Consolidated Financial Results for the Year Ended March 31, 2015 [IFRS]

Tokyo, May 8, 2015 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2015, based on International Financial Reporting Standards ("IFRS").

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

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1. Consolidated financial results

(1) Consolidated operating results information for the year ended March 31, 2015
(from April 1, 2014 to March 31, 2015)

		Years ended March 31,			
		2015	%	2014	%
Revenue	Millions of yen	5,404,930	∆ 5.7	5,731,918	16.7
Profit before income taxes	Millions of yen	431,827	∆ 21.6	550,517	7.6
Profit for the year	Millions of yen	326,924	∆ 12.6	373,863	18.2
Profit for the year attributable to owners of the parent	Millions of yen	306,490	∆ 12.5	350,093	18.0
Comprehensive income for the year	Millions of yen	439,272	∆ 21.1	556,973	∆ 20.8
Earnings per share attributable to owners of the parent, basic	Yen	170.98		192.22	
Earnings per share attributable to owners of the parent, diluted	Yen	170.95		192.21	
Profit ratio to equity attributable to owners of the parent	%	7.7		9.7	
Profit before income taxes to total assets	%	3.6		4.9	

Notes:

1. Percentage figures for Revenue, Profit before income taxes, Profit for the year, Profit for the year attributable to owners of the parent, and Comprehensive income for the year represent changes from the previous year.

2. Share of profit of investments accounted for using the equity method for the years ended March 31, 2015 and 2014 were ¥144,596 million and ¥171,239 million, respectively.

(2) Consolidated financial position information

		March 31, 2015	March 31, 2014
Total assets	Millions of yen	12,202,921	11,491,319
Total equity	Millions of yen	4,397,374	4,100,304
Total equity attributable to owners of the parent	Millions of yen	4,099,795	3,815,767
Equity attributable to owners of the parent ratio	%	33.6	33.2
Equity per share attributable to owners of the parent	Yen	2,287.17	2,128.73

(3) Consolidated cash flow information

		Years ended March 31,	
		2015	2014
Operating activities	Millions of yen	639,967	449,243
Investing activities	Millions of yen	(386,397)	(659,818)
Financing activities	Millions of yen	(126,193)	(13,237)
Cash and cash equivalents at the end of the year	Millions of yen	1,400,770	1,226,317

2. Dividend information

		Years ended March 31, 2015	Years ended March 31, 2014	Year ending March 31, 2016 (Forecast)
Interim dividend per share	Yen	32	25	32
Year-end dividend per share	Yen	32	34	32
Annual dividend per share	Yen	64	59	64
Annual dividend (total)	Millions of yen	114,737	106,590	
Consolidated dividend payout ratio	%	37.4	30.7	47.8
Consolidated dividend on equity attributable to owners of the parent	%	2.9	2.9	

3. Forecast of consolidated operating results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

		Year ending March 31, 2016
Profit attributable to owners of the parent	Millions of yen	240,000
Earnings per share attributable to owners of the parent, basic	Yen	133.89

4. Others

(1) Increase/decrease of important subsidiaries during the period : None

(2) Changes in accounting policies and accounting estimate :

(i) Changes in accounting policies required by IFRS None
(ii) Other changes None
(iii) Changes in accounting estimates Yes

Note :

For further details please refer to page 29 "5. Consolidated Financial Statements (7) Changes in Accounting Estimates".

(3) Number of shares :

	March 31, 2015	March 31, 2014
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,829,153,527
Number of shares of treasury stock	3,995,027	36,641,439

	Year ended March 31, 2015	Year ended March 31, 2014
Average number of shares of common stock outstanding	1,792,516,185	1,821,338,844

Disclosure Regarding Annual Audit Procedures:

As of the date of disclosure of this earnings report, 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 those 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) "Forecasts for the Year Ending March 31, 2016" on p.19. For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.22.

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 for analysts and institutional investors on financial results on May 11, 2015.
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) Operating Environment

The following is an overview of the operating environment for the year ended March 31, 2015, and hereafter.

Overall, the global economy recovered moderately, driven by firm economic growth in the United States.

In the United States economy, well-balanced growth was observed owing to steadily improving employment, gradual recovery in the housing market, wealth effect generated by higher stock and land prices, and strong corporate earnings. In the Japanese economy, in spite of two consecutive quarters of negative growth owing to the prolonged impact of the consumption tax hike, the economy recovered, though moderately, thanks to improvement in the export sector due to a weaker yen, a steady improvement in the employment and income environments, and other factors.

In the European economy, despite flat growth owing partly to a harsh employment environment, there were positive trends supporting the economy going forward, as quantitative easing by the European Central Bank led to lower interest rates, a weaker euro, and higher stock prices.

In the Chinese economy, despite the support of monetary easing and other policies, a restraint over excess production capacity and a softer real estate market have led to a slowdown in the economic growth rate. In other emerging economies, in resource importing countries such as India, purchasing power is increasing with the fall in commodity markets, and lower interest rates caused by moderating inflationary pressure is creating a virtuous cycle in the economy. In resource exporting countries, where there are delays in improving fundamentals such as current account deficits and fiscal deficits, the fall in commodities markets has led to a considerable dampening of growth.

The spot reference price for iron ore CFR North China (Fe 62%) continued to show a downward trend, falling near the US$50-per-ton level, due to lower growth rates in the Chinese economy. With OPEC showing no signs of curbing production despite a slowdown in the growth of global oil demand, the Dubai Crude spot price sharpened its downward trend from October onward, and plunged below US$50-per-barrel.

Looking forward, the global economy faces risk factors including the Chinese economy slowing more than expected, capital outflowing from emerging countries triggered by an interest rate hike in the United States and a further sharp fall in resource prices, and the debt crisis in Greece becoming more severe. Despite these risk factors, the global economy is expected to continue to recover moderately, supported by the economic recovery in the United States spreading to other countries, the purchasing power of resource importing countries increasing due to the fall in commodities markets, and a continuing relaxed financial environment in developed countries, even considering an interest rate hike in the United States.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. (“Mitsui”) and its subsidiaries (collectively “we”) recorded total revenue of ¥5,404.9 billion for the year ended March 31, 2015 (“current year”), a decline of ¥327.0 billion from ¥5,731.9 billion for the year ended March 31, 2014 (“previous year”).

- Revenue from sales of products for the current year was ¥4,815.2 billion, a decline of ¥391.6 billion from ¥5,206.8 billion for the previous year, as a result of the following:
  - The Energy Segment reported a decline of ¥478.4 billion. Petroleum trading operations recorded a decline of ¥305.1 billion due to a decrease in trading volume and the sale of Mitsui Oil Co., Ltd. resulted in a decline of ¥227.9 billion. Meanwhile, oil and gas producing operations recorded an increase of ¥41.8 billion reflecting higher production volume. MMGS Inc., a gas distribution

subsidiary in the United States, also reported an increase of ¥27.0 billion due to an increase in sales volume.
  - The Iron & Steel Products Segment reported a decline of ¥56.7 billion. Shipments of line pipe to LNG projects had been almost completed by the end of the previous year, and trading volume of other steel products also decreased.
  - The Americas Segment reported an increase of ¥124.0 billion due to an increase in trading volume of soybean.
- Revenue from rendering of services for the current year was ¥432.1 billion, an increase of ¥16.7 billion from ¥415.4 billion for the previous year.
- Other revenue for the current year was ¥157.7 billion, an increase of ¥47.9 billion from ¥109.8 billion for the previous year. Petroleum trading operations in the Energy Segment recorded an increase of ¥18.9 billion due to valuation of derivatives related to market fluctuations, and the commodity derivatives trading business at Mitsui recorded an increase in other revenue corresponding to a deterioration of ¥9.5 billion in the foreign exchange gains and losses posted in other expenses.

Gross Profit

Gross profit for the current year was ¥845.8 billion, a decline of ¥34.3 billion from ¥880.1 billion for the previous year.

- The Mineral & Metal Resources Segment reported a decline of ¥54.8 billion. Iron ore mining operations in Australia reported a decline of ¥53.1 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, higher sales volume, an increase in income from infrastructure usage and cost reductions.
- The Iron & Steel Products Segment reported a decline of ¥13.1 billion. Shipments of line pipe to LNG projects had been almost completed by the end of the previous year, and trading volume of other steel products also decreased.
- The Chemicals Segment reported a decline of ¥10.4 billion. P.T. Kaltim Pasifik Amoniak, an ammonia producer in Indonesia, reported a decline of ¥10.4 billion due to completion of business at the end of the previous year as a result of an asset transfer under the build-operate-transfer (BOT) contract.
- The Machinery & Infrastructure Segment reported an increase of ¥15.4 billion, attributable to an increase in trading volume of newly built and second-hand ships as well as recognition of commission relevant to overseas plant projects.
- The Innovation & Corporate Development Segment reported an increase of ¥14.8 billion. The commodity derivatives trading business at Mitsui recorded an increase in gross profit corresponding to a deterioration of ¥9.5 billion in the foreign exchange gains and losses posted in other expense. Furthermore, Mitsui & Co. Commodity Risk Management Ltd. reported an increase of ¥6.1 billion due to the recovery of underperforming trading of derivatives for the previous year.
- The Americas Segment reported an increase of ¥13.9 billion. Novus International, Inc. reported an increase of ¥12.5 billion reflecting higher sales prices of methionine.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current year were ¥584.6 billion, an increase of ¥9.7 billion from ¥574.9 billion for the previous year. The table below provides a breakdown of selling, general and administrative expenses used in accordance with our internal control.

(Billions of Yen)	Personnel	Welfare	Travel	Entertainment	Communication
Current Year	295.5	14.7	34.5	8.4	48.8
Previous Year	290.7	14.3	33.5	8.2	51.2
Change	4.8	0.4	1.0	0.2	(2.4)

(Billions of Yen)	Rent	Depreciation	Tax	Provision for doubtful receivables	Others	Total
Current Year	24.1	15.0	10.6	17.0	116.0	584.6
Previous Year	20.1	14.5	9.3	10.2	122.9	574.9
Change	4.0	0.5	1.3	6.8	(6.9)	9.7

Gain on securities and other investments—net

Gain on securities and other investments for the current year was ¥42.5 billion, an increase of ¥11.7 billion from ¥30.8 billion for the previous year.

