May 9, 2017

For Immediate Release
To Whom It May Concern

Mitsui & Co., Ltd.

Correction of Consolidated Financial Results for the Year Ended March 31, 2017 [IFRS]

Mitsui & Co., Ltd. announced the corrections of its consolidated financial results for the year ended March 31, 2017 announced today.

1. Reason: Daily average of representative reference prices (Fine, Fe 62% CFR North China) during April 2016 to March 2017 should be presented instead of average prices during January 2016 to December 2016.

2. Corrected items:
   Page 18 (table) Iron ore price for March 2017 Result
   (Before) 58
   (After) 67

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Consolidated Financial Results for the Year Ended March 31, 2017 [IFRS]

Tokyo, May 9, 2017 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2017, 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, 2017
(from April 1, 2016 to March 31, 2017)

		Years ended March 31,			
		2017	%	2016	%
Revenue	Millions of yen	4,363,969	8.3	4,759,694	11.9
Profit before income taxes	Millions of yen	460,791	-	24,329	94.4
Profit for the year	Millions of yen	326,150	-	(66,914)	-
Profit for the year attributable to owners of the parent	Millions of yen	306,136	-	(83,410)	-
Comprehensive income for the year	Millions of yen	525,157	-	(612,101)	-
Earnings per share attributable to owners of the parent, basic	Yen	171.20		46.53	
Earnings per share attributable to owners of the parent, diluted	Yen	171.10		46.54	
Profit ratio to equity attributable to owners of the parent	%	8.6		2.2	
Profit before income taxes to total assets	%	4.1		0.2	

Note:

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, 2017 and 2016 were ¥170,569 million and negative ¥132,033 million, respectively.

(2) Consolidated financial position information

		March 31, 2017	March 31, 2016
Total assets	Millions of yen	11,501,013	10,910,511
Total equity	Millions of yen	3,990,162	3,666,536
Total equity attributable to owners of the parent	Millions of yen	3,732,179	3,379,725
Equity attributable to owners of the parent ratio	%	32.5	31.0
Equity per share attributable to owners of the parent	Yen	2,115.80	1,885.47

(3) Consolidated cash flow information

		Years ended March 31,	
		2017	2016
Operating activities	Millions of yen	404,171	586,991
Investing activities	Millions of yen	(353,299)	(408,059)
Financing activities	Millions of yen	(50,265)	(50,548)
Cash and cash equivalents at the end of the year	Millions of yen	1,503,820	1,490,775

2. Dividend information

		Years ended March 31, 2017	Years ended March 31, 2016	Year ending March 31, 2018 (Forecast)
Interim dividend per share	Yen	25	32	30
Year-end dividend per share	Yen	30	32	30
Annual dividend per share	Yen	55	64	60
Annual dividend (total)	Millions of yen	97,741	114,737	
Consolidated dividend payout ratio	%	32.1	-	33.1
Consolidated dividend on equity attributable to owners of the parent	%	2.7	3.1	

3. Forecast of consolidated operating results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Note: Number of outstanding shares at September 30, 2003, September 30, 2002 and March 31, 2003 were		Year ending March 31, 2018
Profit attributable to owners of the parent	Millions of yen	320,000
Earnings per share attributable to owners of the parent, basic	Yen	181.41

4. Others

(1) Increase/decrease of important subsidiaries during the period : Yes

Included: 1 company (Pangea (Emirates) Limited)

Excluded: 1 company (MBK Commercial Vehicles Inc.)

Pangea (Emirates) Limited became a specified subsidiary as a result of acquisition by Mitsui.

MBK Commercial Vehicles Inc. was absorbed by MBK USA Commercial Vehicles Inc.

(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 None

(3) Number of shares :

	March 31, 2017	March 31, 2016
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	32,558,297	4,004,857

	Year ended March 31, 2017	Year ended March 31, 2016
Average number of shares of common stock outstanding	1,788,165,778	1,792,513,741

This earnings report is not subject to audit.

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, 2018" on p.16. For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.19.

Supplementary materials and IR meetings on financial results:

Supplementary materials on financial results can be found on our web site. We will hold IR meetings for analysts and institutional investors on financial results on May 9, 2017, and on new medium-term management plan on May 10, 2017.

Contents of the meetings (English and Japanese) will be posted on our web site immediately after the meetings.

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1. Qualitative Information

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

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

In the year ended March 31, 2017, the global economy saw business confidence improve due to the bottoming out in the international commodities market, as well as signs of recovery in production and trade, which led to moderate growth overall, particularly in the U.S.

In the U.S., consumer spending is picking up amid increased employment and rising wages, and economic recovery is expected to continue for the immediate future. However, there are signs of maturity in some parts of the economy and there is also concern regarding what effect the hike in interest rates by the Federal Reserve Board will have on automotive sales, etc. In Europe, consumer spending is increasing and the gradual economic recovery is continuing. However, going forward, the pace of the economic recovery is expected to slow due to increasing uncertainty from issues such as the U.K.'s negotiations for exiting the EU. In Japan, there are signs that improvement will continue going forward due to increased exports following recoveries in overseas economies, and expectations that investment related to the Olympic and Paralympic Games will get into full swing. In China, growth continues to weaken following an environment of excess capacity and adjustments of debts. For the immediate future, on the other hand, the slowdown is expected to be gradual due to the increase in infrastructure investment and the increase in the global demand for IT. Also, a gradual economic recovery is expected in Russia and Brazil as well due to the bottoming out of commodity prices.

The global economy is expected to follow a trend of gentle recovery going forward. However, careful watch is needed on the progress of policies under the new U.S. administration and the escalation of geopolitical risk surrounding the Middle East and East Asia.

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

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥4,364.0 billion for the year ended March 31, 2017 ("current year"), a decline of ¥395.7 billion from ¥4,759.7 billion for the year ended March 31, 2016 ("previous year"). Revenue from sales of products for the current year was ¥3,833.6 billion, a decline of ¥369.0 billion from ¥4,202.6 billion for the previous year, and revenue from rendering of services for the current year was ¥405.9 billion, an increase of ¥6.0 billion from ¥399.9 billion for the previous year. Furthermore, other revenue for the current year was ¥124.5 billion, a decline of ¥32.7 billion from ¥157.2 billion for the previous year.

Gross Profit

Gross profit for the current year was ¥719.3 billion, a decline of ¥7.3 billion from ¥726.6 billion for the previous year. Mainly the Energy Segment and the Americas Segment reported declines in gross profit, while the Mineral & Metal Resources Segment recorded an increase.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current year were ¥539.0 billion, a decline of ¥27.0 billion from ¥566.0 billion for the previous year.

Gain (Loss) on Securities and Other Investments—Net

Gain on securities and other investments for the current year was ¥65.0 billion, a decline of ¥28.2 billion from ¥93.2 billion for the previous year. For the current year, a gain on securities was recorded mainly in the Mineral & Metal Resources Segment, the Innovation & Corporate Development Segment and the Lifestyle Segment. For the previous year, a gain on securities was recorded mainly in the Energy Segment, the Machinery & Infrastructure Segment and the Innovation & Corporate Development Segment.

