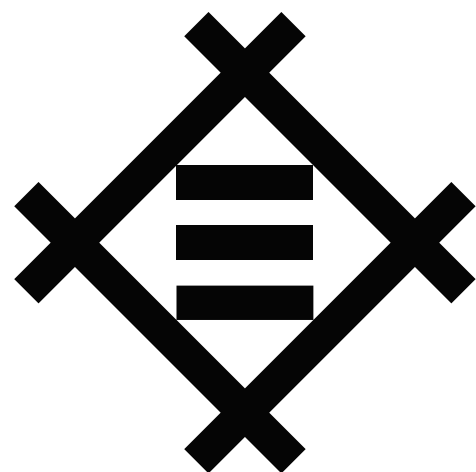


# 360° business innovation.



FINANCIAL REPORT FOR  
MITSUI & CO. (AUSTRALIA) LTD  
FINANCIAL YEAR ENDED  
31 MARCH 2016

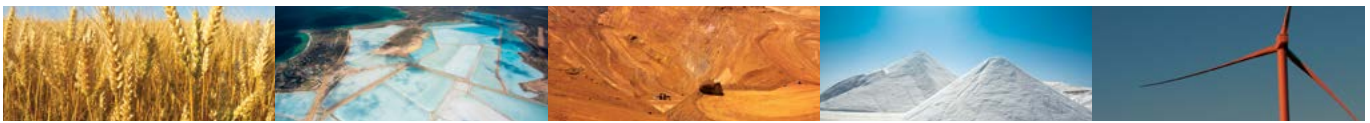
**MITSUI & CO.**

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# Corporate Mission, Vision and Values

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Over a period of many years, Mitsui has developed a set of values including challenge and innovation, freedom and open-mindedness, and nurturing human resources all of which have helped shape the Mitsui of today. In August of 2004, these concepts were redefined as Mitsui's Mission, Vision and Values (MVV). We strive to retain a strong awareness of our MVV at all levels of the Company and ensure these values are reflected in the activities of every person in the organisation.



## Mission

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Strive to contribute to the creation of a future where the aspirations of the people can be fulfilled.

## Vision

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Aim to become a global business enabler that can meet the needs of our customers throughout the world.

## Values

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- Build trust with fairness and humility.
- Aspire to set high standards and to contribute to society.
- Embrace the challenge of continuous innovation.
- Foster a culture of open-mindedness.
- Strive to develop others and oneself to achieve full potential.

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ANNUAL FINANCIAL REPORT – FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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In the year ending 31 March 2016 we faced a challenging operating environment. Global economic growth lacked resilience, as weak trends continued in emerging countries, and a slowdown took hold in advanced economies such as the United States. The effects of the Chinese economic slowdown spread across the global economy, and commodity prices for mineral resources and energy remained weak.

In this operating environment the consolidated entity recorded a pre-tax profit of \$89 million, representing a 65.49% decrease in pre-tax profits compared to the previous year. Weaker performance by our associated entities in the coal and iron ore industries, resulted in a 69.43% decrease in the consolidated entity's share of profits from associated entities – a decrease from \$249 million last year to \$76 million this year. The consolidated entity recorded a 13.18% decrease in total revenue, while gross profit margins increased from 3.33% to 6.00% compared to the previous year, owing to strong contributions from Bald Hills Wind Farm holding company MIT Power Australia.

In the period ahead we face considerable uncertainties in the global economy, including a slowing pace of growth in China and other emerging economies, weak commodity markets, and increasing geopolitical risk. We expect international commodity markets will need some time to recover, due to the ongoing trend of downward pressure on demand from China, and continued excess supply.

While closely monitoring these trends we will continue to conduct our business operations with a long-term perspective. We are focused on strengthening our position as a reliable, leading exporter of Australia's key natural resources and agricultural commodities. In the mining sector we are concentrating on enhancing the cost competitiveness of our projects, while developing innovative technology-based solutions for the industry. The growing Asian middle class is a core driver for our business, and we constantly seek out new opportunities to expand exports that satisfy this growing market. We will also work to further diversify our portfolio in Australia in such areas of export infrastructure, logistics, and renewable energy.

Operating through successive eras, we have consistently contributed to industrial development and nation building by creating businesses that meet society's needs today and anticipate the needs of tomorrow. Following in this tradition we will channel our efforts to build new connections – between technology and knowledge, between customers and partners, and between many kinds of businesses to create new corporate value.

**YUKIO TAKEBE**

CHAIRMAN & CHIEF EXECUTIVE OFFICER

26 July 2016



The directors of Mitsui & Co. (Australia) Ltd., submit herewith the annual report of the consolidated entity for the financial year ended 31 March 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

## Directors

The names and particulars of the directors of the company during or since the end of the financial year are:

### **Mr Y Takebe**

Director since 1 April 2016. Joined Mitsui Group in 1983. Currently Chairman and CEO, Mitsui & Co. (Australia) Ltd. and Executive Managing Officer, Mitsui & Co. Ltd. Previously Managing Officer, Mitsui & Co. Ltd. and President & C.E.O. of PT Mitsui Indonesia. Graduated from Tohoku University, Japan, majoring in Law.

### **Mr Y Takahashi**

Director since 1 April 2013. Currently Chairman and CEO, Mitsui & Co. (Australia) Ltd. and Managing Officer, Mitsui & Co. Ltd. Previously Managing Officer, Chief Operating Officer, Mineral & Metal Resources Business Unit, Mitsui & Co. Ltd. Graduated from Keio University, Japan, majoring in Law. Mr Y Takahashi resigned from the company on 1 April 2016.