- For the current year, a ¥12.0 billion gain on sale of a stake in relation to aviation business was recorded. Also, ¥9.1 billion and ¥6.5 billion gains on the sales of the stakes in Silver Bell Mining, LLC and Shanghai Senmao International Real Estate Co., Ltd. were recorded, respectively. Furthermore, due to the partial sale of shares in TPV Technology Limited, a ¥6.2 billion gain on the sale of shares and valuation on retained shares was recorded in total. MBK Real Estate LLC recorded a ¥4.9 billion gain on sales of a stake related to senior living business.
- For the previous year, a gain on the sale of shares in Mitsui Oil Co., Ltd. for ¥11.3 billion and a ¥4.1billion gain on sale of shares in a port terminal company in Brazil by Multigrain Trading AG were recorded. Also, a ¥5.4 billion valuation gain on the investment in Nippon Steel Trading Co., Ltd. due to discontinuance of applying the equity method of accounting resulting from the merger with Sumikin Bussan Corporation was recorded. Furthermore, an ¥8.4 billion gain due to a reversal of impairment loss on shares in Penske Automotive Group, Inc., reflecting a rise in the share price, and a ¥4.4 billion impairment loss on shares in TPV Technology Limited reflecting a decline in the share price were recorded. An impairment loss of ¥2.6 billion was recorded on the investment in SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine.

Impairment Loss of Fixed Assets

Impairment loss of fixed assets for the current year was ¥79.9 billion, a deterioration of ¥19.9 billion from ¥60.0 billion for the previous year.

- Reflecting the decline in oil prices, Mitsui E&P Texas LP recorded an impairment loss of ¥58.9 billion related to Eagle Ford shale oil and gas producing operations and Mitsui E&P UK Limited recorded an impairment loss of ¥13.8 billion related to oil and gas fields in the North Sea for the current year.
- For the previous year, Mitsui Coal Holdings Pty. Ltd. recorded an impairment loss of ¥39.3 billion related to coal mines mainly attributable to a decline in coal price. Furthermore, Mitsui E&P Texas LP recorded an impairment loss of ¥14.2 billion related to Eagle Ford shale oil and gas producing operations mainly attributable to a review of the production estimates.

Gain on Disposal or Sales of Fixed Assets—Net

Gain on disposal or sales of fixed assets for the current year was ¥1.4 billion, a decline of ¥15.0 billion from ¥16.4 billion for the previous year.

- There were miscellaneous small transactions for the current year.
- For the previous year, Mitsui E&P Middle East B.V. and Mitsui E&P Australia Pty Limited recorded a gain on sales of interests in oil fields in Egypt and New Zealand, respectively, totaling ¥6.2 billion. Furthermore, Bussan Real Estate Co., Ltd. recorded a ¥4.3 billion gain on sales of office buildings in

Japan and MBK Real Estate LLC recorded a ¥4.3 billion gain on sale of senior living facilities.

Other Expense (Income)—Net

Other expense for the current year was ¥34.9 billion, an increase of ¥13.2 billion from the expense of ¥21.7 billion for the previous year.

- For the current year, exploration expenses totaled ¥34.9 billion, including those recorded at oil and gas producing businesses. The Lifestyle Segment recorded foreign exchange losses of ¥5.7 billion in the coffee trading business at Mitsui, which corresponded to related gross profit in the same segment. Mitsui E&P UK Limited recorded an impairment loss of ¥4.8 billion on goodwill related to oil and gas fields in the North Sea. Furthermore, the Lifestyle Segment recorded a one-time negative impact due to reorganization among affiliated companies. Meanwhile, Mitsui Oil Exploration Co., Ltd. recorded a foreign exchange translation gain of ¥6.7 billion related to foreign currency deposits. The Innovation & Corporate Development Segment recorded foreign exchange gains of ¥4.9 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment.
- For the previous year, exploration expenses totaled ¥20.2 billion, including those recorded at oil and gas producing businesses. Mitsui Raw Materials Development Pty. Ltd. recorded a ¥3.6 billion foreign exchange loss related to borrowings denominated in U.S. dollars, and Mitsui recorded a ¥3.1 billion loss in relation to the sale of shares in Mitsui Oil Co., Ltd. Furthermore, the Lifestyle Segment recorded foreign exchange losses of ¥0.3 billion in the coffee trading business at Mitsui, which corresponded to related gross profit in the same segment. Meanwhile, the Innovation & Corporate Development Segment recorded foreign exchange gains of ¥14.4 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment. Mitsui Oil Exploration Co., Ltd. recorded a foreign exchange translation gain of ¥4.6 billion related to foreign currency deposits.

Finance Income (Costs)

Interest Income

Interest income for the current year was ¥33.1 billion, a decline of ¥0.5 billion from ¥33.6 billion for the previous year.

Dividend Income

Dividend income for the current year was ¥114.1 billion, a decline of ¥9.9 billion from ¥124.0 billion for the previous year.

- Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥87.1 billion in total, a decline of ¥9.1 billion from ¥96.2 billion for the previous year. Dividends received from the Sakhalin II project declined, while those from the Abu Dhabi project increased.

Interest Expense

Interest expense for the current year was ¥50.2 billion, an increase of ¥1.0 billion from ¥49.2 billion for the previous year. The following table provides the simple average of the rates at the end of each month of three-month Tibor for the Japanese yen and three-month Libor for the U.S. dollar for both years.

	Current Year	Previous Year
Japanese yen	0.19%	0.22%
U.S. dollar	0.24%	0.25%

Share of Profit of Investments Accounted for Using the Equity Method

Share of profit of investments accounted for using the equity method for the current year was ¥144.6 billion, a decline of ¥26.6 billion from ¥171.2 billion for the previous year.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported a decline of ¥19.2 billion due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile, and lower copper prices.
- Valepar S.A. reported a decline of ¥15.4 billion. The main factor behind the decline was lower iron ore prices and foreign exchange valuation losses on debt at Vale S.A., which was partially offset by a reversal of loss due to Vale S.A.'s participation in the federal tax settlement (REFIS) relating to Brazilian corporate income tax and social contribution of its non-Brazilian subsidiaries and affiliates for the previous year.
- Robe River Mining Co. Pty. Ltd., an iron ore mining company in Australia, reported a decline of ¥8.3 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction.
- A decline was anticipated for Toyo Engineering Corporation. Furthermore, IPP businesses recorded a decline of ¥7.5 billion.
- ENEOS GLOBE Corporation, a liquefied petroleum gas sales company in Japan, reported a decline of ¥5.7 billion due to inventory valuation losses reflecting a decline in LPG prices.
- SCM Minera Lumina Copper Chile, a project company for the Caserones Copper Mine, reported an improvement of ¥5.4 billion due to a reversal effect of a ¥16.8 billion impairment loss on fixed assets posted in the previous year, which was partially offset by a ¥12.3 billion impairment loss on fixed assets for the current year.
- For the previous year, a ¥4.8 billion impairment loss was recorded in the renewable energy business in Europe. A ¥3.8 billion impairment loss was recorded in the infrastructure business other than IPP business. Furthermore, Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4.2 billion impairment loss on fixed assets and other assets.

Income Taxes

Income taxes for the current year were ¥104.9 billion, a decline of ¥71.8 billion from ¥176.7 billion for the previous year.

- Profit before income taxes for the current year was ¥431.8 billion, a decline of ¥118.7 billion from ¥550.5 billion for the previous year. In response, applicable income taxes also declined.
- For the current year, a ¥20.1 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 current year, there was a ¥12.0 billion decline in tax burden in relation to income taxes recognized as other comprehensive income corresponding to sales of financial assets measured at FVTOCI, including the share of Recruit Holdings Co., Ltd.
- There was an increase in tax burden in Australian resource-related taxes due to a reversal of declined production at Mitsui E&P Australia Pty Limited associated with the refurbishment of its oil production facility for the previous year.

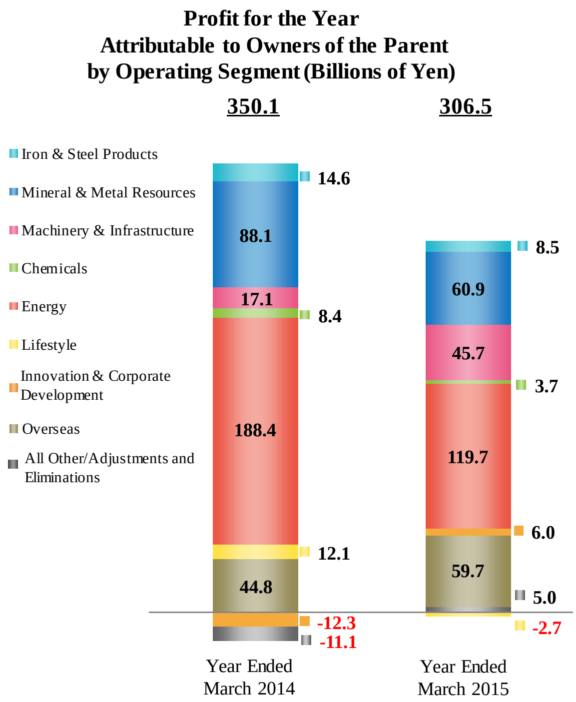
The effective tax rate for the current year was 24.3%, a decline of 7.8% from 32.1% for the previous year. The main increasing factor was the tax burden in Australian resource-related taxes of Mitsui E&P Australia Pty Limited. Meanwhile, the major factors for the decline were the decline in tax burden in relation to the reduction of the Japanese corporate income tax rate and sales of financial assets measured at FVTOCI.

Profit for the Year

As a result of the above factors, profit for the year was ¥326.9 billion, a decline of ¥47.0 billion from ¥373.9 billion for the previous year.

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent was ¥306.5 billion, a decline of ¥43.6 billion from ¥350.1 billion for the previous year.



2) EBITDA

We have begun to use EBITDA as a measure of underlying earning power from the current year.

