Consolidated Financial Results for the Year Ended March 31, 2016 [IFRS]

Tokyo, May 10, 2016 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2016, 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, 2016
(from April 1, 2015 to March 31, 2016)

		Years ended March 31,			
		2016	%	2015	%
Revenue	Millions of yen	4,759,694	△ 11.9	5,404,930	△ 5.7
Profit before income taxes	Millions of yen	24,329	△ 94.4	431,827	△ 21.6
Profit for the year	Millions of yen	(66,914)	-	326,924	△ 12.6
Profit for the year attributable to owners of the parent	Millions of yen	(83,410)	-	306,490	△ 12.5
Comprehensive income for the year	Millions of yen	(612,101)	-	439,272	△ 21.1
Earnings per share attributable to owners of the parent, basic	Yen	△ 46.53		170.98	
Earnings per share attributable to owners of the parent, diluted	Yen	△ 46.54		170.95	
Profit ratio to equity attributable to owners of the parent	%	△ 2.2		7.7	
Profit before income taxes to total assets	%	0.2		3.6	

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 (loss) of investments accounted for using the equity method for the years ended March 31, 2016 and 2015 were negative ¥132,033 million and ¥144,596 million, respectively.

(2) Consolidated financial position information

		March 31, 2016	March 31, 2015
Total assets	Millions of yen	10,910,511	12,202,921
Total equity	Millions of yen	3,666,536	4,397,374
Total equity attributable to owners of the parent	Millions of yen	3,379,725	4,099,795
Equity attributable to owners of the parent ratio	%	31.0	33.6
Equity per share attributable to owners of the parent	Yen	1,885.47	2,287.17

(3) Consolidated cash flow information

		Years ended March 31,	
		2016	2015
Operating activities	Millions of yen	586,991	639,967
Investing activities	Millions of yen	(408,059)	(386,397)
Financing activities	Millions of yen	(50,548)	(126,193)
Cash and cash equivalents at the end of the year	Millions of yen	1,490,775	1,400,770

2. Dividend information

		Years ended March 31, 2016	Years ended March 31, 2015	Year ending March 31, 2017 (Forecast)
Interim dividend per share	Yen	32	32	25
Year-end dividend per share	Yen	32	32	25
Annual dividend per share	Yen	64	64	50
Annual dividend (total)	Millions of yen	114,737	114,737	
Consolidated dividend payout ratio	%	-	37.4	44.8
Consolidated dividend on equity attributable to owners of the parent	%	3.1	2.9	

3. Forecast of consolidated operating results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

		Year ending March 31, 2017
Profit attributable to owners of the parent	Millions of yen	200,000
Earnings per share attributable to owners of the parent, basic	Yen	111.58

4. Others

(1) Increase/decrease of important subsidiaries during the period : Yes
Excluded: 1company (Mitsui & Co. LNG Investment Limited)

(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 32 "5. Consolidated Financial Statements (7) Changes in Accounting Estimates".

(3) Number of shares :

	March 31, 2016	March 31, 2015
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	4,004,857	3,995,027

	Year ended March 31, 2016	Year ended March 31, 2015
Average number of shares of common stock outstanding	1,792,513,741	1,792,516,185

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, 2017" on page 21. For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on page 24.

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, 2016.
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, 2016, and thereafter.
In the global economy, in addition to the continuing weak trend in emerging countries, the sense of a slowdown is also being seen in developed countries such as the United States, and overall growth lacked resilience.
In the United States economy, while there was steady growth due to higher consumer spending and housing investment backed by growing employment and rising wages, the strong dollar and the slowdown in emerging economies led to sluggish exports. This combined with the drop in capital expenditure mainly in the energy industry due to declining oil prices resulted in slowed growth in the second half of the fiscal year.
In the Japanese economy, the large increase in foreign visitors to Japan was a positive factor, but the continued budget-minded household spending combined with unfavorable weather conditions caused a drop in consumer spending. These factors as well as sluggish exports from the slowdown in emerging economies led to overall continued stagnation.
In the European economy, the trend of increase in consumer spending continued, driven by low oil prices and gradual improvement in employment, but with the debt crisis in Greece and the refugee issue, overall recovery was slow.
Growth continued to be sluggish in the Chinese economy, hampered by debt problems facing the nation's local governments, reductions in excess production capacity, continued adjustments in the real estate market, and a situation where local governments have been taking a cautious approach toward executing public works projects in the face of the government's anti-corruption campaign.
As for other emerging countries, polarization is accelerating. For instance, performance was strong in India, benefitting from low oil prices, but Brazil and Russia have continued to face challenging conditions given their high degree of dependency on resource exports.
The spot reference price for iron ore CFR North China (Fe 62%) temporarily fell to below US$40 per ton at the start of January due to slowing Chinese economic growth, rising gradually thereafter, and trending above US$50 per ton in March. The Dubai Crude spot price temporarily fell to the range of US$20–25 per barrel at the start of the year due to anticipation of increasing supply attributable to the partial lifting of economic sanctions on Iran, and trending in the range of US$30–40 per barrel thereafter.
The outlook for the global economy includes the sense of a peak in the United States economy, the Greek crisis in Europe, a declining growth rate in China and negative growth in Brazil and Russia, in emerging economies, and overall the strong trend of stagnation is expected to continue. Furthermore, the international commodities market conditions, due to downward pressure on demand from the slowdown in the Chinese economy and continued excess supply, will likely need some time to recover. While paying full attention to these trends in the market environment, we will continue to conduct our business operations with a long-term perspective.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥4,759.7 billion for the year ended March 31, 2016 ("current year"), a decline of ¥645.2 billion from ¥5,404.9 billion for the year ended March 31, 2015 ("previous year").

- Revenue from sales of products for the current year was ¥4,202.6 billion, a decline of ¥612.6 billion from ¥4,815.2 billion for the previous year, as a result of the following:

- The Energy Segment reported a decline of ¥321.0 billion. Petroleum trading operations recorded a decline of ¥230.6 billion reflecting lower crude oil prices. Furthermore, oil and gas producing operations recorded a decline of ¥76.5 billion reflecting lower crude oil and gas prices.
- The Mineral & Metal Resources Segment reported a decline of ¥106.3 billion. Iron ore operations in Australia reported a decline of ¥81.2 billion due to lower prices.
- The Chemicals Segment reported a decline of ¥98.7 billion due to a decline in trading volume and lower prices of chemicals.
- The Americas Segment reported a decline of ¥52.3 billion due to a decline in sales volume of oil and gas well tubular products and a transfer of Ellison Technologies Inc., a machine tools sales company in the United States, to the Machinery & Infrastructure Segment in spite of an increase in Novus International, Inc. from a solid performance in methionine business.
- The Iron & Steel Products Segment reported a decline of ¥38.9 billion mainly due to a transfer of domestic structural product and metal scrap businesses from Mitsui & Co. Steel Ltd. to Metal One Mitsui Bussan Resources & Structural Steel Corporation (now called MM & KENZAI Corporation), which is an equity accounted investee.

- Revenue from rendering of services for the current year was ¥399.9 billion, a decline of ¥32.2 billion from ¥432.1 billion for the previous year.
- Other revenue for the current year was ¥157.2 billion, a decline of ¥0.5 billion from ¥157.7 billion for the previous year.

Gross Profit

Gross profit for the current year was ¥726.6 billion, a decline of ¥119.2 billion from ¥845.8 billion for the previous year.

- The Energy Segment reported a decline of ¥95.4 billion. Mitsui Oil Exploration Co., Ltd. reported a decline of ¥32.0 billion from lower crude oil prices and higher production costs, which was partially offset by higher production and the positive impact of exchange rate fluctuations. Mitsui E&P Middle East B.V. reported a decline of ¥30.0 billion mainly due to lower crude oil prices and higher production costs. Mitsui E&P Australia Pty Limited reported a decline of ¥19.6 billion from lower crude oil prices in spite of partially offsetting increased production and cost reduction. Furthermore, Mitsui E&P USA LLC reported a decline of ¥14.3 billion from lower gas prices in spite of cost reductions and MEP Texas Holdings LLC reported a decline of ¥8.6 billion due to lower crude oil prices, which more than offset the effects of cost reductions and higher production. Meanwhile, an increase of ¥5.2 billion was recorded at Mitsui & Co. Energy Trading Singapore as a result of solid performance.
- The Mineral & Metal Resources Segment reported a decline of ¥49.2 billion. Iron ore mining operations in Australia reported a decline of ¥51.3 billion due to lower iron ore prices, which was partially offset by cost reductions and the positive impact of exchange rate fluctuations. Meanwhile, Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥4.0 billion reflecting the positive impact of exchange rate and cost reduction, which was partially offset by lower coal prices.
- The Americas Segment reported an increase of ¥16.2 billion. Novus International, Inc. reported an increase of ¥33.4 billion due to a solid performance in methionine business. Meanwhile, Champions Pipe & Supply, Inc. reported a decline of ¥8.1 billion due to a decline in sales volume of oil and gas well tubular products reflecting lower crude oil prices.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current year were ¥566.0 billion, a decline of ¥18.6 billion from ¥584.6 billion for the previous year. The table below provides a breakdown of selling, general and administrative expenses used for our internal review.

(Billions of Yen)	Personnel	Welfare	Travel	Entertainment	Communication
Current Year	287.2	15.0	32.9	8.0	48.5
Previous Year	295.5	14.7	34.5	8.4	48.8
Change	(8.3)	0.3	(1.6)	(0.4)	(0.3)

(Billions of Yen)	Rent	Depreciation	Tax	Provision for doubtful receivables	Others	Total
Current Year	27.4	14.8	14.4	9.9	107.9	566.0
Previous Year	24.1	15.0	10.6	17.0	116.0	584.6
Change	3.3	(0.2)	3.8	(7.1)	(8.1)	(18.6)

Gain on Securities and Other Investments—Net

Gain on securities and other investments for the current year was ¥93.2 billion, an increase of ¥50.7 billion from ¥42.5 billion for the previous year.

