Consolidated Financial Results for the Six-Month Period Ended September 30, 2011

［Based on accounting principles generally accepted in the United States of America ("U.S. GAAP")］

Tokyo, November 2, 2011 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 2011.

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

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1. Consolidated financial results (Unreviewed)

(1) Consolidated operating results information for the six-month period ended September 30, 2011
(from April 1, 2011 to September 30, 2011)

(Millions of yen)

	Six-month period ended September 30,			
	2011	%	2010	%
Revenues	2,629,030	19.3	2,204,327	10.2
Income before Income Taxes and Equity in Earnings	231,640	22.5	189,124	231.9
Net income attributable to Mitsui & Co., Ltd.	227,261	24.0	183,234	151.6
Net income attributable to Mitsui & Co., Ltd. per share, basic	124.54		100.42	
Net income attributable to Mitsui & Co., Ltd. per share, diluted	124.54		100.42	

Notes：

1.Percentage figures for Revenues, Income before Income Taxes and Equity in Earnings, and Net income attributable to Mitsui & Co., Ltd. represent changes from the previous year.

2.Comprehensive Income(Loss) for the six-month periods ended September 30, 2011 and 2010 were ¥(32,746) million (- %) and ¥5,855 million (- %), respectively.

(2) Consolidated financial position information

		September 30, 2011	March 31, 2011
Total assets	Millions of yen	8,411,677	8,598,124
Total equity (net worth)	Millions of yen	2,473,363	2,553,334
Mitsui & Co., Ltd. shareholders' equity	Millions of yen	2,284,431	2,366,192
Mitsui & Co., Ltd. shareholders' equity ratio	%	27.2	27.5
Mitsui & Co., Ltd. shareholders' equity per share	Yen	1,251.86	1,296.66

2. Dividend information

		Year ended March 31,		Year ending March 31, 2012 (Forecast)
		2012	2011	
Interim dividend per share	Yen	27	20	
Year-end dividend per share	Yen		27	28
Annual dividend per share	Yen		47	55

3. Forecast of consolidated operating results for the year ending March 31, 2012 (from April 1, 2011 to March 31, 2012)

		Year ending March 31, 2012
Net income attributable to Mitsui & Co., Ltd.	Millions of yen	430,000
Net income attributable to Mitsui & Co., Ltd. per share, basic	Yen	235.64

Note：
We maintain our forecast net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2012 of ¥430.0 billion announced together with the results of fiscal year ended March 2011.

4. Others
(1) Increase/decrease of important subsidiaries during the period : Yes
New : 1 company (MBK Healthcare Partners Limited)

(2) Number of shares :

	September 30, 2011	March 31, 2011
Number of shares of common stock issued, including treasury stock	1,829,153,527	1,829,153,527
Number of shares of treasury stock	4,329,436	4,324,067

	Six-month period ended September 30, 2011	Six-month period ended September 30, 2010
Average number of shares of common stock outstanding	1,824,826,489	1,824,737,540

Disclosure Regarding Quarterly Review Procedures
As of the date of disclosure of this quarterly earnings release, a review of the quarterly financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

A Cautionary Note on Forward-Looking Statements:
This report contains statements (including figures) regarding Mitsui & Co., Ltd. (“Mitsui”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the views of Mitsui’s management but should not be relied on solely in making investment and other decisions. You should be aware that a number of important risk factors could lead to outcomes that differ materially from those presented in such forward-looking statements. These include, but are not limited to, (i) changes in economic conditions that may lead to unforeseen developments in markets for products handled by Mitsui, (ii) fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions, (iii) adverse political developments that may create unavoidable delays or postponement of transactions and projects, (iv) changes in laws, regulations, or policies in any of the countries where Mitsui conducts its operations that may affect Mitsui's ability to fulfill its commitments, and (v) significant changes in the competitive environment. In the course of its operations, Mitsui adopts measures to control these and other types of risks, but this does not constitute a guarantee that such measures will be effective. Please refer to Page 30 "Notice" for the details.

Supplementary materials and IR meeting on financial results:
Supplementary materials on financial results can be found on our web site.
We will hold an IR meeting on financial results for analysts and institutional investors on November 4, 2011.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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1. Qualitative Information

As of the date of disclosure of this quarterly earnings release, a review of the quarterly financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

(1) Summary of Consolidated Financial Results for the Six-month Period ended September 30, 2011

1) Operating Environment

The operating environment during the six-month period ended September 30, 2011 saw an elevated level of financial stability risks in the global economy, particularly in the latter half of the period. The expectation of general recovery in the global economy is increasingly susceptible to downside risk as activity has weakened significantly in the advanced economies.

It remains to be seen whether the U.S. will be able to achieve the political consensus to implement medium-term fiscal adjustments, while its output forecast is revised downward and its housing market continues to be stagnant. In Europe, the sovereign risk situations occurring in the peripheral area of the region pose significant downside risks as they pressure the financial system of the region and threaten to have a deeper impact on the real economy. Meanwhile Japan's output and domestic spending continue to recover after the steep decline caused by the earthquake and its aftermath.

Although volatility may be increasing, the overall financial conditions remain supportive of the continued growth in the emerging economies. In general, the emerging economies continue to show historically high output growth, which may become more moderate, however, due to monetary tightening and slower external demand from the advanced economies. Although the recent economic indices from China suggest a slight moderation in growth, China is expected to sustain its growth trajectory owing to the shift to personal consumption and continued inland infrastructure investments.

Commodity prices including oil and mineral resources declined in response to the slower global economy and the risk-adverse flow of capital due to volatile financial markets: oil prices (WTI) declined from over $110 per barrel in April to mid- $70s per barrel in September, and has subsequently recovered to the $80s per barrel. Although the Nikkei index recovered to the level of ¥10,000 in July due to the supportive policies by the Bank of Japan and the recovery of production in the country's manufacturing sectors, it later declined below the ¥8,400 level at one point as the financial turmoil in peripheral Europe deepened, and was at the ¥8,700 level at the end of September. In the foreign exchange market, the weakness of the Euro and the U.S. dollar caused the yen to appreciate to the level of the upper 70s per U.S. dollar in July, which continues to provide additional concerns for Japan's economy. In October, the yen further appreciated against the U.S. dollar and reached the historical high after the World War II.

The global economy faces the risks posed by weak policy responses to the current financial crisis from the advanced economies and the downside risks of further deterioration of financial stability, which may cause reduced flow of capital and lower demand. This may affect the growth prospects of the emerging economies and the global commodity markets as well as the capital markets. We will further intensify our monitoring activities of these risks. Concurrently, in running our business we will maintain a long term perspective with the continued expectation that the global economy is able to show a modest recovery, driven by the underlying growth fundamentals of the emerging economies.

2) Results of Operations

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") posted net income attributable to Mitsui & Co., Ltd. of ¥227.3 billion, an increase of ¥44.1 billion from ¥183.2 billion for the corresponding six-month period of the previous year. Major developments during the six-month period ended September 30, 2011 were as follows:

- Increases in commodity prices contributed to increases in gross profit. In particular, the Mineral & Metal Resources Segment recorded an increase in gross profit due to a run-up in iron ore prices and the Energy Segment also enjoyed the positive effect of higher oil prices despite a decline in gross profit due to the reclassification of ENEOS GLOBE Corporation to an associated company. The Foods & Retail Segment also reported an increase in gross profit due to the improvement of valuation gains and losses on forward contracts related to coffee. Some segments, such as the Consumer Service & IT Segment which curtailed some product sales and suffered from dampened consumer spending in Japan, posted declines in gross profit from the corresponding six-month period of the previous year, however the overall gross profit increased by ¥16.1 billion.

- Despite the recognition of impairment losses on investments in listed associated companies including TPV Technology Limited and Moshi Moshi Hotline, Inc. reflecting a decline in the share price, equity in earnings of associated companies increased due mainly to contributions from Valepar S.A. and Robe River Mining Company reflecting the rise in iron ore prices.
- Dividend income increased reflecting an increase in oil-linked LNG prices due to a rise in oil prices and commencement of recognition of dividend income received from the Sakhalin II project. In addition, gain on sales of securities increased due to the recognition of a remeasurement gain on the existing interests resulting from the acquisition of the entire stake in Multigrain AG as well as gain on sales of shares including T-Gaia Corporation.
- The Energy and the Mineral & Metal Resources segments were the key contributors to the increase in net income attributable to Mitsui & Co., Ltd. due to further rises in mineral resources and energy prices. All but the four segments of Iron & Steel Products, Consumer Service & IT, Logistics & Financial Business and Europe, the Middle East and Africa posted increases in net income attributable to Mitsui & Co., Ltd.

3) Financial Condition

Total assets as of September 30, 2011 were ¥8.4 trillion, a decline of ¥0.2 trillion from ¥8.6 trillion as of March 31, 2011. Current assets decreased by ¥0.1 trillion mainly due to a decline in cash and cash equivalents. Investments and plant, property and equipment (“PPE”) declined by ¥0.1 trillion due to the appreciation of the Japanese yen and a drop in equity prices, of which the effect was partly offset by an increase of a newly acquired subsidiary, Multigrain A.G., as well as expansions and new investments. Total Mitsui & Co., Ltd. shareholders’ equity as of September 30, 2011 was ¥2.3 trillion, a decline of ¥0.1 trillion from ¥2.4 trillion as of March 31, 2011. This reflects the aforementioned appreciation of the Japanese yen against foreign currencies as well as lower equity prices despite an increase in retained earnings. The net debt-to-equity ratio (“Net DER”) (*) as of September 30, 2011 was 0.94 times.

(*) See “(3) Financial Condition and Cash Flows” regarding “Net DER.”

4) Cash Flows

Net cash provided by operating activities for the six-month period ended September 30, 2011 was ¥91.5 billion. Net cash provided by operating activities was comprised of operating income of ¥194.7 billion, dividends received of ¥90.7 billion, including those from associated companies, and net cash outflow of ¥188.0 billion from an increase in working capital, or changes in operating assets and liabilities, including payment of ¥86.1 billion for the settlement of the oil spill incident in the Gulf of Mexico. Net cash used in investing activities for the six-month period ended September 30, 2011 was ¥232.0 billion including expansion-related expenditures for natural resources in the Energy Segment and the acquisition of a stake in Integrated Healthcare Holdings Sdn. Bhd. Accordingly, free cash flow (*) for the six-month period ended September 30, 2011 was a net outflow of ¥140.5 billion.

(*) Sum of cash flow for operating activities and cash flow for investing activities

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

1) Analysis of Consolidated Income Statements

Revenues

Total revenues for the six-month period ended September 30, 2011 were ¥2,629.0 billion, an increase of ¥424.7 billion from ¥2,204.3 billion for the corresponding six-month period of the previous year.