EBITDA is the total of "gross profit," "selling, general and administrative expenses," "dividend income" and "share of profit of investments accounted for using the equity method" from the consolidated statements of income and "depreciation and amortization" from the consolidated statements of cash flows.

(Billions of Yen)			Current Year	Previous Year	Change
EBITDA (a+b+c+d+e) (*1)			788.3	819.6	(31.3)
	Gross profit	a	845.8	880.1	(34.3)
	Selling, general and administrative expenses	b	(584.6)	(574.9)	(9.7)
	Dividend income	c	114.1	124.0	(9.9)
	Profit of equity method investments (*2)	d	144.6	171.2	(26.6)
	Depreciation and amortization	e	268.4	219.1	+49.3

*1 May not match with the total of items due to rounding off. The same shall apply hereafter.

*2 "Profit of equity method investments" means "share of profit of investments accounted for using the equity method" in the consolidated statements of income. The same shall apply hereafter.

3) Operating Results by Operating Segment

Iron & Steel Products Segment

(Billions of Yen)		Current Year	Previous Year	Change
EBITDA		12.9	21.8	(8.9)
	Gross profit	38.0	51.1	(13.1)
	Selling, general and administrative expenses	(35.8)	(37.6)	+1.8
	Dividend income	1.9	1.5	+0.4
	Profit of equity method investments	7.6	5.4	+2.2
	Depreciation and amortization	1.2	1.4	(0.2)
Profit for the year attributable to owners of the parent		8.5	14.6	(6.1)

EBITDA declined by ¥8.9 billion, mainly due to the following factors:

Gross profit declined by ¥13.1 billion. Shipments of line pipe to LNG projects had been mostly completed by the end of the previous year and trading volume of other steel products also decreased.

Profit of equity method investments increased by ¥2.2 billion.

Profit for the year attributable to owners of the parent declined by ¥6.1 billion. In addition to the factors mentioned above, the following factors also affected results:

- For the previous year, a ¥5.4 billion valuation gain on the investment in Nippon Steel Trading Co., Ltd. due to discontinuance of applying the equity method of accounting resulting from the merger with Sumikin Bussan Corporation was recorded.
- Foreign exchange gains and losses corresponding to transactions of line pipe improved by ¥2.1 billion.

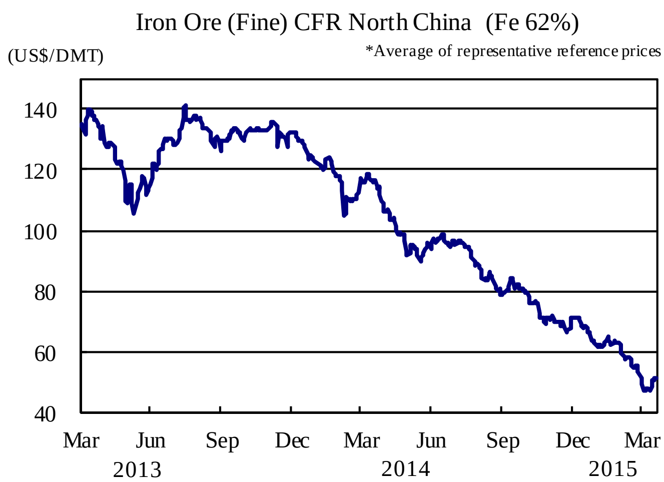
Mineral & Metal Resources Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	155.5	241.8	(86.3)
Gross profit	146.1	200.9	(54.8)
Selling, general and administrative expenses	(40.5)	(41.8)	+1.3
Dividend income	1.8	1.7	+0.1
Profit of equity method investments	0.9	38.0	(37.1)
Depreciation and amortization	47.2	42.9	+4.3
Profit for the year attributable to owners of the parent	60.9	88.1	(27.2)

EBITDA declined by ¥86.3 billion, mainly due to the following factors:

Gross profit declined by ¥54.8 billion reflecting the impact from lower iron ore prices on iron ore mining operations in Australia.

As for iron ore pricing, the majority of contract prices applied to products sold during the current year were based on pricing that more closely reflects current spot reference prices as in the previous year, such as the daily average of spot reference prices for the current quarter of shipments, and the daily average of spot reference prices for the shipment month.



Mitsui Iron Ore Development Pty. Ltd. reported a decline of ¥42.8 billion in gross profit reflecting lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction. Mitsui-Itochu Iron Pty. Ltd. reported a decline of ¥10.4 billion in gross profit reflecting lower iron ore prices, which was offset by higher sales volume, cost reduction and positive impact of exchange rate fluctuations.

Profit of equity method investments decreased by ¥37.1 billion.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded a decline of ¥19.2 billion to a loss of ¥15.0 billion from a profit of ¥4.2 billion for the previous year, due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile and lower copper prices.
- Valepar S.A. posted a loss of ¥25.3 billion, a decline of ¥15.4 billion from a loss of ¥9.9 billion for the previous year. The main factor behind the decline was lower iron ore prices and foreign exchange valuation losses on debt at Vale S.A., which was partially offset by a reversal of loss due to Vale S.A.'s participation in the federal tax settlement (REFIS) relating to Brazilian corporate income tax and social contribution of its non-Brazilian subsidiaries and affiliates for the previous year.

- Profit from Robe River Mining Co. Pty. Ltd. was ¥34.6 billion, a decline of ¥8.3 billion from ¥42.9 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction.
- SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported a loss of ¥11.2 billion, an improvement of ¥5.4 billion from a ¥16.6 billion loss for the previous year, due to a reversal effect of a ¥16.8 billion impairment loss on fixed assets posted in the previous year, which was partially offset by a ¥12.3 billion impairment loss on fixed assets for the current year.

Depreciation and amortization increased by ¥4.3 billion.

Profit for the year attributable to owners of the parent declined by ¥27.2 billion. In addition to the above, the following factors also affected results:

- For the previous year, Mitsui Coal Holdings Pty. recorded an impairment loss of ¥39.3 billion on coal mines reflecting the decline in coal prices.
- For the current year, a ¥7.1 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.
- A ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the current year.
- For the previous year, Mitsui Raw Materials Development Pty. Ltd. recorded a ¥3.6 billion foreign exchange loss related to borrowings denominated in U.S. dollars.
- For the previous year, an impairment loss of ¥2.6 billion was recorded on the investment in SCM Minera Lumina Copper Chile.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	55.0	35.6	+19.4
Gross profit	130.1	114.7	+15.4
Selling, general and administrative expenses	(131.8)	(124.2)	(7.6)
Dividend income	4.1	3.5	+0.6
Profit of equity method investments	33.0	24.4	+8.6
Depreciation and amortization	19.6	17.2	+2.4
Profit for the year attributable to owners of the parent	45.7	17.1	+28.6

EBITDA increased by ¥19.4 billion, mainly due to the following factors:

Gross profit increased by ¥15.4 billion.

- The Infrastructure Projects Business Unit reported an increase of ¥4.8 billion.
- The Integrated Transportation Systems Business Unit reported an increase of ¥10.6 billion. The main factor behind the increase was an increase in trading volume of newly built and second-hand ships.

Selling, general and administrative expenses increased by ¥7.6 billion.

Profit of equity method investments increased by ¥8.6 billion.

- The Infrastructure Projects Business Unit reported an increase of ¥1.8 billion.
  For the previous year, a ¥4.8 billion impairment loss was recorded in the renewable energy business in Europe. Furthermore, a ¥3.8 billion impairment loss was recorded for infrastructure businesses other than IPP business.
  Gas distribution business in Brazil and water treatment business in Mexico reported increases.
  Meanwhile, a decline was anticipated for Toyo Engineering Corporation.
  IPP businesses posted a profit of ¥12.4 billion in total, a decline of ¥7.1 billion from ¥19.5 billion for the previous year.

- In the current year, impairment losses on obsolete thermal power plants in the UK were recognized.
- Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, declined by ¥1.4 billion to a gain of ¥0.5 billion from ¥1.9 billion for the previous year.

- The Integrated Transportation Systems Business Unit reported an increase of ¥6.8 billion. Automotive-related business in North America achieved a solid performance. Meanwhile, there was a new contribution from VLI S.A., an integrated freight transportation company in Brazil, in which Mitsui invested in the current year.

Profit for the year attributable to owners of the parent increased by ¥28.6 billion. In addition to the above, the following factors also affected results:

- For the current year, this segment recorded a ¥12.0 billion gain on sale of a stake in relation to aviation business.
- For the current year, a ¥5.2 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 previous year, this segment recorded a ¥6.7 billion gain against past impairment losses on shares in Penske Automotive Group, Inc., reflecting a recovery in the share price.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	18.1	28.5	(10.4)
Gross profit	70.1	80.5	(10.4)
Selling, general and administrative expenses	(71.6)	(69.8)	(1.8)
Dividend income	1.2	1.8	(0.6)
Profit of equity method investments	7.2	8.6	(1.4)
Depreciation and amortization	11.1	7.4	+3.7
Profit for the year attributable to owners of the parent	3.7	8.4	(4.7)

EBITDA declined by ¥10.4 billion, mainly due to the following factors:

Gross profit declined by ¥10.4 billion.

- The Basic Chemicals Business Unit reported a decline of ¥3.5 billion. Mitsui & Co. Texas Chlor-Alkali, Inc., a chlor-alkali producer in the United States, reported a decline of ¥6.0 billion due to unfavorable market conditions.
- The Performance Chemicals Business Unit reported a decline of ¥6.9 billion. P.T. Kaltim Pasifik Amoniak, an ammonia producer in Indonesia, reported a decline of ¥10.4 billion due to completion of business at the end of the previous year as a result of an asset transfer under the build-operate-transfer (BOT) contract. Meanwhile, sales of agricultural chemicals showed good performance.

Profit of equity method investments declined by ¥1.4 billion.

Depreciation and amortization increased by ¥3.7 billion. Mitsui & Co. Texas Chlor-Alkali, Inc., recorded an increase of ¥4.5 billion.