Impairment Reversal (Loss) of Fixed Assets—Net

Impairment loss of fixed assets for the current year was ¥5.7 billion, an improvement of ¥83.3 billion from ¥89.0 billion for the previous year. There were miscellaneous small items for the current year. For the previous year, an impairment loss on fixed assets was recorded mainly in the Energy Segment and the Mineral & Metal Resources Segment.

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

Gain on disposal or sales of fixed assets for the current year was ¥11.0 billion, an improvement of ¥22.7 billion from ¥11.7 billion of loss for the previous year. For the current year, a gain on disposal of fixed assets was recorded mainly in the Lifestyle Segment. For the previous year, a loss on disposal of fixed assets was recorded in the Energy Segment. Meanwhile, a gain on disposal of fixed assets was recorded in the Lifestyle Segment.

Other Income (Expense)—Net

Other income for the current year was ¥9.9 billion, an improvement of ¥42.0 billion from ¥32.1 billion of loss for the previous year. The Innovation & Corporate Development Segment recorded an improvement of foreign exchange gains (losses) in the commodity derivatives trading business, which corresponded to related gross profit, and exploration expenses declined mainly in the Energy Segment. For the previous year, an impairment loss on goodwill was recorded in the Lifestyle Segment. Furthermore, adjustment fees in relation to the purchase price of an IPP business were recorded in the Machinery & Infrastructure Segment for the current year.

Finance Income (Costs)

Interest Income

Interest income for the current year was ¥34.9 billion, an increase of ¥3.3 billion from ¥31.6 billion for the previous year.

Dividend Income

Dividend income for the current year was ¥51.9 billion, a decline of ¥2.8 billion from ¥54.7 billion for the previous year. Mainly the Energy Segment reported a decline.

Interest Expense

Interest expense for the current year was ¥57.0 billion, an increase of ¥6.0 billion from ¥51.0 billion for the previous year.

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

Share of profit of investments accounted for using the equity method for the current year was ¥170.6 billion, an improvement of ¥302.6 billion from ¥132.0 billion of loss for the previous year. Mainly the Mineral & Metal Resources Segment, the Machinery & Infrastructure Segment and the Energy Segment recorded an increase.

Income Taxes
Income taxes for the current year were ¥134.6 billion, an increase of ¥43.4 billion from ¥91.2 billion for the previous year. Profit before income taxes for the current year was ¥460.8 billion, an increase of ¥436.5 billion from ¥24.3 billion for the previous year. In response, applicable income taxes also increased. Meanwhile, tax effects on equity accounted investees were reversed.
The effective tax rate for the current year was 29.2%, a decline of 345.8% from 375.0% for the previous year. For the current year, the major factor for the decline of the effective tax rate was the aforementioned reversal of tax effects. Meanwhile, for the previous year, the major factor for the increase of the effective tax rate was a substantial amount of impairment losses and disposal losses without tax effects.

Profit for the Year
As a result of the above factors, profit for the year was ¥326.2 billion, an improvement of ¥393.1 billion from ¥66.9 billion of loss for the previous year.

Profit for the Year Attributable to Owners of the Parent
Profit for the year attributable to owners of the parent was ¥306.1 billion, an improvement of ¥389.5 billion from ¥83.4 billion of loss for the previous year.

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) (*)		596.1	336.4	+259.7
Gross profit	a	719.3	726.6	(7.3)
Selling, general and administrative expenses	b	(539.0)	(566.0)	+27.0
Dividend income	c	51.9	54.7	(2.8)
Profit (loss) of equity method investments	d	170.6	(132.0)	+302.6
Depreciation and amortization	e	193.3	253.2	(59.9)

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

3) Operating Results by Operating Segment

Part of the food business and food & retail management business included in the Lifestyle Segment was transferred to the Chemicals Segment, and part of the Americas Segment was transferred to the Lifestyle Segment, effective April 1, 2016. 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		9.5	10.9	(1.4)
	Gross profit	31.3	32.0	(0.7)
	Selling, general and administrative expenses	(29.5)	(29.0)	(0.5)
	Dividend income	2.8	2.1	+0.7
	Profit (loss) of equity method investments	4.0	4.8	(0.8)
	Depreciation and amortization	1.0	1.0	0.0
Profit for the year attributable to owners of the parent		6.9	6.3	+0.6

EBITDA declined by ¥1.4 billion, mainly due to the following factors:

- Gross profit declined by ¥0.7 billion.
- Profit (loss) of equity method investments declined by ¥0.8 billion.

Profit for the year attributable to owners of the parent increased by ¥0.6 billion.

Mineral & Metal Resources Segment

(Billions of Yen)		Current Year	Previous Year	Change
EBITDA		173.6	(93.8)	+267.4
	Gross profit	173.6	98.7	+74.9
	Selling, general and administrative expenses	(32.6)	(37.0)	+4.4
	Dividend income	1.9	1.4	+0.5
	Profit (loss) of equity method investments	(1.8)	(204.1)	+202.3
	Depreciation and amortization	32.6	47.2	(14.6)
Profit (loss) for the year attributable to owners of the parent		138.0	(162.5)	+300.5

EBITDA increased by ¥267.4 billion, mainly due to the following factors:

- Gross profit increased by ¥74.9 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥45.6 billion reflecting higher coal prices.
  - Iron ore mining operations in Australia reported an increase of ¥35.1 billion due to higher iron ore prices.
- Selling, general and administrative expenses declined by ¥4.4 billion.
- Profit (loss) of equity method investments increased by ¥202.3 billion.
  - Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported an improvement of ¥91.4 billion, mainly due to a reversal effect of impairment loss for the previous year.
  - Valepar S.A. reported an improvement of ¥71.5 billion mainly due to a reversal effect of impairment loss for the previous year, a reversal effect of foreign exchange valuation loss for the previous year, profit from foreign exchange valuation for the current year and higher iron ore prices, which was partially offset by impairment loss for the current year.
  - SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported an improvement of ¥43.1 billion mainly due to a reversal effect of impairment loss in the previous year.
  - Robe River Mining Co. Pty. Ltd. reported an increase of ¥6.4 billion mainly due to higher iron ore prices.
  - Mitsui Raw Material Development Pty. Limited reported an increase of ¥3.8 billion mainly due to the reversal effect of a one-time loss in the previous year.
  - Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile reported an increase of ¥3.6 billion mainly due to the effect of cost reduction.
  - Allocation to other segments increased by ¥ 18.0 billion mainly due to the positive impact from

higher prices on coal and iron ore mining operations in Australia, jointly invested with the Asia Pacific Segment.