Revenues from sales of products for the six-month period ended September 30, 2011 were ¥2,383.8 billion, an increase of ¥435.2 billion from ¥1,948.6 billion for the corresponding six-month period of the previous year, as a result of the following:

- The Energy Segment reported an increase of ¥126.0 billion. The petroleum trading business reported a significant increase in revenues due to an increase in sales volume and higher petroleum prices, despite a decline of ¥80.4 billion attributable to the reclassification of ENEOS GLOBE Corporation (Japan) to an associated company.
- The Mineral & Metal Resources Segment reported an increase of ¥76.0 billion. Mitsui-Itochu Iron Pty. Ltd. (Australia) reported an increase of ¥17.6 billion reflecting increases in sales volume and iron ore prices despite the negative effect of foreign exchange. Mitsui Iron Ore Development Pty. Ltd. (Australia) also reported an increase of ¥12.7 billion reflecting an increase in iron ore prices, despite the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain recorded in the corresponding six-month period of the previous year. Furthermore, reflecting increases in sales volume of import business for domestic smelters and offshore business for Chinese smelters and traders as well as higher copper prices, the copper trading business at Mitsui reported an increase of ¥26.4 billion.
- The Americas Segment reported an increase of ¥75.5 billion. United Grain Corporation (United States) reported an increase of ¥58.8 billion in revenue due to the fact that in the six-month period ended September 30, 2011, United Grain Corporation started to conduct the grain origination and export business which had been operated by United Harvest, LLC (United States), a 50:50 joint venture between United Grain Corporation and CHS Inc., an agricultural cooperative-based company in the United States, after the dissolution of the joint venture.
- The Chemical Segment reported an increase of ¥75.1 billion due to higher prices of raw materials for polyester as well as sulphur and ammonia.
- The Foods & Retail Segment reported an increase of ¥64.2 billion due to an increase in sales volume of import business and offshore business for Asian countries in addition to higher prices of grains and palm oil, as well as a contribution of ¥23.0 billion coming in from Multigrain AG (Switzerland) which was acquired in the six-month period ended September 30, 2011.

Revenues from sales of services for the six-month period ended September 30, 2011 were ¥180.2 billion, a decline of ¥0.9 billion from ¥181.1 billion for the corresponding six-month period of the previous year.

Revenues from other sales for the six-month period ended September 30, 2011 were ¥65.0 billion, a decline of ¥9.7 billion from ¥74.7 billion for the corresponding six-month period of the previous year. Mitsui recorded gains in revenues related to the commodity derivatives trading business which correspond to foreign exchange losses posted in other income-net of ¥0.4 billion and ¥8.3 billion for the six-month period ended September 30, 2011 and for the corresponding six-month period of the previous year, respectively.

Gross Profit

Gross profit for the six-month period ended September 30, 2011 was ¥453.9 billion, an increase of ¥16.1 billion from ¥437.8 billion for the corresponding six-month period of the previous year as a result of the following:

- The Mineral & Metal Resources Segment reported an increase of ¥19.0 billion in gross profit. Mitsui-Itochu Iron Pty. Ltd. reported an increase of ¥12.4 billion reflecting increases in sales volume and iron ore prices despite the negative effect of foreign exchange. Mitsui Iron Ore Development Pty.

Ltd. also reported an increase of ¥6.9 billion reflecting the increase in iron ore prices despite the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain recorded in the corresponding six-month period of the previous year.

- The Foods & Retail Segment reported an increase of ¥12.4 billion in gross profit due to a ¥7.6 billion improvement of valuation gains and losses on forward contracts related to coffee, which were deemed to be derivatives, as well as a ¥5.9 billion contribution from Multigrain AG which was acquired in the three-month period ended June 30, 2011.
- The Energy Segment reported an increase of ¥4.6 billion in gross profit. The petroleum trading business at Mitsui achieved an increase of ¥7.1 billion due to increased trading volumes and a recovery in market conditions. Increases of ¥5.2 billion due to increases in oil prices, ¥4.6 billion due to higher coal prices and ¥3.1 billion due to a rise in oil prices and equity production were reported by Mitsui Oil Exploration Co., Ltd. (Japan), Mitsui Coal Holdings Pty. Ltd. (Australia) and Mitsui E&P Middle East B. V. (Netherland), respectively. Meanwhile, Mitsui Oil Co., Ltd. (Japan) reported a decline of ¥4.8 billion due to worsening margins. A decline of ¥12.3 billion was also recorded due to the reclassification of ENEOS GLOBE Corporation to an associated company as a result of its merger with the LPG business of JX Nippon Oil & Energy Corporation.
- The Logistic & Financial Business Segment reported a decline of ¥8.2 billion in gross profit caused by the recording of gross profit related to the commodity derivatives trading business which corresponds to foreign exchange losses posted in other income-net of ¥0.4 billion and ¥8.3 billion for the six-month period ended September 30, 2011 and for the corresponding six-month period of the previous year, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six-month period ended September 30, 2011 were ¥254.3 billion, a decline of ¥10.2 billion from ¥264.5 billion for the corresponding six-month period of the previous year.

The table below provides a breakdown of selling, general and administrative expenses used for our internal review.

Billions of Yen

	Personnel	Welfare	Travel	Entertainment	Communication
Six-month period ended September 30, 2011	136.5	5.8	14.8	3.7	23.3
Six-month period ended September 30, 2010	132.5	5.8	14.5	4.1	24.3
Change	4.0	0.0	0.3	(0.4)	(1.0)

	Rent	Depreciation	Tax	Others	Total
Six-month period ended September 30, 2011	8.3	6.2	4.1	51.6	254.3
Six-month period ended September 30, 2010	9.6	8.8	3.9	61.0	264.5
Change	(1.3)	(2.6)	0.2	(9.4)	(10.2)

- Personnel expenses were ¥136.5 billion, an increase of ¥4.0 billion from ¥132.5 billion for the corresponding six-month period of the previous year. This increase is mainly attributable to an increase in performance-based bonuses at Mitsui.
- Other expenses were ¥51.6 billion, a decline of ¥9.4 billion from ¥61.0 billion for the corresponding six-month period of the previous year. The decline was mainly attributable to the reclassification of ENEOS GLOBE Corporation and MT Falcon Holdings Company, S.A.P.I. de C.V. (Mexico) to an associated company.

The table below provides selling, general and administrative expenses broken down by operating segment.

Billions of Yen

Operating Segment	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Business
Six-month period ended September 30, 2011	17.0	10.9	42.4	28.4	22.3	35.8	32.1	16.6
Six-month period ended September 30, 2010	16.3	9.3	38.9	25.9	30.0	32.5	29.7	15.2
Change	0.7	1.6	3.5	2.5	(7.7)	3.3	2.4	1.4

Operating Segment	Americas	Europe, the Middle East and Africa	Asia Pacfic	Total	All other	Adjustments and Eliminations	Consolidated Total
Six-month period ended September 30, 2011	24.9	9.8	8.1	248.3	3.0	3.0	254.3
Six-month period ended September 30, 2010	22.7	8.2	7.9	236.6	3.1	24.8	264.5
Change	2.2	1.6	0.2	11.7	(0.1)	(21.8)	(10.2)

The Energy Segment reported a decline of ¥7.7 billion mainly due to a decline of ¥11.0 billion resulting from the reclassification of ENEOS GLOBE Corporation to an associated company. Starting from this six-month period, we have implemented a new internal accounting rule stipulating that particular considerations for intra group services are recorded in “selling, general and administrative expenses” at the payer side and in “other income” at the payee side while an elimination entry is made for the Adjustment and Elimination Segment. As a result, each business segment reported an increase in “selling, general and administrative expenses” while the Adjustment and Elimination Segment reported a decline of ¥16.5 billion.

Provision for Doubtful Receivables

Provision for doubtful receivables for the six-month period ended September 30, 2011 was ¥4.9 billion, an increase of ¥1.4 billion from ¥3.5 billion for the corresponding six-month period of the previous year. Provisions for both periods represented increases in aggregated reserves for individually small receivables.

Interest Expense—Net

Interest expense, net of interest income, for the six-month period ended September 30, 2011 was ¥2.4 billion, an increase of ¥1.2 billion from ¥1.2 billion for the corresponding six-month period of the previous year. The following table provides the periodic average of 3 month Libor of the Japanese yen and the U.S. dollar for the six-month period ended September 30, 2011 and 2010.

Periodic average of 3 month Libor (%p.a.)

	Six-month period ended September 30,	
	2010	**2011**
Japanese yen	0.24	0.19
U.S. dollar	0.41	0.29

Dividend Income

Dividend income for the six-month period ended September 30, 2011 was ¥38.9 billion, an increase of ¥14.1 billion from ¥24.8 billion for the corresponding six-month period of the previous year. Dividend income from six LNG projects (Abu Dhabi, Oman, Qatargas 1 and 3, Equatorial Guinea and Sakhalin II) was ¥28.2 billion, an increase of ¥15.0 billion from ¥13.2 billion for the corresponding six-month period of the previous year. The increase was due to a rise in oil-linked LNG prices resulting from a run-up in oil prices, dividends coming in from the Sakhalin II project recognized starting from the three-month period ended December 31, 2010, as well as receipt of dividends from the Qatargas 3 project starting from the three-month period ended June 30, 2011.

Gain on Sales of Securities—Net

Gain on sales of securities for the six-month period ended September 30, 2011 was ¥11.9 billion, an increase of ¥10.7 billion from ¥1.2 billion for the corresponding six-month period of the previous year. For the six-month period ended September 30, 2011, the Foods & Retail Segment recorded a ¥3.6 billion remeasurement gain on the existing interests resulting from the acquisition of the entire stake in Multigrain AG and the Consumer Service & IT Segment recorded a gain of ¥2.7 billion on the sale of securities through participation in a public tender offering by T-Gaia Corporation. There were miscellaneous small transactions in the corresponding six-month period of the previous year.

Loss on Write-Downs of Securities

Loss on write-downs of securities for the six-month period ended September 30, 2011 was ¥15.4 billion, a deterioration of ¥8.6 billion from ¥6.8 billion for the corresponding six-month period of the previous year. The Consumer Service & IT Segment recorded a ¥4.0 billion impairment loss on shares in Formosa Epitaxy Incorporation (Taiwan), a LED manufacturer, for the six-month period ended September 30, 2011. There were miscellaneous small write-downs for the corresponding six-month period of the previous year.

Gain (Loss) on Disposal or Sales of Property and Equipment—Net

Gain on disposal or sales of property and equipment—net for the six-month period ended September 30, 2011 was ¥1.4 billion, an improvement of ¥1.5 billion from a loss of ¥0.1 billion for the corresponding six-month period of the previous year. There were miscellaneous small transactions in both periods.

Impairment Loss of Long-Lived Assets

Impairment loss of long-lived assets for the six-month period ended September 30, 2011 was ¥2.1 billion, an improvement of ¥0.4 billion from ¥2.5 billion for the corresponding six-month period of the previous year. MOEX Offshore 2007 LLC (United States) in the Energy Segment, a subsidiary of Mitsui Oil Exploration Co., Ltd., recorded an impairment loss of mineral rights related to the Mississippi Canyon 252 lease in the Gulf of Mexico for the corresponding six-month period of the previous year.

Impairment Loss of Goodwill

Impairment loss of goodwill for the six-month period ended September 30, 2011 was ¥1.9 billion and consisting of miscellaneous small impairments. There was no impairment loss of goodwill for the corresponding six-month period of the previous year.

Other Income—Net

Other income-net for the six-month period ended September 30, 2011 was ¥6.5 billion, an increase of ¥2.5 billion from ¥4.0 billion for the corresponding six-month period of the previous year.