- For the current year, a profit of ¥34.5 billion was recorded in relation to the foreign exchange translation due to the liquidation of Mitsui & Co. LNG Investment Limited, which managed LNG investments in the Middle East and Africa in an integrated manner. Road Machinery LLC recorded a gain on sale of a stake in its subsidiary, a mining machinery sales and service company based in Mexico, and a gain on the sale of stakes in relation to basic chemicals business was recorded. Furthermore, a ¥9.3 billion gain due to valuation of fair value on shares in Hutchison China MediTech (including a ¥10.1 billion gain on shares in Hutchison MediPharma Holdings before a share exchange with Hutchison China MediTech) and an ¥8.2 billion gain on sale of a stake in relation to aviation business were recorded, and a ¥6.2 billion reversal gain of impairment loss on investments for Relia, Inc. (former Moshi Moshi Hotline, Inc.) reflecting the share price rise was recorded. A gain on partial sale of a share in a holding company for IPP business in Malaysia and a ¥3.5 billion gain on sales of stakes in relation to automobile business were recorded.
- For the previous 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.

Impairment Loss of Fixed Assets—Net

Loss of fixed assets for the current year was ¥89.0 billion, an increase of ¥9.1 billion from ¥79.9 billion of loss for the previous year.

- For the current year, Mitsui Coal Holdings Pty. Ltd. reported an impairment losses of ¥38.1billion on fixed assets due to a decline in coal prices. Due mainly to falling oil prices, MEP Texas Holdings LLC recorded an impairment loss of ¥19.4 billion for its Eagle Ford shale oil and gas business, Mitsui E&P USA LLC recorded an impairment loss of ¥18.2 billion for its Marcellus shale gas business, Mitsui E&P UK Limited recorded losses of ¥8.9 billion from changes in forecasts of future costs for its oil and gas businesses in the North Sea, and Mitsui Oil Exploration Co., Ltd. recorded impairment losses of ¥4.6 billion at its offshore Thailand businesses accordingly. Furthermore, a ¥3.0 billion impairment loss on fixed assets was recorded at Multigrain Trading AG. Meanwhile, an ¥11.8 billion reversal gain of impairment loss was recorded at Tokyo International Air Cargo Terminal Ltd.
- For the previous year, reflecting the decline in oil prices, MEP Texas Holdings LLC 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.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net

Loss on disposal or sales of fixed assets for the current year was ¥11.7 billion, a deterioration of ¥13.1 billion from ¥1.4 billion of gain for the previous year.

- For the current year, a retirement loss of ¥21.5 billion was recorded at Mitsui E&P Middle East B.V. Furthermore, a demolition expense of ¥4.3 billion on the head office building was recorded due to the integrated development scheme in the Otemachi 1-Chome 2-Banchi district. Meanwhile, an ¥11.6 billion gain on the sales of buildings in Japan was recorded.
- There were miscellaneous small transactions for the previous year.

Other Expense—Net

Other expense for the current year was ¥32.1 billion, a decline of ¥2.8 billion from ¥34.9 billion for the previous year.

- For the current year, exploration expenses totaled ¥16.0 billion, including those recorded at oil and gas producing businesses. A ¥6.3 billion impairment loss on goodwill on Multigrain Trading AG was recorded. Furthermore, the Innovation & Corporate Development Segment recorded foreign exchange losses of ¥4.8 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment, and Mitsui Oil Exploration Co., Ltd. recorded a foreign exchange translation loss of ¥3.6 billion related to foreign currency deposits.
- For the previous 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.

Finance Income (Costs)

Interest Income

Interest income for the current year was ¥31.6 billion, a decline of ¥1.5 billion from ¥33.1 billion for the previous year.

Dividend Income

Dividend income for the current year was ¥54.7 billion, a decline of ¥59.4 billion from ¥114.1 billion for the previous year.

- Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Equatorial Guinea and Qatargas 3) were ¥32.8 billion in total, a decline of ¥54.3 billion from ¥87.1 billion for the previous year.

Interest Expense

Interest expense for the current year was ¥51.0 billion, an increase of ¥0.8 billion from ¥50.2 billion for the previous year. The following table provides the month-end average 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	0.16%	0.19%
U.S. dollar	0.42%	0.24%

Share of Profit (Loss) of Investments Accounted for Using the Equity Method

Share of profit (loss) of investments accounted for using the equity method for the current year was ¥132.0 billion of loss, a deterioration of ¥276.6 billion from ¥144.6 billion of profit for the previous year.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded a deterioration of ¥81.6 billion due to the effect of a ¥92.5 billion impairment loss reflecting revision to long-term copper price outlook, which was partially offset by the reversal effect of additional recognition of a deferred tax liability reflecting the tax system revision in Chile.
- Japan Australia LNG (MIMI) Pty. Ltd reported a deterioration due mainly to an impairment loss of ¥40.3 billion reflecting the postponement of the LNG project development and lower crude oil prices.
- IPP businesses recorded a deterioration of ¥53.6 billion mainly due to a one-time negative impact of ¥54.2 billion due to lower electricity prices and obsolete power plants.
- SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported a deterioration of ¥40.0 billion due to the effect of a ¥46.2 billion impairment loss in Mitsui's consolidated accounts reflecting revision to long-term copper price outlook and various assumptions in consideration of its operational situation.
- Valepar S.A. recorded a deterioration of ¥27.3 billion due to an impairment loss on fixed assets and lower iron ore prices, which was partially offset by recognition of a deferred tax asset reflecting the tax system revision in Brazil.
- Mitsui Oil Exploration Co., Ltd. reported a deterioration of ¥14.4 billion from an impairment and lower crude oil prices in relation to its Gulf of Thailand business.
- Robe River Mining Co. Pty. Ltd. reported a decline of ¥13.4 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, cost reduction and income from infrastructure usage.
- Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile, recorded a decline of ¥6.0 billion reflecting lower copper prices.
- For the current year, a one-time positive impact in relation to Toyo Engineering Corporation was recorded reflecting the difference between loss estimates and actual amounts, while the estimated loss was recorded for the previous year.
- For the previous year, research and development cost incurred for the development of a new aircraft engine with General Electric Company was recorded.
- The LNG receiving terminal project in Mexico recorded an increase of ¥5.5 billion mainly due to a change in lease accounting treatment and there was a new contribution of ¥4.3 billion from truck leasing and rental businesses in North America. Furthermore, Wilsey Foods, Inc. recorded an increase of ¥3.0 billion attributable to its good sales of edible oil products in the United States.

Income Taxes

Income taxes for the current year were ¥91.2 billion, a decline of ¥13.7 billion from ¥104.9 billion for the previous year.

- Profit before income taxes for the current year was ¥24.3 billion, a decline of ¥407.5 billion from ¥431.8 billion for the previous year. In response, applicable income taxes also declined.
- For the previous year, a ¥12.0 billion negative impact on deferred tax was caused by the repeal of the Australian Mineral Resource Rent Tax ("MRRT").
- For the current year and previous year, ¥4.8 billion and ¥20.1 billion one-time positive impacts were

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, subsidiaries whose functional currency and currency used to calculate tax profit differ recorded an increase in tax burden on taxable temporary difference arising from depreciation of currency used to calculate tax profit against functional currency.

The effective tax rate for the current year was 375.0%, an increase of 350.7% from 24.3% for the previous year. The major factors for the increase for the current year were a substantial amount of impairment losses and disposal losses without tax effects and effects on depreciation of currency used to calculate tax profit. Furthermore, a decline in no-tax or low-tax income such as dividend income caused an increase in the effective tax rate. Meanwhile, the major factor for the decline was a decline in tax burden due to the repeal of the Australian MRRT, and the positive impact of the reversal of deferred tax liabilities due to the reduction of the Japanese corporate income tax rate.

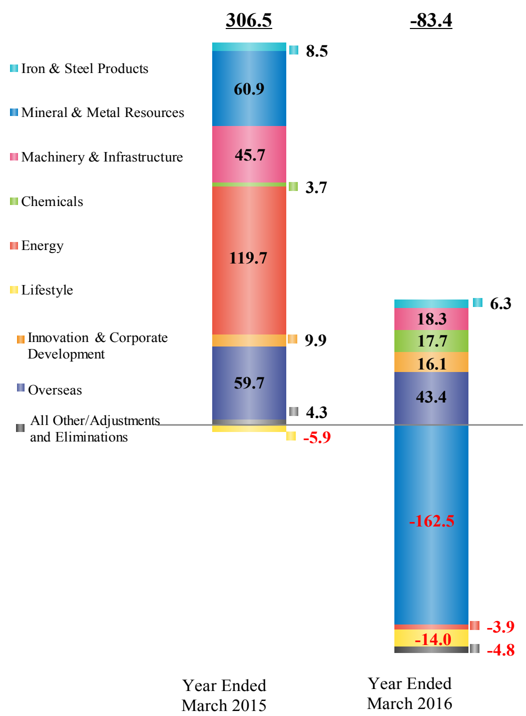
Profit (Loss) for the Year

As a result of the above factors, loss for the year was ¥66.9 billion, a deterioration of ¥393.8 billion from ¥326.9 billion of profit for the previous year.

Profit (Loss) for the Year Attributable to Owners of the Parent

Loss for the year attributable to owners of the parent was ¥83.4 billion, a deterioration of ¥389.9 billion from ¥306.5 billion of profit for the previous year.