- Depreciation and amortization declined by ¥14.6 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported a decline of ¥10.4 billion mainly due to a decline in deprecation from the impairment in the previous year.
  - Iron ore mining operations reported a decline of ¥4.3 billion mainly due to a revision of reserve assessment

Profit (loss) for the year attributable to owners of the parent increased by ¥300.5 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 for the previous year.
- As a result of the deconsolidation of Sims Metal Management from an equity accounted investee, a profit of ¥26.9 billion on securities was recorded in the current year.
- For the current year, a decline of tax burden of ¥13.9 billion was recorded as a result of a tax effect resulting from the decision to liquidate Mitsui Raw Material Development Pty. Limited, an investment company for oversea scrap businesses. In addition, a decline of tax burden of ¥8.8 billion was recorded as a result of a tax effect resulting from the decision to liquidate SUMIC Nickel Netherlands, an investment company for oversea Nickel businesses. These tax effects were reversed in the Adjustments and Eliminations Segment, resulting in no impact on our profits.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	72.7	29.2	43.5
Gross profit	110.9	127.1	(16.2)
Selling, general and administrative expenses	(114.4)	(127.7)	+13.3
Dividend income	2.6	3.6	(1.0)
Profit (loss) of equity method investments	56.9	8.0	+48.9
Depreciation and amortization	16.7	18.2	(1.5)
Profit for the year attributable to owners of the parent	62.1	18.3	+43.8

EBITDA increased by ¥43.5 billion, mainly due to the following factors:

- Gross profit declined by ¥16.2 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥3.8 billion.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥12.4 billion.
    - Reclassification of a mining machinery sales and service subsidiary based in Mexico to an equity accounted investee resulted in a decline of ¥6.7 billion.
- Selling, general and administrative expenses declined by ¥13.3 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥0.9 billion.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥12.4 billion.
    - Reclassification of a mining machinery sales and service subsidiary based in Mexico to an equity accounted investee resulted in a decline of ¥3.4 billion.
    - PT. Bussan Auto Finance, a motorcycle retail finance company in Indonesia, recorded a decline of ¥3.0 billion due to cost reduction.
- Profit (loss) of equity method investments increased by ¥48.9 billion.
  - The Infrastructure Projects Business Unit reported an improvement of ¥46.3 billion.
    - IPP businesses posted a profit of ¥8.6 billion in total, an improvement of ¥50.1 billion from a loss of ¥41.5 billion for the previous year.
      - For the previous year, a one-time negative impact of ¥54.2 billion was recorded due to lower electricity prices and obsolete power plants.

- For the current year, a decline of tax burden was recorded due to the Indonesian tax reform.
- A loss in relation to closure of a power plant was recorded for the current year.
- For the current year, an impairment loss on intangible assets was recorded in relation to previously purchased IPP business.
- Mark-to-market valuation losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, deteriorated by ¥0.1 billion to ¥2.0 billion from ¥1.9 billion for the previous year.

✧ The gas distribution business in Brazil recorded an increase of ¥5.3 billion mainly due to the increased interests.

✧ The LNG receiving terminal project in Mexico recorded a decline of ¥4.6 billion mainly due to a change in lease accounting treatment for the previous year.

➢ The Integrated Transportation Systems Business Unit reported an increase of ¥2.5 billion.

✧ National Plant and Equipment Pty Limited recorded an increase due to sale of its shares, which posted a loss for the previous year.

Profit for the year attributable to owners of the parent increased by ¥43.8 billion. In addition to the above, the following factors also affected results:

- For the current year, other income was recorded due to receipt of adjustment fees in relation to a purchase price of an IPP business.
- For the previous 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 previous year, an ¥11.8 billion reversal gain of impairment loss was recorded at Tokyo International Air Cargo Terminal Ltd.
- For the previous year, this segment recorded a gain on partial sale of a share in a holding company for IPP business in Malaysia.
- For the current year and previous year, this segment recorded a ¥4.1 billion gain and ¥8.2 billion gain, respectively, on sale of a stake in relation to aviation business.

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	38.8	32.5	+6.3
Gross profit	82.6	81.7	+0.9
Selling, general and administrative expenses	(61.9)	(69.2)	+7.3
Dividend income	1.6	1.3	+0.3
Profit (loss) of equity method investments	6.4	8.0	(1.6)
Depreciation and amortization	10.2	10.7	(0.5)
Profit for the year attributable to owners of the parent	15.5	18.6	(3.1)

EBITDA increased by ¥6.3 billion, mainly due to the following factors:

- Gross profit increased by ¥0.9 billion.

➢ The Basic Materials Business Unit reported an increase of ¥1.4 billion.

✧ MMTX Inc., methanol producing business in the U.S., reported an increase of ¥3.2 billion mainly from the production through the year.

➢ The Performance Materials Business Unit reported a decline of ¥0.5 billion.

➢ The Nutrition & Agriculture Business Unit reported a decline of ¥0.1 billion.

- Selling, general and administrative expenses declined by ¥7.3 billion.
- Profit (loss) of equity method investments declined by ¥1.6 billion.

➢ Chemicals business in the Americas reported a decline of ¥3.0 billion mainly due to a one-time negative impact.

Profit for the year attributable to owners of the parent declined by ¥3.1 billion. In addition to the above, the following factor also affected results:

- Gain on the sale of stakes in relation to basic chemicals business was recorded in the previous year.

Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	164.2	210.1	(45.9)
Gross profit	65.3	109.0	(43.7)
Selling, general and administrative expenses	(47.4)	(50.7)	+3.3
Dividend income	32.6	35.3	(2.7)
Profit (loss) of equity method investments	16.8	(22.3)	+39.1
Depreciation and amortization	96.9	138.8	(41.9)
Profit (loss) for the year attributable to owners of the parent	32.6	(3.9)	+36.5

EBITDA declined by ¥45.9 billion, mainly due to the following factors:

- Gross profit declined by ¥43.7 billion.
  - Mitsui Oil Exploration Co., Ltd. reported a decline of ¥22.1 billion from lower crude oil and gas prices and the negative impact of exchange rate fluctuations despite effects from cost reduction and increased volume.
  - Mitsui E&P Middle East B.V. reported a decline of ¥19.0 billion mainly due to the decreased working interests.
  - MEP Texas Holdings LLC reported a decline of ¥3.8 billion mainly from lower crude oil prices which was partially offset by a decline of depreciation due to the impairment in the previous year.
  - An improvement of ¥4.0 billion was reported at Mitsui E&P USA LLC mainly from lower depreciation due to the impairments in the previous year.
- Selling, general and administrative expenses declined by ¥3.3 billion.
- Dividend income declined by ¥2.7 billion.
  - Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Equatorial Guinea and Qatargas 3) were ¥30.4 billion in total, a decline of ¥2.4 billion from ¥32.8 billion for the previous year.
- Profit (loss) of equity method investments increased by ¥39.1 billion.
  - Japan Australia LNG (MIMI) Pty. Ltd. reported an increase due mainly to a reversal effect of an impairment loss of ¥40.3 billion for the previous year partially off-set by lower crude oil prices.
  - Mitsui Oil Exploration Co. reported an increase of ¥ 11.5 billion due to the reversal effect of an impairment in relation to its Gulf of Thailand business for the previous year.
  - ENEOS Globe Corporation reported an increase of ¥5.5 billion due mainly to the reversal effect of inventory valuation losses for the previous year.
- Depreciation and amortization declined by ¥41.9 billion.
  - In spite of increased capital expenditure at Mitsui Oil Exploration, oil and gas producing operations recorded a decline of ¥41.8 billion, including a decline at Mitsui E&P Middle East B.V., shale projects in the U.S., Mitsui E&P Australia Pty Ltd. and Mitsui E&P UK Limited

Profit (loss) for the year attributable to owners of the parent increased by ¥36.5 billion. In addition to the above, the following factors also affected results:

- For the previous 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 Gulf of Thailand businesses.