- For the six-month period ended September 30, 2011, Mitsui recorded foreign exchange gains of ¥4.9 billion including gains of ¥2.8 billion on foreign exchange derivative contracts intended to reduce exposure to the fluctuating foreign exchange rates at the iron ore mining operation in the Mineral & Metal Resources Segment and foreign exchange losses of ¥0.4 billion on commodity derivatives trading activities in the Logistics & Financial Business Segment, which corresponded to a related gross profit in the same segment. In the Chemical Segment, Shark Bay Salt Pty Ltd posted a ¥5.8 billion gain as consideration for releasing a part of the mining lease area to support the progress of an LNG project in the vicinity of the salt field. Meanwhile, exploration expenses totaled ¥9.4 billion including those recorded at oil and gas producing businesses such as Mitsui E&P Australia Pty. Limited (Australia) and Mitsui Gas Development Qatar B.V. (Netherlands) in the Energy Segment.
- For the corresponding six-month period of the previous year, Mitsui Oil Exploration Co., Ltd. in the Energy Segment reported foreign exchange fluctuation gains of ¥2.9 billion and Mitsui Raw Materials

Development Pty. Limited (Australia) in the Mineral & Metal Resources Segment recoded foreign exchange fluctuation gains related to borrowings denominated in U.S. dollars. Mitsui recorded foreign exchange losses of ¥0.1 billion including gains of ¥3.9 billion on foreign exchange derivative contracts intended to reduce exposure to the fluctuating foreign exchange rate at the iron ore mining operations in the Mineral & Metal Resources Segment and losses of ¥8.3 billion on commodity derivatives trading activities in the Logistics & Financial Business Segment, which corresponded to a related gross profit in the same segment. Furthermore, exploration expenses totaled ¥4.8 billion including those related to the Mississippi Canyon 252 lease in the Gulf of Mexico, recorded by MOEX Offshore 2007 LLC in the Energy Segment and a loss allowance for an office development business in Japan was recorded by Mitsui in the Consumer Service & IT Segment.

Income Taxes

Income taxes for the six-month period ended September 30, 2011 were ¥109.1 billion, an increase of ¥18.5 billion from ¥90.6 billion for the corresponding six-month period of the previous year. This change was mainly attributable to an increase in "income from continuing operations before income taxes and equity in earnings" and "equity earnings of associated companies-net." For the six-month period ended September 30, 2011, reversal of deferred tax liabilities related to dividends received from associated companies was approximately ¥10.0 billion, a decline of approximately ¥5.0 billion from the corresponding six-month period of the previous year (*).

The effective tax rate on "income from continuing operations before income taxes and equity in earnings" for the six-month period ended September 30, 2011 was 47.1%, a decline of 0.8% from 47.9% for the corresponding six-month period of the previous year.

(*) We, in principle, record deferred tax liabilities on undistributed retained earnings of associated companies calculating the expected tax amount payable based on the assumption that we would sell investments in associated companies in the future. At the time of profit distribution from associated companies, we reverse the deferred tax liabilities while recording an income tax expense on the dividends received. In a case where a certain portion of dividends received is treated as non-taxable such as in the treatment of dividends under Japanese tax law, tax expenses on dividends received are smaller than the reversal amount of the deferred tax liabilities, and the balance is credited to tax expenses.

Equity in Earnings of Associated Companies—Net

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥124.0 billion, an increase of ¥24.0 billion from ¥100.0 billion for the corresponding six-month period of the previous year as a result of the following:

- An increase of ¥28.6 billion was recorded at Valepar S.A. (Brazil), reflecting a boost in earnings at its investee, Vale S.A. ("Vale"), mainly due to an increase in iron ore prices and the gain on divestiture of its aluminium assets, despite the negative effect of foreign exchange. Furthermore, an increase of ¥3.9 billion was recorded at Robe River Mining Company (Australia), an investment vehicle company for our Australian iron ore mining business, due to an increase in iron ore prices, despite the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain recorded for the corresponding six-month period of the previous year.
- Overseas power production businesses reported an increase of ¥6.0 billion in earnings due mainly to an improvement of ¥8.2 billion in mark-to-market valuation gains and losses such as those on long-term power derivative contracts and long-term fuel purchase contracts.
- Due to a decline in share price, impairment losses on investments of ¥28.4 billion in total, including ¥14.8 billion for TPV Technology Limited (Taiwan), ¥6.7 billion for Moshi Moshi Hotline, Inc. (Japan) and ¥6.0 billion for Nihon Unisys, Ltd. (Japan), were recorded in equity earnings of associated companies-net.
- For the corresponding six-month period of the previous year, an impairment loss on investment in the

Nibancho Center Building Project, a real estate business, was reported.

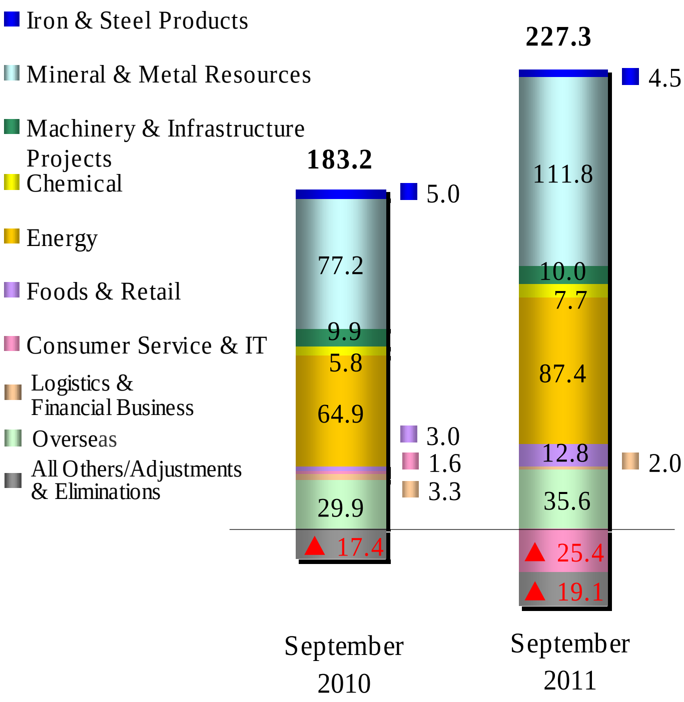
Net Income before attribution of Noncontrolling Interests
As a result of the above factors, net income before attribution of noncontrolling interests for the six-month period ended September 30, 2011 was ¥246.5 billion, an increase of ¥48.1 billion from ¥198.4 billion for the corresponding six-month period of the previous year.

Net Income attributable to Noncontrolling Interests
Net income attributable to noncontrolling interests for the six-month period ended September 30, 2011 was ¥19.2 billion, an increase of ¥4.0 billion from ¥15.2 billion for the corresponding six-month period of the previous year. Mitsui-Itochu Iron Pty. Ltd. and Mitsui Oil Exploration Co., Ltd. reported an increase in net income attributable to noncontrolling interests due to an increase in net income before attribution of noncontrolling interests.

Net Income attributable to Mitsui & Co., Ltd.
As a result, net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥227.3 billion, an increase of ¥44.1 billion from ¥183.2 billion for the corresponding six-month period of the previous year.

2) Operating Results by Operating Segment
During the six-month period ended September 30, 2011, the company has changed the management system of the offices in the Far East and CIS areas to reinforce and accelerate the regional business strategy. Effective April 1, 2011, the business units of the head office oversee operations in China, Taiwan, Korea and CIS. The information relating to the companies in the above areas is included in the operating segment information of the related business units. In accordance with this change, the operating segment information for the six-month period ended September 30, 2010, has been restated to conform to the current six-month period presentation. During the six-month period ended September 30, 2011, the Logistics & Financial Market Segment changed its name to the Logistics & Financial Business Segment.

Net Income attributable to Mitsui&Co., Ltd.
by Operating Segment
(Billions of Yen)



Iron & Steel Products Segment
Gross profit for the six-month period ended September 30, 2011 was ¥22.4 billion, an increase of ¥0.2 billion from ¥22.2 billion for the corresponding six-month period of the previous year. Although demand for steel is declining, sales for automobiles started to recover from the Great East Japan Earthquake and an increase in export sales of tubular products and products for home appliances contributed to the increase in gross profit.
Operating income for the six-month period ended September 30, 2011 was ¥5.6 billion, the same amount for the corresponding six-month period of the previous year.
Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥1.7 billion, a decline of ¥0.3 billion from ¥2.0 billion for the corresponding six-month period of the previous year.
Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥4.5

billion, a decline of ¥0.5 billion from ¥5.0 billion for the corresponding six-month period of the previous year.

Mineral & Metal Resources Segment

Gross profit for the six-month period ended September 30, 2011 was ¥110.1 billion, an increase of ¥19.0 billion from ¥91.1 billion for the corresponding six-month period of the previous year. The main factor contributing to the increase was the increase in iron ore prices. Starting from the previous fiscal year, the pricing system for mining companies and steelmakers shifted to a system where the prices are determined based on the spot market on a shorter term basis such as a quarterly basis. Led by consistent increases in demand in China, spot prices crept up from July 2010 and peaked out in February 2011. Followed by a correction in the market, they started to slip from the middle of September 2011. Accordingly, typical contract prices for products sold during the six-month period ended September 30, 2011 were based on a daily average of short-term references during December 1, 2010 through May 31, 2011, and were settled at levels substantially higher than the corresponding six-month period of the previous year. Consequently, Mitsui-Itochu Iron Pty. Ltd. recorded an increase of ¥12.4 billion due to increases in iron ore prices and sales volume, despite the negative effect of foreign exchange. Mitsui Iron Ore Development Pty. Ltd. reported an increase of ¥6.9 billion reflecting the rise in iron ore prices, which was partially offset by the negative impact of foreign exchange and the reversal effect of a sales price adjustment gain for the corresponding six-month period of the previous year .

Operating income for the six-month period ended September 30, 2011 was ¥ 99.2 billion, an increase of ¥17.5 billion from ¥81.7 billion for the corresponding six-month period of the previous year, reflecting the increase in gross profit.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥82.7 billion, a substantial increase of ¥36.5 billion from ¥46.2 billion for the corresponding six-month period of the previous year. Major factors were as follows:

- Valepar S.A. posted earnings of ¥43.9 billion, a substantial increase of ¥28.6 billion from ¥15.3 billion for the corresponding six-month period of the previous year, reflecting an increase in earnings at Vale S.A. mainly due to an increase in prices of iron ore and the gain on divestiture of its aluminium assets, despite the negative effect of foreign exchange. As the fiscal year of Valepar S.A. commences on January 1 and ends on December 31 of each year, we recognize their profit and loss with a three month time lag.
- Earnings at Robe River Mining Company were ¥24.8 billion, an increase of ¥3.9 billion from ¥20.9 billion for the corresponding six-month period of the previous year, due to an increase in iron ore prices, despite the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain for the corresponding six-month period of the previous year.
- Compañía Minera Doña Inés de Collahuasi SCM recorded earnings of ¥8.9 billion, an increase of ¥0.2 billion from ¥8.7 billion for the corresponding six-month period of the previous year. The increase in copper prices was offset by a decline in sales volume reflecting the negative impact of the ship loader collapse.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥111.8 billion, a substantial increase of ¥34.6 billion from ¥77.2 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, the following factors also affected results:

- For other income, foreign exchange gains and losses at iron ore producing business in Australia improved by ¥1.4 billion. Meanwhile, gains on foreign exchange derivative contracts intended to reduce exposure to the fluctuating foreign exchange rate at iron ore producing businesses in Australia at Mitsui were ¥2.8 billion, a ¥1.1 billion decline from ¥3.9 billion for the corresponding six-month period of the previous year. Furthermore foreign exchange gains and losses related to borrowings denominated in U.S. dollars at Mitsui Raw Material Development Pty. Limited deteriorated by ¥1.9 billion from the corresponding six-month period of the previous year.

- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution increased by approximately ¥2.0 billion from the corresponding six-month period of the previous year.

Machinery & Infrastructure Projects Segment

Gross profit for the six-month period ended September 30, 2011 was ¥43.7 billion, a decline of ¥1.2 billion from ¥44.9 billion for the corresponding six-month period of the previous year.

- The Infrastructure Projects Business Unit reported a decline of ¥1.0 billion in gross profit due to the reclassification of a brine electrolyzer manufacturing subsidiary and MT Falcon Holdings Company, S.A.P.I. de C.V. (Mexico), a holding company of natural-gas-fired power stations in Mexico, to associated company, despite an increase in gross profit at the overseas power plant construction business.
- The Motor Vehicles & Construction Machinery Business Unit reported an increase of ¥3.3 billion in gross profit. Automotive related businesses in South America recorded solid performance reflecting strong sales. Mining and construction machinery related businesses in Americas also posted an increase.
- The Marine & Aerospace Business Unit reported a decline of ¥3.6 billion in gross profit due to the recognition of a loss allowance for vessels under construction reflecting the stagnancy of maritime markets other than the LNG vessels market. Meanwhile, certain subsidiaries in the Marine & Aerospace Business Unit posted an increase as a result of recording intra group services fees in “selling, general and administrative expenses” which they had previously recorded in “cost of revenues.”

Operating loss for the six-month period ended September 30, 2011 was ¥5.1 billion, a deterioration of ¥7.7 billion from ¥2.6 billion operating income for the corresponding six-month period of the previous year. In addition to the decline in gross profit, PT. Bussan Auto Finance (Indonesia) reported an increase in the provision for doubtful receivables reflecting the increase in loan receivables and higher allowances for past-due loan receivables as well as increase in personnel and promotion expenses. Furthermore, certain subsidiaries recorded intra group services fees in “selling, general and administrative expenses” which they previously recorded in “cost of revenues.”

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥22.8 billion, an increase of ¥9.3 billion from ¥13.5 billion for the corresponding six-month period of the previous year.

- The Infrastructure Projects Business Unit reported an increase of ¥4.4 billion from the corresponding six-month period of the previous year. Overseas power producers, such as IPM (UK) Power Holdings Limited (Gibraltar), IPM Eagle LLP (United Kingdom) and P.T. Paiton Energy (Indonesia), reported equity in earnings of ¥9.4 billion in total, an increase of ¥5.5 billion from ¥3.9 billion for the corresponding six-month period of the previous year. Mainly due to the rise in gas prices in the U.K., mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, improved by ¥7.5 billion to a gain of ¥2.5 billion from a loss of ¥5.0 billion for the corresponding six-month period of the previous year. Meanwhile, the spread declined reflecting the decrease in power prices at some power generation units.
- The Motor Vehicles Business & Construction Machinery Business Unit reported an increase of ¥2.2 billion from the corresponding six-month period of the previous year. Mining and construction machinery related business in Australia achieved solid performance due to the high operation rate of mining machinery, Automotive related businesses in the Americas also recorded an increase.

- The Marine & Aerospace Business Unit reported an increase of ¥2.7 billion from the corresponding six-month period of the previous year. The main cause of the increase was the gain on sales of a FPSO (Floating Production, Storage and Offloading vessel) in the FPSO leasing business and the gain on reversal of a loss allowance at LNG vessels chartering business due to the market recovery.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥10.0 billion, an increase of ¥0.1 billion from ¥9.9 billion for the corresponding six-month period of the previous year.

Chemical Segment

Gross profit for the six-month period ended September 30, 2011 was ¥34.5 billion, a decline of ¥0.6 billion from ¥35.1 billion for the corresponding six-month period of the previous year.

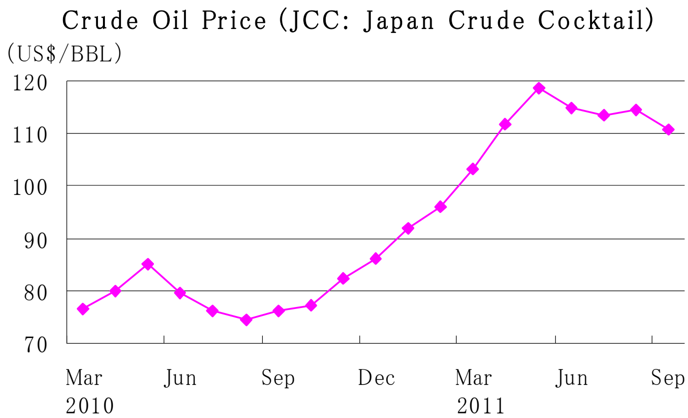
- The Basic Chemicals Business Unit reported a decline of ¥2.4 billion in gross profit. This was mainly due to underperforming trading activities of petrochemical intermediate materials as well as a decline in sales prices and volume at Shark Bay Salt Pty. Ltd., a salt manufacturing company.
- The Performance Chemicals Business Unit reported an increase of ¥1.8 billion in gross profit. P.T. Kaltim Pasifik Amoniak (Indonesia), an ammonia manufacturing and marketing joint venture, recorded an increase due to higher prices of ammonia.

Operating income for the six-month period ended September 30, 2011 was ¥6.6 billion, a decline of ¥2.8 billion from ¥9.4 billion for the corresponding six-month period of the previous year. In addition to the decline in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥1.9 billion, the same amount for the corresponding six-month period of the previous year.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥7.7 billion, an increase of ¥1.9 billion from ¥5.8 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, Shark Bay Salt Pty. Ltd. recorded a gain of ¥5.8 billion in other income-net as consideration for releasing a part of the mining lease area to support the progress of an LNG project in the vicinity of the salt field, which was partly offset by its impairment loss of goodwill.

Energy Segment



Oil prices (WTI) remained firm in April 2011 due to the moderate recovery of the global economy and reached a level above US$110 per barrel, however, in response to the slower recovery in the advanced economies as well as an outflow of speculative funds caused by the volatile financial market, oil prices started to decline in May and WTI declined to below US$80 per barrel at certain times during August to September. On the other hand, Dubai and Brent remained within a relatively high range of US$100-120 per barrel and US$102-127 per barrel, respectively, which caused Japan Crude Cocktail (JCC) to remain in the range of US$111-119 per barrel during the six-month period ended September 30, 2011, compared to US$74-85 per barrel recorded in the corresponding six-month period of the previous year.

The JCC price trend is generally reflected in the net income of our overseas oil and gas producing subsidiaries and associated companies in this segment with a zero to six-month time lag. Considering these time lags, Mitsui periodically calculates the weighted average JCC price applied to the operating results of those oil and gas producing subsidiaries and associated companies for internal review purposes. The weighted average JCC prices for the six-month period ended September 30, 2011 and 2010 were US$104 per barrel and US$79 per barrel, respectively.

Gross profit for the six-month period ended September 30, 2011 was ¥108.5 billion, an increase of ¥4.6 billion from ¥103.9 billion for the corresponding six-month period of the previous year primarily due to the following factors:

- Mitsui Oil Exploration Co., Ltd. reported an increase of ¥5.2 billion due to higher oil prices, and Mitsui E&P Middle East B. V. reported an increase of ¥3.1 billion due to increases in both oil prices and equity production.
- The quarterly price applicable to typical Australian premium hard coking coal for the three-month period ended June 30, 2011 and September 30, 2011 increased by approximately 65% and 40% respectively from the quarterly price of US$200 and US$225 per ton FOB for the corresponding three-month periods of the previous year. At the same time, annual thermal coal prices increased by around 33% from the annual contract price of US$97-98 per ton FOB for the corresponding six-month period of the previous year. For the six-month period ended September 30, 2011, gross profit at Mitsui Coal Holdings Pty. Ltd. increased by ¥4.6 billion mainly due to higher coal prices.
- An increase of ¥7.1 billion in gross profit in petroleum trading activities was recorded at Mitsui due to increased trading volumes and a recovery in market conditions, while Mitsui Oil Co., Ltd. reported a decline of ¥4.8 billion in gross profit due to worsening margins. Furthermore, a decline of ¥12.3 billion in gross profit was recorded due to the reclassification of ENEOS GLOBE Corporation from subsidiary to associated company as a result of its merger with the LPG business of JX Nippon Oil & Energy Corporation.

Operating income for the six-month period ended September 30, 2011 was ¥86.4 billion, an increase of ¥13.0 billion from ¥73.4 billion for the corresponding six-month period of the previous year. Selling, general and administrative expenses related to ENEOS GLOBE Corporation declined by ¥11.0 billion due to its reclassification to associated company.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥24.8 billion, an increase of ¥2.7 billion from ¥22.1 billion for the corresponding six-month period of the previous year. Due to the fact that the positive impact of higher oil-linked LNG prices was offset by the negative effect of foreign exchange, Japan Australia LNG (MIMI) Pty. Ltd. (Australia) reported earnings equivalent to the level of the corresponding six-month period of the previous year.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥87.4 billion, a significant increase of ¥22.5 billion from ¥64.9 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, the following factors also affected results:

- Dividends from six LNG projects (Abu Dhabi, Oman, Qatargas 1 and 3, Equatorial Guinea and Sakhalin II) were ¥28.2 billion in total, an increase of ¥15.0 billion from the corresponding six-month period of the previous year, reflecting higher oil-linked LNG prices, dividends coming in from the Sakhalin II project recognized starting from the three-month period ended December 31, 2010, as well as receipt of dividends from the Qatargas 3 project starting from the three-month period ended June 30, 2011.
- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution declined by approximately ¥6.0 billion from the corresponding six-month period of the previous year.
- This segment reported exploration expenses of ¥9.2 billion on other income-net, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui Gas Development Qatar B. V. For the corresponding six-month period of the previous year, exploration expenses totaled ¥4.6 billion including those related to the Mississippi Canyon 252 lease in the Gulf of Mexico, recorded by MOEX Offshore 2007 LLC.
- For the corresponding six-month period of the previous year, MOEX Offshore 2007 LLC recorded an impairment loss on mineral rights related to the Mississippi Canyon 252 lease in the Gulf of Mexico.

Please refer to the description on “(7) The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico” on “4.Consolidated Financial Statements” for details on the oil spill incident of a drilling rig in the Gulf of Mexico.

Foods & Retail Segment

Gross profit for the six-month period ended September 30, 2011 was ¥50.0 billion, an increase of ¥12.4 billion from ¥37.6 billion for the corresponding six-month period of the previous year.