### **Ms W Holdenson**

Director since 16 June 2014. Joined Mitsui & Co. (Australia) Ltd. in 2014. Currently Director & Chief Operating Officer, Mitsui & Co. (Australia) Ltd. Previously State Director Western Australia/South Australia/Northern Territory, Austrade. Graduated from Sophia University, Japan, obtaining a Bachelor of Arts degree, and University of New South Wales, obtaining a Master of Commerce degree.

### **Mr S Koike**

Director since 15 December, 2014. Joined Mitsui Group in 1982. Currently Director & Senior Vice President, General Manager of Perth Office, Mitsui & Co. (Australia) Ltd. Previously, Divisional General Manager, Steel Overseas Second Division, Mitsui & Co. Ltd, Head Office, Japan. Graduated from Keio University, Japan, majoring in Economics.

### **Mr N Ishizawa**

Director since 19 October 2015. Joined Mitsui Group in 1992. Currently Director & Chief Administrative Officer, Mitsui & Co. (Australia) Ltd. Previously Deputy General Manager Food Products & Services Business Unit, Osaka Office, Mitsui & Co. Ltd. Graduated from Waseda University, Japan, majoring in Commerce.

### **Mr S Yamada**

Director since 23 April 2014. Joined Mitsui Group in 1985. Currently Director & CAO, General Manager, Corporate Planning Division, Mitsui & Co. (Australia) Ltd. Previously, Deputy General Manager, Food & Beverage Materials Division, Food Products & Services Business Unit, Mitsui & Co. Ltd, Head Office, Japan. Graduated from Nanzan University, Japan, majoring in Economics, and Kellogg School of Management, Northwestern University, USA, obtaining Master of Business Administration degree. Mr S Yamada resigned from the company on 19 October 2015.

### **Mr N Imai**

Director since 11 June 2014. Joined Mitsui Group in 1994. Currently Director & CFO, General Manager, Financial Management Division, Mitsui & Co. (Australia) Ltd. Previously General Manager, Planning & Administration Division, Human Resources & General Affairs Division, Mitsui Bussan Financial Management, Ltd. Graduated from Hitotsubashi University, Japan, majoring in Economics.



## Principal Activities of the Consolidated Entity

The consolidated entity's principal activities in the course of the financial year were exporting, importing, investing in resource entities, and the provision of finance to related bodies corporate. There was no significant change in the nature of these activities during the financial year.

## Dividends

In respect of the financial year ended 31 March 2016, dividends amounting to \$63,360,000 (2015: \$4,060,000) fully franked to 100% at 30% corporate tax rate were paid on 21 April 2016.

## Results

A summary of consolidated results is set out below:

	2016 \$'000	2015 \$'000
Total Revenue	551,703	635,461
Profit before income tax expense	88,614	256,823
Income tax expense	2,304	2,212
Net profit attributable to members of the parent entity	<b>90,918</b>	<b>259,035</b>

## Review of Operations

In this operating environment the consolidated entity recorded a pre-tax profit of \$89 million, representing a 65.49% decrease in pre-tax profits compared to the previous year. The result was attributable to the consolidated entity's share of profits from associate entities, which decreased by 69.43% from \$249 million last year to \$76 million this year, owing to weaker performance by associated entities in the coal and iron ore industries.

The consolidated entity recorded a 13.18% decrease in total revenue, while gross profit margins remained relatively stable compared to the previous year, owing to strong contributions from MIT Power Australia.

## Changes in State of Affairs

During the financial year, there was no significant change in the state of affairs of the consolidated entity.

## Subsequent Events

There has not been any matter or circumstance, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.



## Future Developments

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Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been included in this report.

## Environmental Regulations

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The consolidated entity is required to comply with the *Environmental Protection and Biodiversity Conservation Act 1999*. Various environmental obligations also exist under the Victorian Government Planning Permits 2003/563 and TRA/03/002 granted under Victorian Planning and Environment Regulations 2005.

## Indemnification of Officers and Auditors

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During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the consolidated entity or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

## Auditor's Independence Declaration

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The auditor's independence declaration is included on page 6 of the annual report.

## Rounding Off of Amounts

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The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in this directors' report and in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

The directors' report is signed in accordance with a resolution of directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors

**YUKIO TAKEBE**

DIRECTOR

Melbourne, 26 July 2016



# Independence declaration to the directors of Mitsui & Co. (Australia) Ltd

2016 

## Deloitte.

The Board of Directors  
Mitsui & Co. (Australia) Ltd  
Level 15, 120 Collins Street  
Melbourne VIC 3000

Deloitte Touche Tohmatsu  
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Sydney NSW 1220 Australia  
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Tel: +61 (0) 2 9322 7000  
[www.deloitte.com.au](http://www.deloitte.com.au)

26 July 2016

Dear Board Members

### Mitsui & Co. (Australia) Ltd.

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Mitsui & Co. (Australia) Ltd.

As lead audit partner for the audit of the financial statements of Mitsui & Co. (Australia) Ltd for the financial year ended 31 March 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited





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## Independent Auditor's Report to the members of Mitsui & Co. (Australia) Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Mitsui & Co. (Australia) Ltd, which comprises the statement of financial position as at 31 March 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 10 to 39.

## Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Auditor's Independence Declaration

---

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mitsui & Co. (Australia) Ltd would be in the same terms if given to the directors as at the time of this auditor's report.