Profit (Loss) for the Year Attributable to Owners of the Parent by Operating Segment (Billions of Yen)



2) EBITDA

We use EBITDA as a measure of underlying earning power. EBITDA is the total of “gross profit,” “selling, general and administrative expenses,” “dividend income” and “share of profit (loss) 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) (*)		336.4	788.3	(451.9)
Gross profit	a	726.6	845.8	(119.2)
Selling, general and administrative expenses	b	(566.0)	(584.6)	+ 18.6
Dividend income	c	54.7	114.1	(59.4)
Profit (loss) of equity method investments	d	(132.0)	144.6	(276.6)
Depreciation and amortization	e	253.2	268.4	(15.2)

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

3) Operating Results by Operating Segment

From the current year, for the purpose of disclosing each operating segment's EBITDA more properly, profits and losses associated with EBITDA of jointly invested subsidiaries by several segments are allocated using "Profit (loss) of equity method investments", and service fees received from affiliated companies are either added up as "Gross profit" or deducted from "Selling, general and administrative expenses" according to its content. Furthermore, Media Business Div., included in the Lifestyle Segment, was transferred to the Innovation & Corporate Development Segment. In accordance with the aforementioned changes, the operating segment information for the previous year has been restated to conform to the current year presentation.

Iron & Steel Products Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	10.9	13.8	(2.9)
Gross profit	32.0	38.9	(6.9)
Selling, general and administrative expenses	(29.0)	(35.0)	+6.0
Dividend income	2.1	1.9	+0.2
Profit (loss) of equity method investments	4.8	6.8	(2.0)
Depreciation and amortization	1.0	1.2	(0.2)
Profit (loss) for the year attributable to owners of the parent	6.3	8.5	(2.2)

EBITDA declined by ¥2.9 billion, mainly due to the following factors:
Gross profit declined by ¥6.9 billion. Mitsui & Co. Steel Ltd. reported a decline of ¥3.4 billion, mainly due to a transfer of domestic structural product and metal scrap businesses to Metal One Mitsui Bussan Resources & Structural Steel Corporation (now called MM & KENZAI Corporation), which is an equity accounted investee.
Selling, general and administrative expenses declined by ¥6.0 billion.
Profit (loss) of equity method investments declined by ¥2.0 billion.
Profit (loss) for the year attributable to owners of the parent declined by ¥2.2 billion.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(93.8)	116.0	(209.8)
Gross profit	98.7	147.9	(49.2)
Selling, general and administrative expenses	(37.0)	(39.3)	+2.3
Dividend income	1.4	1.8	(0.4)
Profit (loss) of equity method investments	(204.1)	(41.7)	(162.4)
Depreciation and amortization	47.2	47.2	0.0
Profit (loss) for the year attributable to owners of the parent	(162.5)	60.9	(223.4)

EBITDA declined by ¥209.8 billion, mainly due to the following factors:

Gross profit declined by ¥49.2 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 ¥36.8 billion reflecting lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, cost reduction and income from infrastructure usage. Mitsui-Itochu Iron Pty. Ltd. reported a decline of ¥14.5 billion reflecting lower iron ore prices, which was partially offset by cost reductions and the positive impact of exchange rate fluctuations. Meanwhile, Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥4.0 billion reflecting the positive impact of exchange rate and cost reduction, which was partially offset by lower coal prices.

Profit (loss) of equity method investments deteriorated by ¥162.4 billion.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded a loss of ¥96.6 billion which was a deterioration of ¥81.6 billion from a loss of ¥15.0 billion for the previous year, due to an effect of ¥92.5 billion impairment loss reflecting revision to long-term copper price outlook, which was partially offset by the reversal effect of additional recognition of a deferred tax liability reflecting the tax system revision in Chile.
- SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported a loss of ¥51.2 billion due to an effect of ¥46.2 billion impairment loss reflecting revision to long-term copper price outlook and to various assumptions in consideration of its operational situation, which was a deterioration of ¥40.0 billion from ¥11.2 billion loss for the previous year.
- Valepar S.A. posted a loss of ¥52.6 billion, a d deterioration of ¥27.3 billion from a loss of ¥25.3 billion for the previous year due to impairment losses on fixed assets and lower iron ore prices, which was partially offset by recognition of a deferred tax asset reflecting the tax system revision in Brazil.
- Profit from Robe River Mining Co. Pty. Ltd. was ¥21.2 billion, a decline of ¥13.4 billion from ¥34.6 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, cost reduction and income from infrastructure usage.
- Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile, recorded a profit of ¥2.8 billion, which was a decline of ¥6.0 billion from a profit of ¥8.8 billion for the previous year reflecting lower copper prices.
- Allocation to other segments declined by ¥12.1 billion mainly due to the negative impact from lower iron ore prices on iron ore mining operations in Australia, jointly invested with the Asia Pacific Segment.

Profit (loss) for the year attributable to owners of the parent deteriorated by ¥223.4 billion. In addition to the above, the following factors also affected results:

- Mitsui Coal Holdings Pty. Ltd. reported an impairment losses of ¥38.1 billion on fixed assets due to the decline in coal prices.
- A ¥12.0 billion negative impact on a deferred tax was caused by the repeal of the MRRT for the previous year.
- For the current year and previous year, ¥1.3 billion and ¥7.1 billion one-time positive impacts were 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 previous year.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	29.2	54.0	(24.8)
Gross profit	127.1	131.8	(4.7)
Selling, general and administrative expenses	(127.7)	(128.4)	+0.7
Dividend income	3.6	4.1	(0.5)
Profit (loss) of equity method investments	8.0	26.9	(18.9)
Depreciation and amortization	18.2	19.6	(1.4)
Profit (loss) for the year attributable to owners of the parent	18.3	45.7	(27.4)

EBITDA declined by ¥24.8 billion, mainly due to the following factors:

Gross profit declined by ¥4.7 billion.

- The Infrastructure Projects Business Unit reported a decline of ¥0.3 billion.
- The Integrated Transportation Systems Business Unit reported a decline of ¥4.4 billion.

Profit (loss) of equity method investments decreased by ¥18.9 billion.

- The Infrastructure Projects Business Unit reported a decline of ¥34.6 billion.
  IPP businesses posted a loss of ¥41.5 billion in total, a deterioration of ¥53.9 billion from a profit of ¥12.4 billion for the previous year.
  - For the current year, a one-time negative impact of ¥54.2 billion was recorded due to lower electricity prices and obsolete power plants.
  - For the previous year, impairment losses on obsolete thermal power plant were recognized.
  - Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, deteriorated by ¥2.4 billion to a loss of ¥1.9 billion from a gain of ¥0.5 billion for the previous year.

  For the current year, a one-time positive impact in relation to Toyo Engineering Corporation was recorded reflecting the difference between loss estimates and actual amounts, while the estimated loss was recorded for the previous year. Furthermore, the LNG receiving terminal project in Mexico recorded an increase of ¥5.5 billion mainly due to a change in lease accounting treatment.
- The Integrated Transportation Systems Business Unit reported an increase of ¥15.8 billion. This Business Unit recorded research and development costs incurred for the development of a new aircraft engine with General Electric Company for the previous year. For the current year, there was a new contribution of ¥4.3 billion from truck leasing and rental businesses in North America.

Profit (loss) for the year attributable to owners of the parent decreased by ¥27.4 billion. In addition to the above, the following factors also affected results:

- For the current year, Road Machinery LLC recorded a gain on sale of a stake in its subsidiary, a mining machinery sales and service company based in Mexico.
- For the current year, an ¥11.8 billion reversal gain of impairment loss was recorded at Tokyo International Air Cargo Terminal Ltd.
- For the current year, this segment recorded an ¥8.2 billion gain on sale of a stake in relation to aviation business and a gain on partial sale of a share in a holding company for IPP business in Malaysia.
- For the previous year, this segment recorded a ¥12.0 billion gain on sale of a stake in relation to aviation business.
- For the current year and previous year, ¥1.6 billion and ¥5.2 billion one-time positive impacts were 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.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	30.1	20.1	+10.0
Gross profit	76.5	70.7	+5.8
Selling, general and administrative expenses	(65.0)	(70.5)	+5.5
Dividend income	1.3	1.2	+0.1
Profit (loss) of equity method investments	8.0	7.5	+0.5
Depreciation and amortization	9.4	11.1	(1.7)
Profit (loss) for the year attributable to owners of the parent	17.7	3.7	+14.0

EBITDA increased by ¥10.0billion, mainly due to the following factors:
Gross profit increased by ¥5.8 billion.

- The Basic Chemicals Business Unit reported an increase of ¥4.0 billion. Mitsui & Co. Texas Chlor-Alkali, Inc., a chlor-alkali producer in the United States, reported an increase of ¥4.3 billion due to withdrawal from the business, which had made a continued loss from the previous year.
- The Performance Chemicals Business Unit reported an increase of ¥1.8 billion.

Selling, general and administrative expenses declined by ¥5.5 billion. For the previous year, the Basic Chemicals Business Unit reported ¥3.1 billion of provision for doubtful receivables for chemical trading business in China.
Profit (loss) of equity method investments increased by ¥0.5 billion.
Profit (loss) for the year attributable to owners of the parent increased by ¥14.0 billion. In addition to the factors mentioned above, gain on the sale of stakes in relation to basic chemicals business was recorded for the current year.

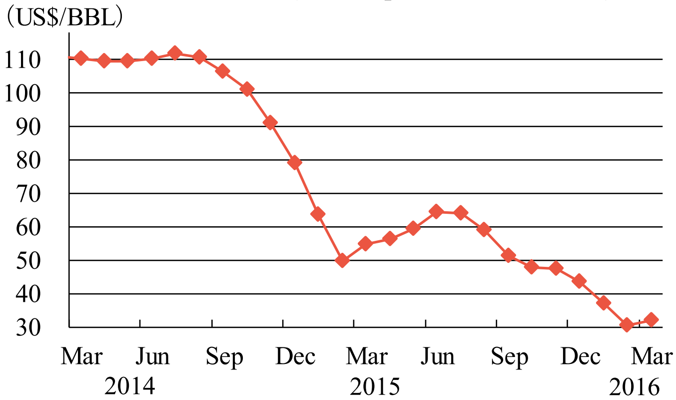
Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	210.1	445.6	(235.5)
Gross profit	109.0	204.4	(95.4)
Selling, general and administrative expenses	(50.7)	(56.3)	+5.6
Dividend income	35.3	92.8	(57.5)
Profit (loss) of equity method investments	(22.3)	57.2	(79.5)
Depreciation and amortization	138.8	147.5	(8.7)
Profit (loss) for the year attributable to owners of the parent	(3.9)	119.7	(123.6)

EBITDA declined by ¥235.5 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$53 and US$103 per barrel, respectively.
Gross profit declined by ¥95.4 billion, primarily due to the following factors:

- Mitsui Oil Exploration Co., Ltd. reported a decline of ¥32.0 billion from lower crude oil prices and higher production costs, which was partially offset by higher production and the positive impact of exchange rate fluctuations.