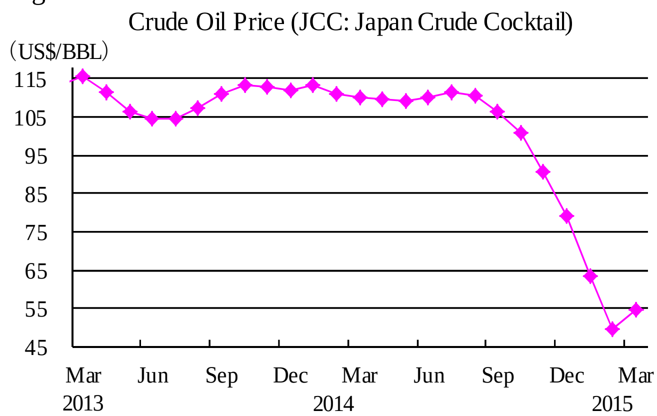
Profit for the year attributable to owners of the parent declined by ¥4.7 billion. In addition to the above, a loss of ¥3.0 billion due to the cancellation of a feasibility study on alpha olefins production in the United States was recorded for the previous year.

Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	439.8	416.1	+23.7
Gross profit	202.7	199.8	+2.9
Selling, general and administrative expenses	(59.8)	(57.9)	(1.9)
Dividend income	92.8	102.3	(9.5)
Profit of equity method investments	56.6	60.1	(3.5)
Depreciation and amortization	147.5	111.8	+35.7
Profit for the year attributable to owners of the parent	119.7	188.4	(68.7)

EBITDA increased by ¥23.7 billion, mainly due to the following factors:

The weighted average crude oil prices applied to our operating results for the current year and the previous year were estimated to be US$103 and US$110 per barrel, respectively.



Gross profit increased by ¥2.9 billion, primarily due to the following factors:

- Mitsui E&P Australia Pty Limited reported an increase of ¥24.4 billion due to a reversal of declined production during the previous year associated with the refurbishment of its oil production facility.
- Mitsui E&P Texas LP reported an increase of ¥8.1 billion from increased production.
- Mitsui E&P USA LLC reported an increase of ¥4.5 billion from lower costs and higher production.
- Mitsui E&P Middle East B.V. reported a decline of ¥12.4 billion due to an increase in production cost as well as the sales of interests in oil fields in Egypt in the previous year, despite a depreciation of the Japanese yen.
- A decline of ¥8.5 billion was recorded from the sale of Mitsui Oil Co., Ltd. in the previous year.

Dividend income declined by ¥9.5 billion. Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥87.1 billion in total, a decline of ¥9.1 billion from ¥96.2 billion for the previous year. Dividends received from the Sakhalin II project declined, while those from the Abu Dhabi project increased.

Profit of equity method investments declined by ¥3.5 billion. ENEOS GLOBE Corporation reported a decline of ¥5.7 billion from ¥2.6 billion for the previous year due to inventory valuation losses reflecting a drop in LPG prices.

Depreciation and amortization increased by ¥35.7 billion. Oil and gas producing operations recorded an increase of ¥37.8 billion, including an increase of ¥4.2 billion at Marcellus and Eagle Ford shale gas and oil operations in the United States.

Profit for the year attributable to owners of the parent decreased by ¥68.7 billion. In addition to the above, the following factors also affected results:

- For the current year, reflecting the decline in oil prices, Mitsui E&P Texas LP recorded an impairment loss of ¥58.9 billion on fixed assets related to Eagle Ford shale oil and gas producing operations and Mitsui E&P UK Limited recorded impairment losses related to oil and gas fields in the North Sea for ¥13.8 billion on fixed assets and ¥4.8 billion on goodwill.
- For the current year, exploration expenses of ¥33.3 billion in total were recorded, including those recorded by Mitsui E&P Mozambique Area 1 Limited and Mitsui E&P USA LLC. For the previous year, exploration expenses of ¥18.6 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui E&P Mozambique Area 1 Limited.

- For the current year, Mitsui E&P UK Limited recorded a ¥4.7 billion reversal of deferred tax liability due to revisions in forecasted future tax liability in Italy, and also recorded a ¥5.8 billion reversal of deferred tax assets in relation to its oil and gas business in the North Sea reflecting the decline in oil prices.
- For the previous year, Mitsui E&P Texas LP recorded an impairment loss of ¥14.2 billion related to Eagle Ford shale oil and gas producing operations mainly attributable to a review of the production estimates.
- For the previous year, Mitsui E&P Middle East B.V. and Mitsui E&P Australia Pty Limited recorded a gain on sales of interests in oil fields in Egypt and New Zealand, respectively, totaling ¥6.2billion.
- For the current year, a ¥3.1 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 included in the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	16.2	20.2	(4.0)
Gross profit	116.2	114.0	+2.2
Selling, general and administrative expenses	(139.2)	(129.4)	(9.8)
Dividend income	4.8	5.4	(0.6)
Profit of equity method investments	21.6	19.3	+2.3
Depreciation and amortization	12.6	10.9	+1.7
Profit for the year attributable to owners of the parent	(2.7)	12.1	(14.8)

EBITDA declined by ¥4.0 billion, mainly due to the following factors:
Gross profit increased by ¥2.2 billion.

- The Food Resources Business Unit reported a decline of ¥1.8 billion. Multigrain Trading AG recorded a decline of ¥8.1 billion due to underperforming origination and merchandising.
- The Food Products & Services Business Unit recorded an increase of ¥7.1 billion. There was an increase in gross profit corresponding to a ¥5.4 billion deterioration of foreign exchange losses related to the coffee trading business at Mitsui posted in other expense for the current year and for the previous year. In addition, food-related subsidiaries in Japan recorded an increase due to higher volume.
- The Consumer Service Business Unit reported a decline of ¥3.0 billion, mainly attributable to deconsolidation of ShopNet Co., Ltd., a TV shopping company in Taiwan, resulting from the sale of its shares in the current year.

Selling, general and administrative expenses increased by ¥9.8 billion. Multigrain Trading AG reported an increase of ¥3.1 billion due to an increase in provision for doubtful receivables. Food-related subsidiaries in Japan also recorded increases.
Profit of equity method investments increased by ¥2.3 billion.

- The Food Resources Business Unit reported a decline of ¥0.8 billion.
- The Food Products & Services Business Unit reported a decline of ¥0.2 billion.
- The Consumer Service Business Unit reported an increase of ¥3.4 billion. Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4.2 billion impairment loss on fixed assets and other assets for the previous year.

Profit for the year attributable to owners of the parent declined by ¥14.8 billion. In addition to the above, the following factors also affected results:

- A ¥6.5 billion gain on the sales of the stake in Shanghai Senmao International Real Estate Co., Ltd. was recorded for the current year.

- For the current year and for the previous year, foreign exchange losses of ¥5.7 billion and ¥0.3 billion, respectively, were posted in other expense in relation to the coffee trading business at Mitsui.
- For the previous year, Bussan Real Estate Co., Ltd. recorded a ¥4.3 billion gain on sales of office buildings in Japan, and a ¥4.1billion gain on sale of shares in a port terminal company in Brazil by Multigrain Trading AG was recorded.
- For the current year, a one-time negative impact was recorded due to reorganization among affiliated companies.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(5.0)	(23.6)	+18.6
Gross profit	37.4	22.6	+14.8
Selling, general and administrative expenses	(58.6)	(59.7)	+1.1
Dividend income	5.1	3.4	+1.7
Profit of equity method investments	5.7	4.9	+0.8
Depreciation and amortization	5.3	5.2	+0.1
Loss for the year attributable to owners of the parent	6.0	(12.3)	+18.3

EBITDA increased by ¥18.6 billion, mainly due to the following factors:

Gross profit increased by ¥14.8 billion.

- There was an increase in gross profit corresponding to a ¥9.5 billion deterioration of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current year and for the previous year.
- Mitsui & Co. Commodity Risk Management Ltd. reported an increase of ¥6.1 billion due to the recovery of underperforming trading of derivatives for the previous year.

Profit of equity method investments increased by ¥0.8 billion.

Profit for the year attributable to owners of the parent improved by ¥18.3 billion. In addition to the factors mentioned above, the following factors also affected results:

- For the current year and for the previous year, foreign exchange gains of ¥4.9 billion and ¥14.4 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business at Mitsui.
- For the current year, due to the partial sale of shares in TPV Technology Limited, a ¥6.2 billion gain on the sale of shares and valuation on retained shares was recorded in total. For the previous year, an impairment loss of ¥4.4 billion on shares in TPV Technology Limited was recorded reflecting the decline in share price.
- For the current year, a decline of ¥5.9 billion of income tax was recorded reflecting tax deduction of previously recognized impairment losses on shares in TPV Technology Limited.

Americas Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	41.3	26.3	+15.0
Gross profit	92.6	78.7	+13.9
Selling, general and administrative expenses	(67.8)	(64.9)	(2.9)
Dividend income	0.1	0.4	(0.3)
Profit of equity method investments	7.5	4.0	+3.5
Depreciation and amortization	9.0	8.1	+0.9
Profit for the year attributable to owners of the parent	25.8	13.7	+12.1

EBITDA increased by ¥15.0 billion, mainly due to the following factors:
Gross profit increased by ¥13.9 billion. Novus International, Inc. reported an increase of ¥12.5 billion due to higher methionine prices.
Profit of equity method investments increased by ¥3.5 billion.
Profit for the year attributable to owners of the parent increased by ¥12.1 billion. In addition to the factors mentioned above, the following factors also affected results:

- For the current year, MBK Real Estate LLC recorded a ¥4.9 billion gain on sales of a stake related to senior living business. Furthermore, this segment recorded a ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC.
- For the previous year, MBK Real Estate LLC recorded a ¥4.3 billion gain on sales of senior living facilities.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(0.5)	0.5	(1.0)
Gross profit	19.3	18.8	+0.5
Selling, general and administrative expenses	(21.2)	(21.0)	(0.2)
Dividend income	0.3	0.7	(0.4)
Profit of equity method investments	0.6	1.4	(0.8)
Depreciation and amortization	0.5	0.7	(0.2)
Profit for the year attributable to owners of the parent	3.4	0.4	+3.0

EBITDA declined by ¥1.0 billion, mainly due to the following factors:
Gross profit increased by ¥0.5 billion.
Profit of equity method investments decreased by ¥0.8 billion.
Profit for the year attributable to owners of the parent increased by ¥3.0 billion.