## Opinion

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In our opinion, the financial report of Mitsui & Co. (Australia) Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company and consolidated entity's financial position as at 31 March 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

## Basis of Accounting

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Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



DELOITTE TOUCHE TOHMATSU



Margaret Dreyer  
Partner  
Chartered Accountants

Sydney, 26 July 2015



As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

**YUKIO TAKEBE**

DIRECTOR

Melbourne, 26 July 2016

# Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Consolidated		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue	2(a)	444,268	549,185	419,279	549,185
Cost of goods and services sold		(417,594)	(530,900)	(406,865)	(530,900)
<b>Gross profit</b>		26,674	18,285	12,414	18,285
Dividend income	2(a)	–	–	179,394	85,846
Other revenue	2(a)	107,435	86,276	22,205	17,363
Share of profits of associates	10	76,280	249,491	–	–
Selling, general and administrative expenses		(41,015)	(37,527)	(34,286)	(37,782)
Borrowing costs	2(b)	(80,305)	(57,363)	(2,058)	(2,114)
Other expenses		(455)	(2,339)	(206)	(3,788)
<b>Profit before income tax expense</b>		88,614	256,823	177,463	77,810
Income tax benefit	3	2,304	2,212	396	2,140
<b>Profit attributable to members of the parent entity</b>		90,918	259,035	177,859	79,950
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss:</b>					
Share of associates increase/(decrease) in hedging reserve net of tax	26	(31,138)	7,769	–	–
Fair value gain/(loss) on cash flow hedges taken to equity	26	(560)	(16,881)	(643)	2,809
Fair value gain/(loss) on available-for-sale non-current financial asset	26	(204)	(2,946)	(204)	(2,946)
Income tax relating to components of comprehensive income	26	230	5,948	254	41
Other comprehensive income for the year (net of tax)		(31,672)	(6,110)	(593)	(96)
<b>Total comprehensive income for the year</b>		59,246	252,925	177,266	79,854

Notes to the financial statements are included on pages 14 to 39



# Statement of Financial Position

AS AT 31 MARCH 2016

	Note	Consolidated		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current assets</b>					
Cash and cash equivalents	32(b)	181,293	275,935	9,379	10,347
Trade and other receivables	5	62,719	101,088	53,945	96,314
Other financial assets	6	2,286,736	1,993,252	156,615	8,546
Current tax receivable	7	165,709	41,005	165,709	41,005
Inventories	8	2,137	142,219	2,137	142,219
Other	9	3,273	28,306	226	28,002
<b>Total current assets</b>		<b>2,701,867</b>	<b>2,581,805</b>	<b>388,011</b>	<b>326,433</b>
<b>Non-current assets</b>					
Investments accounted for using the equity method	10	1,915,223	2,039,894	–	–
Other financial assets	11	1,418,426	903,214	403,128	385,502
Property, plant and equipment	12	252,583	253,131	13,921	6,762
Goodwill	13	6,665	6,665	–	–
Other intangible assets	14	44,760	14,559	–	–
Deferred tax assets	15	6,900	12,784	3,785	3,157
Other		1,866	500	–	–
<b>Total non-current assets</b>		<b>3,646,423</b>	<b>3,230,747</b>	<b>420,834</b>	<b>395,421</b>
<b>Total assets</b>		<b>6,348,290</b>	<b>5,812,552</b>	<b>808,845</b>	<b>721,854</b>
<b>Current liabilities</b>					
Trade and other payables	16	207,456	155,041	196,050	121,692
Borrowings	17	2,970,698	2,516,339	–	99,754
Other financial liabilities	18	54,056	25,320	1,648	1,173
Provisions	19	681	737	681	737
<b>Total current liabilities</b>		<b>3,232,891</b>	<b>2,697,437</b>	<b>198,379</b>	<b>223,356</b>
<b>Non-current liabilities</b>					
Borrowings	20	765,292	723,297	–	–
Other financial liabilities	21	107,077	135,612	–	–
Deferred tax liabilities	22	15,534	24,597	1,261	3,200
Provisions	23	856	745	856	745
Other	24	286	396	286	396
<b>Total non-current liabilities</b>		<b>889,045</b>	<b>884,647</b>	<b>2,403</b>	<b>4,341</b>
<b>Total liabilities</b>		<b>4,121,936</b>	<b>3,582,084</b>	<b>200,782</b>	<b>227,697</b>
<b>Net assets</b>		<b>2,226,354</b>	<b>2,230,468</b>	<b>608,063</b>	<b>494,157</b>
<b>Equity</b>					
Issued capital	25	20,000	20,000	20,000	20,000
Reserves	26	(39,758)	(8,086)	97,552	98,145
Retained earnings	27	2,246,112	2,218,554	490,511	376,012
<b>Total equity</b>		<b>2,226,354</b>	<b>2,230,468</b>	<b>608,063</b>	<b>494,157</b>

Notes to the financial statements are included on pages 14 to 39



# Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Share capital \$'000	Asset revaluation reserve \$'000	Hedging reserve \$'000	Retained earnings \$'000	Total \$'000
<b>Consolidated</b>					
Balance at 1 April 2014	20,000	(984)	(992)	1,963,579	1,981,603
Profit for the year	–	–	–	259,035	259,035
Other comprehensive income for the year	–	(2,062)	(4,048)	–	(6,110)
Total comprehensive income for the year	–	(2,062)	(4,048)	259,035	252,925
Payment of dividends	–	–	–	(4,060)	(4,060)
Balance at 31 March 2015	20,000	(3,046)	(5,040)	2,218,554	2,230,468
Balance at 1 April 2015	20,000	(3,046)	(5,040)	2,218,554	2,230,468
Profit for the year	–	–	–	90,918	90,918
Other comprehensive income for the year	–	(143)	(31,529)	–	(31,672)
Total comprehensive income for the year	–	(143)	(31,529)	90,918	59,246
Payment of dividends	–	–	–	(63,360)	(63,360)
Balance at 31 March 2016	20,000	(3,189)	(36,569)	2,246,112	2,226,354
<b>Company</b>					
Balance at 1 April 2014	20,000	99,882	(1,641)	300,122	418,363
Profit for the year	–	–	–	79,950	79,950
Other comprehensive income for the year	–	(2,062)	1,966	–	(96)
Total comprehensive income for the year	–	(2,062)	1,966	79,950	79,854
Payment of dividends	–	–	–	(4,060)	(4,060)
Balance at 31 March 2015	20,000	97,820	325	376,012	494,157
Balance at 1 April 2015	20,000	97,820	325	376,012	494,157
Profit for the year	–	–	–	177,859	177,859
Other comprehensive income for the year	–	(143)	(450)	–	(593)
Total comprehensive income for the year	–	(143)	(450)	177,859	177,266
Payment of dividends	–	–	–	(63,360)	(63,360)
Balance at 31 March 2016	20,000	97,677	(125)	490,511	608,063