- For the previous year, a retirement loss of ¥21.5 billion was recorded at Mitsui E&P Middle East B.V.
- For the previous 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, exploration expenses of ¥7.5 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous 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.

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	30.7	7.5	+23.2
Gross profit	132.0	112.9	+19.1
Selling, general and administrative expenses	(138.1)	(138.7)	+0.6
Dividend income	4.2	3.7	+0.5
Profit (loss) of equity method investments	17.8	16.9	+0.9
Depreciation and amortization	14.7	12.7	+2.0
Profit (loss) for the year attributable to owners of the parent	21.8	(14.9)	+36.7

EBITDA increased by ¥23.2 billion, mainly due to the following factors:

- Gross profit increased by ¥19.1 billion.
  - The Food Business Unit reported an increase of ¥10.5 billion.
    - Multigrain Trading AG reported an increase of ¥8.3 billion mainly due to an improvement of its lower grain origination for the previous year.
  - The Food & Retail Management Business Unit reported an increase of ¥1.9 billion.
  - The Healthcare & Service Business Unit reported a decline of ¥0.1 billion.
  - The Consumer Business Unit reported an increase of ¥6.8 billion.
    - An increase of ¥3.6 billion was reported due to a transfer of MBK Real Estate LLC, a real estate related business company, from the Americas Segment
- Profit (loss) of equity method investments increased by ¥0.9 billion.
  - Mitsui Sugar Co., Ltd. reported an increase of ¥3.1 billion mainly due to a one-time positive impact.

Profit (loss) for the year attributable to owners of the parent improved by ¥36.7 billion. In addition to the above, the following factors also affected results:

- For the current year, a ¥14.6 billion gain on sale of shares was recorded due to the partial sale of shares in IHH Healthcare Berhad.
- For the current year, Mitsui & Co., Real Estate Ltd. recorded a gain on the sales of buildings in Japan. Meanwhile, for the previous year, a ¥13.1 billion gain was recorded.
- For the previous year, a ¥6.3 billion and ¥3.0 billion impairment loss on goodwill and fixed assets, respectively, were recorded at Multigrain Trading AG.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	5.3	12.5	(7.2)
Gross profit	45.9	52.9	(7.0)
Selling, general and administrative expenses	(52.0)	(57.8)	+5.8
Dividend income	3.9	4.9	(1.0)
Profit (loss) of equity method investments	2.9	7.8	(4.9)
Depreciation and amortization	4.6	4.6	0.0
Profit for the year attributable to owners of the parent	13.5	16.1	(2.6)

EBITDA decreased by ¥7.2 billion, mainly due to the following factors:

- Gross profit decreased by ¥7.0 billion.
  - The IT & Communication Business Unit reported an increase of ¥1.2 billion.
  - The Corporate Development Business Unit reported a decline of ¥8.2 billion.
    - There was a decline in gross profit corresponding to a ¥7.5 billion increase of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense
- Selling, general and administrative expenses declined by ¥5.8 billion.
  - A decline of ¥3.1 billion was recorded due to liquidation of Mitsui & Co. Precious Metals, Inc.
- Profit (loss) of equity method investments declined by ¥4.9 billion.

Profit for the year attributable to owners of the parent declined by ¥2.6 billion. In addition to the above, the following factors also affected results:

- For the current year and for the previous year, foreign exchange gains of ¥2.7 billion and losses of ¥4.8 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business.
- For the previous year, a ¥6.2 billion reversal gain of impairment loss on investments for Relia, Inc. in total was recorded.
- A ¥4.5 billion loss was recorded due to the reversal effect of valuation gains of fair value on shares in Hutchison China MediTech for the previous year which was partially offset by the valuation gains on said shares for the current year.

Americas Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	45.3	69.4	(24.1)
Gross profit	75.6	113.3	(37.7)
Selling, general and administrative expenses	(49.7)	(62.7)	+13.0
Dividend income	0.0	0.1	(0.1)
Profit (loss) of equity method investments	11.6	9.8	+1.8
Depreciation and amortization	7.7	8.9	(1.2)
Profit for the year attributable to owners of the parent	25.1	28.3	(3.2)

EBITDA declined by ¥24.1 billion, mainly due to the following factors:

- Gross profit declined by ¥37.7 billion.
  - Novus International, Inc. reported a decline of ¥33.9 billion mainly due to a decline of methionine prices and the negative impact of exchange rate fluctuations.
  - A decline of ¥3.6 billion was reported due to a transfer of MBK Real Estate LLC, a real estate related business company, to the Lifestyle Segment
  - Champions Cinco Pipe & Supply recorded an increase of ¥4.5 billion mainly due to the reversal

effect of inventory valuation losses in the previous year.

- Selling, general and administrative expenses declined by ¥13.0 billion.
  - A decline of ¥4.5 billion was reported due to a transfer of MBK Real Estate LLC to the Lifestyle Segment
- Profit (loss) of equity method investments increased by ¥1.8 billion.

Profit for the year attributable to owners of the parent declined by ¥3.2 billion.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	3.4	5.3	(1.9)
Gross profit	19.9	20.5	(0.6)
Selling, general and administrative expenses	(19.7)	(19.7)	0.0
Dividend income	0.2	0.3	(0.1)
Profit (loss) of equity method investments	2.5	3.7	(1.2)
Depreciation and amortization	0.5	0.5	0.0
Profit for the year attributable to owners of the parent	1.9	3.5	(1.6)

EBITDA declined by ¥1.9 billion, mainly due to the following factors:

- Gross profit declined by ¥0.6 billion.
- Profit (loss) of equity method investments declined by ¥1.2 billion.

Profit for the year attributable to owners of the parent declined by ¥1.6 billion.

Asia Pacific Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	59.0	40.9	+18.1
Gross profit	22.4	23.3	(0.9)
Selling, general and administrative expenses	(19.4)	(20.4)	+1.0
Dividend income	0.8	0.8	0.0
Profit (loss) of equity method investments	53.8	35.5	+18.3
Depreciation and amortization	1.5	1.7	(0.2)
Profit for the year attributable to owners of the parent	38.1	11.6	+26.5

EBITDA increased by ¥18.1 billion, mainly due to the following factors:

- Gross profit declined by ¥0.9 billion.
- Profit (loss) of equity method investments increased by ¥18.3 billion.
  - Coal mining operations and iron ore mining operations in Australia, jointly invested with the Mineral & Metal Resources Segment increased by ¥18.2 billion mainly due to the positive impact from higher prices.

Profit for the year attributable to owners of the parent increased by ¥26.5 billion. In addition to the above, the following factor also affected results:

- For the current year, a gain of ¥5.8 billion due to sale of wind power generation business in Australia was recorded.

