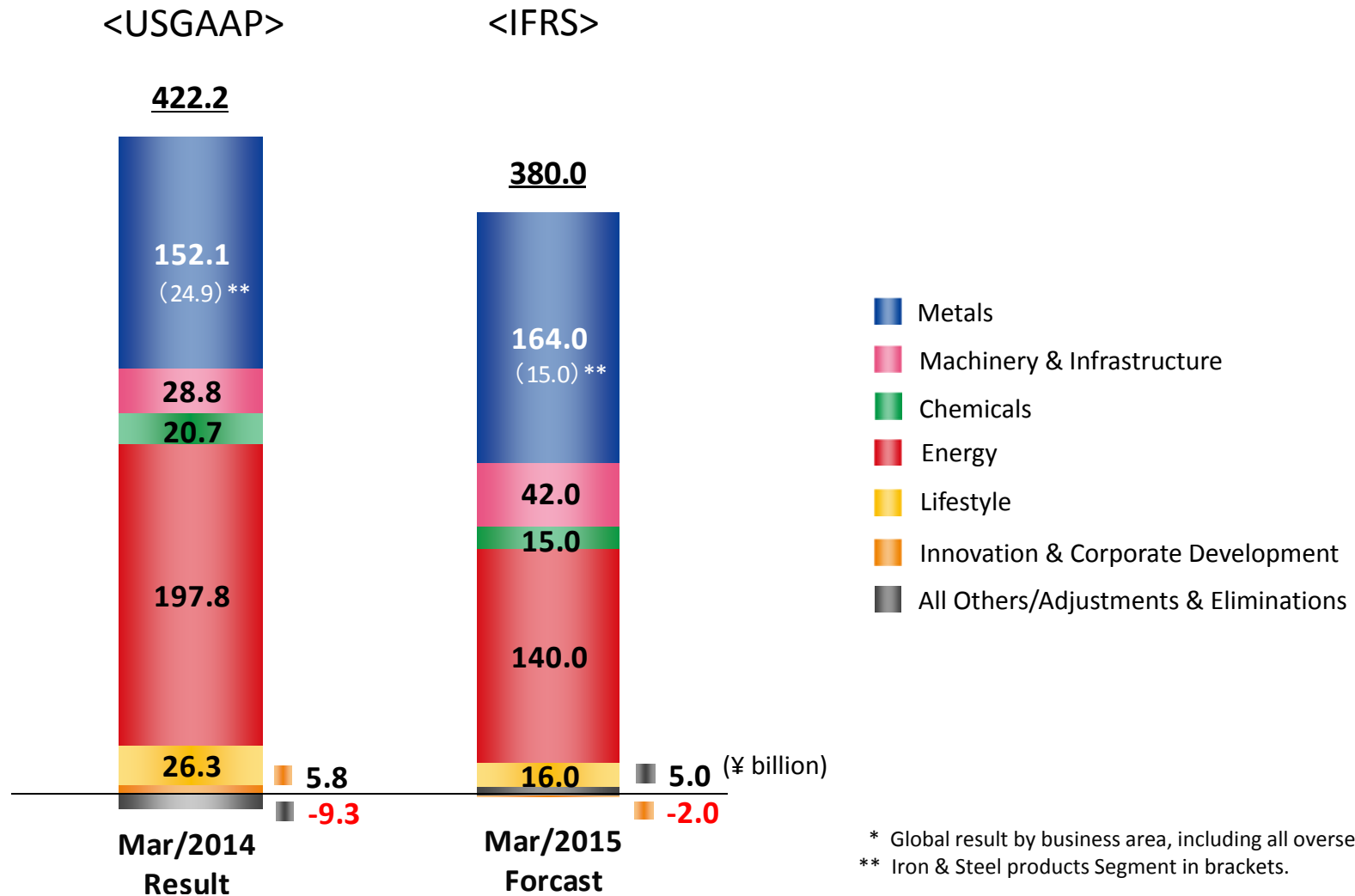
(*6) Year ended Mar/2014 Result: Average of LME cash settlement monthly average price during Jan 2013-Dec 2013.

(*7) 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.

Net Income Forecast for Mar/2015 by Business Area

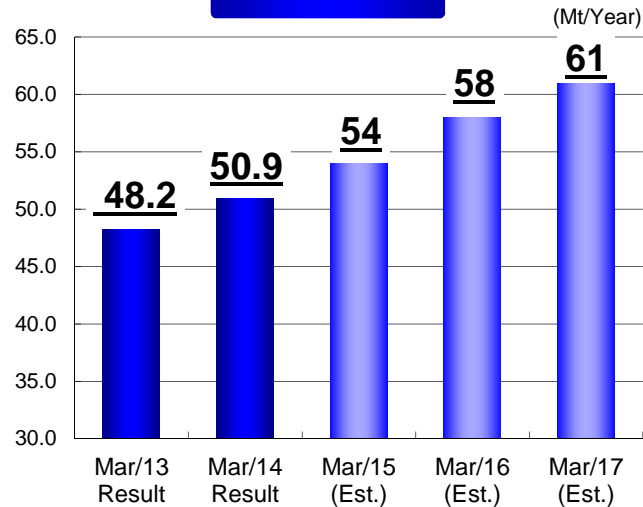
-Global Basis- (Reference*)



* Global result by business area, including all overseas operations.
 ** Iron & Steel products Segment in brackets.