Notes to the financial statements are included on pages 14 to 39




# Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>				
Receipts from customers	479,253	585,999	455,248	599,246
Payments to suppliers and employees	(327,070)	(613,715)	(264,332)	(623,591)
Dividends received	169,794	78,146	179,394	85,846
Interest received	113,449	89,116	5,510	2,335
Interest paid	(78,605)	(52,932)	(2,058)	(2,121)
Net income tax received	(41,107)	(5,005)	(36,086)	1,250
Net cash provided by operating activities	32(a) 315,714	81,609	337,676	62,965
<b>Cash flows from investing activities</b>				
Loan receivable advanced	(776,274)	(1,130,944)	(167,305)	(15,886)
Payment for investments	(11)	(19)	(11)	(41,840)
Proceeds from sale of investments	19	–	19	–
Payment for property, plant and equipment	(67,084)	(183,766)	(8,233)	(138)
Net cash (used in) by investing activities	(843,350)	(1,314,729)	(175,530)	(57,864)
<b>Cash flows from financing activities</b>				
Net proceeds from/(repayment of) borrowings	496,354	1,271,821	(99,754)	(3,758)
Dividends paid	(63,360)	(4,060)	(63,360)	(4,060)
Net cash provided by/(used in) financing activities	432,994	1,267,761	(163,114)	(7,818)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(94,642)	34,641	(968)	(2,717)
<b>Cash and cash equivalents at the beginning of the financial year</b>	275,935	241,294	10,347	13,064
<b>Cash and cash equivalents at the end of the financial year</b>	32(b) 181,293	275,935	9,379	10,347

Notes to the financial statements are included on pages 14 to 39





# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies

### FINANCIAL REPORTING FRAMEWORK

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*.

For the purpose of preparing the financial statements, the company is a for-profit company.

### STATEMENT OF COMPLIANCE

The financial report has been prepared in accordance with the *Corporations Act 2001*, the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1054 'Australian Additional Disclosure', AASB 10 'Consolidated Financial Statements' and AASB 127 'Separate Financial Statements'.

The financial statements were authorised for issue by the directors on 26 July 2016.

### BASIS OF PREPARATION

The financial report has been prepared on the basis of historical cost, except for revaluation of certain non-current assets and financial instruments. Historical cost is based on fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, directors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the directors in the application of the company's accounting policies that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

### ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has elected to early adopt certain Australian Accounting Standards and interpretations which permit early adoption. The Group has early adopted AASB 9 *Financial Instruments* as issued in July 2014 because the new accounting policies provide more reliable and relevant information for users to assess the amounts, timing and uncertainty of future cash flows.

AASB 9 requires that an entity classify its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and contractual cash flow characteristics of the financial assets. This change in accounting policy has been applied from 1 April 2015. The adoption of this standard has no material impact on the measurement of the Group's financial assets. The Company has elected not to restate prior period comparatives as there has been no material impact.

Under the adoption of AASB 9, cash and cash equivalents, trade receivables and other receivables continue to be measured at amortised cost.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

### ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)

In accordance with AASB 9, the Company has designated its investment in equity securities that were formerly designated as "available-for-sale", as "fair value through other comprehensive income". This results in all realised and unrealised gains and losses from the investment portfolio being recognised directly in equity through "other comprehensive income" in the Statement of Profit or Loss and Other Comprehensive Income. The change in policy has been retrospectively applied to investments in equity securities with no material impact to the financial statements.

With the adoption of AASB 9, the Company assesses on a forward looking basis the expected credit losses associated with assets carried at amortised cost and fair value through other comprehensive income. For trade receivables only, the

Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The change in policy did not result in any material impact to the carrying value of the Company's assets.

On adoption of AASB 9, the Company adopted the AASB 9 hedge accounting model. The adoption of AASB 9 has resulted in a redesignation of the current hedges and has changed the Company's accounting policies by simplifying and improving hedge accounting for the Company and means that the accounting results will better align with its risk management practices. The adoption of AASB 9 does not impact the original carrying amount of the Company's financial assets and liabilities, previously measured under AASB 139.

At the date of authorisation of the financial report, a number of Standards and Interpretations were issued but not effective.

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 March 2017
• AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	31 March 2019
• AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 March 2017
• AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 March 2017
• AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 January 2015	31 March 2017
• AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 January 2015	31 March 2017
• AASB 16 'Leases'	1 January 2019	31 March 2020

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### **(a) Principles of consolidation**

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its controlled entities as defined in Accounting Standard AASB 10 'Consolidated Financial Statements' and AASB 127 'Separate Financial Statements'. A list of controlled entities appears in Note 36 to the financial statements. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

#### **(b) Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

#### **(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

#### **(d) Derivative financial instruments and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular cash flow risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

#### Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the ineffective portion is recognised in the income statement within 'gains/(losses) on financial derivatives'. Changes in the fair value of the derivative attributable to hedged risk are recognised in the income statement within the respective income or expense line item (e.g. 'finance cost' if hedging interest rate risk; 'revenue' if hedging forecasted future sales).

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to profit or loss over the period to maturity.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(d) Derivative financial instruments and hedging activities (continued)**

##### Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'gains/(losses) on financial derivatives'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within 'gains/(losses) on financial derivatives'.