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

1) Financial Condition

Total assets as of March 31, 2017 was ¥11,501.0 billion, an increase of ¥590.5 billion from ¥10,910.5 billion as of March 31, 2016.

Total current assets as of March 31, 2017 was ¥4,474.7 billion, an increase of ¥188.0 billion from ¥4,286.7 billion as of March 31, 2016. Trade and other receivables increased by ¥131.5 billion, mainly due to the increase in trading volume in the Chemicals, Machinery & Infrastructure, and Americas Segment. Furthermore, inventories increased by ¥55.8 billion, mainly due to the increase in trading volume in the Iron & Steel Products and Lifestyle Segments.

Total current liabilities as of March 31, 2017 was ¥2,524.0 billion, a decline of ¥38.8 billion from ¥2,562.8 billion as of March 31, 2016. Trade and other payables increased by ¥96.5 billion, corresponding to the increase in trade and other receivables. Meanwhile, short-term debt and current portion of long-term debt declined by ¥48.6 billion and ¥130.9 billion, respectively, due to repayment of debt.

As a result, working capital, or current assets less current liabilities, as of March 31, 2017, totaled ¥1,950.7 billion, an increase of ¥226.8 billion from ¥1,723.9 billion as of March 31, 2016.

Total non-current assets as of March 31, 2017 amounted to ¥7,026.3 billion, an increase of ¥402.5 billion from ¥6,623.8 billion as of March 31, 2016, mainly due to the following factors:

- Investments accounted for using the equity method as of March 31, 2017 was ¥2,741.7 billion, an increase of ¥226.4 billion from ¥2,515.3 billion as of March 31, 2016, mainly due to the following factors:
  - An increase of ¥54.1 billion due to an acquisition of a 22% stake in Panasonic Healthcare Holdings Co., Ltd., which is engaged in developing, manufacturing, and selling healthcare devices;
  - An increase of ¥51.1 billion that corresponded to cash outflow for an acquisition of a 25% stake in Gestamp 2020, SL., a special purpose company established to purchase shares of Gestamp Automoción S.A., which is engaged in designing and manufacturing automotive stamping components in Spain;
  - An increase of ¥39.2 billion that corresponded to cash outflow for an acquisition of an interest in the asset management business in the U.S.;
  - An increase due to an additional acquisition of a stake in IPP businesses in Indonesia;
  - A decline due to the deconsolidation of Sims Metal Management, which is engaged in scrap businesses; and
  - A decline of ¥147.8 billion due to dividends received from equity accounted investees, despite an increase of ¥170.6 billion corresponding to the profit of equity method investments for the current year.
- Other investments as of March 31, 2017 were ¥1,337.2 billion, an increase of ¥157.5 billion from ¥1,179.7 billion as of March 31, 2016, mainly due to the following factors:
  - An increase of fair value on financial assets measured at FVTOCI by ¥172.4 billion mainly in investments in LNG projects due to the costs reduction;
  - An increase due to the deconsolidation of Sims Metal Management;
  - An increase of ¥11.4 billion due to an investment in International Columbia U.S. LLC, the holding company for Asia's largest hospital group for middle- income patients; and
  - A decline of ¥33.6 billion due to a sale of shares in Tonen General Sekiyu K.K.
- Trade and other receivables (Non-Current) as of March 31, 2017 were ¥477.1 billion, an increase of 94.9 billion from ¥382.2 billion as of March 31, 2016, mainly due to the following factors:
  - An increase of ¥81.1 billion in the loan to Moatize coal mining business and Nacala rail & port

infrastructure business in Mozambique; and
  - An increase of 22.4 billion in the loan to the Egyptian refining business.
- Property, plant and equipment as of March 31, 2017 totaled ¥1,823.5 billion, a decline of ¥114.9 billion from ¥1,938.4 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥20.6 billion (including a foreign exchange translation loss of ¥1.5 billion) at U.S. shale gas and oil projects;
  - A decline of ¥19.9 billion (including a foreign exchange translation loss of ¥2.7 billion) at iron ore mining operations; and
  - A decline of ¥19.6 billion (including a foreign exchange translation loss of ¥1.1 billion) at oil and gas operations other than U.S. shale gas and oil producing operations.
- Investment property as of March 31, 2017 totaled ¥179.8 billion, an increase of ¥32.0 billion from ¥147.8 billion as of March 31, 2016, due to an increase of ¥35.7 billion for the integrated development project in 2, Ohtemachi 1-Chome District.
- Intangible assets as of March 31, 2017 totaled ¥168.7 billion, an increase of ¥11.2 billion from ¥157.5 billion as of March, 2016, due to an increase of ¥15.9 billion for an acquisition of the wheat seed treatment fungicide business asset.

Total non-current liabilities as of March 31, 2017 amounted to ¥4,986.9 billion, an increase of ¥305.7 billion from ¥4,681.2 billion as of March 31, 2016. Long-term debt, less current portion increased by ¥270.5 billion, mainly due to procurement of ¥555.0 billion in subordinated syndicated loans, despite a decline due to repayment of debt.

Total equity attributable to owners of the parent as of March 31, 2017 was ¥3,732.2 billion, an increase of ¥352.5 billion from ¥3,379.7 billion as of March 31, 2016.
- Retained earnings increased by ¥235.9 billion.
- Other components of equity as of March 31, 2017 increased by ¥167.4 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥123.7 billion. Fair value in investments in LNG projects increased reflecting the costs deduction and updates in discount rates; and
  - Foreign currency translation adjustments increased by ¥28.2 billion mainly reflecting the appreciation of the Brazilian real against the Japanese yen.
- Treasury stock which is a subtraction item in shareholders' equity increased by ¥48.4 billion mainly attributable to the share buyback.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of March 31, 2017 was ¥3,282.1 billion, an increase of ¥67.1 billion from ¥3,215.0 billion as of March 31, 2016. The net debt-to-equity ratio (DER) as of March 31, 2017 was 0.88 times, 0.07 points lower compared to 0.95 times as of March 31, 2016.

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	404.2	587.0	(182.8)
Cash flows from change in working capital	b	(90.6)	115.3	(205.9)
Core operating cash flow	a-b	494.8	471.7	+23.1

Net cash provided by operating activities for the current year was ¥404.2 billion, a decline of ¥182.8 billion from ¥587.0 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 ¥90.6 billion of net cash outflow mainly due to the effects of increase in inventories, a deterioration of ¥205.9 billion from ¥115.3 billion of net cash inflow 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 ¥494.8 billion, an increase of ¥23.1 billion from ¥471.7 billion for the previous year.