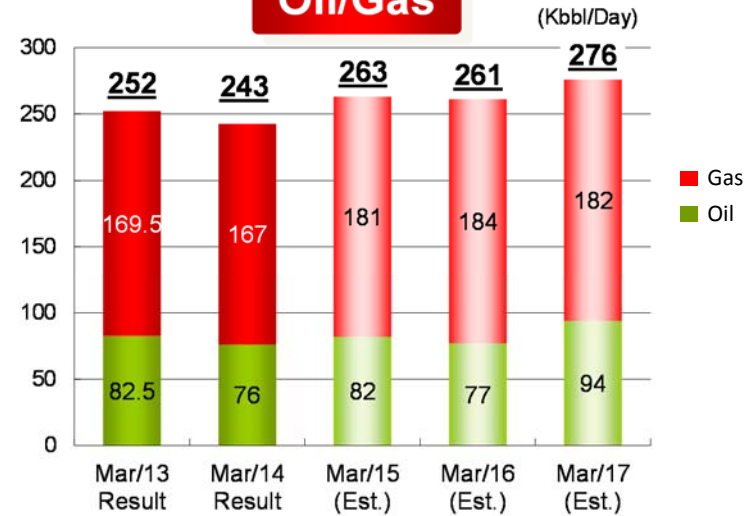
Equity Share of Production (Announced in May 2014)

Iron ore*

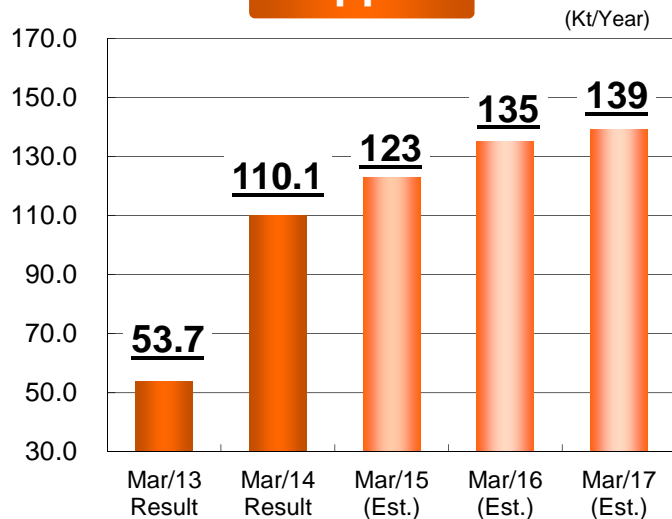


*Including 5% equity share of vale

Oil/Gas

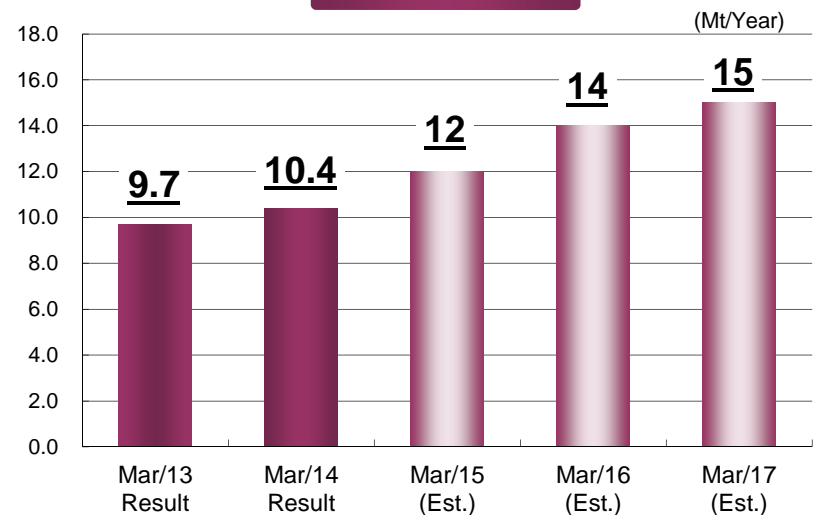


Copper*



*Including 5% equity share of vale

Coal*



*Including 5% equity share of vale from Mar/15