#### **(e) Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal values.

Provisions made in respect of annual leave and long service leave entitlements which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date.

#### **(f) Foreign Currency**

The financial statements for the consolidated entity are presented in the currency of the primary economic environment in which the consolidated entity operates (its functional currency). For the purpose of the financial statements, the results and financial position of the consolidated entity are expressed in Australian dollars ('\$'), which is the functional currency of the consolidated entity and the presentation currency for the financial statements.

All foreign currency transactions during the financial period have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are brought to account in the profit or loss in the financial period in which they arise except that exchange differences on transactions entered into in order to hedge certain foreign currency risks are treated in accordance with note 1(d).

#### **(g) Investments and Financial assets**

##### Recognition and measurement

Purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially measured at fair value.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(g) Investments and Financial assets (continued)**

##### Classification

Financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, (except for financial assets that are irrevocably designated to be measured at fair value through profit or loss on initial recognition), on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset.

##### Financial assets at amortised cost

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost.

##### Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset may be designated as at fair value through profit or loss if:

- It is held for trading; or
- Upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

##### Loans and receivables

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

#### **(h) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- a. where the amount of GST incurred is not recoverable from the taxation authority it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- b. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(i) Impairment of assets**

At each reporting date, the consolidated entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **(j) Income tax**

##### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantially enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as the result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(j) Income tax (continued)**

##### Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the consolidated entity intends to settle its current tax assets and liabilities on a net basis.

##### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

##### Tax consolidation

The company, its controlled wholly owned Australian resident entities, and certain wholly owned Australian resident entities of the ultimate Japanese parent entity are part of a tax consolidated group under Australian taxation law. Mitsui & Co. (Australia) Ltd is the head entity of the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within a group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

The members of the tax-consolidated group have entered into a tax funding arrangement which sets out the funding obligations of the members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements generally require payments to/from the head entity equal to the current tax liability/asset assumed by the head entity and any tax loss or tax credit deferred tax asset assumed by the head entity.

The members of the tax-consolidated group have also entered into a valid tax sharing agreement under the tax consolidation legislation which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and the treatment of entities leaving the tax-consolidated group.

#### **(k) Inventories**

Finished goods on hand and in transit are valued at the lower of cost and net realisable value. Costs are assigned to inventory by the method most appropriate to each particular class of inventory with the majority being valued on a specific identification basis (first in first out basis).

#### **(l) Investments in associates**

An associate is an entity over which the company has a significant influence and is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, investments in associates are carried in the balance sheet at cost as adjusted for post-acquisition changes in the company's share of net assets of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the company's interest in that associate (which includes any long-term interests that, in substance, form part of the company's net investment in the associate) are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.





# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(l) Investments in associates (continued)**

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss.

#### **(m) Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance lease are initially brought to account at an amount equal to the present value of the minimum lease payments, and are amortised on a straight line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and a reduction of lease liability over the term of the lease.

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction in rental expense on a straight line basis.

#### **(n) Payables**

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

#### **(o) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant, motor vehicles and furniture including freehold buildings, but excluding land, over their estimated useful economic lives using either the reducing balance method or prime cost method. The following estimated useful lives are used in the calculation of depreciation:

- Buildings 25 years
- Plant, motor vehicles and furniture 3–8 years

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Profit and Loss.

#### **(p) Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the consolidated entity in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

## 1. Summary of Accounting Policies (Continued)

### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(p) Business combinations (continued)**

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the consolidated entity of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal Groups) that are classified as held for sale in accordance with AASB 5 *Noncurrent Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the consolidated entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the consolidated entity obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### **(q) Goodwill**

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at cost less any accumulated impairment losses. An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

#### **(r) Intangible assets**

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

Intangible assets acquired separately are initially recorded at cost.

Subsequent to initial recognition, intangible assets acquired in a business combination and intangible assets acquired separately are recorded at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 1. Summary of Accounting Policies (Continued)

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### **ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONT'D)**

#### **(r) Intangible assets (continued)**

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. If the recognition criteria are not met then the development expenditure is expensed. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

#### **(s) Provisions**

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

#### **(t) Revenue Recognition**

##### Sale of Goods

Revenue from the sale of goods is recognised when the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods or other assets.

##### Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 2. Profit from operations

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Profit before income tax includes the following items of revenue and expense:				
<b>(a) Revenue</b>				
Sales revenue:				
Sale of goods	441,076	545,754	416,087	545,754
Rendering of services	3,192	3,431	3,192	3,431
	444,268	549,185	419,279	549,185
Dividends:				
Controlled entities	–	–	9,600	7,700
Associated entities	–	–	169,794	78,146
	–	–	179,394	85,846
Other revenue:				
Interest revenue:				
Ultimate parent entity	373	236	255	236
Controlled entity	–	–	3,419	464
Related bodies corporate:				
Wholly-owned group	25,749	54,776	31	690
Other parties	56,320	17,897	1,819	936
Management fees:				
Ultimate parent entity	7,949	6,907	7,949	6,907
Controlled entities	–	–	1,913	2,152
Related bodies corporate:				
Wholly-owned group	4,601	4,468	4,601	4,528
Other parties	53	55	53	55
Other income	12,390	1,937	2,165	1,395
	107,435	86,276	22,205	17,363
	551,703	635,461	620,878	652,394



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 2. Profit from operations (Continued)

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>(b) Expenses</b>				
Foreign exchange losses	21	1,668	21	538
Interest:				
Controlled entities	23	–	1,768	1,543
Related bodies corporate:				
Wholly-owned group	65,250	29,574	18	27
Other parties	15,032	27,789	272	544
Borrowing costs	80,305	57,363	2,058	2,114
Operating lease rental expense	2,503	2,798	2,503	2,798
Net transfers (from)/to provisions:				
Employee entitlements	55	168	55	168
Depreciation of property, plant and equipment	1,138	1,031	1,071	1,015
Loss on disposal of property, plant and equipment	4	1	4	1
Diminution in value of investments:				
Other entities	–	14	–	14