- Depreciation and amortization for the current year was ¥193.3 billion, a decline of ¥59.9 billion from ¥253.2 billion for the previous year.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥194.7 billion, a decline of ¥25.5 billion from ¥220.2 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	7.1	4.8	+2.3
Mineral & Metal Resources	204.3	134.5	+69.8
Machinery & Infrastructure	77.7	62.9	+14.8
Chemicals	23.9	22.1	+1.8
Energy	138.1	206.0	(67.9)
Lifestyle	13.7	(9.9)	+23.6
Innovation & Corporate Development	10.1	7.6	+2.5
Americas	34.0	54.0	(20.0)
Europe, the Middle East and Africa	1.1	1.8	(0.7)
Asia Pacific	10.0	7.3	+2.7
All Other and Adjustments and Eliminations	(25.2)	(19.4)	(5.8)
Consolidated Total	494.8	471.7	+23.1

Cash Flows from Investing Activities

Net cash used in investing activities for the current year was ¥353.3 billion, a decline of ¥54.8 billion from ¥408.1 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 investment and collection of advances) were ¥226.8 billion, mainly due to the following factors:
  - An acquisition of a 22% stake in Panasonic Healthcare Holding Co., Ltd., which is engaged in developing, manufacturing, and selling healthcare devices, for ¥54.1 billion;
  - An investment and loan to the Moatize coal mining business and Nacala rail & port infrastructure business in Mozambique for ¥53.9 billion;
  - An acquisition of a 25% stake in Gestamp 2020, SL., a special purpose company established to purchase shares of Gestamp Automoción S.A., which is engaged in designing and manufacturing automotive stamping components in Spain, for ¥51.1 billion;
  - An acquisition of an interest in an asset management business in the U.S. for ¥39.2 billion;
  - An additional acquisition of a stake in IPP businesses in Indonesia;
  - An investment and loan to the FPSO leasing business for oil and gas production in Brazil for ¥13.3 billion;
  - A partial sale of MBK Healthcare Partners's shares in IHH Healthcare Berhad for ¥24.9 billion;
  - A sale of a stake in relation to chemicals business in Brazil for ¥24.0 billion; and
  - A sale of a stake in Galaxy NewSpring Pte. Ltd., which operates water infrastructure business in

China, for ¥10.2 billion.

- Net cash inflows corresponded to other investments (net of sales and maturities of other investments) were ¥72.2 billion, mainly due to the following factors:
  - Sale of shares in Tonen General Sekiyu K.K. for ¥43.0 billion;
  - A sale of wind power generation business in Australia for ¥12.6 billion;
  - A sale of shares in Recruit Holdings Co., Ltd. for ¥11.0 billion;
  - A sale of shares in Nihon Unisys, Ltd. for ¥10.4 billion; and
  - An acquisition of oil and gas projects in the U.S. Gulf of Mexico.
- Net cash outflows that corresponded to long-term loan receivables were ¥37.7 billion, mainly due to the following factors:
  - An acquisition of the Moatize coal mining business and Nacala rail & port infrastructure business in Mozambique for ¥28.2 billion; and
  - A loan to the Egyptian refining business for ¥22.4 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥152.0 billion, mainly due to the following factors:
  - An expenditure for the Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥62.8 billion;
  - An expenditure for the integrated development project in 2, Ohtemachi 1-Chome District for ¥24.5 billion;
  - An expenditure for the Iron ore mining projects for a total of ¥11.9 billion;
  - A sale of buildings in Japan by Mitsui & Co. Real Estate Ltd. for ¥10.5 billion; and
  - A sale of leasing aircraft engines for ¥10.2 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current year was a net inflow of ¥50.9 billion.

Cash Flows from Financing Activities

For the current year, net cash used by financing activities was ¥50.3 billion, a decline of ¥0.2 billion from ¥50.5 billion of net cash used for the previous year. The cash inflow from the borrowing of long-term debt was ¥196.8 billion, mainly due to the procurement of ¥555.0 billion in subordinated syndicated loans, despite the repayment of debt. Meanwhile, the cash outflow from payments of cash dividends was ¥102.2 billion and the cash outflow from the purchases of treasury stock was ¥48.6 billion.

In addition to the changes discussed above, there was an increase in cash and cash equivalents of ¥12.4 billion due to foreign exchange translation. Cash and cash equivalents as of March 31, 2017 totaled ¥1,503.8 billion, an increase of ¥13.0 billion from ¥1,490.8 billion as of March 31, 2016.

2. Management Policies

(1) New Medium-Term Management Plan

Please refer to the new Medium-term Management Plan “Driving Value Creation” announced today.

(2) Forecasts for the Year Ending March 31, 2018

1) Forecasts for the year ending March 31, 2018

＜Assumption＞

Exchange rate (JPY/USD)	110.00	108.89
Crude oil (JCC)	$54/bbl	$47/bbl
Consolidated oil price	$53/bbl	$44/bbl

(Billions of yen)

	March 31, 2018 Forecast	March 31, 2017 Result	Change	Description
Gross profit	770.0	719.3	50.7	Higher crude oil and gas prices Higher iron ore prices
Selling, general and administrative expenses	(570.0)	(539.0)	(31.0)	Increase in personnel and other expenses
Gain on investments, fixed assets and other	30.0	80.1	(50.1)	Reversal effects of deconsolidation of SIMS and partial disposal of IHH
Interest expenses	(30.0)	(22.1)	(7.9)	
Dividend income	60.0	51.9	8.1	
Profit (loss) of equity method investments	220.0	170.6	49.4	Asset recycling, reversal effects of losses on IPP, higher crude oil and gas prices
Profit before income taxes	480.0	460.8	19.2	
Income taxes	(140.0)	(134.7)	(5.3)	
Non-controlling Interests	(20.0)	(20.0)	0.0	
Profit for the year attributable to owners of the parent	320.0	306.1	13.9	
Depreciation and amortization	200.0	193.3	6.7	
Core operating cash flow	500.0	494.8	5.2	

We assume foreign exchange rates for the year ending March 31, 2018 will be ¥110/US$, ¥85/AU$ and ¥35/BRL, while average foreign exchange rates for the year ended March 31, 2017 were ¥108.89/US$, ¥81.75/AU$ and ¥33.27/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2018 will be US$53/barrel, up US$9 from the previous year, based on the assumption that the crude oil price (JCC) will average US$54/barrel throughout the year ending March 31, 2018.

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

Effective April 1, 2017, the region-focused reporting segments were aggregated to product-focused reporting segments, and allocation of overhead costs and income taxes to reporting segments was changed. In accordance with the aforementioned changes, the operating segment information for the year ended March 31, 2017 has been restated to conform to the operating segments as of April 2017.

(Billions of Yen)	Year ending March 31, 2018	Year ended March 31, 2017	Change	Description
Iron & Steel Products	10.0	10.8	(0.8)	
Mineral & Metal Resources	150.0	144.3	+5.7	Higher iron ore prices, FX fluctuation, reversal effect of deconsolidation of SIMS
Machinery & Infrastructure	70.0	66.8	+3.2	
Chemicals	30.0	32.7	(2.7)	
Energy	50.0	31.7	+18.3	Higher crude oil and gas prices
Lifestyle	20.0	25.3	(5.3)	Reversal effect of partial sale of IHH
Innovation & Corporate Development	10.0	11.0	(1.0)	
All Other and Adjustments and Eliminations	(20.0)	(16.5)	(3.5)	
Consolidated Total	320.0	306.1	+13.9	

The forecast for core operating cash flow by operating segment is described as follows:

As is the case with profit for the year attributable to owners of the parent, the operating segment information for the year ended March 31, 2017 has been restated to conform to the operating segments as of April 2017.