Asia Pacific Segment

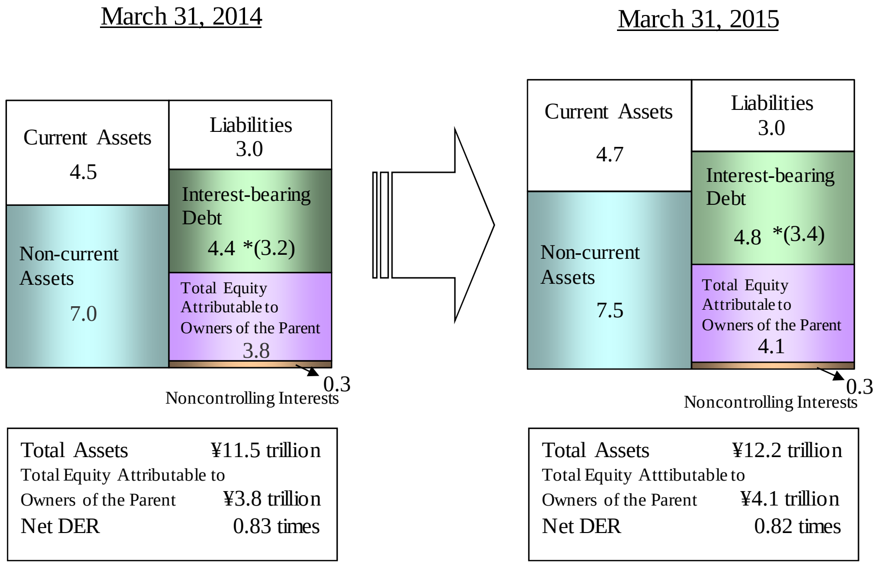
(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(2.5)	(0.3)	(2.2)
Gross profit	12.2	12.5	(0.3)
Selling, general and administrative expenses	(20.8)	(19.4)	(1.4)
Dividend income	0.9	1.5	(0.6)
Profit of equity method investments	4.5	4.5	0
Depreciation and amortization	0.7	0.5	+0.2
Profit for the year attributable to owners of the parent	30.5	30.7	(0.2)

EBITDA declined by ¥2.2 billion, mainly due to the following factors:
Gross profit declined by ¥0.3 billion.
Profit of equity method investments was ¥4.5 billion which was the same amount for the previous year.
Profit for the year attributable to owners of the parent declined by ¥0.2 billion. In addition to the above, this segment recorded profit from the segment’s minority interest in iron ore mining and coal mining operations in Australia, which declined due to the fall in prices of iron ore and coal.

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

1) Financial Condition
Total assets as of March 31, 2015 was ¥12,202.9 billion, an increase of ¥711.6 billion from ¥11,491.3 billion as of March 31, 2014.

(Trillions of Yen)



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

Total current assets as of March 31, 2015 was ¥4,730.5 billion, an increase of ¥265.1 billion from ¥4,465.4 billion as of March 31, 2014. Other financial assets increased by ¥112.9 billion, mainly due to price fluctuations of the commodity derivatives trading business in the Innovation & Corporate Development Segment and oil trading business in the Energy Segment.
Total current liabilities as of March 31, 2015 was ¥2,841.1 billion, a decline of ¥143.6 billion from ¥2,984.7 billion as of March 31, 2014. Corresponding to the increase in other financial assets as mentioned above, other financial liabilities increased by ¥113.0 billion. Meanwhile, short-term debt and current portion of long-term debt declined by ¥146.3 billion and ¥33.2 billion, respectively, due to repayment of debt.

As a result, working capital, or current assets less current liabilities, as of March 31, 2015, totaled ¥1,889.4 billion, an increase of ¥408.7 billion from ¥1,480.7 billion as of March 31, 2014.

Total non-current assets as of March 31, 2015 totaled ¥7,472.4 billion, an increase of ¥446.5 billion from ¥7,025.9 billion as of March 31, 2014, mainly due to the following factors:

- Investments accounted for using the equity method as of March 31, 2015 was ¥2,791.3 billion, an increase of ¥342.5 billion from ¥2,448.8 billion as of March 31, 2014, mainly due to the following factors:
  - An increase of ¥101.4 billion resulting from foreign currency exchange fluctuations;
  - An increase of ¥91.4 billion due to an acquisition of a 20% stake in Penske Truck Leasing Co., L.P., which is engaged in truck leasing and rental business in North America;
  - An increase of ¥70.1 billion due to an acquisition of a 20% stake in VLI S.A., which is engaged in integrated freight transportation in Brazil;
  - An increase of ¥13.6 billion due to an investment in Cameron LNG Holdings, LLC, which is engaged in construction and operation of natural gas liquefaction facilities in the United States;
  - An increase due to additional investments in ESBR Participações S.A., which runsthe Jirau hydropower project in Brazil;
  - An increase of ¥10.0 billion due to an acquisition of a 15% stake in a passenger railway transportation business in Brazil with Odebrecht TransPort S.A.; and
  - A decline of ¥184.0 billion due to dividends received from equity accounted investees, despite an

increase of ¥144.6 billion corresponding to the profit of equity method for the current year.

- Other investments as of March 31, 2015 were ¥1,529.8 billion, a decline of ¥24.9 billion from ¥1,554.7 billion as of March 31, 2014, mainly due to the following factors:
  - A ¥102.6 billion net decline due to valuation on financial assets measured at FVTOCI, despite the increase of fair value in listed securities due to higher share prices, and
  - A ¥109.5 billion net increase due to foreign currency exchange fluctuations.
- Trade and other receivables as of March 31, 2015 totaled ¥425.1 billion, a decline of ¥45.8 billion from ¥470.9 billion as of March 31, 2014, mainly due to the following factors:
  - A decline of ¥21.7 billion due to the sales of aircraft and locomotive finance lease receivables at Mitsui & Co. (U.S.A.), Inc. and
  - A decline of ¥11.7 billion due to the collection of long-term loan receivables at a private equity-sponsored loans business with GE Capital.
- Property, plant and equipment as of March 31, 2015 totaled ¥2,148.1 billion, an increase of ¥140.6 billion from ¥2,007.5 billion as of March 31, 2014, mainly due to the following factors:
  - An increase of ¥57.7 billion (including a foreign exchange translation gain of ¥47.7 billion and a decrease by ¥13.8 billion due to the recognition of an impairment loss related to oil and gas fields in the North Sea) at oil and gas operations other than U.S. shale gas and oil producing operations;
  - An increase of ¥28.0 billion (including a foreign exchange translation gain of ¥3.5 billion) at the methanol manufacturing joint venture in the United States;
  - An increase of ¥21.4 billion (including a foreign exchange translation gain of ¥9.5 billion) at the tank operation in the United States;
  - An increase of ¥14.1 billion (including a foreign exchange translation loss of ¥0.8 billion) at the wind power generation business in Australia;
  - An increase of ¥10.6 billion (including a foreign exchange translation loss of ¥14.0 billion) at iron ore mining operations in Australia;
  - An increase of ¥6.8 billion (including a foreign exchange translation gain of ¥44.4 billion and a decrease by ¥58.9 billion due to the recognition of impairment loss) at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States; and
  - A decline of ¥22.3 billion due to the reclassification of freight car leasing and management business in the United States to an investment accounted for using the equity method.
- Intangible assets as of March 31, 2015 totaled ¥163.0 billion, an increase of ¥18.8 billion from ¥144.2 billion as of March 31, 2014. There was an increase of ¥13.2 billion due to the acquisition of an agrichemical fungicide business.

Total non-current liabilities as of March 31, 2015 totaled ¥4,964.4 billion, an increase of ¥558.0 billion from ¥4,406.4 billion as of March 31, 2014. Long-term debt, less current portion as of March 31, 2015 was ¥4,030.6 billion, an increase of ¥562.3 billion from ¥3,468.3 billion as of March 31, 2014, due to the impact of depreciation of the Japanese yen as well as an increase in long-term borrowings at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States.

Total equity attributable to owners of the parent as of March 31, 2015 was ¥4,099.8 billion, an increase of ¥284.0 billion from ¥3,815.8 billion as of March 31, 2014. Major components included:

- Retained earnings increased by ¥192.0 billion. In addition to the ¥306.5 billion profit for the year attributable to owners of the parent, there were the following factors:
  - An increase of ¥54.0 billion was recorded due to a transfer from other components of equity. The major component was a transfer from financial assets measured at FVTOCI for ¥38.8 billion, including a ¥23.7 billion increase due to a sale of shares in Recruit Holdings Co., Ltd. and
  - Decline factors were a dividend payment for ¥118.3 billion and a cancellation of treasury stock

for ¥50.2 billion.

- Other components of equity as of March 31, 2015 increased by ¥48.0 billion to ¥814.6 billion from ¥766.6 billion as of March 31, 2014, mainly due to the following factors:
  - Foreign currency translation adjustments increased by ¥124.8 billion, reflecting the appreciation of the U.S. dollar against the Japanese yen despite the depreciation of the Brazilian Real and
  - Financial assets measured at FVTOCI declined by ¥50.5 billion. Fair value in investments in LNG projects declined reflecting the drop in oil prices, while fair value in listed securities increased due to higher share prices. In addition, there was a decline of ¥38.8 billion due to the transfer to retained earnings.
- Treasury stock declined by ¥50.2 billion, due to cancellation.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of March 31, 2015 was ¥3,382.2 billion, an increase of ¥203.4 billion from ¥3,178.8 billion as of March 31, 2014. The net debt-to-equity ratio (DER) as of March 31, 2015 was 0.82 times, 0.01 points lower compared to 0.83 times as of March 31, 2014.