Crude Oil Price (JCC: Japan Crude Cocktail)



- Mitsui E&P Middle East B.V. reported a decline of ¥30.0 billion mainly due to lower crude oil prices and higher production costs.
- Mitsui E&P Australia Pty Limited reported a decline of ¥19.6 billion from lower crude oil prices in spite of partially offsetting increased production and cost reduction.
- Mitsui E&P USA LLC reported a decline of ¥14.3 billion mainly from lower gas prices in spite of cost reductions.
- MEP Texas Holdings LLC reported a decline of ¥8.6 billion due to lower crude oil prices, which more than offset the effects of cost reductions and higher production.
- An increase of ¥5.2 billion was recorded at Mitsui & Co. Energy Trading Singapore as a result of solid performance.

Selling, general and administrative expenses declined by ¥5.6 billion.
Dividend income declined by ¥57.5 billion. Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Equatorial Guinea and Qatargas 3) were ¥32.8 billion in total, a decline of ¥54.3 billion from ¥87.1 billion of the previous year.
Profit (loss) equity method investments deteriorated by ¥79.5 billion. Japan Australia LNG (MIMI) Pty. Ltd reported a deterioration due mainly to an impairment loss of ¥40.3 billion reflecting the postponement of the LNG project and lower crude oil prices, and Mitsui Oil Exploration Co., Ltd. reported a deterioration of ¥14.4 billion from an impairment in relation to its Gulf of Thailand business and lower crude oil prices.
Depreciation and amortization declined by ¥8.7 billion. Oil and gas producing operations recorded a decline of ¥8.7 billion, including a decline of ¥6.3 billion at shale oil and gas operations in the United States.
Profit (loss) for the year attributable to owners of the parent deteriorated by ¥123.6 billion. In addition to the above, the following factors also affected results:

- For the current year, profit on securities and other investments of ¥34.5 billion was recorded in relation to the foreign exchange translation due to the liquidation of Mitsui & Co. LNG Investment Limited which managed LNG investments in the Middle East and Africa in an integrated manner.
- For the current year, due mainly to falling oil prices, MEP Texas Holdings LLC recorded an impairment loss of ¥19.4 billion for its Eagle Ford shale oil and gas business, Mitsui E&P USA LLC recorded an impairment loss of ¥18.2 billion for its Marcellus shale gas business, Mitsui E&P UK Limited recorded losses of ¥8.9 billion from changes in forecasts of future costs for its oil and gas businesses in the North Sea, and Mitsui Oil Exploration Co., Ltd. has recorded impairment losses of ¥4.6 billion at its o Gulf of Thailand businesses accordingly.
- For the current year, a retirement loss of ¥21.5 billion was recorded at Mitsui E&P Middle East B.V.
- For the previous year, reflecting a decline in oil prices, MEP Texas Holdings LLC recorded an impairment loss of ¥58.9 billion on fixed assets related to Eagle Ford shale oil and gas producing operations as well as Mitsui E&P UK Limited recorded impairment losses related to oil and gas fields in the North Sea area for ¥13.8 billion on fixed assets and ¥4.8 billion on goodwill.
- For the current year, exploration expenses of ¥14.7 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui Oil Exploration Co., Ltd. For the previous 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.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	9.9	14.5	(4.6)
Gross profit	116.5	115.3	+1.2
Selling, general and administrative expenses	(142.0)	(133.7)	(8.3)
Dividend income	3.7	4.6	(0.9)
Profit (loss) of equity method investments	18.5	15.8	+2.7
Depreciation and amortization	13.2	12.5	+0.7
Profit (loss) for the year attributable to owners of the parent	(14.0)	(5.9)	(8.1)

EBITDA declined by ¥4.6 billion, mainly due to the following factors:

Gross profit increased by ¥1.2 billion.

- The Food Resources Business Unit reported a decline of ¥4.5 billion. Multigrain Trading AG reported a decline of ¥6.6 billion due to its lower grain origination, which was partially offset by an increase of ¥3.0 billion due to good sales in the broilers business of PRIFOODS CO., LTD.
- The Food Products & Services Business Unit reported an increase of ¥0.3 billion. There was a decline in gross profit corresponding to a ¥6.6 billion improvement of foreign exchange gains and losses related to the coffee trading business at Mitsui posted in other expense for the current year and for the previous year.
- The Consumer Service Business Unit reported an increase of ¥5.5 billion. There was an increase of ¥3.6 billion due to a new consolidation of Max Mara Japan.

Selling, general and administrative expenses increased by ¥8.3 billion. There was an increase of ¥3.1 billion due to a new consolidation of Max Mara Japan.

Profit (loss) of equity method investments increased by ¥2.7billion.

- The Food Resources Business Unit reported an increase of ¥3.2 billion. Wilsey Foods, Inc. recorded an increase of ¥3.0 billion attributable to its good sales of edible oil products in the United States.
- The Food Products & Services Business Unit reported an increase of ¥0.2 billion.
- The Consumer Service Business Unit reported a decline of ¥0.6 billion.

Profit (loss) for the year attributable to owners of the parent deteriorated by ¥8.1 billion. In addition to the above, the following factors also affected results:

- For the current year, Bussan Real Estate Co., Ltd. (now called Mitsui & Co. Real Estate Ltd.) recorded a ¥13.1 billion gain on the sales of buildings in Japan.
- For the current year and for the previous year, foreign exchange gain of ¥0.9 billion and foreign exchange loss of ¥5.7 billion, respectively, were posted in other expense in relation to the coffee trading business at Mitsui.
- For the current year, ¥6.3 billion and ¥3.0 billion impairment losses on goodwill and fixed assets, respectively, were recorded at Multigrain Trading AG.
- A ¥6.5 billion gain on the sales of the stake in Shanghai Senmao International Real Estate Co., Ltd. was recorded for the previous year. Meanwhile, 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	12.5	1.7	+10.8
Gross profit	52.9	41.3	+11.6
Selling, general and administrative expenses	(57.8)	(60.4)	+2.6
Dividend income	4.9	5.3	(0.4)
Profit (loss) of equity method investments	7.8	10.0	(2.2)
Depreciation and amortization	4.6	5.4	(0.8)
Profit (loss) for the year attributable to owners of the parent	16.1	9.9	+6.2

EBITDA increased by ¥10.8 billion, mainly due to the following factors:

Gross profit increased by ¥11.6 billion.

- The IT & Communication Business Unit reported an increase of ¥2.0 billion.
- The Corporate Development Business Unit reported an increase of ¥9.5 billion. There was an increase in gross profit corresponding to a ¥9.7 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.

Profit (loss) of equity method investments decreased by ¥2.2 billion.

Profit (loss) for the year attributable to owners of the parent increased by ¥6.2 billion. In addition to the above, the following factors also affected results:

- A ¥9.3 billion gain due to the valuation of fair value on shares in Hutchison China MediTech (including a ¥10.1 billion gain on shares in Hutchison MediPharma Holdings before a share exchange with Hutchison China MediTech) was recorded for the current year. In addition, reflecting the share price rise, a ¥6.2 billion reversal gain of impairment loss on investments for Relia, Inc. (former Moshi Moshi Hotline, Inc.) in total was recorded for the current year.
- For the previous year, due to the partial sale of shares in TPV Technology Limited, a ¥6.2 billion gain on sale of shares and valuation on retained shares was recorded in total, and 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.
- For the current year and for the previous year, foreign exchange losses of ¥4.8 billion and gains of ¥4.9 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business at Mitsui.

Americas Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	69.4	50.4	+19.0
Gross profit	114.8	98.6	+16.2
Selling, general and administrative expenses	(63.5)	(67.8)	+4.3
Dividend income	0.1	0.1	0.0
Profit (loss) of equity method investments	8.2	10.5	(2.3)
Depreciation and amortization	9.8	9.0	+0.8
Profit (loss) for the year attributable to owners of the parent	28.3	25.8	+2.5

EBITDA increased by ¥19.0 billion, mainly due to the following factors:

Gross profit increased by ¥16.2 billion. Novus International, Inc. reported an increase of ¥33.4 billion due to a solid performance in methionine business. Meanwhile, a decline of ¥10.3 billion was reported due to a transfer of Ellison Technologies Inc., a machine tools sales company in the United States, to the Machinery & Infrastructure Segment. In addition, Champions Pipe & Supply, Inc. reported a decline of ¥8.1 billion due to a decline in sales volume of oil and gas well tubular products reflecting lower crude oil prices.

Selling, general and administrative expenses declined by ¥4.3 billion. A decline of ¥9.1 billion was reported due to a transfer of Ellison Technologies Inc.
Profit (loss) of equity method investments declined by ¥2.3 billion.
Profit (loss) for the year attributable to owners of the parent increased by ¥2.5 billion. In addition to the above, the following factors also affected results:

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

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	5.3	4.3	+1.0
Gross profit	20.5	21.5	(1.0)
Selling, general and administrative expenses	(19.7)	(21.2)	+1.5
Dividend income	0.3	0.3	0.0
Profit (loss) of equity method investments	3.7	3.3	+0.4
Depreciation and amortization	0.5	0.5	0.0
Profit (loss) for the year attributable to owners of the parent	3.5	3.4	+0.1

EBITDA increased by ¥1.0 billion, mainly due to the following factors:
Gross profit declined by ¥1.0 billion.
Profit (loss) of equity method investments increased by ¥0.4 billion.
Profit (loss) for the year attributable to owners of the parent increased by ¥0.1 billion.