- This segment recorded an improvement of ¥7.6 billion for mark-to-market valuation gains and losses on commodity derivative contracts related to coffee. The coffee prices which boosted during the last fiscal year showed further increases at the start of the three-month period ended June 30, 2011, but as of June 30, 2011 they returned to prices equivalent to the level of March 31, 2011, after trading within a certain range. However the prices declined in September in response to slower global economy caused by the turmoil in the capital market, and as of September 30, 2011, were lower than the prices as of March 31, 2011. This segment recorded reversal of mark-to-market valuation losses recorded at the end of previous fiscal year, following actual delivery for the six-month period ended September 30, 2011.Meanwhile, mark-to-market valuation losses were recoded for the corresponding six-month period of the previous year reflecting the rise in coffee prices.
- A contribution of ¥5.9 billion was reported by Multigrain AG which was acquired in the three-month period ended June 30, 2011, and engages in the agricultural production and grain distribution business in Brazil, reflecting a plentiful soybean harvest at the agricultural production business, while write-down of inventories was recognized at food subsidiary in Europe.

Operating income for the six-month period ended September 30, 2011 was ¥14.3 billion, an increase of ¥9.2 billion from ¥5.1 billion for the corresponding six-month period of the previous year. The increase in gross profit was partially offset by an increase in selling, general and administrative expenses, mainly due to the reclassification of Multigrain AG from associated company to subsidiary.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥1.2 billion, a decline of ¥0.3 billion from ¥1.5 billion for the corresponding six-month period of the previous year.

- Multigrain AG recorded ¥1.2 billion in equity losses, a deterioration of ¥1.0 billion from the corresponding six-month period of the previous year, mainly due to mark-to-market valuation losses on commodity derivative contracts reflecting the rise in cotton prices (*1).
- This segment recorded impairment losses on listed securities in Nippon Formula Feed Manufacturing Co., Ltd. (Japan) for the six-month period ended September 30, 2011, as well as in Mikuni Coca-Cola Bottling Co., Ltd. (Japan) for the corresponding six-month period of the previous year, reflecting a decline in share price (*2).

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥12.8 billion, an increase of ¥9.8 billion from ¥3.0 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, this segment recorded a ¥3.6 billion remeasurement gain on the existing interests for the six-month period ended September 30, 2011, due to the reclassification of Multigrain AG from associated company to subsidiary as a result of additional investment.

(*1) Despite the fact that Mitsui acquired 100% of ownership in Multigrain AG in the three-month period ended June 30, 2011, we recognized their losses with a three month time lag in equity losses.

(*2) Mitsui records an impairment loss on a marketable security of an associated company if a decline in the value of the security is other-than-temporary. For example, a market decline for a period of nine or more consecutive months leads to the conclusion that the security has an other-than-temporary decline. This impairment loss was recognized since the fair value decline was observed for more than nine consecutive months.

Consumer Service & IT Segment

Gross profit for the six-month period ended September 30, 2011 was ¥23.3 billion, a decline of ¥1.7 billion from ¥25.0 billion for the corresponding six-month period of the previous year.

- The Consumer Service Business Unit reported a decline of ¥0.3 billion in gross profit due to dampened consumer spending on commodities such as fashion products in Japan.

- The IT Business Unit reported a decline of ¥1.4 billion in gross profit due to the curtailment of some product sales in the electronics business.

Operating loss for the six-month period ended September 30, 2011 was ¥8.9 billion, a deterioration of ¥4.3 billion from operating loss of ¥4.6 billion for the corresponding six-month period of the previous year. In addition to the decline in gross profit, selling, general and administrative expenses increased.

Equity in losses of associated companies for the six-month period ended September 30, 2011 was ¥20.2 billion, a deterioration of ¥21.9 billion from ¥1.7 billion in earnings for the corresponding six-month period of the previous year.

- This segment recorded ¥14.8 billion, ¥6.7 billion and ¥6.0 billion impairment losses on listed securities in TPV Technology Limited, Moshi Moshi Hotline, Inc. and Nihon Unisys, Ltd. respectively, reflecting the decline in share price, for the six-month period ended September 30, 2011.
- For the corresponding six-month period of the previous year, this segment recorded an impairment loss on investment in the Nibancho Center Building Project, a real estate business.

Net loss attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥25.4 billion, a deterioration of ¥27.0 billion from a net income of ¥1.6 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, the following factors also affected results:

- A ¥4.0 billion impairment loss on shares in Formosa Epitaxy Incorporation (Taiwan), a LED manufacturer, was recorded for the six-month period ended September 30, 2011.
- A gain of ¥2.7 billion on the sale of securities through participation in public tender offering by T-Gaia Corporation was posted for the six-month period ended September 30, 2011.
- This segment reported a loss allowance for an office development business in Japan in other income-net for the corresponding six-month period of the previous year.
- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution declined by approximately ¥1.5 billion from the corresponding six-month period of the previous year.

Logistics & Financial Business Segment

Gross profit for the six-month period ended September 30, 2011 was ¥13.5 billion, a decline of ¥8.2 billion from ¥21.7 billion for the corresponding six-month period of the previous year.

- The Financial & New Business Unit reported a decline of ¥6.8 billion in gross profit. In comparison with the corresponding six-month period of the previous year, during which low volatility led to a stagnant commodity derivatives trading, relatively higher volatility partly caused by the European debt crisis stimulated the derivatives trading business. Gross profits corresponding to foreign exchange losses of ¥0.4 billion and ¥8.3 billion related to the commodity derivatives trading business posted in other expenses-net were included in gross profit for the six-month period ended September 30, 2011 and for the corresponding six-month period of the previous year, respectively, resulting in a slight increase in earnings related to commodity derivatives trading.
- The Transportation Logistics Business Unit reported a decline of ¥1.5 billion in gross profit mainly due to the sluggish growth in the cargo volume handled by Tokyo International Air Cargo Terminal Ltd. (Japan), operations of which started during the three-months period ended December 31, 2010. This slow growth is in part attributable to the Great East Japan Earthquake of March 2011.

Operating loss for the six-month period ended September 30, 2011 was ¥3.1 billion, a deterioration of ¥9.6 billion from operating income of ¥6.5 billion for the corresponding six-month period of the previous year.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥3.6 billion, a decline of ¥2.6 billion from ¥6.2 billion for the corresponding six-month period of the previous year. JA Mitsui Leasing, Ltd. (Japan) reported decrease in earnings mainly due to the decline in the reversal of provisions for doubtful receivables.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥2.0 billion, a decline of ¥1.3 billion from ¥3.3 billion for the corresponding six-month period of the previous year. In addition to the above-mentioned factors, foreign exchange losses of ¥0.4 billion and ¥8.3 billion related to the commodity derivatives trading business were posted in other expense-net for the six-month period ended September 30, 2011 and for the corresponding six-month period of the previous year, respectively.

Americas Segment

Gross profit for the six-month period ended September 30, 2011 was ¥38.6 billion, an increase of ¥0.4 billion from ¥38.2 billion for the corresponding six-month period of the previous year.

- Ellison Technologies Inc. (United States) recorded an increase in gross profit due to an increase in sales volume reflecting the robust demand for machine tools.
- United Grain Corporation (United States) recorded an increase in gross profit due to the fact that United Grain Corporation started to conduct the grain origination and export business which had been carried out by United Harvest, LLC (United States), a 50:50 joint venture between United Grain Corporation and CHS Inc., an agricultural cooperative-based company in the United States, after the dissolution of the joint venture.
- Novus International, Inc. (United States) recorded a decline in gross profit due to a decline in sales volume of feed additive reflecting production adjustments by the poultry producers mainly in the United States resulting from an increase in feedstuff prices, and an increase in production cost attributable to higher propylene prices as well as the appreciation of the Japanese yen.
- MBK Real Estate LLC. (United States) recorded a decline in gross profit due to a reversal effect of an increase in home sales volume in the corresponding six-month period of the previous year, resulting from consumers’ strong incentive to buy houses before expiration of the federal tax credit for first homebuyers in June 2010.

Operating income for the six-month period ended September 30, 2011 was ¥13.7 billion, a decline of ¥1.3 billion from ¥15.0 billion for the corresponding six-month period of the previous year.

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥2.5 billion, a decline of ¥0.4 billion from ¥2.9 billion for the corresponding six-month period of the previous year. Earnings at United Harvest, LLC declined to zero due to the fact that United Grain Corporation started to conduct the grain origination and export business which had been carried out by United Harvest, LLC while earnings at Steel Technologies, Inc. (United States) increased reflecting an increase in sales prices despite a decline of sales volume due to sluggish production activities of auto manufacturers, mainly Japanese ones, attributable to the Great East Japan Earthquake.

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥10.3 billion, an increase of ¥0.5 billion from ¥9.8 billion for the corresponding six-month period of the previous year.

Europe, the Middle East and Africa Segment

Gross profit for the six-month period ended September 30, 2011 was ¥8.8 billion, a decline of ¥0.7 billion from ¥9.5 billion for the corresponding six-month period of the previous year, mainly attributable to the reversal effect of profit from sales of real estate recorded for the corresponding six-month period of the previous year.

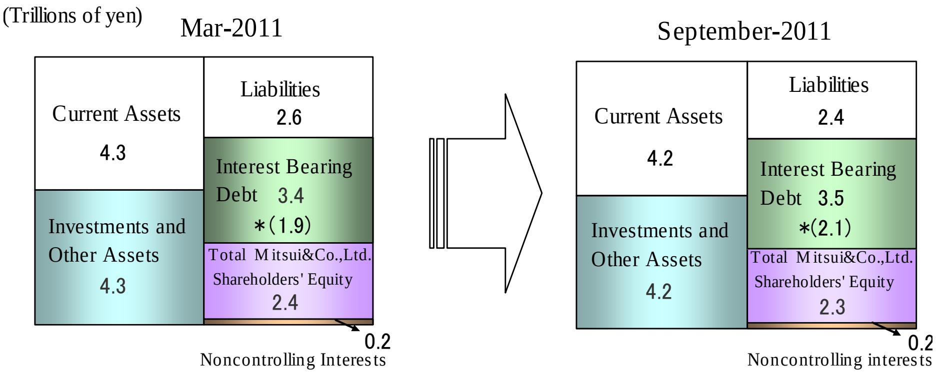
Operating loss for the six-month period ended September 30, 2011 was ¥0.8 billion, a deterioration of ¥2.3 billion from operating income of ¥1.5 billion for the corresponding six-month period of the previous year. In addition to the decline in gross profit, this segment reported an increase in selling, general and administrative expenses due to recording the receipt of intra group services fees in “other income-net”, which was previously recorded in “selling, general and administrative expenses.”

Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥0.5

billion, an increase of ¥0.5 billion from the corresponding six-month period of the previous year.
Net loss attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥0.5 billion, a deterioration of ¥0.9 billion from net income of ¥0.4 billion for the corresponding six-month period of the previous year.
In addition to the above mentioned factors, this segment recorded a loss from segment's minority interest in the subsidiary engaged in food business in Europe which posted a write-down of inventories.

Asia Pacific Segment
Gross profit for the six-month period ended September 30, 2011 was ¥6.2 billion, a decline of ¥1.7 billion from ¥7.9 billion for the corresponding six-month period of the previous year. While the trading activities for chemicals as well as iron and steel products remained firm, the decline was due to recording the receipt of intra group service fees in "other income-net" which was previously recorded in "revenues."
Operating loss for the six-month period ended September 30, 2011 was ¥1.6 billion, a deterioration of ¥1.5 billion from ¥0.1 billion for the corresponding six-month period of the previous year.
Equity in earnings of associated companies for the six-month period ended September 30, 2011 was ¥2.5 billion, an increase of ¥1.1 billion from ¥1.4 billion for the corresponding six-month period of the previous year.
Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥25.8 billion, an increase of ¥6.1 billion from ¥19.7 billion for the corresponding six-month period of the previous year. In addition to the above mentioned factors, this segment recorded earnings from the segment's minority interest in Mitsui Iron Ore Development Pty. Ltd., Mitsui-Itochu Iron Pty. Ltd. and Mitsui Coal Holdings Pty. Ltd.