(Billions of Yen)	Year ending March 31, 2018	Year ended March 31, 2017	Change	Description
Iron & Steel Products	5.0	8.6	(3.6)	
Mineral & Metal Resources	210.0	202.2	+7.8	Higher iron ore prices, FX fluctuation, increase in income taxes
Machinery & Infrastructure	80.0	74.5	+5.5	
Chemicals	50.0	53.8	(3.8)	
Energy	140.0	134.2	+5.8	Higher crude oil and gas prices, increase in income taxes
Lifestyle	10.0	8.3	+1.7	
Innovation & Corporate Development	5.0	6.1	(1.1)	
All Other and Adjustments and Eliminations	0.0	7.1	(7.1)	
Consolidated Total	500.0	494.8	+5.2	

2) Key commodity prices and other parameters for the year ending March 31, 2018

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2018. 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 for the year attributable to owners of the parent for the Year ending March 31, 2018			March 2018 Assumption	March 2017 Result
Commodity	Crude Oil/JCC	¥2.8 bn (US$1/bbl)	54	47
	Consolidated Oil Price(*1)		53	44
	U.S. Natural Gas(*2)	¥0.4 bn (US$0.1/mmBtu)	3.00(*3)	2.55(*4)
	Iron Ore	¥2.5 bn (US$1/ton)	(*5)	67(*6)
	Copper	¥1.0 bn (US$100/ton)	5,600	4,863(*7)
Forex (*8)	USD	¥2.0 bn (¥1/USD)	110	108.89
	AUD	¥1.7 bn (¥1/AUD)	85	81.75
	BRL	¥0.4 bn (¥1/BRL)	35	33.27

(*1) The oil price trend is reflected in profit for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March 31, 2018, 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, 30%; 1-3 month time lag, 37%; no time lag, 33%.
(*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$3.00/mmBtu.
(*4) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2016 to December 2016.
(*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 2016 to March 2017.
(*7) Average of LME cash settlement price during January 2016 to December 2016.
(*8) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

(3) <u>Profit Distribution Policy</u>

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.

For the year ended March 31, 2017, we conducted ¥47.5 billion repurchase of its own shares.
For the year ended March 31, 2017, we plan to pay an annual dividend of ¥55 per share (a ¥9 decrease from the year ended March 31, 2016, and including the interim dividend of ¥25 per share) taking into consideration of core operating cash flow and profit for the year attributable to owners of the parent as well as stability and continuity of the amount of dividend.
For the period of the new Medium-term Management Plan, we have established a target minimum annual dividend amount of ¥100 billion, based on our assessment of achievable stable core operating cash flow, with the aim of ensuring a certain level of return to shareholders regardless of changes in the external

environment. While our principal intention is to steadily increase dividends through improvements in corporate performance, we will also consider flexible ways to address shareholder compensation, provided that sufficient retained earnings is secured for future business development.
For the year ending March 31, 2018, we currently envisage an annual dividend of ¥60 per share (a ¥5 increase from the year ended March 31, 2017) taking into consideration of core operating cash flow and profit for the year attributable to owners of the parent as well as stability and continuity of the amount of dividend.

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, 2017	March 31, 2016
Current Assets:		
Cash and cash equivalents	¥ 1,503,820	¥ 1,490,775
Trade and other receivables	1,739,402	1,607,885
Other financial assets	267,680	295,064
Inventories	589,539	533,697
Advance payments to suppliers	225,442	220,711
Other current assets	148,865	138,563
Total current assets	4,474,748	4,286,695
Non-current Assets:		
Investments accounted for using the equity method	2,741,741	2,515,340
Other investments	1,337,164	1,179,696
Trade and other receivables	477,103	382,176
Other financial assets	145,319	159,384
Property, plant and equipment	1,823,492	1,938,448
Investment property	179,789	147,756
Intangible assets	168,677	157,450
Deferred tax assets	92,593	92,231
Other non-current assets	60,387	51,335
Total non-current assets	7,026,265	6,623,816
Total	¥ 11,501,013	¥ 10,910,511

(Millions of Yen)

Liabilities and Equity	March 31, 2017	March 31, 2016
Current Liabilities:		
Short-term debt	¥ 304,563	¥ 353,203
Current portion of long-term debt	388,347	519,161
Trade and other payables	1,203,707	1,107,238
Other financial liabilities	315,986	298,329
Income tax payables	52,177	22,309
Advances from customers	212,142	207,419
Provisions	13,873	14,959
Other current liabilities	33,172	40,161
Total current liabilities	2,523,967	2,562,779
Non-current Liabilities:		
Long-term debt, less current portion	4,108,674	3,838,156
Other financial liabilities	111,289	109,520
Retirement benefit liabilities	60,358	78,176
Provisions	196,718	219,330
Deferred tax liabilities	481,358	409,695
Other non-current liabilities	28,487	26,319
Total non-current liabilities	4,986,884	4,681,196
Total liabilities	7,510,851	7,243,975
Equity:		
Common stock	341,482	341,482
Capital surplus	409,528	412,064
Retained earnings	2,550,124	2,314,185
Other components of equity	485,447	317,955
Treasury stock	(54,402)	(5,961)
Total equity attributable to owners of the parent	3,732,179	3,379,725
Non-controlling interests	257,983	286,811
Total equity	3,990,162	3,666,536
Total	¥ 11,501,013	¥ 10,910,511

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue:		
Sale of products	¥ 3,833,564	¥ 4,202,593
Rendering of services	405,893	399,937
Other revenue	124,512	157,164
Total revenue	4,363,969	4,759,694
Cost:		
Cost of products sold	(3,418,437)	(3,807,456)
Cost of services rendered	(171,741)	(161,910)
Cost of other revenue	(54,496)	(63,706)
Total cost	(3,644,674)	(4,033,072)
Gross Profit	719,295	726,622
Other Income (Expenses):		
Selling, general and administrative expenses	(538,975)	(566,014)
Gain (loss) on securities and other investments—net	64,962	93,168
Impairment reversal (loss) of fixed assets—net	(5,732)	(88,964)
Gain (loss) on disposal or sales of fixed assets—net	11,013	(11,684)
Other income (expense)—net	9,877	(32,092)
Total other income (expenses)	(458,855)	(605,586)
Finance Income (Costs):		
Interest income	34,905	31,612
Dividend income	51,874	54,675
Interest expense	(56,997)	(50,961)
Total finance income (costs)	29,782	35,326
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	170,569	(132,033)
Profit before Income Taxes	460,791	24,329
Income Taxes	(134,641)	(91,243)
Profit (Loss) for the Year	¥ 326,150	¥ (66,914)
Profit (Loss) for the Year Attributable to:		
Owners of the parent	¥ 306,136	¥ (83,410)
Non-controlling interests	20,014	16,496