Asia Pacific Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	40.9	51.5	(10.6)
Gross profit	23.3	21.8	+1.5
Selling, general and administrative expenses	(20.4)	(20.8)	+0.4
Dividend income	0.8	0.9	(0.1)
Profit (loss) of equity method investments	35.5	49.0	(13.5)
Depreciation and amortization	1.7	0.7	+1.0
Profit (loss) for the year attributable to owners of the parent	11.6	30.5	(18.9)

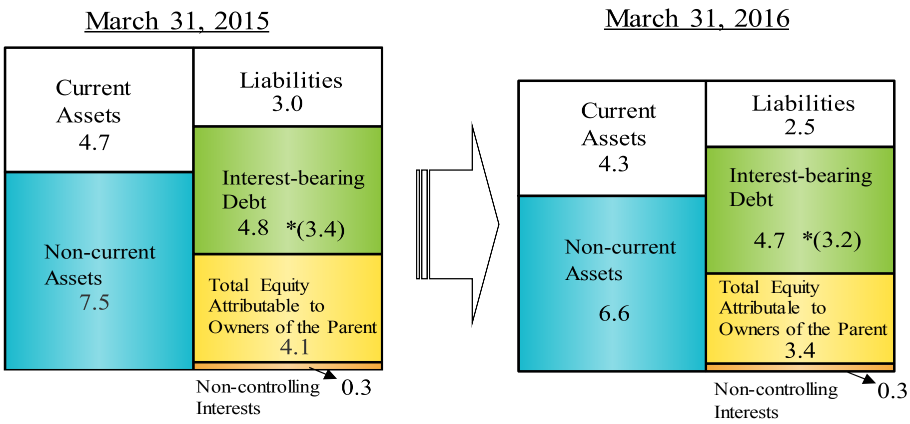
EBITDA declined by ¥10.6 billion, mainly due to the following factors:
Gross profit increased by ¥1.5 billion.
Profit (loss) of equity method investments declined by ¥13.5 billion. Allocation from other segments declined by ¥12.0 billion mainly due to the negative impact from lower iron ore prices on iron ore mining operations in Australia jointly invested with the Mineral & Metal Resources Segment.
Profit (loss) for the year attributable to owners of the parent declined by ¥18.9 billion.

(3) Financial Condition and Cash Flows

1) Financial Condition

Total assets as of March 31, 2016 was ¥10,910.5 billion, a decline of ¥1,292.4 billion from ¥12,202.9 billion as of March 31, 2015.

(Trillions of Yen)



	March 31, 2015	March 31, 2016
Total Assets	¥12.2 trillion	¥10.9 trillion
Total Equity Atttibutable to Owners of the Parent	¥4.1 trillion	¥3.4 trillion
Net DER	0.82 times	0.95 times

(*) 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, 2016 was ¥4,286.7 billion, a decline of ¥443.8 billion from ¥4,730.5 billion as of March 31, 2015. Trade and other receivables declined by ¥341.9 billion, mainly due to lower prices in the Energy, Chemicals and Mineral & Metal Resources Segments as well as the decline in trading volume in the Innovation & Corporate Development, Iron & Steel Products, and Machinery & Infrastructure Segments.

Total current liabilities as of March 31, 2016 was ¥2,562.8 billion, a decline of ¥278.3 billion from ¥2,841.1 billion as of March 31, 2015. Trade and other payables declined by ¥276.8 billion, corresponding to the decline in trade and other receivables.

As a result, working capital, or current assets less current liabilities, as of March 31, 2016, totaled ¥1,723.9 billion, a decline of ¥165.5 billion from ¥1,889.4 billion as of March 31, 2015.

Total non-current assets as of March 31, 2016 totaled ¥6,623.8 billion, a decline of ¥848.6 billion from ¥7,472.4 billion as of March 31, 2015, mainly due to the following factors:

- Investments accounted for using the equity method as of March 31, 2016 was ¥2,515.3 billion, a decline of ¥276.0 billion from ¥2,791.3 billion as of March 31, 2015, mainly due to the following factors:
  - A decline of ¥158.9 billion resulting from foreign currency exchange fluctuations;
  - A decline of ¥13.4 billion due to a sale of a stake in relation to basic chemicals business;
  - An increase of ¥61.8 billion due to an acquisition of a 49% stake in Petrobras Gás S.A., which is engaged in gas distribution in Brazil;
  - An increase of ¥15.3 billion due to an acquisition of a 25% stake in Gonvarri Eólica, S.L., which is engaged in wind turbine towers and flanges manufacturing in Spain;
  - An increase of ¥12.3 billion due to an acquisition of a 40% stake in MIMS Group, providing drug information to healthcare professionals in the Asia-Oceania region;

- An increase of ¥11.9 billion due to an additional acquisition of a stake in a passenger railway transportation business in Brazil with Odebrecht TransPort S.A.;
- An increase of ¥11.3 billion due to an acquisition of a 25% stake in Hexagon Composites ASA, which is engaged in composite pressure vessel manufacturing in Norway;
- An increase of ¥10.1 billion due to an acquisition of a 23.4% stake in Salmones Multiexport S.A., which is engaged in salmon farming, processing and sales in Chile; and
- A decline of ¥166.7 billion due to dividends received from equity accounted investees, as well as a decline of ¥132.0 billion corresponding to the loss of equity method investments for the current year.

- Other investments as of March 31, 2016 were ¥1,179.7 billion, a decline of ¥350.1 billion from ¥1,529.8 billion as of March 31, 2015. A ¥337.1 billion net decline mainly due to the decline of fair value on financial assets measured at FVTOCI in investments in LNG projects due to lower crude oil prices.
- Trade and other receivables as of March 31, 2016 totaled ¥382.2 billion, a decline of ¥42.9 billion from ¥425.1 billion as of March 31, 2015, mainly due to a decline of ¥14.4 billion from the collection of a loan receivable to the FPSO leasing business in Brazil and Vietnam.
- Property, plant and equipment as of March 31, 2016 totaled ¥1,938.4 billion, a decline of ¥209.7 billion from ¥2,148.1 billion as of March 31, 2015, mainly due to the following factors:
  - A decline of ¥63.3 billion mainly due to a deterioration of fixed assets at MEP Texas Holdings LLC and Mitsui E&P USA LLC (including a foreign exchange translation loss of ¥14.9 billion) at U.S. shale gas and oil producing operations;
  - A decline of ¥53.5 billion mainly due to a deterioration of fixed assets at Mitsui Coal Holdings Pty. Ltd. (including a foreign exchange translation loss of ¥8.3 billion) at coal mining operations in Australia;
  - A decline of ¥49.0 billion due to a sale of a stake in production of chlor-alkali in the United States;
  - A decline of ¥29.9 billion (including a foreign exchange translation loss of ¥25.5 billion) at iron ore mining operations in Australia;
  - A decline of ¥20.2 billion mainly due to a retirement of fixed assets at Mitsui E&P Middle East B.V. (including a foreign exchange translation loss of ¥18.3 billion) at oil and gas operations other than U.S. shale gas and oil producing operations, despite an increase due to an acquisition of an interest in the gas and condensate field at Mitsui E&P Australia Pty Limited; and
  - An increase of ¥12.6 billion in leased aircraft business.
- Intangible assets as of March 31, 2016 totaled ¥157.5 billion, a decline of ¥5.5 billion from ¥163.0 billion as of March 31, 2015.
  - A decline of ¥8.7 billion mainly due to an impairment loss on goodwill on Multigrain Trading AG; and
  - An increase of ¥11.4 billion mainly due to a reversal of an impairment loss at Tokyo International Air Cargo Terminal Ltd.

Total non-current liabilities as of March 31, 2016 totaled ¥4,681.2 billion, a decline of ¥283.2 billion from ¥4,964.4 billion as of March 31, 2015.

Total equity attributable to owners of the parent as of March 31, 2016 was ¥3,379.7 billion, a decline of ¥720.1 billion from ¥4,099.8 billion as of March 31, 2015. Major components included:

- Retained earnings decreased by ¥223.6 billion.
- Other components of equity as of March 31, 2016 declined by ¥496.6 billion.
  - Financial assets measured at FVTOCI declined by ¥238.4 billion. Fair value in investments in LNG projects declined reflecting the drop in crude oil prices; and

- Foreign currency translation adjustments declined by ¥258.8 billion mainly reflecting the depreciation of the Australian dollar, the U.S. dollar, and the Brazilian real against the Japanese yen.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of March 31, 2016 was ¥3,215.0 billion, a decline of ¥167.2 billion from ¥3,382.2 billion as of March 31, 2015. The net debt-to-equity ratio (DER) as of March 31, 2016 was 0.95 times, 0.13 points higher compared to 0.82 times as of March 31, 2015.

	Billions of Yen			
		As of March 31, 2015		As of March 31, 2016
Short-term debt	¥	290.6	¥	353.2
Long-term debt	¥	4,503.3	¥	4,357.3
Interest bearing debt	¥	4,793.9	¥	4,710.5
Less cash and cash equivalents and time deposits	¥	(1,411.7)	¥	(1,495.5)
Net interest-bearing debt	¥	3,382.2	¥	3,215.0
Total equity attributable to owners of the parent	¥	4,099.8	¥	3,379.7
Net DER (times)		0.82		0.95

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	587.0	640.0	(53.0)
Cash flows from change in working capital	b	115.3	(21.6)	+136.9
Core operating cash flow	a-b	471.7	661.6	(189.9)

Net cash provided by operating activities for the current year was ¥587.0 billion, a decline of ¥53.0 billion from ¥640.0 billion for the previous year.

Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current year was ¥115.3 billion of net cash inflow, an increase of ¥136.9 billion from ¥21.6 billion of net cash outflow for the previous year.

Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current year amounted to ¥471.7 billion, a decline of ¥189.9 billion from ¥661.6 billion for the previous year.

- Depreciation and amortization for the current year was ¥253.2 billion, a decline of ¥15.2 billion from ¥268.4 billion for the previous year.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥220.2 billion, a decline of ¥71.4 billion from ¥291.6 billion for the previous year.

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

(Billions of Yen)	Current Year	Previous Year	Change
Iron & Steel Products	4.8	7.1	(2.3)
Mineral & Metal Resources	134.5	159.9	(25.4)
Machinery & Infrastructure	62.9	69.6	(6.7)
Chemicals	19.6	13.5	+6.1
Energy	206.0	348.0	(142.0)
Lifestyle	(8.9)	(0.3)	(8.6)
Innovation & Corporate Development	7.6	11.2	(3.6)
Americas	55.5	25.2	+30.3
Europe, the Middle East and Africa	1.8	2.5	(0.7)
Asia Pacific	7.3	6.6	+0.7
All Other and Adjustments and Eliminations	(19.4)	18.3	(37.7)
Consolidated Total	471.7	661.6	(189.9)

Cash Flows from Investing Activities

Net cash used in investing activities for the current year was ¥408.1 billion, an increase of ¥21.7 billion from ¥386.4 billion for the previous year. The net cash used in investing activities consisted of:

- Net cash outflows that corresponded to investments in and advances to equity accounted investees (net of sales of investments and collection of advances) were ¥126.4 billion. The major cash outflow was an acquisition of a 49% stake in Petrobras Gás S.A., which is engaged in gas distribution in Brazil, for ¥61.8 billion, an acquisition of a 25% stake in a wind turbine towers and flanges manufacturing business in Spain for ¥15.3 billion, an investment and loan to the FPSO leasing business for oil and gas production in Brazil for ¥14.5 billion, an acquisition of a 40% stake in MIMS Group, providing drug information to healthcare professionals in the Asia-Oceania region, for ¥12.3 billion, an additional acquisition of a stake in a passenger railway transportation business in Brazil for ¥11.9 billion, an acquisition of a 25% stake in a Norwegian composite pressure vessel manufacturer for ¥11.3 billion and an acquisition of a 23.4% stake in a Chilean salmon farming, processing and sales company for ¥10.1 billion. The major cash inflow was the repayment of a loan to the FPSO leasing business for oil and gas production in Brazil and Vietnam for ¥21.4 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥23.4 billion. The major cash outflow was an acquisition of a gas and condensate field in Australia for ¥45.9 billion and an investment in OSIsoft, LLC that develops and sells IoT data management software. The major cash inflow was a sale of a chlor-alkali business in the United States for ¥17.5 billion, a sale of shares in Coca-Cola East Japan Co., Ltd. for ¥11.7 billion and the sale of a stake in a mining machinery sales and service company based in Mexico.
- Net cash inflows that corresponded to long-term loan receivables (net of collection) were ¥14.1 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥272.7 billion. Major expenditures included:
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥126.6 billion;
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥28.1 billion;
  - Iron ore mining projects in Australia for ¥25.4 billion;
  - Tank terminals in the United States for ¥16.0 billion;
  - A methanol manufacturing joint venture in the United States for ¥11.7 billion; and
  - Coal mining operations in Australia for ¥10.5 billion.

  The major cash inflows included ¥13.5 billion from the sale of buildings in Japan by Bussan Real Estate Co., Ltd. (now called Mitsui & Co. Real Estate Ltd.), which is sales proceeds of ¥17.0 billion less advance payment received in the previous year.

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 ¥178.9 billion.

Cash Flows from Financing Activities

For the current year, net cash used by financing activities was ¥50.5 billion, a decline of ¥75.7 billion from ¥126.2 billion of net cash used for the previous year. The cash outflow from payments of cash dividends was ¥114.7 billion and the cash outflow from the borrowing of long-term debt was ¥15.2 billion. Meanwhile, the cash inflow from the borrowing of short-term debt was ¥79.8 billion.

In addition to the changes discussed above, there was a decline in cash and cash equivalents of ¥38.4 billion due to foreign exchange translation. Cash and cash equivalents as of March 31, 2016 totaled ¥1,490.8 billion, an increase of ¥90.0 billion from ¥1,400.8 billion as of March 31, 2015.

2. Management Policy

(1) Progress with the Medium-term Management Plan

Reference is made to our Presentation Material of Financial Results for the year ended March 31, 2016 "Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium – Results for the Year Ended Mar/16 and Business Plan for the Year Ending Mar/17" 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, 2017

1) Forecasts for the year ending March 31, 2017

＜Assumption＞

Exchange rate (JPY/USD)	110.00	119.99
Crude oil (JCC)	$49/bbl	$49/bbl
Consolidated oil price	$45/bbl	$53/bbl

(Billions of yen)

	March 31, 2017 Forecast	March 31, 2016 Result	Change	Description
Gross profit	640.0	726.6	(86.6)	Lower crude oil and gas prices
Selling, general and administrative expenses	(550.0)	(566.0)	16.0	Decline in costs
Gain on investments, fixed assets and other	50.0	(39.6)	89.6	Coal, Oil & gas businesses: reversal effects, Asset recycling
Interest expenses	(30.0)	(19.4)	(10.6)	Increase in interest payments
Dividend income	50.0	54.7	(4.7)	Decline in dividend from LNG projects
Profit (loss) of equity method investments	170.0	(132.0)	302.0	Copper, LNG, IPP businesses: reversal effects
Profit before income taxes	330.0	24.3	305.7	
Income taxes	(120.0)	(91.2)	(28.8)	Decline in PBT
Non-controlling Interests	(10.0)	(16.5)	6.5	
Profit (loss) for the year attributable to owners of the parent	200.0	(83.4)	283.4	
Depreciation and amortization	230.0	253.2	(23.2)	Effects of impairments
EBITDA	540.0	336.4	203.6	
Core operating cash flow	360.0	471.7	(111.7)	

We assume foreign exchange rates for the year ending March 31, 2017 will be ¥110/US$, ¥85/AU$ and ¥30/BRL, while average foreign exchange rates for the year ended March 31, 2016 were ¥119.99/US$, ¥88.24/AU$ and ¥33.52/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2017 will be US$45/barrel, down US$8 from the previous year, based on the assumption that the crude oil price (JCC) will average US$49/barrel throughout the year ending March 31, 2017.

- Gross profit for the year ending March 31, 2017 is expected to be ¥640.0 billon reflecting lower crude oil and gas prices.
- Selling, general and administrative expenses is expected to be ¥550.0 billion reflecting decline in costs.
- Gain on investments, fixed assets and other is expected to be ¥50.0 billion due to one-time positive impacts from asset recycling as well as the reversal effects of impairment losses at coal mining operation in Australia and shale oil and gas projects in the United States in the year ended March 31, 2016.
- Interest expenses is expected to be ¥30.0 billion reflecting an increase in interest payments due to the increase in the interest rate on the U.S. dollar.
- Dividend income is expected to be ¥50.0 billion reflecting a decline in dividends from LNG projects.
- Profit of equity method investments is expected to be ¥170.0 billion due to reversal effects of impairment losses at copper businesses, LNG businesses and IPP businesses in the year ended March 31, 2016.
- Income taxes are forecasted to be ¥120.0 billion due to an increase in profit before income taxes.

As a result, profit for the year attributable to owners of the parent is expected to be ¥200.0 billion.
In addition to the above, depreciation and amortization is expected to be ¥230.0 billion due to impairment losses in the year ended March 2016; projected EBITDA is ¥540.0 billion. Furthermore, core operating cash flow is forecasted to be ¥360.0 billion.

The forecast for profit (loss) for the year attributable to owners of the parent by operating segment is described as follows:

Effective April 1, 2016, part of the food business, included in the Lifestyle Segment until March 31, 2016, was transferred to the Chemicals Segment.
In accordance with the aforementioned change, the operating segment information for the year ended March 31, 2016 has been restated to conform to the operating segment as of April 2016.

(Billions of Yen)	Year ending March 31, 2017	Year ended March 31, 2016	Change
Iron & Steel Products	5.0	6.3	(1.3)
Mineral & Metal Resources	45.0	(162.5)	+207.5
Machinery & Infrastructure	60.0	18.3	+41.7
Chemicals	15.0	18.6	(3.6)
Energy	0	(3.9)	+3.9
Lifestyle	15.0	(14.9)	+29.9
Innovation & Corporate Development	10.0	16.1	(6.1)
Americas	25.0	28.3	(3.3)
Europe, the Middle East and Africa	5.0	3.5	+1.5
Asia Pacific	20.0	11.6	+8.4
All Other and Adjustments and Eliminations	0	(4.8)	+4.8
Consolidated Total	200.0	(83.4)	+283.4

- The forecast for the Iron & Steel Products Segment is ¥5.0 billion, a decline of ¥1.3 billion from the year ended March 31, 2016 due to reversal effects of gains on stock sales in the year ended March 31, 2016.