(3) <u>Financial Condition and Cash Flows</u>
1) Assets, Liabilities and Shareholders' Equity
Total assets as of September 30, 2011 were ¥8,411.7 billion, a decline of ¥186.4 billion from ¥8,598.1 billion as of March 31, 2011.
Total current assets as of September 30, 2011 were ¥4,249.4 billion, a decline of ¥68.2 billion from ¥4,317.6 billion as of March 31, 2011. Trade receivables and inventories increased by ¥22.4 billion in total, including declines in trade receivables mainly in precious metal lease businesses and the Chemical Segment, as well as increases in inventories due to the reclassification of Multigrain AG from associated company to subsidiary and higher inventory levels of petroleum trading. Cash and cash equivalents declined by ¥97.3 billion due to increased expenditures for investments and an increase in cash requirements for our operation, which were partly offset by an increase in excess funds at foreign financing subsidiaries.



Total Assets	8.6 tril.
Total Mitsui&Co.,Ltd Shareholders' Equity	2.4 tril.
Net DER	0.82 times

Total Assets	8.4 tril.
Total Mitsui&Co.,Ltd Shareholders' Equity	2.3 tril.
Net DER	0.94 times

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

Total current liabilities as of September 30, 2011 were ¥2,540.0 billion, a decline of ¥2.9 billion from ¥2,542.9 billion as of March 31, 2011. The decline in total current liabilities is attributable to a ¥75.2 billion decline in other current liabilities due to a payment for the settlement of the oil spill incident in the Gulf of Mexico at MOEX Offshore 2007 LLC, a subsidiary of Mitsui Oil Exploration Co., Ltd., as well as a ¥52.5 billion decline in trade payables mainly in the Chemical Segment and precious metal lease businesses. Meanwhile, short-term debt increased by ¥44.7 billion mainly due to the reclassification of Multigrain AG from associated company to subsidiary as well as an increase in short-term loans at Mitsui Oil Exploration Co., Ltd. and current maturities of long-term debt increased by ¥97.7 billion mainly due to the reclassification of Multigrain AG as well as an increase at Mitsui and Mitsui & Co. (Australia.), Ltd.
As a result, working capital, or current assets less current liabilities, as of September 30, 2011 totaled ¥1,709.4 billion, a decline of ¥65.3 billion from ¥1,774.7 billion as of March 31, 2011.

The sum of "total investments and non-current receivables," "net property and equipment," "intangible assets, less accumulated amortization," "deferred tax assets-non-current," and "other assets" as of September 30, 2011 totaled ¥4,162.3 billion, a decline of ¥118.2 billion from ¥4,280.5 billion as of March 31, 2011, mainly due to the following factors:
Total of investments and non-current receivables as of September 30, 2011 was ¥2,950.3 billion, a decline of ¥185.1 billion from ¥3,135.4 billion as of March 31, 2011.
Within this category, investments in and advances to associated companies as of September 30, 2011 was ¥1,541.5 billion, a decline of ¥59.3 billion from ¥1,600.8 billion as of March 31, 2011, mainly due to the following factors:

- An increase of ¥90.7 billion for a 30% investment in Integrated Healthcare Holdings Sdn. Bhd. (Malaysia);
- A ¥14.7 billion decline in investment in Multigrain AG due to its reclassification to subsidiary as a result of acquisition of 100% of ownership; and
- Factors that do not involve cash flows including net increases in equity earnings of ¥72.3 billion (net of ¥51.7 billion in dividends received from associated companies) as well as a decline of ¥158.2 billion resulting from a foreign exchange translation adjustment of foreign investments due to the appreciation of the Japanese yen.

Other investments as of September 30, 2011 were ¥757.1 billion, a decline of ¥102.7 billion from ¥859.8 billion as of March 31, 2011, mainly due to the following factors:

- A ¥27.1 billion decline in investment in Sakhalin Energy Investment Company Ltd. due to capital redemption (in addition, a ¥7.1 billion decline due to a foreign exchange translation loss) ;
- A ¥63.0 billion net decline in unrealized holding gains on available-for-sale securities, such as those of INPEX Corporation, reflecting a slide in stock markets; and
- A decline of ¥13.0 billion due to the recognition of impairment in investments.

Net property and equipment as of September 30, 2011 totaled ¥1,081.6 billion, an increase of ¥50.9 billion from ¥1,030.7 billion as of March 31, 2011. Major components were as follows:

- An increase of ¥53.0 billion for consolidation of Multigrain AG's assets, primarily land, land improvement and timberlands;
- An increase of ¥29.3 billion (including a foreign exchange translation loss of ¥5.8 billion) at the Marcellus Shale gas project;
- A decline of ¥13.0 billion (including a foreign exchange translation loss of ¥17.9 billion) and ¥7.9 billion (including a foreign exchange translation loss of ¥25.8 billion) at coal mining and iron ore mining projects in Australia, respectively.

Long-term debt less current maturities as of September 30, 2011 was ¥2,784.9 billion, a decline of ¥33.6 billion from ¥2,818.5 billion as of March 31, 2011. Mitsui and Mitsui & Co. (Australia), Ltd. recorded declines in long-term borrowings due to reclassification to current maturities, while the Marcellus shale gas

business recorded an increase.
Total Mitsui & Co., Ltd. shareholders' equity as of September 30, 2011 was ¥2,284.4 billion, a decline of ¥81.8 billion from ¥2,366.2 billion as of March 31, 2011. The major component of the decline was a net decline of ¥210.2 billion in foreign currency translation adjustments mainly due to the appreciation of the Japanese yen against the Brazilian real, the U.S. dollar and the Australian dollar as well as a net decline of ¥42.7 billion in unrealized holding gains on available-for-sale securities, while components that increased included an increase of ¥178.0 billion in retained earnings.

As a result, the equity-to-asset ratio (*1) as of September 30, 2011 was 27.2%, down 0.3% from 27.5% as of March 31, 2011. Net interest-bearing debt, or interest-bearing debt less cash and cash equivalents and time deposits as of September 30, 2011 was ¥2,139.0 billion, an increase of ¥205.1 billion from ¥1,933.9 billion as of March 31, 2011. The net debt-to-equity ratio (*2) as of September 30, 2011 was 0.94 times, 0.12 points higher compared to 0.82 times as of March 31, 2011.

(*1) Taking into consideration comparability with other trading companies in Japan, in this flash report we define the equity-to-asset ratio as the ratio of total Mitsui & Co., Ltd. shareholders' equity to total assets.

(*2) We refer to Net Debt-to-Equity Ratio ("Net DER") in this flash report. Net DER is comprised of "net interest-bearing debt" divided by Total Mitsui & Co., Ltd. shareholders' equity.
"Net interest-bearing debt" is defined as interest-bearing debt less cash and cash equivalents and time deposits. Our interest-bearing debt consists primarily of long-term debt less current maturities, which are not readily repayable. In order to flexibly meet capital requirements and to prepare for future debt-service requirements in case of unforeseen deterioration in the financial markets, we currently hold a relatively high level of cash and cash equivalents reflecting current financial market conditions and future capital requirements.
Under this policy, Net DER is a useful internal measure for our management to review the balance between:
- our capacity to meet debt repayment; and
- leverage to improve return on equity in our capital structure.

This measure does not recognize the fact that cash and cash equivalents and time deposits may not be completely available for debt repayment, but cash and cash equivalents and time deposits may be required for operational needs including certain contractual obligations or capital expenditures.

	Billions of Yen			
	End of Mar. 2011		End of Sep. 2011	
Short-term debt	¥	250.1	¥	294.8
Long-term debt	¥	3,127.4	¥	3,191.5
Interest bearing debt	¥	3,377.5	¥	3,486.3
Less cash and cash equivalents and time deposits	¥	(1,443.6)	¥	(1,347.3)
Net interest bearing debt	¥	1,933.9	¥	2,139.0
Total Mitsui&Co.,Ltd. Shareholders' equity	¥	2,366.2	¥	2,284.4
Net DER (times)		0.82		0.94

2) Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities for the six-month period ended September 30, 2011 was ¥91.5 billion, a decline of ¥179.3 billion from ¥270.8 billion for the corresponding six-month period of the previous year. Major components of net cash provided by operating activities were our operating income of ¥194.7 billion, dividend income of ¥90.7 billion, including dividends received from associated companies, and net cash outflow of ¥188.0 billion from an increase in working capital, or changes in operating assets and liabilities, including a payment of ¥86.1 billion for the settlement of the oil spill incident in the Gulf of Mexico.
Compared with the corresponding six-month period of the previous year, operating income increased by ¥24.9 billion and net cash outflow from an increase in working capital, or changes in operating assets and

liabilities, increased by ¥197.1 billion.

Cash Flows from Investing Activities

Net cash used in investing activities for the six-month period ended September 30, 2011 was ¥232.0 billion, a decline of ¥48.5 billion from ¥280.5 billion for the corresponding six-month period of the previous year. The net cash used in investing activities consisted of:

- Net outflows of cash that corresponded to investments in and advances to associated companies (net of sales of investments in and collection of advances to associated companies) were ¥60.1 billion, which included a 30% investment in Integrated Healthcare Holdings Sdn. Bhd. for ¥90.7 billion as well as investments in and loans to FPSO (Floating Production, Storage and Offloading vessel) leasing businesses for Brazilian deepwater oil exploration for ¥14.9 billion. The major cash inflows were a collection of loans from the aforementioned FPSO leasing business for ¥19.2 billion, the divestiture of shares in T-Gaia Corporation for ¥12.6 billion, redemption of preferred shares of Valepar S.A. for ¥4.6 billion and the collection of loans from Altamira LNG terminal project company.
- Net outflows of cash that corresponded to other investments (net of sales and redemption of other investments) were ¥14.5 billion. Expenditures included the additional investment in Multigrain AG for ¥21.9 billion, the acquisition of Mercian's pharmaceutical and chemical businesses for ¥15.8 billion, the acquisition of Portek International Limited, a port development and management company in Singapore, for ¥11.2 billion as well as the acquisition of a senior living business by MBK Real Estate LLC for ¥6.4 billion. Proceeds from sales of investments mainly consisted of a ¥27.1 billion capital redemption from Sakhalin Energy Investment Company Ltd., the divestiture of shares in an investing company for the Altamira LNG terminal and the divestiture of shares in INPEX CORPORATION for ¥4.8 billion.
- Net inflows of cash that corresponded to long-term loan receivables (net of collection) were ¥1.0 billion. Mitsui Rail Capital Participações Ltda. recorded a cash inflow of ¥10.3 billion from the divestiture of lease receivables. Meanwhile, PT. Bussan Auto Finance, a motorcycle retail finance subsidiary in Indonesia, reported a cash outflow of ¥11.2 billion due to the increase in loan receivables.
- Net outflows of cash relating to purchases of property leased to others and property and equipment (net of sales of those assets) were ¥157.8 billion. Major expenditures for equipment included:
    - Marcellus Shale gas project in the United States for ¥41.2 billion;
    - Oil and gas projects other than the shale gas project for a total of ¥36.1 billion;
    - Iron ore mining projects in Australia for ¥23.7 billion;
    - Leased rolling stock for ¥15.0 billion; and
    - Coal mining projects in Australia for ¥10.5 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the six-month period ended September 30, 2011 was a net outflow of ¥140.5 billion.