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2017	Year ended March 31, 2016
Profit (Loss) for the Year	¥ 326,150	¥ (66,914)
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	198,971	(315,232)
Remeasurements of defined benefit pension plans	16,379	(33,191)
Share of other comprehensive income of investments accounted for using the equity method	(3,132)	(1,739)
Income tax relating to items not reclassified	(54,549)	81,316
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	25,787	(118,214)
Cash flow hedges	14,985	1,347
Share of other comprehensive income of investments accounted for using the equity method	(6,528)	(153,984)
Income tax relating to items that may be reclassified	7,094	(5,490)
Total other comprehensive income	199,007	(545,187)
Comprehensive Income for the Year	¥ 525,157	¥ (612,101)
Comprehensive Income for the Year Attributable to:		
Owners of the parent	¥ 503,025	¥ (607,490)
Non-controlling interests	22,132	(4,611)

(3) Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 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
Profit (Loss) for the year			306,136			306,136	20,014	326,150
Other comprehensive income for the year				196,889		196,889	2,118	199,007
Comprehensive income for the year						503,025	22,132	525,157
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥57)			(102,187)			(102,187)		(102,187)
Dividends paid to non-controlling interest shareholders							(52,706)	(52,706)
Acquisition of treasury stock					(48,648)	(48,648)		(48,648)
Sales of treasury stock			(0)		207	207		207
Compensation costs related to stock options		164				164		164
Equity transactions with non-controlling interest shareholders		(2,700)		2,593		(107)	1,746	1,639
Transfer to retained earnings			31,990	(31,990)		—		—
Balance as at March 31, 2017	¥ 341,482	¥ 409,528	¥ 2,550,124	¥ 485,447	¥ (54,402)	¥ 3,732,179	¥ 257,983	¥ 3,990,162

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2017	Year ended March 31, 2016
Operating Activities:		
Profit (loss) for the year	¥ 326,150	¥ (66,914)
Adjustments to reconcile profit for the year to cash flows from operating activities:		
Depreciation and amortization	193,329	253,168
Change in retirement benefit liabilities	(637)	336
Provision for doubtful receivables	9,172	9,916
(Gain) loss on securities and other investments—net	(64,962)	(93,168)
Impairment (reversal) loss of fixed assets—net	5,732	88,964
(Gain) loss on disposal or sales of fixed assets—net	(11,013)	11,684
Finance (income) costs	(22,967)	(26,571)
Income taxes	134,641	91,243
Share of (profit) loss of investments accounted for using the equity method	(170,569)	132,033
Changes in operating assets and liabilities:		
Change in trade and other receivables	(121,022)	338,168
Change in inventories	(60,272)	107,124
Change in trade and other payables	111,917	(228,258)
Other—net	(21,298)	(101,746)
Interest received	30,085	34,395
Interest paid	(65,352)	(51,232)
Dividends received	194,698	220,160
Income taxes paid	(63,461)	(132,311)
Cash flows from operating activities	404,171	586,991
Investing Activities:		
Net change in time deposits	(8,936)	369
Net change in investments in and advances to equity accounted investees	(226,787)	(126,378)
Net change in other investments	72,167	(23,424)
Net change in long-term loan receivables	(37,705)	14,097
Net change in property, plant, equipment and investment property	(152,038)	(272,723)
Cash flows from investing activities	(353,299)	(408,059)
Financing Activities:		
Net change in short-term debt	(48,983)	79,839
Net change in long-term debt	196,801	(15,211)
Purchases and sales of treasury stock	(48,647)	(14)
Dividends paid	(102,187)	(114,737)
Transactions with non-controlling interest shareholders	(47,249)	(425)
Cash flows from financing activities	(50,265)	(50,548)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	12,438	(38,379)
Change in Cash and Cash Equivalents	13,045	90,005
Cash and Cash Equivalents at Beginning of Year	1,490,775	1,400,770
Cash and Cash Equivalents at End of Year	¥ 1,503,820	¥ 1,490,775

(5) Assumption for Going Concern: None

(6) Basis of Consolidated Financial Statements

Scope of subsidiaries and equity accounted investees

① Subsidiaries

1) Overseas 206

2) Japan 62

② Equity accounted investees (associated companies and joint ventures)

1) Overseas 163

2) Japan 38

A total of 360 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) Notes to Consolidated Financial Statements

①Segment Information

Year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	91,622	733,326	394,383	749,419	464,755	968,064	126,431
Gross Profit	31,338	173,603	110,929	82,566	65,323	132,008	45,870
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	3,997	(1,813)	56,918	6,384	16,799	17,837	2,917
Profit for the Year Attributable to Owners of the parent	6,850	138,039	62,121	15,542	32,583	21,767	13,510
EBITDA	9,544	173,614	72,711	38,768	164,222	30,717	5,331
Total Assets at March 31, 2017	501,920	1,761,352	2,142,000	823,406	1,914,929	1,626,162	607,290

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	671,429	95,431	107,756	4,402,616	8,187	(46,834)	4,363,969
Gross Profit	75,633	19,872	22,355	759,497	6,632	(46,834)	719,295
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	11,616	2,497	53,772	170,924	40	(395)	170,569
Profit for the Year Attributable to Owners of the parent	25,108	1,913	38,094	355,527	2,401	(51,792)	306,136
EBITDA	45,291	3,431	58,991	602,620	951	(7,479)	596,092
Total Assets at March 31, 2017	606,751	148,273	440,527	10,572,610	5,658,717	(4,730,314)	11,501,013

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

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	111,082	685,557	415,198	809,027	672,638	1,041,283	139,473
Gross Profit	31,951	98,672	127,085	81,657	108,952	112,882	52,884
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4,842	(204,064)	8,045	7,956	(22,257)	16,939	7,825
Profit (Loss) for the Year Attributable to Owners of the parent	6,328	(162,480)	18,308	18,591	(3,885)	(14,876)	16,128
EBITDA	10,945	(93,802)	29,239	32,508	210,119	7,519	12,491
Total Assets at March 31, 2016	392,174	1,591,364	2,009,812	756,997	1,973,464	1,499,281	510,529

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	713,072	105,267	111,402	4,803,999	2,606	(46,911)	4,759,694
Gross Profit	113,251	20,530	23,259	771,123	1,664	(46,165)	726,622
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	9,823	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, 2016 and March 31, 2017 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. 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. During the Year ended March 31, 2017, Food Science Division was transferred from the "Lifestyle" segment to the "Chemicals" Segment, in conjunction with the creation of the Nutrition & Agriculture Business Unit. In addition, the United Grain Corporation of Oregon, which was formerly operating under the "Americas" Segment, was transferred to the "Lifestyle" Segment with the aim to optimize global grain trading strategy. In accordance with these changes, the operating segment information for the Year ended March 31, 2016 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, 2017 and 2016:

Year ended March 31, 2017(from April 1, 2016 to March 31, 2017)

	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	306,136	1,788,166	171.20
Effect of Dilutive Securities:			
Adjustments of effect of:			
Dilutive securities of associated companies	(43)	-	
Stock options	-	759	
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	306,093	1,788,925	171.10

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

There are no material subsequent events to be disclosed.