- The forecast for the Mineral & Metal Resources Segment is ¥45.0 billion, an improvement of ¥207.5 billion from the year ended March 31, 2016, reflecting the reversal effects of impairment losses at copper businesses in Chile and coal mining operations in Australia as well as consolidating losses at Valepar.
- The forecast for the Machinery & Infrastructure Segment is ¥60.0 billion, an increase of ¥41.7 billion from the year ended March 31, 2016, taking into consideration the reversal effects of a one-time negative impact at IPP businesses.
- The forecast for the Chemicals Segment is ¥15.0 billion, a decline of ¥3.6 billion from the year ended March 31, 2016, due to the reversal effects of the sale of stakes in relation to basic chemicals business, in spite of an increase reflecting joint ownership of Novus International, Inc. with the Americas Segment.
- The forecast for the Energy Segment is ¥0.0 billion, an improvement ¥3.9 billion from the year ended March 31, 2016, due to the reversal effects of impairment losses at LNG businesses in Australia and shale gas and oil projects in the United States, in spite of lower crude oil prices and the reversal effects of foreign exchange translation gain due to liquidation of Mitsui & Co. LNG Investment Limited.
- The forecast for the Lifestyle Segment is ¥15.0 billion, an improvement of ¥29.9 billion from the year ended March 31, 2016, reflecting the reversal effects of impairment losses on fixed assets, tax expenses and poor performance of origination and merchandising of agricultural products at Multigrain Trading AG.
- The forecast for the Innovation & Corporate Development Segment is ¥10.0 billion, a decline of ¥6.1 billion from the year ended March 31, 2016, taking into consideration the reversal effect of the valuation of fair value on shares in Hutchison China MediTech.
- The forecast for the Americas Segment is ¥25.0 billion, a decline of ¥3.3 billion from the year ended March 31, 2016, reflecting lower methionine prices at Novus International, Inc. The forecast for the Europe, the Middle East and Africa Segment is ¥5.0 billion, an increase of ¥1.5 billion from the year ended March 31, 2016. The forecast for the Asia Pacific Segment is ¥20.0 billion, an increase of ¥8.4 billion from the year ended March 31, 2016, reflecting the reversal effects of impairment losses at coal mining operations in Australia.

2) Key commodity prices and other parameters for the year ending March 31, 2017

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2017. The 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.

Impact on profit (loss) for the year attributable to owners of the parent for the Year ending March 31, 2017			March 2017 Assumption	March 2016 Result
Commodity	Crude Oil/JCC	¥2.9 bn (US$1/bbl)	49	49
	Consolidated Oil Price(*1)		45	53
	U.S. Natural Gas(*2)	¥0.8 bn (US$0.1/mmBtu)	2.40(*3)	2.63(*4)
	Iron Ore	¥3.2 bn (US$1/ton)	(*5)	52(*6)
	Copper	¥1.0 bn (US$100/ton)	5,500	5,501(*7)
Forex (*8)	USD	¥1.4 bn (¥1/USD)	110	119.99
	AUD	¥0.8 bn (¥1/AUD)	85	88.24
	BRL	¥0.3 bn (¥1/BRL)	30	33.52

(*1) The oil price trend is reflected in profit (loss) for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March 31, 2017, 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, 31%; 1-3 month time lag, 35%; no time lag, 34%.

(*2) US shale gas is 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 prices.

(*3) For natural gas sold in the US on HH linked prices, the assumed price used is US$2.40/mmBtu.

(*4) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2015 to December 2015.

(*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 2015 to March 2016.

(*7) Average of LME cash settlement price during January 2015 to December 2015.

(*8) Impact of currency fluctuation on profit (loss) 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, 2016, for the year ended March 31, 2016, we plan to pay an annual dividend of ¥64 per share (including the interim dividend of ¥32 per share), the same amount as the corresponding previous year.

For the year ending March 31, 2017, as the last year of the Medium-term Management Plan, we currently envisage an annual dividend of ¥50 per share, a ¥14 decrease from the year ended March 31, 2016, taking into consideration profit for the year attributable to owners of the parent and EBITDA as well as stability and continuity of the amount of dividend, on the assumption that core operating cash flow will be ¥360 billion, as mentioned in our forecast for the year ending March 31, 2017.

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, 2016	March 31, 2015
Current Assets:		
Cash and cash equivalents	¥ 1,490,775	¥ 1,400,770
Trade and other receivables	1,607,885	1,949,837
Other financial assets	295,064	384,156
Inventories	533,697	671,164
Advance payments to suppliers	220,711	188,545
Other current assets	138,563	136,051
Total current assets	4,286,695	4,730,523
Non-current Assets:		
Investments accounted for using the equity method	2,515,340	2,791,341
Other investments	1,179,696	1,529,767
Trade and other receivables	382,176	425,136
Other financial assets	159,384	130,974
Property, plant and equipment	1,938,448	2,148,142
Investment property	147,756	147,757
Intangible assets	157,450	162,951
Deferred tax assets	92,231	78,746
Other non-current assets	51,335	57,584
Total non-current assets	6,623,816	7,472,398
Total	¥ 10,910,511	¥ 12,202,921

(Millions of Yen)

Liabilities and Equity	March 31, 2016	March 31, 2015
Current Liabilities:		
Short-term debt	¥ 353,203	¥ 290,641
Current portion of long-term debt	519,161	472,718
Trade and other payables	1,107,238	1,384,039
Other financial liabilities	298,329	414,011
Income tax payables	22,309	41,877
Advances from customers	207,419	177,432
Provisions	14,959	25,523
Other current liabilities	40,161	34,900
Total current liabilities	2,562,779	2,841,141
Non-current Liabilities:		
Long-term debt, less current portion	3,838,156	4,030,598
Other financial liabilities	109,520	147,289
Retirement benefit liabilities	78,176	46,211
Provisions	219,330	228,540
Deferred tax liabilities	409,695	482,141
Other non-current liabilities	26,319	29,627
Total non-current liabilities	4,681,196	4,964,406
Total liabilities	7,243,975	7,805,547
Equity:		
Common stock	341,482	341,482
Capital surplus	412,064	411,881
Retained earnings	2,314,185	2,537,815
Other components of equity	317,955	814,563
Treasury stock	(5,961)	(5,946)
Total equity attributable to owners of the parent	3,379,725	4,099,795
Non-controlling interests	286,811	297,579
Total equity	3,666,536	4,397,374
Total	¥ 10,910,511	¥ 12,202,921

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2016	Year ended March 31, 2015
Revenue:		
Sale of products	¥4,202,593	¥4,815,162
Rendering of services	399,937	432,112
Other revenue	157,164	157,656
Total revenue	4,759,694	5,404,930
Cost:		
Cost of products sold	(3,807,456)	(4,310,657)
Cost of services rendered	(161,910)	(181,528)
Cost of other revenue	(63,706)	(66,905)
Total cost	(4,033,072)	(4,559,090)
Gross Profit	726,622	845,840
Other Income (Expenses):		
Selling, general and administrative expenses	(566,014)	(584,608)
Gain (loss) on securities and other investments—net	93,168	42,458
Impairment reversal (loss) of fixed assets—net	(88,964)	(79,948)
Gain (loss) on disposal or sales of fixed assets—net	(11,684)	1,446
Other income (expense)—net	(32,092)	(34,918)
Total other income (expenses)	(605,586)	(655,570)
Finance Income (Costs):		
Interest income	31,612	33,120
Dividend income	54,675	114,070
Interest expense	(50,961)	(50,229)
Total finance income (costs)	35,326	96,961
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	(132,033)	144,596
Profit before Income Taxes	24,329	431,827
Income Taxes	(91,243)	(104,903)
Profit (Loss) for the Year	¥ (66,914)	¥ 326,924
Profit (Loss) for the Year Attributable to:		
Owners of the parent	¥ (83,410)	¥ 306,490
Non-controlling interests	16,496	20,434

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2016	Year ended March 31, 2015
Profit (Loss) for the Year	¥ (66,914)	¥ 326,924
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	(315,232)	(57,039)
Remeasurements of defined benefit plans	(33,191)	20,045
Share of other comprehensive income of investments accounted for using the equity method	(1,739)	(3,612)
Income tax relating to items not reclassified	81,316	42,045
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(118,214)	32,509
Cash flow hedges	1,347	(15,889)
Share of other comprehensive income of investments accounted for using the equity method	(153,984)	74,115
Income tax relating to items that may be reclassified	(5,490)	20,174
Total other comprehensive income	(545,187)	112,348
Comprehensive Income for the Year	¥ (612,101)	¥ 439,272
Comprehensive Income for the Year Attributable to:		
Owners of the parent	¥ (607,490)	¥ 406,583
Non-controlling interests	(4,611)	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 Interests**	**Total Equity**
Balance as at April 1, 2014	¥ 341,482	¥ 418,004	¥ 2,345,790	¥ 766,631	¥ (56,140)	¥ 3,815,767	¥ 284,537	¥ 4,100,304
Profit (Loss) 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
Profit (Loss) for the year			(83,410)			(83,410)	16,496	(66,914)
Other comprehensive income for the year				(524,080)		(524,080)	(21,107)	(545,187)
Comprehensive income for the year						(607,490)	(4,611)	(612,101)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥64)			(114,722)			(114,722)		(114,722)
Dividends paid to non-controlling interest shareholders							(18,387)	(18,387)
Acquisition of treasury stock					(16)	(16)		(16)
Sales of treasury stock			(0)		1	1		1
Compensation costs related to stock options		181				181		181
Equity transactions with non-controlling interest shareholders		2		1,974		1,976	12,230	14,206
Transfer to retained earnings			(25,498)	25,498		–		–
Balance as at March 31, 2016	¥ 341,482	¥ 412,064	¥ 2,314,185	¥ 317,955	¥ (5,961)	¥ 3,379,725	¥ 286,811	¥ 3,666,536