Cash Flows from Financing Activities

For the six-month period ended September 30, 2011, net cash provided in financing activities was ¥90.6 billion, an increase in net inflows of ¥114.0 billion from ¥23.4 billion of net cash used by financing activities for the corresponding six-month period of the previous year. The net cash inflow from the borrowing of long-term debt was ¥109.4 billion mainly by foreign financing subsidiaries and Mitsui E&P USA LLC which invests in the Marcellus Shale gas project in the United States. Furthermore, the cash outflows from payments of cash dividends were ¥49.3 billion.

In addition to the changes discussed above, there was a decline of ¥47.3 billion due to foreign exchange translation; as a result, cash and cash equivalents as of September 30, 2011 totaled ¥1,343.8 billion, a decline of ¥97.3 billion from ¥1,441.1 billion as of March 31, 2011.

2. Management Policies

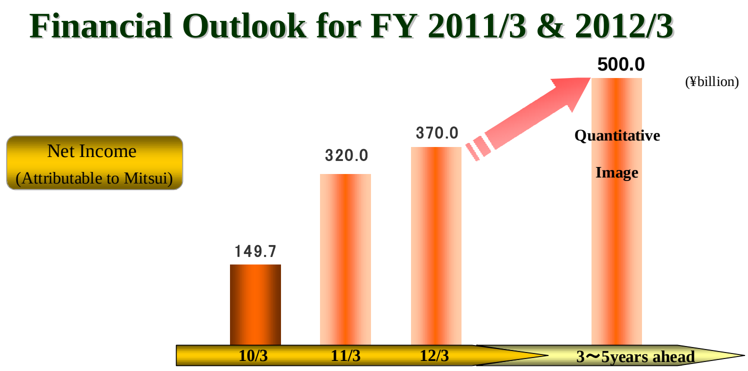
(1) Medium-Term Management Plan through March 31, 2012

Note: The following describes the contents of the Medium-Term Management Plan through March 31, 2012 announced in May 2010. Descriptions may be included that differ from our current understanding of the economic environment.

We formulated and announced our Medium-Term Management Plan covering the period through March 31, 2012, “Challenge & Innovation 2012” – Stronger Mitsui & Co., more distinctive and respected Mitsui & Co. – as we aim to realize the vision outlined in our Long-Term Management Vision “Dynamic Evolution as a 21st Century Global Business Enabler”, released in March 2009. Based on these initiatives, we intend to concentrate our efforts on further reinforcing our earnings base and business engineering capabilities.

1) The Business Plan for the period ending March 31, 2012

Taking into consideration increases in commodity prices, and increased sales volumes and commodity prices in non-resource business areas, we forecasted net income attributable to Mitsui & Co., Ltd. of ¥320.0 billion for the year ended March 31, 2011. In addition, based on expected earnings growth from increases in equity production in the mineral resources and energy businesses, and growth in non-resource business segments in line with economic recovery, we forecasted net income attributable to Mitsui & Co., Ltd. of ¥370.0 billion for the year ending March 31, 2012. Furthermore, through achievement of the key initiatives described below, we envisage achieving net income attributable to Mitsui & Co., Ltd. of ¥500.0 billion over the subsequent three to five years, i.e. the period from 2013 to 2015.



	10/3	11/3	12/3	3～5years ahead
ROE	7.3%	13.5%	14.0%	12-15%
Net DER (times)	0.92	1.0	1.0	About 1.0
(¥ trillion yen) Total assets	8.4	9.1	9.9	10-12
Shareholders’ equity	2.23	2.5	2.8	
Net interest-bearing debt	2.1	2.5	2.7	

2) Four key initiatives of the Medium-Term Management Plan

The four key initiatives of the Medium-Term Management Plan are: (a) Reinforcement of the earnings base and business engineering capabilities, (b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster this acceleration, (c) Evolution of portfolio strategies, and (d) Enhancement of the management system to support a stronger company. We discuss each in more detail below.

(a) Reinforcement of the earnings base and business engineering capabilities

We intend to reinforce the earnings base and business engineering capabilities through the following initiatives in the respective business areas:

Mineral Resources & Energy	(1) Maintain and improve the earnings base by acquiring high-quality assets and recycling our existing assets (2) Enhance competitiveness and value of existing large-scale projects through further expansion of the project scale (3) Strengthen the global marketing function to address the increase in demand from emerging economies

	(4) Employ industrial solutions to environmental issues and develop new businesses with sights set on the future
Global Marketing Networks (steel products, machinery and chemical products)	(1) Build business platforms in the emerging countries with a focus on Asia (2) Create new businesses by strengthening relationships with key customers and partners (3) Accelerate investments by leveraging our global marketing network and focusing on the upstream in the value chain
Lifestyle Business	(1) Develop the global business portfolio (especially in Asia) and strengthen the marketing function (2) Reinforce initiatives in the areas of food resources and materials (3) Further strengthen initiatives in the key business areas (electronics distribution, TV shopping, environmental IT, medical and healthcare, outsourcing business, etc.)
Infrastructure	(1) Expand the electric power business as an IPP player and take on the challenge to develop the concentrated renewable energy business (2) Expand and strengthen our business engineering capabilities in the marine energy business, transportation and gas distribution business in the energy value chain (3) Expand water business with existing overseas business platforms (4) Take initiatives to develop urban transportation projects and infrastructure for a low-carbon-emission society

(b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster such acceleration

We will accelerate the implementation of our global strategy by organically integrating our global commodity-based business strategy from each business unit in the headquarters with local-based origination functions, which the regional business units serve through providing locally sourced information, developing projects and strengthening relationships with local partners. Building on the dynamism of Asia for our future growth, we will transfer human resources to Asian regions and place greater emphasis on local hiring in these countries, while at the same time strengthen our global marketing function through cooperation across regions as well as within regions. We have determined that our strategic regions are the BRICs, Mexico and Indonesia. We will promote multilayered activities with quality partners in multiple industries.

(c) Evolution of the portfolio strategies

We will continue to dynamically allocate management resources including funds and human resources to strategic business domains and set clear policies for each of these business domains through our systems including the Portfolio Management Committee.

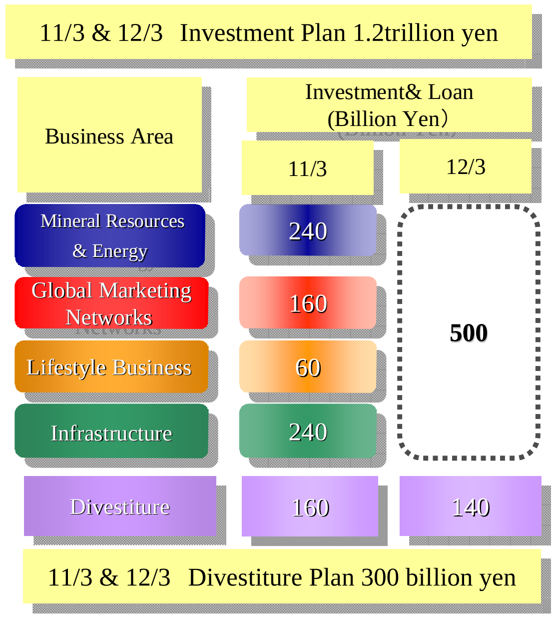
(d) Enhancement of the management system to support a stronger company

We are implementing various measures to enhance the management system, including more thorough on-site management, enhanced internal control for business processes, and promotion of mobilization of human resources. Our information strategy is one of the foundations of the group’s management and we will work to build and enhance systems, structures and infrastructure related to information systems.

3) Investment plan of the Medium-Term Management Plan

The Medium-Term Management Plan calls for a total of ¥1,200.0 billion in capital expenditures for investments and loans. Of this amount, the plan was to invest ¥700.0 billion (*) during the year ended March 31, 2011. We also planned to recycle assets totaling approximately ¥300.0 billion for the two-year period ending March 31, 2012; of which ¥160.0 billion was to be executed in the year ended March 31, 2011.

Note: This amount includes investments and loans of ¥200.0 billion for which decisions were made in the year ended March 31, 2010.



(2) <u>Progress with the Medium-Term Management Plan</u>

Progress with four key initiatives and the investment plan of the Medium-Term Management Plan are as follows:

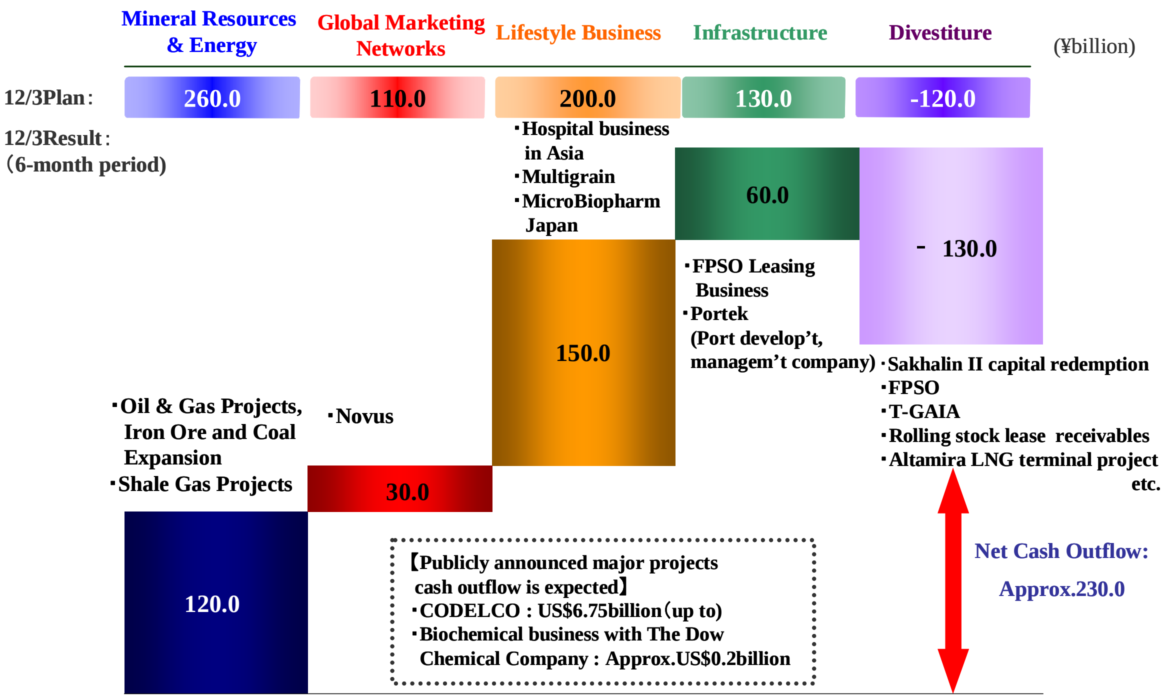
(a) Reinforcement of the earnings base and business engineering capabilities

Progress with investment plans and key policies in each business area

During the year ended March 31, 2011, we executed new investments and loans of approximately ¥690 billion in line with the plan, while we collected approximately ¥190 billion through disposal of assets and investments. For the year ending March 31, 2012, at the beginning of the year we saw many good investment opportunities that potentially play to our strength, particularly in capturing opportunities in the growth regions. After applying our selective process to the potential projects that were in the pipeline and were being studied, we made the decision to increase the investment plan to ¥700 billion from a provisional budget of ¥500 billion originally planned in the Medium-Term Management Plan. Concurrently we expected to implement divestiture projects amounting to ¥120 billion.