	Billions of Yen			
	As of March 31, 2014		As of March 31, 2015	
Short-term debt	¥	436.9	¥	290.6
Long-term debt	¥	3,974.2	¥	4,503.3
Interest bearing debt	¥	4,411.1	¥	4,793.9
Less cash and cash equivalents and time deposits	¥	(1,232.3)	¥	(1,411.7)
Net interest-bearing debt	¥	3,178.8	¥	3,382.2
Total equity attributable to owners of the parent	¥	3,815.8	¥	4,099.8
Net DER (times)		0.83		0.82

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	640.0	449.2	+190.8
Cash flows from change in working capital	b	(21.6)	(159.7)	+138.1
Core operating cash flow	a-b	661.6	608.9	+52.7

Net cash provided by operating activities for the current year was ¥640.0 billion, an increase of ¥190.8 billion from ¥449.2 billion for the previous year.

Net cash outflow from an increase in working capital, or changes in operating assets and liabilities for the current year, was ¥21.6 billion, a decline of ¥138.1 billion from ¥159.7 billion for the previous year.

Core operating cash flow, cash flows from operating activities without the net cash outflow from an increase in working capital, for the current year amounted to ¥661.6 billion, an increase of ¥52.7 billion from ¥608.9 billion for the previous year.

- Depreciation and amortization for the current year was ¥268.4 billion, an increase of ¥49.3 billion from ¥219.1 billion for the previous year.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥291.6 billion, an increase of ¥14.3 billion from ¥277.3 billion for the previous year.

The following table shows the core operating cash flow by operating segment.

(Billions of Yen)	Current Year	Previous Year	Change
Iron & Steel Products	7.1	11.3	(4.2)
Mineral & Metal Resources	159.9	182.2	(22.3)
Machinery & Infrastructure	69.6	39.3	+30.3
Chemicals	13.5	20.2	(6.7)
Energy	348.0	318.3	+29.7
Lifestyle	4.0	15.5	(11.5)
Innovation & Corporate Development	6.1	(2.3)	+8.4
Americas	25.2	15.7	+9.5
Europe, the Middle East and Africa	2.5	1.9	+0.6
Asia Pacific	6.6	5.1	+1.5
All Other and Adjustments and Eliminations	19.1	1.7	+17.4
Consolidated Total	661.6	608.9	+52.7

Cash Flows from Investing Activities

Net cash used in investing activities for the current year was ¥386.4 billion, a decline of ¥273.4 billion from ¥659.8 billion for the previous year. The net cash used in investing activities consisted of:

- Net cash outflow that corresponded to investments in and advances to equity accounted investees (net of sales of investments and collection of advances) was ¥155.4 billion. The major cash outflows were an acquisition of a 20% stake in Penske Truck Leasing Co., L.P. for ¥73.1 billion, an acquisition of a 20% stake in VLI S.A. for ¥70.1 billion, a loan to the FPSO leasing business for oil and gas production in Ghana and Brazil for ¥30.6 billion, an investment in Cameron LNG Holdings, LLC for ¥13.6 billion, additional investments in ESBR Participações S.A, and an acquisition of a 15% stake in a passenger railway transportation business in Brazil for ¥10.0 billion. The major cash inflows included a loan to the FPSO leasing business for oil and gas production in Ghana and Brazil for ¥25.6 billion, redemption of preferred shares in Valepar S.A. for ¥20.1 billion, the sale of the stake in Silver Bell Mining, LLC, and a sale of a stake in relation to aviation business for ¥12.0 billion.
- Net cash inflow that corresponded to other investments (net of sales and maturities of other investments) was ¥60.1 billion. The major cash inflows were a sale of shares in Recruit Holdings Co., Ltd. and Burberry Group plc for ¥53.3 billion and ¥11.8 billion, respectively, and capital redemption from a private equity-sponsored loans business with GE Capital for ¥11.4 billion. The major cash outflows included the acquisition of agrichemical fungicide business for ¥13.2 billion.
- Net cash inflow that corresponded to long-term loan receivables (net of collection) was ¥60.0 billion. The major cash inflows included sales of aircraft and locomotive finance lease receivables for ¥20.9 billion at Mitsui & Co. (U.S.A.), Inc.
- Net cash outflow that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) was ¥346.4 billion. Major expenditures included:
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥127.7 billion;
  - Iron ore mining projects in Australia for ¥56.3 billion;
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥50.7 billion;
  - A methanol manufacturing joint venture in the United States for ¥24.1 billion;
  - Tank terminals in the United States for ¥ 14.5 billion;
  - A wind power generation business in Australia for ¥14.3 billion and
  - Coal mining operations in Australia for ¥ 12.6 billion.

  The major cash inflows included the sale of an ammonia plant by P.T. Kaltim Pasifik Amoniak for ¥9.9 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current year was a net inflow of ¥253.6 billion.

Cash Flows from Financing Activities

For the current year, net cash used by financing activities was ¥126.2 billion, an increase of ¥113.0 billion from ¥13.2 billion of net cash used for the previous year. The cash outflow from payments of cash dividends was ¥118.3 billion. The net cash outflow from the borrowing of short-term debt was ¥181.8 billion. Meanwhile, the net cash inflow from the borrowing of long-term debt was ¥197.2 billion.

In addition to the changes discussed above, there was an increase in cash and cash equivalents of ¥47.1 billion due to foreign exchange translation; as a result, cash and cash equivalents as of March 31, 2015 totaled ¥1,400.8 billion, an increase of ¥174.5 billion from ¥1,226.3 billion as of March 31, 2014.

2. Management Policy

(1) Progress with the New Medium-term Management Plan

Reference is made to our Presentation Material of Financial Results for the year ended March 31, 2015 "New Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium – Accomplishments in the First Year and Actions in Progress" on our web site.
Reference is also made to "New Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium –" released on May 7, 2014.

(2) Forecasts for the Year Ending March 31, 2016

1) Forecasts for the year ending March 31, 2016

＜Assumption＞

Exchange rate (JPY/USD)	120.00	110.62
Crude oil (JCC)	$63/bbl	$91/bbl
Consolidated oil price	$63/bbl	$103/bbl

(Billions of yen)

	March 31, 2016 Forecast	March 31, 2015 Result	Change	Description
Gross profit	740.0	845.8	(105.8)	Decline in crude oil and iron ore prices
Selling, general and administrative expenses	(600.0)	(584.6)	(15.4)	
Gain/(loss) on investments, fixed assets and other	30.0	(71.0)	101.0	Reversal effects of impairment losses in the Energy Segment
Interest expenses	(30.0)	(17.1)	(12.9)	
Dividend income	60.0	114.1	(54.1)	Decline in dividend from LNG projects
Profit of equity method investments	190.0	144.6	45.4	Reversal effects of one-time negative impacts and decline in earnings from equity method investments of resources and energy
Profit before income taxes	390.0	431.8	(41.8)	
Income taxes	(130.0)	(104.9)	(25.1)	Reversal effects of one-time positive impact due to reduction of Japanese corporate income tax rate
Non-controlling Interests	(20.0)	(20.4)	0.4	
Profit for the year attributable to owners of the parent	240.0	306.5	(66.5)	

EBITDA	660.0	788.3	(128.3)

Foreign exchange rates assumed for the year ending March 31, 2016 are ¥120/US$, ¥95/AU$ and ¥40/BRL, while average foreign exchange rates for the year ended March 31, 2015 were ¥110.62/US$, ¥95.51/AU$ and ¥44.58/BRL. Also, the average crude oil price applicable to our financial results for the year ending March 31, 2016 is assumed to be US$63/barrel, down US$40 from US$103/barrel applied for the year ended March 31, 2015, based on the assumption that the crude oil price (JCC) will average US$63/barrel during the year ending March 31, 2016.

- Gross profit for the year ending March 31, 2016 is expected to be ¥740.0 billion, reflecting the decline in crude oil and iron ore prices.
- For gain on investments, fixed assets and other, the reversal effects of impairment losses on fixed assets of Eagle Ford shale oil and gas producing operations as well as oil and gas fields in the North Sea are expected.
- Dividend income for the year ending March 31, 2016 is expected to be ¥60.0 billion, reflecting the decline in dividend from LNG projects.
- Profit of equity method investments is expected to be ¥190.0 billion, reflecting reverse effects of the one-time negative impact and decline in earnings from equity method investments of resource and energy.
- For income taxes, reversal effects of the one-time positive impact due to reduction of the Japanese corporate income tax rate are forecasted.

As a result, EBITDA and profit for the year attributable to owners of the parent for the year ending March 31, 2016 are expected to be ¥660.0 billion and ¥240.0 billion, respectively.

The forecast for profit for the year attributable to owners of the parent by operating segment is described as follows:
Effective April 1, 2015, the media business, included in the Lifestyle Segment until March 31, 2015, was transferred to the Innovation & Corporate Development Segment.
In accordance with the aforementioned change, the operating segment information for the year ended March 31, 2015 has been restated to conform to the operating segment as of April 2015.

(Billions of Yen)	Year ending March 31, 2016	Year ended March 31, 2015	Change
Iron & Steel Products	12.0	8.5	+3.5
Mineral & Metal Resources	38.0	60.9	(22.9)
Machinery & Infrastructure	53.0	45.7	+7.3
Chemicals	8.0	3.7	+4.3
Energy	56.0	119.7	(63.7)
Lifestyle	19.0	(5.9)	+24.9
Innovation & Corporate Development	3.0	9.9	(6.9)
Americas	23.0	25.8	(2.8)
Europe, the Middle East and Africa	2.0	3.4	(1.4)
Asia Pacific	22.0	30.5	(8.5)
All Other and Adjustments and Eliminations	4.0	4.3	(0.3)
Consolidated Total	240.0	306.5	(66.5)

- The forecast for the Iron & Steel Products Segment is ¥12.0 billion, an increase of ¥3.5 billion from the year ended March 31, 2015. An increase in transactions of line pipes and oil well pipes are expected.
- The forecast for the Mineral & Metal Resources Segment is ¥38.0 billion, a decline of ¥22.9 billion from the year ended March 31, 2015. Decline in iron ore prices is expected, while reversal effects are projected in relation to foreign exchange valuation losses on debt of Valepar S.A. and recognition of a

deferred tax liability of Inversiones Mineras Acrux SpA, a copper mining company in Chile, reflecting the tax system revision in the year ended March 31, 2015.