## 3. Income tax

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

<b>Profit from operations</b>	88,614	256,823	177,463	77,810
Income tax expense calculated at 30%	26,585	77,047	53,239	23,343
Non-assessable dividends	116	–	(53,702)	(25,754)
Share of profits of associates accounted for using the equity method	(22,884)	(74,847)	–	–
Effect of undistributed earning from associates	(7,124)	(3,755)	–	–
Non deductible entertainment and other items	17	175	17	175
Income tax relating to other adjustments	1,018	(651)	82	277
(Over)/underprovision of prior year	(32)	(181)	(32)	(181)
Income tax (benefit)/expense attributable to profit from ordinary activities	(2,304)	(2,212)	(396)	(2,140)

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 4. Remuneration of auditors

	Consolidated		Company	
	2016 \$	2015 \$	2016 \$	2015 \$
<b>Deloitte Touche Tohmatsu Australian Firm</b>				
Audit or review of financial statements	482,435	491,200	348,800	352,300
Other assurance services	182,900	182,000	148,100	146,600
	665,335	673,200	496,900	498,900

The auditor of the Company is Deloitte Touche Tohmatsu.

## 5. Trade and other receivables

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>At amortised cost</i>				
Trade receivables	31,592	45,652	31,592	45,652
Other receivables	31,127	55,436	22,353	50,662
	62,719	101,088	53,945	96,314

## 6. Current other financial assets

<i>At amortised cost</i>				
Loans to:				
Related bodies corporate:				
Wholly owned group	2,196,415	1,963,449	155,591	6,685
Other parties	594	41	594	41
	2,197,009	1,963,490	156,185	6,726
<i>At fair value</i>				
Foreign currency forward contracts	89,727	29,762	430	1,820
	2,286,736	1,993,252	156,615	8,546



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 7. Current tax receivable

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current tax receivable	165,709	41,005	165,709	41,005

## 8. Current inventories

Finished goods on hand and in transit:				
At cost	2,137	142,219	2,137	142,219

## 9. Other current assets

Prepayments	1,418	28,306	226	28,002
Intangible assets	1,030	–	–	–
Assets available for sale	825	–	–	–
	3,273	28,306	226	28,002

## 10. Investments accounted for using the equity method

Investments in associates:				
Non-current	1,915,223	2,039,894	–	–

Name of entity	Principal Activity	Ownership interest	
		2016 %	2015 %
Mitsui Coal Holdings Pty Ltd	Coal	30.0	30.0
Mitsui Iron Ore Corporation Pty Ltd	Iron ore	20.0	20.0
Mitsui Iron Ore Development Pty Ltd	Iron ore	20.0	20.0
Mitsui Iron Ore Exploration and Mining Pty Ltd	Iron ore	20.0	20.0
Mitsui Itochu Iron Pty Ltd	Iron ore	14.0	14.0
Shark Bay Salt Pty Ltd	Salt	10.0	10.0
BHP Mitsui Coal Pty Ltd	Coal	6.7	6.7
Mittwell Energy Resources Pty Ltd	Oil	5.0	5.0
Komatsu Australia Corporate Finance Pty Ltd	Finance	4.0	4.0
Komatsu Marketing Support Australia Pty Ltd	Industrial machinery	4.0	4.0



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 10. Investments accounted for using the equity method (Continued)

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Summarised financial information of associates:</b>				
Current assets	5,298,030	4,907,754	–	–
Non-current assets	10,085,142	10,897,591	–	–
Total assets	15,383,172	15,805,345	–	–
Current liabilities	(1,313,218)	(1,131,784)	–	–
Non-current liabilities	(2,956,488)	(2,969,996)	–	–
Total liabilities	(4,269,706)	(4,101,780)	–	–
<b>Net assets</b>	11,113,466	11,703,565	–	–
<b>Revenue</b>	5,810,621	6,832,913	–	–
<b>Net profit</b>	684,508	1,406,894	–	–
<b>Share of associates' profit or loss</b>				
<b>Current year:</b>				
Share of profit before income tax	86,273	346,347	–	–
Income tax expense	(9,993)	(96,856)	–	–
Total share of associates' profit	76,280	249,491	–	–

### Dividends from associates

During the current year the consolidated entity received dividends from associates amounting to \$169,794 thousand (2015: \$78,146 thousand).



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 11. Non current other financial assets

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Shares in controlled entities:				
At cost	–	–	87,838	87,838
			87,838	87,838
Investments in associates (at cost)	–	–	266,004	266,004
Other	15,036	15,237	15,018	15,238
	15,036	15,237	368,860	369,080
<b>At fair value:</b>				
Foreign currency forward contracts	–	1,496	–	–
Currency and interest rate swaps	82,012	107,858	–	–
<b>At amortised cost:</b>				
Long term loans to:				
Controlled entities	–	–	34,268	15,904
Related bodies corporate:				
Wholly owned group	1,321,378	778,105	–	–
Other parties	–	518	–	518
Directors	–	–	–	–
	1,418,426	903,214	403,128	385,502

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 12. Property, plant and equipment