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2016	Year ended March 31, 2015
Operating Activities:		
Profit (Loss) for the Year	¥ (66,914)	¥ 326,924
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	253,168	268,367
Change in retirement benefit liabilities	336	(3,787)
Provision for doubtful receivables	9,916	17,041
(Gain) loss on securities and other investments—net	(93,168)	(42,458)
Impairment (reversal) loss of fixed assets—net	88,964	79,948
(Gain) loss on disposal or sales of fixed assets—net	11,684	(1,446)
Finance (income) costs—net	(26,571)	(86,694)
Income taxes	91,243	104,903
Share of (profit) loss of investments accounted for using the equity method	132,033	(144,596)
Changes in operating assets and liabilities:		
Change in trade and other receivables	338,168	151,918
Change in inventories	107,124	(161)
Change in trade and other payables	(228,258)	(52,092)
Other—net	(101,746)	(121,317)
Interest received	34,395	38,291
Interest paid	(51,232)	(49,906)
Dividends received	220,160	291,593
Income taxes paid	(132,311)	(136,561)
Cash flows from operating activities	586,991	639,967
Investing Activities:		
Net change in time deposits	369	(4,736)
Net change in investments in and advances to equity accounted investees	(126,378)	(155,355)
Net change in other investments	(23,424)	60,075
Net change in long-term loan receivables	14,097	60,046
Net change in property, plant, equipment and investment property	(272,723)	(346,427)
Cash flows from investing activities	(408,059)	(386,397)
Financing Activities:		
Net change in short-term debt	79,839	(181,841)
Net change in long-term debt	(15,211)	197,233
Purchases and sales of treasury stock	(14)	(23)
Dividends paid	(114,737)	(118,323)
Transactions with non-controlling interest shareholders	(425)	(23,239)
Cash flows from financing activities	(50,548)	(126,193)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(38,379)	47,076
Change in Cash and Cash Equivalents	90,005	174,453
Cash and Cash Equivalents at Beginning of Year	1,400,770	1,226,317
Cash and Cash Equivalents at End of Year	¥ 1,490,775	¥ 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 207

2) Japan 68

② Equity accounted investees (associated companies and joint ventures)

1) Overseas 153

2) Japan 34

A total of 348 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

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

（Impairment Losses and Reversal of Impairment included in “Impairment reversal (loss) of fixed assets - net”）

（Impairment Losses）

For the year ended March 31, 2016, Mitsui Coal Holdings Pty. Ltd, a subsidiary in the Mineral & Metal Resources Segment engaged in the exploration, development and production of coal in Australia, recognized an impairment loss of ¥38,135 million by reducing the carrying amount of a portion of mining equipment and mineral rights to the recoverable amount of ¥51,146 million. The impairment loss mainly related to a decline in the coal price.
In addition, MEP Texas Holdings LLC, a subsidiary in the Energy Segment engaged in the shale oil and gas development in Texas, United States, recognized an impairment loss of ¥19,445million by reducing the carrying amount of the production equipment and others to the recoverable amount of ¥60,171 million. Furthermore, Mitsui E&P USA LLC, a subsidiary in the Energy Segment engaged in the shale gas development in Pennsylvania, United States, recognized an impairment loss of ¥18,179 million by reducing the carrying amount of the production equipment and others to the recoverable amount of ¥135,441 million. These impairment losses mainly related to a decline in the crude oil and natural gas 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.

（Reversal of Impairment）

For the year ended March 31, 2016, TOKYO INTERNATIONAL AIR CARGO TERMINAL LTD., a subsidiary in the Machinery & Infrastructure Segment, recognized the reversal of impairment loss of ¥11,808 million related to the intangible asset based on the service concession arrangement in “Impairment reversal (loss) of fixed assets—net” in the Consolidated Statements of Income based on the recoverable amount of ¥12,075 million. This reversal of impairment loss mainly related to the increase in the quantity of air cargo caused by the increase in inbound and outbound flights at Haneda Airport and the cost reduction.
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.

（Impairment Losses included in “Share of Profit (Loss) of Investments Accounted for Using the Equity Method”）

The impact of ¥ 92,506 million is recorded due to the impairment loss at Acrux, an equity-method affiliate in the Mineral & Metal Resources Segment, which invests in the Anglo American Sur, an equity-method affiliate, driven by the revision of the long-term copper price outlook.
The impact of ¥ 46,185 million is recorded at Mitsui Bussan Copper Investment, a subsidiary in the Mineral & Metal Resources Segment, due to the impairment loss of Minera Lumina Copper Chile, an equity-method affiliate, driven by update in various assumptions, in consideration of operational situation and the revision of the long-term copper price outlook. The impact of ¥ 47,989 million is also recorded at Valepar, an equity-method affiliate, due to the impairment loss of Vale, which is invested by Valepar.

The impact of ¥ 54,206 million is recorded due to the impairment loss at investments accounted for using the equity method for IPP business in the Machinery & Infrastructure Segment, driven by the lower electricity prices and some obsolete power plants.

The impact of ¥40,271 million is recorded due to the impairment loss at Japan Australia LNG(MIMI), an equity-method affiliate in the Energy Segment, which invests in the Browse LNG project in Australia, following a decision to review the development plan caused by deteriorated business environment, which will lead to a postponement of its commercial operations.

(8) Notes to Consolidated Financial Statements

①Segment Information

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

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	152,389	793,031	445,589	888,775	992,895	971,148	127,975
Gross Profit	38,917	147,945	131,774	70,687	204,387	115,309	41,323
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	6,799	(41,705)	26,888	7,492	57,215	15,770	10,024
Profit (Loss) for the Year Attributable to Owners of the parent	8,460	60,857	45,680	3,702	119,674	(5,925)	9,900
EBITDA	13,802	115,965	53,996	20,051	445,597	14,535	1,689
Total Assets at March 31, 2015	457,838	1,951,657	2,046,943	839,609	2,582,054	1,615,681	592,538

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	834,573	112,303	111,734	5,430,412	2,776	(28,258)	5,404,930
Gross Profit	98,641	21,459	21,778	892,220	1,629	(48,009)	845,840
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	10,463	3,297	49,008	145,251	58	(713)	144,596
Profit (Loss) for the Year Attributable to Owners of the parent	25,757	3,408	30,535	302,048	8,283	(3,841)	306,490
EBITDA	50,362	4,324	51,517	771,838	3,424	13,003	788,265
Total Assets at March 31, 2015	613,287	167,658	443,322	11,310,587	5,115,883	(4,223,549)	12,202,921

Year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	111,082	685,557	415,198	787,370	672,638	990,438	139,473
Gross Profit	31,951	98,672	127,085	76,453	108,952	116,506	52,884
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4,842	(204,064)	8,045	7,956	(22,257)	18,547	7,825
Profit (Loss) for the Year Attributable to Owners of the parent	6,328	(162,480)	18,308	17,711	(3,885)	(13,996)	16,128
EBITDA	10,945	(93,802)	29,239	30,089	210,119	9,938	12,491
Total Assets at March 31, 2016	392,174	1,591,364	2,009,812	732,483	1,973,464	1,523,795	510,529

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	785,574	105,267	111,402	4,803,999	2,606	(46,911)	4,759,694
Gross Profit	114,831	20,530	23,259	771,123	1,664	(46,165)	726,622
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	8,215	3,700	35,493	(131,698)	57	(392)	(132,033)
Profit (Loss) for the Year Attributable to Owners of the parent	28,301	3,474	11,552	(78,559)	7,429	(12,280)	(83,410)
EBITDA	69,371	5,262	40,850	324,502	(490)	12,406	336,418
Total Assets at March 31, 2016	648,787	151,328	402,889	9,936,625	5,590,315	(4,616,429)	10,910,511

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, 2015 and 2016 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 reportable 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 entity's chief operating decision maker. EBITDA is comprised of the companies' (a) Gross Profit, (b) Selling, general and administrative expenses, (c) Dividend income, (d) Share of Profit (Loss) 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.
5. Previously, Profit (Loss) for the Year of the jointly invested subsidiaries by several segments was allocated from main segment to sub segment by using Profit (Loss) for the Year Attributable to Non-controlling interests account. However, in order to disclose each operating segment's EBITDA more properly, since the Year ended March 31, 2016, profits and losses associated with EBITDA have been allocated by using Share of Profit (Loss) of Investments Accounted for Using the Equity Method account. Also, in order to disclose each operating segment's Total Assets more properly, since the Year ended March 31, 2016, Total Assets of the jointly invested subsidiaries have been allocated based on the internal profit share. In accordance with these changes, the operating segment information for the Year ended March 31, 2015 has been restated to conform to the current period presentation.
6. Since the Year ended March 31, 2016, service fees received from affiliated companies, which were formerly included in Other income (expense) - net, have been either included in Revenue or deducted from Selling, general and administrative expenses according to their nature, in order to disclose each operating segment's EBITDA more properly. In accordance with this change, the operating segment information for the Year ended March 31, 2015 has been restated to conform to the current period presentation.
7. During the Year ended March 31, 2016, Media Business Div. was transferred from the "Lifestyle" segment to the "Innovation & Corporate Development" segment, in conjunction with the creation of the IT & Communication Business Unit and the Corporate Development Business Unit in "Innovation & Corporate Development" segment. In accordance with this change, the operating segment information for the Year ended March 31, 2015 has been restated to conform to the current period presentation.

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, 2015 and 2016:

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

	Profit (Loss) (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit (Loss) 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 (Loss) for the Year Attributable to Owners of the Parent after effect of dilutive securities	306,475	1,792,773	170.95

Year ended March 31, 2016(from April 1, 2015 to March 31, 2016)

	Profit (Loss) (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Earnings per Share Attributable to Owners of the Parent:			
Profit (Loss) for the Year Attributable to Owners of the Parent	(83,410)	1,792,514	(46.53)
Effect of Dilutive Securities:			
Adjustments of effect of:			
Dilutive securities of associated companies	(8)	-	
Stock options	-	-	
Diluted Earnings per Share Attributable to Owners of the Parent:			
Profit (Loss) for the Year Attributable to Owners of the Parent after effect of dilutive securities	(83,418)	1,792,514	(46.54)

Note:

Diluted earnings per share does not include stock options due to the anti-dilutive effect caused by the loss during the year ended March 31, 2016.

③Subsequent Events

On May 10, 2016, Mitsui announced that it plans to procure ¥350.0 billion through subordinated syndicated loan from its main financial institutions. The maturity of the loan is 60 years and the prepayment will be enabled from 2023.