- The forecast for the Machinery & Infrastructure Segment is ¥53.0 billion, an increase of ¥7.3 billion from the year ended March 31, 2015. An increase is expected mainly due to reversal effects of one-time negative effects and contribution from businesses newly acquired, while the reversal effect of the one-time positive effect due to the reduction of the Japanese corporate income tax rate in the year ended March 31, 2015 is projected.
- The forecast for the Chemicals Segment is ¥8.0 billion, an increase of ¥4.3 billion from the year ended March 31, 2015, reflecting recovery of market conditions in the chlor-alkali producing business and contribution from methanol producing business in the United States.
- The forecast for the Energy Segment is ¥56.0 billion, a decline of ¥63.7 billion from the year ended March 31, 2015. A decline in profits from oil and gas producing operations and a decline in dividends from LNG projects are expected, while reversal effects are projected in relation to the impairment losses on fixed assets of Eagle Ford shale oil and gas producing operations and oil and gas fields in the North Sea in the year ended March 31, 2015.
- The forecast for the Lifestyle Segment is ¥19.0 billion, an increase of ¥24.9 billion from the year ended March 31, 2015, reflecting gain on sale of building by Bussan Real Estate Co., Ltd. and recovery of origination and merchandising of agricultural products.
- The forecast for the Innovation & Corporate Development Segment is ¥3.0 billion, a decline of ¥6.9 billion from the year ended March 31, 2015, reflecting the reversal effect of the one-time positive impact on the partial sale of shares in TPV Technology Limited.
- The forecast for the Americas Segment is ¥23.0 billion, a decline of ¥2.8 billion from the year ended March 31, 2015, reflecting the reversal effects of the sales of a stake in senior living business and Silver Bell Mining, LLC in the year ended March 31, 2015. The forecast for the Europe, the Middle East and Africa Segment is ¥2.0 billion, a decline of ¥1.4 billion from the year ended March 31, 2015, due to the reversal effect of the one-time positive impact. The forecast for the Asia Pacific Segment is ¥22.0 billion, a decline of ¥8.5 billion from the year ended March 31, 2015, due to lower profit from the segment's minority interest in iron ore mining operations in Australia.

2) Key commodity prices and other parameters for the year ending March 31, 2016

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2016. Effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table below.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2016			March 2016 Assumption	March 2015 Result
Commodity	Crude Oil/JCC	¥2.7 bn (US$1/bbl)	63	91
	Consolidated Oil Price(*1)		63	103
	U.S. Natural Gas(*3)	¥0.8 bn (US$0.1/mmBtu)	3.65(*4)	4.28(*2)
	Iron Ore	¥3.0 bn (US$1/ton)	(*5)	83(*6)
	Copper	¥1.0 bn (US$100/ton)	6,000	6,860(*7)
Forex (*8)	USD	¥1.8 bn (¥1/USD)	120	110.62
	AUD	¥0.8 bn (¥1/AUD)	95	95.51
	BRL	¥0.3 bn (¥1/BRL)	40	44.58

(*1) The oil price trend is reflected in profit for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March 31, 2016, 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, 38%; no time lag, 28%.

(*2) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2014 to December 2014
(*3) 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.
(*4) For natural gas sold in the US on HH linked prices, the assumed price used is US$3.65/mmBtu.
(*5) We refrain from disclosing the iron ore price assumptions.
(*6) Daily average of representative reference prices (Fine, Fe 62% CFR North China) during April 2014 to March 2015
(*7) Average of LME cash settlement price during January 2014 to December 2014
(*8) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen; Impact of currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

(3) Profit Distribution Policy

Our profit distribution policy has been resolved as follows at the board of directors through discussion in which external directors were also involved:

- In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, in relation to share buyback toward improving capital efficiency, we judge that the decision by the board of directors in a prompt and flexible manner as needed concerning its timing and amount by taking into consideration of the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity, continues to contribute to enhancement of corporate value.

As we announced on February 4, 2015, for the year ended March 31, 2015, we plan to pay an annual dividend of ¥64 per share, a ¥5 increase from the corresponding previous year.
For the year ending March 31, 2016, as a second year of the New Medium-term Management Plan, we currently envisage an annual dividend of ¥64 per share, same amount as the year ended March 31, 2015, taking into consideration of EBITDA, core operating cash flow as well as stability and continuity of the amount of dividend, on the assumption that profit for the year attributable to owners of the parent will be ¥240 billion, as mentioned in our forecast profit attributable to owners of the parent for the year ending March 31, 2016.

3. Basic Approach on Adoption of Accounting Standards

International Financial Reporting Standards was adopted on our annual securities report under the Financial Instruments and Exchange Act for the year ended March 31, 2014 for the purpose of improving international comparability of financial information as well as enhancement and efficiency of our financial reporting.

4. Other Information

Notice:
This flash 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 possessed by it and involve known and unknown risks, uncertainties and other factors. 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, (1) economic downturns worldwide or at specific regions, (2) fluctuations in commodity prices, (3) fluctuations in exchange rates, (4) credit risks from clients with which Mitsui and its consolidated subsidiaries have business transactions or financial

dealings and/or from various projects, (5) declines in the values of non-current assets, (6) changes in the financing environment, (7) declines in market value of equity and/or debt securities, (8) changes in the assessment for recoverability of deferred tax assets, (9) inability to successfully restructure or eliminate subsidiaries or associated companies as planned, (10) unsuccessful joint ventures and strategic investments, (11) risks of resource related businesses not developing in line with assumed costs and schedules and uncertainty in reserves and performance of third party operators, (12) loss of opportunities to enter new business areas due to limitations on business resources, (13) environmental laws and regulations, (14) changes in laws and regulations or unilateral changes in contractual terms by governmental entities, (15) employee misconduct, (16) failure to maintain adequate internal control over financial reporting, and (17) climate change and natural disaster. For further information on the above, please refer to Mitsui's Annual Securities Report.
Forward-looking statements may be included in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other disclosure documents, press releases or website disclosures. Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

5. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of Yen)

Assets		
	March 31, 2014	March 31, 2015
Current Assets:		
Cash and cash equivalents	¥ 1,226,317	¥ 1,400,770
Trade and other receivables	2,040,855	1,949,837
Other financial assets	271,288	384,156
Inventories	625,328	671,164
Advance payments to suppliers	183,576	188,545
Other current assets	118,049	136,051
Total current assets	4,465,413	4,730,523
Non-current Assets:		
Investments accounted for using the equity method	2,448,848	2,791,341
Other investments	1,554,673	1,529,767
Trade and other receivables	470,880	425,136
Other financial assets	116,298	130,974
Property, plant and equipment	2,007,452	2,148,142
Investment property	139,334	147,757
Intangible assets	144,153	162,951
Deferred tax assets	74,419	78,746
Other non-current assets	69,849	57,584
Total non-current assets	7,025,906	7,472,398
Total	¥ 11,491,319	¥ 12,202,921

(Millions of Yen)

Liabilities and Equity		
	March 31, 2014	March 31, 2015
Current Liabilities:		
Short-term debt	¥ 436,869	¥ 290,641
Current portion of long-term debt	505,946	472,718
Trade and other payables	1,473,834	1,384,039
Other financial liabilities	301,047	414,011
Income tax payables	42,857	41,877
Advances from customers	165,124	177,432
Provisions	17,491	25,523
Other current liabilities	41,486	34,900
Total current liabilities	2,984,654	2,841,141
Non-current Liabilities:		
Long-term debt, less current portion	3,468,301	4,030,598
Other financial liabilities	95,541	147,289
Retirement benefit liabilities	69,558	46,211
Provisions	174,855	228,540
Deferred tax liabilities	567,281	482,141
Other non-current liabilities	30,825	29,627
Total non-current liabilities	4,406,361	4,964,406
Total liabilities	7,391,015	7,805,547
Equity:		
Common stock	341,482	341,482
Capital surplus	418,004	411,881
Retained earnings	2,345,790	2,537,815
Other components of equity	766,631	814,563
Treasury stock	(56,140)	(5,946)
Total equity attributable to owners of the parent	3,815,767	4,099,795
Non-controlling interests	284,537	297,579
Total equity	4,100,304	4,397,374
Total	¥ 11,491,319	¥ 12,202,921

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Revenue:		
Sale of products	¥5,206,772	¥4,815,162
Rendering of services	415,395	432,112
Other revenue	109,751	157,656
Total revenue	5,731,918	5,404,930
Cost:		
Cost of products sold	(4,627,572)	(4,310,657)
Cost of services rendered	(162,690)	(181,528)
Cost of other revenue	(61,550)	(66,905)
Total cost	(4,851,812)	(4,559,090)
Gross Profit	880,106	845,840
Other Income (Expenses):		
Selling, general and administrative expenses	(574,871)	(584,608)
Gain (loss) on securities and other investments—net	30,816	42,458
Impairment loss of fixed assets	(59,966)	(79,948)
Gain (loss) on disposal or sales of fixed assets—net	16,419	1,446
Other income (expense)—net	(21,720)	(34,918)
Total other income (expenses)	(609,322)	(655,570)
Finance Income (Costs):		
Interest income	33,644	33,120
Dividend income	124,026	114,070
Interest expense	(49,176)	(50,229)
Total finance income (costs)	108,494	96,961
Share of Profit of Investments Accounted for Using the Equity Method	171,239	144,596
Profit before Income Taxes	550,517	431,827
Income Taxes	(176,654)	(104,903)
Profit for the Year	¥ 373,863	¥ 326,924
Profit for the Year Attributable to:		
Owners of the parent	¥ 350,093	¥ 306,490
Non-controlling interests	23,770	20,434

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Profit for the Year	¥ 373,863	¥ 326,924
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	76,202	(57,039)
Remeasurements of defined benefit plans	(9,676)	20,045
Share of other comprehensive income of investments accounted for using the equity method	622	(3,612)
Income tax relating to items not reclassified	(12,915)	42,045
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	19,961	32,509
Cash flow hedges	9,623	(15,889)
Share of other comprehensive income of investments accounted for using the equity method	103,182	74,115
Income tax relating to items that may be reclassified	(3,889)	20,174
Total other comprehensive income	183,110	112,348
Comprehensive Income for the Year	¥ 556,973	¥ 439,272
Comprehensive Income for the Year Attributable to:		
Owners of the parent	¥ 521,457	¥ 406,583
Non-controlling interests	35,516	32,689