	Consolidated						
	Freehold land at cost \$'000	Buildings at cost \$'000	Furniture & fittings at cost \$'000	Plant & equipment at cost \$'000	Leasehold improvements at cost \$'000	Construction in progress \$'000	Total \$'000
<b>Gross carrying amount</b>							
Balance at 31 March 2015	5,105	6,413	2,523	1,553	3,513	242,643	261,750
Additions	1,800	848	249	542	71	37,089	40,599
Transfer	(3,683)	–	–	252,525	–	(279,732)	(30,890)
Disposals	–	–	(31)	(2)	–	–	(33)
Balance at 31 March 2016	3,222	7,261	2,741	254,618	3,584	–	271,426
<b>Accumulated depreciation</b>							
Balance at 31 March 2015	–	4,345	1,773	1,167	1,334	–	8,619
Depreciation expense	–	80	143	9,425	605	–	10,253
Disposals	–	–	(27)	(2)	–	–	(29)
Balance at 31 March 2016	–	4,425	1,889	10,590	1,939	–	18,843
<b>Net book value</b>							
As at 31 March 2015	5,105	2,068	750	386	2,179	242,643	253,131
As at 31 March 2016	3,222	2,836	852	244,028	1,645	–	252,583
	Company						
	Freehold land at cost \$'000	Buildings at cost \$'000	Furniture & fittings at cost \$'000	Plant & equipment at cost \$'000	Leasehold improvements at cost \$'000		Total \$'000
<b>Gross carrying amount</b>							
Balance at 31 March 2015	1,420	6,413	2,507	1,408	3,513		15,261
Additions	1,800	5,653	248	532	–		8,233
Transfer	–	(154)	154	–	–		–
Disposals	–	–	(31)	(2)	–		(33)
Balance at 31 March 2016	3,220	11,912	2,878	1,938	3,513		23,461
<b>Accumulated depreciation</b>							
Balance at 31 March 2015	–	4,345	1,765	1,055	1,334		8,499
Depreciation expense	–	722	142	194	12		1,070
Transfer	–	(154)	154	–	–		–
Disposals	–	–	(27)	(2)	–		(29)
Balance at 31 March 2016	–	4,913	2,034	1,247	1,346		9,540
<b>Net book value</b>							
As at 31 March 2015	1,420	2,068	742	353	2,179		6,762
As at 31 March 2016	3,220	6,999	844	691	2,167		13,921

## 13. Goodwill

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gross carrying amount on acquisition of Bald Hills Wind Farm Pty Ltd	6,665	6,665	–	–

## 14. Other intangible assets

Gross carrying amount	44,760	14,559	–	–
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During the year, Bald Hills Wind Farm Pty Ltd completed the construction of the wind farm. The assets commenced amortization during the year and are expected to be amortised over 25 years.

## 15. Deferred tax assets

Deferred tax asset attributable to:				
Temporary differences	6,900	12,784	3,785	3,157

## 16. Current trade and other payables

Trade creditors – unsecured	27,480	50,460	25,654	27,165
Amount owing to related bodies corporate:				
Wholly owned group	156,647	76,123	164,381	80,282
Other creditors	23,329	28,458	6,015	14,245
	207,456	155,041	196,050	121,692

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 17. Current borrowings

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>At amortised cost</i>				
<b>Unsecured:</b>				
Short term borrowings:				
Controlled entities	–	–	–	99,754
Related bodies corporate:				
Wholly-owned group	2,965,112	2,313,816	–	–
Other parties	5,586	202,523	–	–
	2,970,698	2,516,339	–	99,754

## 18. Other current financial liabilities

<i>At fair value</i>				
Foreign currency forward contracts	21,609	24,326	1,648	1,173
Interest rate swaps	32,447	994	–	–
	54,056	25,320	1,648	1,173

## 19. Current provisions

Employee entitlements	681	737	681	737
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## 20. Non-current borrowings

<i>At amortised cost</i>				
<b>Unsecured:</b>				
Long term borrowings from other parties	765,292	723,297	–	–

## 21. Other non-current financial liabilities

<i>At fair value</i>				
Foreign currency forward contracts	–	1,496	–	–
Interest rate swaps	107,077	134,116	–	–
	107,077	135,612	–	–



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 22. Deferred tax liabilities

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Deferred income tax attributable to temporary differences	15,534	24,597	1,261	3,200

## 23. Non-current provisions

Employee entitlements	856	745	856	745
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## 24. Other non-current liabilities

Lease incentives (refer note 30(a))	286	396	286	396
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## 25. Issued capital

	Consolidated		Company	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
Balance at 31 March 2014	10,000,000	20,000,000	10,000,000	20,000,000
Issue of shares	–	–	–	–
Balance at 31 March 2015	10,000,000	20,000,000	10,000,000	20,000,000
Issue of shares	–	–	–	–
Balance at 31 March 2016	10,000,000	20,000,000	10,000,000	20,000,000

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Changes in the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 26. Reserves

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Asset revaluation	(3,189)	(3,046)	97,677	97,820
Hedging	(36,569)	(5,040)	(125)	325
	(39,758)	(8,086)	97,552	98,145
<b>Asset revaluation reserve</b>				
Balance at beginning of financial year	(3,046)	(984)	97,820	99,882
Gain arising on revaluation of non-current available-for-sale financial asset	(204)	(2,946)	(204)	(2,946)
Income tax related to gain arising on revaluation of non-current available-for sale financial assets	61	884	61	884
Balance at end of financial year	(3,189)	(3,046)	97,677	97,820
<b>Hedging reserve</b>				
Balance at beginning of financial year	(5,040)	(992)	325	(1,641)
Profit/(loss) recognised on:				
• Forward exchange contracts	(235)	(20,712)	(318)	1,168
Transferred to profit or loss:				
• Forward exchange contracts	(325)	3,831	(325)	1,641
Income tax on hedges	169	5,064	193	(843)
Share of associates increase/(decrease) in hedging reserve net of tax	(31,138)	7,769	–	–
Balance at end of financial year	(36,569)	(5,040)	(125)	325



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 27. Retained earnings

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of financial year	2,218,554	1,963,579	376,012	300,122
Net profit attributable to members of the parent entity	90,918	259,035	177,859	79,950
Dividends paid or provided for	(63,360)	(4,060)	(63,360)	(4,060)
Balance at end of financial year	2,246,112	2,218,554	490,511	376,012

## 28. Dividends

Dividends paid or provided for, fully franked at 30%	63,360	4,060	63,360	4,060
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## 29. Economic dependency

The group was dependent during the financial year upon its ultimate parent company, Mitsui & Co., Ltd, Japan, for a significant volume of its trading transactions. A subsidiary company, Mitsui & Co. Financial Services (Australia) Ltd, had a significant volume of its transactions, in its capacity as a provider of corporate finance services to the Australian Mitsui group, with fellow subsidiary entities of the ultimate parent entity, Mitsui & Co. Ltd.