(3) Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent							
	Common Stock	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity**	**Treasury Stock**	**Total**	**Non-controlling Interest**	**Total Equity**
Balance as at April 1, 2013	¥ 341,482	¥ 428,552	¥2,060,298	¥ 614,783	¥ (5,974)	¥3,439,141	¥ 245,848	¥3,684,989
Profit for the year			350,093			350,093	23,770	373,863
Other comprehensive income for the year				171,364		171,364	11,746	183,110
Comprehensive income for the year						521,457	35,516	556,973
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥46)			(83,957)			(83,957)		(83,957)
Dividends paid to non-controlling interest shareholders							(18,981)	(18,981)
Acquisition of treasury stock					(50,217)	(50,217)		(50,217)
Sales of treasury stock			0		51	51		51
Equity transactions with non-controlling interest shareholders		(10,548)		(160)		(10,708)	22,154	11,446
Transfer to retained earnings			19,356	(19,356)		—		—
Balance as at March 31, 2014	¥ 341,482	¥ 418,004	¥2,345,790	¥ 766,631	¥ (56,140)	¥3,815,767	¥ 284,537	¥4,100,304
Profit for the year			306,490			306,490	20,434	326,924
Other comprehensive income for the year				100,093		100,093	12,255	112,348
Comprehensive income for the year						406,583	32,689	439,272
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥66)			(118,305)			(118,305)		(118,305)
Dividends paid to non-controlling interest shareholders							(13,900)	(13,900)
Acquisition of treasury stock					(25)	(25)		(25)
Sales of treasury stock			0		28	28		28
Cancellation of treasury stock			(50,191)		50,191	—		—
Compensation costs related to stock options		215				215		215
Equity transactions with non-controlling interest shareholders		(6,338)		1,870		(4,468)	(5,747)	(10,215)
Transfer to retained earnings			54,031	(54,031)		—		—
Balance as at March 31, 2015	¥ 341,482	¥ 411,881	¥2,537,815	¥ 814,563	¥ (5,946)	¥4,099,795	¥ 297,579	¥4,397,374

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2014	Year ended March 31, 2015
Operating Activities:		
Profit for the Year	¥ 373,863	¥ 326,924
Adjustments to reconcile profit for the year to cash flows from operating activities:		
Depreciation and amortization	219,147	268,367
Change in retirement benefit liabilities	1,121	(3,787)
Provision for doubtful receivables	10,215	17,041
(Gain)/loss on securities and other investments—net	(30,816)	(42,458)
Impairment loss of fixed assets	59,966	79,948
(Gain)/loss on disposal or sales of fixed assets—net	(16,419)	(1,446)
Finance (income)/costs—net	(101,451)	(86,694)
Income taxes	176,654	104,903
Share of profit of investments accounted for using equity method	(171,239)	(144,596)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(44,457)	159,674
Change in inventories	(13,508)	(161)
Change in trade and other payables	(51,883)	(52,092)
Other—net	(49,831)	(129,073)
Interest received	26,817	38,291
Interest paid	(51,283)	(49,906)
Dividends received	277,305	291,593
Income taxes paid	(164,958)	(136,561)
Cash flows from operating activities	449,243	639,967
Investing Activities:		
Net change in time deposits	707	(4,736)
Net change in investments in and advances to equity accounted investees	(204,757)	(155,355)
Net change in other investments	(96,918)	60,075
Net change in long-term loan receivables	(1,963)	60,046
Net change in property, plant, equipment and investment property	(356,887)	(346,427)
Cash flows from investing activities	(659,818)	(386,397)
Financing Activities:		
Net change in short-term debt	(85,141)	(181,841)
Net change in long-term debt	208,986	197,233
Purchases and sales of treasury stock	(50,216)	(23)
Dividends paid	(83,970)	(118,323)
Transactions with non-controlling interest shareholders	(2,896)	(23,239)
Cash flows from financing activities	(13,237)	(126,193)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	17,595	47,076
Change in Cash and Cash Equivalents	(206,217)	174,453
Cash and Cash Equivalents at Beginning of Year	1,432,534	1,226,317
Cash and Cash Equivalents at End of Year	¥ 1,226,317	¥ 1,400,770

(5) Assumption for Going Concern: None

(6) Basis of Consolidated Financial Statements

Scope of subsidiaries and equity accounted investees

① Subsidiaries

1) Overseas 209

2) Japan 70

② Equity accounted investees (associated companies and joint ventures)

1) Overseas 131

2) Japan 35

A total of 334 subsidiaries and equity accounted investees are excluded from the above. These include companies which are sub-consolidated or accounted for under the equity method by subsidiaries other than trading subsidiaries.

(7) Changes in Accounting Estimates

Significant changes in accounting estimates in the Consolidated Financial Statements are as follows.

(Impairment Losses)

For the year ended March 31, 2015, Mitsui E&P Texas LP, a subsidiary in the Energy Segment engaged in the shale oil and gas development in Texas, recognized an impairment loss of ¥58,862 million in “impairment loss of fixed assets” by reducing the carrying amount of the production equipment and others to the recoverable amount of ¥75,172 million. In addition, Mitsui E&P UK Limited, a subsidiary in the Energy Segment engaged in the oil and gas development in the North Sea, U.K., recognized an impairment loss of ¥13,784 million in “impairment loss of fixed assets” by reducing the carrying amount of the mineral rights and production equipment to the recoverable amount of ¥16,642 million. These impairment losses mainly related to a decline in the crude oil prices.

The recoverable amount above represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.

(8) Notes to Consolidated Financial Statements
①Segment Information

Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	220,068	791,197	410,155	943,198	1,454,254	890,587	103,215
Gross Profit	51,130	200,892	114,743	80,527	199,834	113,979	22,579
Share of Profit of Investments Accounted for Using the Equity Method	5,395	37,990	24,400	8,606	60,087	19,289	4,879
Profit (Loss) for the Year Attributable to Owners of the parent	14,583	88,052	17,146	8,370	188,441	12,096	(12,258)
EBITDA	21,839	241,785	35,642	28,514	416,106	20,203	(23,614)
Total Assets at March 31, 2014	567,741	1,970,858	1,872,585	765,751	2,478,158	1,495,387	496,533

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	699,622	108,663	109,079	5,730,038	1,884	(4)	5,731,918
Gross Profit	78,725	18,752	12,469	893,630	794	(14,318)	880,106
Share of Profit of Investments Accounted for Using the Equity Method	4,039	1,384	4,525	170,594	365	280	171,239
Profit (Loss) for the Year Attributable to Owners of the parent	13,668	397	30,682	361,177	11,004	(22,088)	350,093
EBITDA	26,334	499	(347)	766,961	7,756	44,930	819,647
Total Assets at March 31, 2014	568,772	105,907	345,074	10,666,766	5,037,172	(4,212,619)	11,491,319

Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	151,442	791,211	443,946	888,222	991,247	975,991	120,167
Gross Profit	37,970	146,125	130,131	70,134	202,739	116,242	37,420
Share of Profit of Investments Accounted for Using the Equity Method	7,641	913	32,988	7,225	56,610	21,642	5,748
Profit (Loss) for the Year Attributable to Owners of the parent	8,460	60,857	45,680	3,702	119,674	(2,695)	6,006
EBITDA	12,909	155,530	54,977	18,074	439,849	16,156	(4,991)
Total Assets at March 31, 2015	493,961	1,955,957	2,112,645	838,894	2,610,367	1,658,188	550,339

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	828,521	110,161	102,179	5,403,087	1,843	-	5,404,930
Gross Profit	92,589	19,317	12,223	864,890	701	(19,751)	845,840
Share of Profit of Investments Accounted for Using the Equity Method	7,450	574	4,518	145,309	-	(713)	144,596
Profit (Loss) for the Year Attributable to Owners of the parent	25,757	3,408	30,535	301,384	8,947	(3,841)	306,490
EBITDA	41,297	(541)	(2,528)	730,732	3,221	54,312	788,265
Total Assets at March 31, 2015	584,086	104,646	382,495	11,291,578	5,135,246	(4,223,903)	12,202,921

Notes:1. “All Other” principally consisted of the Corporate Staff Unit which provides financing services and operations services to external customers and/or to the companies and affiliated companies. Total assets of “All Other” at March 31, 2014 and 2015 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

2. Transfers between repotable segments are made at cost plus a markup.
3. Profit (Loss) for the Year Attributable to Owners of the parent of “Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Since the year ended March 31, 2015, EBITDA has been disclosed by reportable segments as the information of the operating segments periodically reviewed by the management. EBITDA is comprised of the companies' (a) gross profit, (b) selling, general and administrative expenses, (c) dividend income and (d) share of profit of investments accounted for using the equity method as presented in the Consolidated Statements of Income and (e) depreciation and amortization as presented in the Consolidated Statements of Cash Flows.

②Earnings per share

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the years ended March 31, 2014 and 2015:

Year ended March 31, 2014(from April 1, 2013 to March 31, 2014)

	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent	350,093	1,821,339	192.22
Effect of Dilutive Securities:			
Adjustments of effect of dilutive securities of associated companies	(17)	-	
Diluted Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent after effect of dilutive securities	350,076	1,821,339	192.21

Year ended March 31, 2015(from April 1, 2014 to March 31, 2015)

	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent	306,490	1,792,516	170.98
Effect of Dilutive Securities:			
Adjustments of effect of:			
Dilutive securities of associated companies	(15)	-	
Stock options	-	257	
Diluted Earnings per Share Attributable to Owners of the Parent:			
Profit for the Year Attributable to Owners of the Parent after effect of dilutive securities	306,475	1,792,773	170.95

③Subsequent Events

The Company approved at the meeting of the Board of Directors held on May 8, 2015, to allot the stock option scheme as stock-based compensation with stock price conditions to the Company’s Executive Officer to purchase up to 6,800 shares of the Company’s common stock in the period from May 28, 2018 to May 27, 2045 with payment due upon the exercise of offered subscription rights to shares being ¥1 per share.

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.