As at 31 March 2016, the current liabilities of the group exceed its current assets by \$531,024 thousand. The majority of the current borrowings are through Mitsui & Co. Financial Services (Australia) Ltd, in its capacity as a provider of corporate finance services to the Australian Mitsui group. Therefore the ability of the group to continue to provide corporate finance services through Mitsui & Co. Financial Services (Australia) Ltd requires the continued support of those entities. To this effect, Mitsui & Co. Financial Services (Australia) Ltd has in place facilities to continue to provide corporate services to the Australian Mitsui group as well as the ultimate parent company has provided a letter of guarantee to Mitsui & Co. Financial Services (Australia) Ltd for providing comfort over the current assets.



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 30. Expenditure commitments

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>(a) Lease commitments</b>				
Non cancellable operating leases relating to office premises, office equipment, land and motor vehicles:				
Not longer than one year	2,491	2,397	2,491	2,397
Longer than one year but not longer than five years	4,195	6,686	4,195	6,686
Longer than five years	–	–	–	–
	6,686	9,083	6,686	9,083
In respect of non-cancellable operating leases, the following liabilities have been recognised:				
Current:				
Lease incentives	–	–	–	–
Non-current:				
Lease incentives (refer note 24)	286	396	286	396
	286	396	286	396
<b>(b) Commodity purchase commitments</b>				
Aggregate commodity purchase commitments contracted for at balance date but not provided for in the financial statements:				
No longer than one year	6,698	38,942	6,698	38,942
<b>(c) Capital expenditure commitments</b>				
Aggregate capital expenditure commitments contracted for at balance date but not provided for in the financial statements:				
Not longer than one year	–	61,856	–	–
Longer than one year but not longer than five years	–	–	–	–
Longer than five years	–	–	–	–
	–	61,856	–	–



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 31. Contingent liabilities

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Contingent liabilities at the end of the financial year are:				
(a) Guarantees given in respect of borrowings by controlled entities	–	–	445,521	449,336
(b) The company has given performance guarantees in respect of various contracts to other corporations	92,353	75,342	92,353	75,342

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 32. Notes to cash flow statement

	Consolidated		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>(a) Reconciliation of profit for the year to net cash flows from operating activities:</b>				
Profit for the year	90,918	259,035	177,859	79,950
Add/(less):				
Loss on disposal of property, plant & equipment	4	1	4	1
Profit on disposal of Investment	–	–	9	–
Depreciation	1,138	1,031	1,070	1,015
(Gain)/loss on fair value revaluation of financial assets through the profit or loss	–	14	–	14
Share of associates profits (less dividends)	124,679	(171,345)	–	–
(Increase)/decrease in deferred tax asset	5,884	(6,442)	(628)	1,248
(Increase)/decrease in current tax receivable	(124,704)	51,772	(124,644)	51,772
Increase/(decrease) in deferred tax liability	(9,063)	(4,002)	(1,939)	(146)
Increase/(decrease) in hedge reserve	31,672	(11,817)	(450)	1,966
<b>Changes in assets and liabilities</b>				
<u>(Increase)/decrease in assets:</u>				
Trade and other receivables	38,369	60,563	42,369	50,621
Other financial assets	(32,623)	(91,322)	1,390	(1,458)
Inventories	140,082	(8,046)	140,082	(8,046)
Other	(3,204)	(22,327)	27,776	(19,591)
<u>Increase/(decrease) in liabilities:</u>				
Trade and other payables	52,415	(71,188)	74,358	(91,992)
Other financial liabilities	201	96,105	475	(1,966)
Other provisions	55	168	55	168
Other	(109)	(591)	(110)	(591)
<b>Net cash provided by operating activities</b>	<b>315,714</b>	<b>81,609</b>	<b>337,676</b>	<b>62,965</b>
<b>(b) Reconciliation of cash and cash equivalents</b>				
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash and cash equivalents	181,293	275,935	9,379	10,347



# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## 33. Parent entity

The ultimate parent entity is Mitsui & Co., Ltd, incorporated in Japan.

## 34. Details of controlled entities

	Country of Incorporation	Ownership Interest	
		2016 %	2015 %
<b>Parent entity</b>			
Mitsui & Co. (Australia) Ltd.	Australia		
<b>Controlled entity</b>			
Mitsui & Co. Financial Services (Australia) Ltd	Australia	100	100
Bald Hills Wind Farm Pty Ltd	Australia	100	100
MIT Power Australia Pty Ltd	Australia	100	100

## 35. Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## 36. Additional Company Information

Mitsui & Co. (Australia) Ltd. is a company incorporated and operating in Australia.

Principal Registered Office	Principal Place of Business
Level 15, 120 Collins Street Melbourne VIC 3000	Level 15, 120 Collins Street Melbourne VIC 3000

### CONTACT DETAILS

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# For the world. With the world.

We are Mitsui & Co., and we create value.

With the power of our imagination. With the strength of our will.

With the vitality of our spirit.

We drive innovation: we find new ways to connect information, ideas, generations and nations.

We're building a better future for people and planet.

And for you.

360°  
business  
innovation.