For the six-month period ended September 30, 2011, we executed investments and loans of ¥360 billion, while we recycled assets and investments amounting to ¥130 billion. Furthermore, in October 2011, Corporación Nacional del Cobre de Chile ("CODELCO") and Mitsui entered into a financing arrangement in which we would extend a loan up to US$6.75 billion (approximately ¥518 billion) to CODELCO to finance CODELCO's potential acquisition of up to a 49% interest in Anglo American Sur S.A. This loan amount was not included in the original investment plan for the current fiscal year, and if the loan is drawn down in the current fiscal year, the investment and loan amount for the Mineral Resources & Energy area will account for a significant portion of the total. We will continuously review our business portfolio and strive to take initiatives for a balanced portfolio. In addition, this loan to CODELCO would increase the total investment and loan amount to ¥1,200 billion, which will far exceed the original budget of ¥500 billion in the Medium-Term Management Plan, and free cash flow would become significantly negative. It is our recognition that the timely capture of the large-scale quality investment opportunity, which is in line with our portfolio strategy, and the great demand for investment in reinforcing the earnings base for the future result in a temporary negative free cash flow. We will pursue the improvement of our business portfolio through acquiring quality assets and accelerating divestitures of non-core assets based on more intensified investment discipline. We will also continue to work on initiatives to ensure a constant positive free cash flow.

We made progress on our key strategies toward reinforcement of the earnings base and business engineering capabilities as well as investments and loans in each of the four business areas for the six-month period ended September 30, 2011as follows:



- In the Mineral Resources & Energy business area, we continued to focus on aggressive investment to execute plans for expanding large-scale projects. In Australian iron ore and coal mining activities, we invested a total of ¥23.7 billion and ¥10.5 billion, respectively, as part of our plan to maintain and increase production capacity. To increase our equity tonnage of oil and natural gas steadily we executed capital investments of ¥41.2 billion for the Marcellus shale gas project in the United States, a large scale unconventional energy resource project in addition to ¥36.1 billion for other oil and gas producing activities including those at the Enfield oil field and the Vincent oil field in Australia, and Thailand project owned by Mitsui Oil Exploration Co., Ltd. In June 2011, we decided to acquire an interest in new shale gas exploration concessions in Poland with an aim to diversify oil and gas assets geographically. On the other hand, we have steadily carried out our recycle and divestiture plan. We received redemption of ¥27.1 billion from Sakhalin Energy Investment Company Ltd.

  We also made efforts to acquire and develop new non-ferrous metal assets. We continue to develop the Caserones copper and molybdenum mining project in Chile towards the commencement of the commercial production in the year 2013. In July 2011, the project company signed loan agreements for a total of US$1.4 billion. In October 2011, CODELCO and we entered into a financing arrangement in which we would extend a short-term bridge loan up to US$6.75 billion (approximately ¥518 billion) to CODELCO to finance CODELCO's potential acquisition of up to a 49% interest in Anglo American Sur S.A. The parties also entered into an agreement which provides CODELCO with the right to settle part of this bridge loan with an indirect 50% interest in the Anglo American Sur S.A. acquired by CODELCO. To develop a broader business relationship, the parties also entered a copper sales and purchase contract with a term of 10 years.
- In the Global Marketing Networks business area, we are taking on challenges to create new businesses by strengthening relationships with key customers and partners with a focus on upstream areas in the value chain. The Iron & Steel Products Segment is strengthening the steel service center business in Russia where demand for steel processing services is expected to grow. In September 2011, Mitsui signed a joint venture agreement with OAO Severstal to establish a new steel service center for automobile steel aiming to start its operations in the middle of 2013. In October 2011, Steel Industrial Company, Russia's largest independent steel trading company, and Mitsui executed a joint venture agreement to establish a steel service processing center for construction related products and completed the investment.

The Chemical Segment entered into a definitive agreement with The Dow Chemical Company ("Dow") to acquire a 50% stake in Dow's 100% subsidiary Santa Vitória Açúcar e Álcool Ltda. and form a joint venture aimed at the production of biopolymers made from renewable, sugarcane-derived ethanol in Brazil. This project is the second joint venture with Dow after chlor-alkali production in the U.S. based on Mitsui's strategic partnership and alliance with Dow.

- In the Lifestyle business area, we are reinforcing the medical healthcare and food resources and materials businesses by focusing on Asian markets. In the medical healthcare area, we embarked on a project to expand our business domain to Asia where the demand for medical services is expected to increase due to rapid population growth and an aging society. In April 2011, we acquired a 30% share in Integrated Healthcare Holdings Sdn. Bhd, which owns major hospital groups including Parkway Hospitals Singapore Pte Ltd., Singapore's largest, and various healthcare related businesses throughout Asia, from Khazanah Nasional Bhd, an investment company owned by the government of Malaysia, for 3.3 billion Malaysian Ringgit (¥90.7 billion).
  We are also reinforcing initiatives in the area of food resources and materials. In May 2011, we acquired an additional 44.2% stake for US$225 million in our associated company, Multigrain AG, which holds an agricultural production and grain distribution business in Brazil, from CHS Inc., the largest agricultural cooperative-based company in the United States, and a 9.7% stake for US$49 million from PMG Trading AG. Multigrain AG became our wholly-owned subsidiary with these additional acquisitions. We strive to strengthen agricultural production and grain distribution business in Brazil and to secure a stable supply of grain from Brazil to Asian and other markets, through Multigrain AG.
- In the Infrastructure business area, we are reinforcing the marine energy project and logistics infrastructure businesses. In May 2011, we decided to participate in a long-term FPSO chartering project being promoted by MODEC, Inc. The FPSO will be used to develop the ultra deep water pre-salt Guara oil field under concession to a consortium including Petróleo Brasileiro S.A. We identify the marine energy business as a core business for the medium to long term and strive to reinforce our earnings base in this field. In September 2011, we acquired all the issued ordinary shares of Portek International Limited, a port development and management company listed in Singapore, through a conditional voluntary cash offer and the subsequent compulsory acquisition, and Portek International Limited became our wholly-owned subsidiary. We will further strengthen the logistics infrastructure business through the established platform, the experienced management team and the expertise in terminal operations acquired from Portek International Limited.

(b) Acceleration of the implementation of global strategy and strategic deployment of human resources to bolster such acceleration

We are reinforcing our global marketing functions with a special focus on rapidly growing Asian markets, and as a consequence, gross profit in the Global Marketing Networks business area, such as iron and steel products and chemicals in the Asia Pacific Segment is increasing. In addition, we transferred our oil trading business from Mitsui's Head Office of Mitsui to Asia (Singapore), where the oil demand is expected to increase, and the oil trading business started its operation in May 2011.
We changed the management system of the offices in the Far East and CIS areas to reinforce and accelerate our regional business strategy, capturing the momentum of growth in emerging markets. Effective April 1, 2011, the business units in the Head Offices oversee operations in China, Taiwan, Korea and CIS countries.
We steadily proceed with the globalization of human resources. We started a training program "Mitsui-HBS Global Management Academy", which was designed to provide training suited to Mitsui's specific needs in cooperation with the Harvard Business School. The purpose of this training program is to nurture the next generation of leaders who will be responsible for managing the global group. This training program provides participants with an opportunity to study and work hard inspiring each other by gathering talented individuals with a diverse range of experiences not only from the Mitsui group but

also from overseas partner companies.

(c) Evolution of the portfolio strategies

Working primarily through the Portfolio Management Committee, we continue to examine the portfolio strategy of each business unit, referring to key performance indicators on investments according to Mitsui's guidelines for investment in and withdrawal from business operations. This examination process enables us to improve qualities of our assets, to make strategic divestments and to allocate our management resources dynamically. We are also shifting human resources to the growing Asian region as part of company-wide initiatives. In addition, we continue to transfer expertise across business units and focus on fostering managerial talent by implementing staff exchange programs company-wide.

(d) Reinforcement of the management structure to achieve sustainable growth

We continue to take initiative to improve business processes. To deploy such initiative over the group, we are introducing internal business process-related regulations equivalent to ones put in place in Mitsui last fiscal year to domestic subsidiaries successively. Likewise, we decided to introduce the same new next-generation core system, which was introduced by Mitsui in November 2011 as a common group-wide information platform, use of which will streamline business processes and reduce system costs, to six of our principal domestic subsidiaries. We are also evaluating to introduce an information risk management system on a group-wide basis to manage information leakage risk properly.

(3) <u>Forecasts for the year ending March 31, 2012</u>

Net income attributable to Mitsui & Co., Ltd. for the six-month period ended September 30, 2011 was ¥227.3 billion. See "I. Highlights of Consolidated Financial Results for the Six-Month Period Ended September 30, 2011" for detailed information.
Although there is an increased downward risk of commodity prices triggered by the financial crisis in the European markets, we decided to maintain our projection of net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2012 at ¥430.0 billion, same level of earnings as originally forecasted. We forecast an increase of ¥40.0 billion in earnings at the Energy Segment mainly due to an increase in oil prices and an increase of ¥6.0 billion at the Foods & Retail Segment mainly due to an improvement for mark-to-market valuation gains and losses on commodity derivative contracts and a remeasurement gain resulting from an additional acquisition of shares in Multigrain AG. On the other hand, we forecast a decline of ¥27.0 billion at the Consumer Service & IT Segment due to impairment losses of securities in listed associated companies, a decline of ¥10.0 billion at the Mineral & Metal Resources due to a decline in shipment volume and an increase in cost and a decline of ¥8.0 billion at the Machinery & Infrastructure Projects Segment due to the stagnancy of maritime markets and an underperforming Indonesian financing company for motor cycles.

Assumed foreign exchange rates for the six-month period ending March 31, 2012 are ¥80/US$, ¥80/AU$ and ¥45/BRL, while average foreign exchange rates for the six-month period ended September 30, 2011 were ¥79.16/US$, ¥84.30/AU$ and ¥49.03/BRL. Also, we assume the oil price (Japan Crude Cocktail) will continue to be US$94/Barrel through March 31, 2012, resulting in an average oil price of US$104/Barrel applicable to our financial results for the year ending March 31, 2012.
Gross profit for the year ending March 31, 2012 is expected to be ¥890.0 billion, the same level as originally planned, as an increase at the Energy Segment reflecting higher oil prices is offset by declines at other segments due to reduced sales volumes attributable to deceleration of economic activities. We anticipate a dividend income of ¥75.0 billion due to the higher oil and gas prices. Equity in earnings of associated companies is expected to be ¥260.0 billion due to impairment losses of securities in listed associated companies recognized at the IT business unit in the six-month period ended September 30, 2011.
As a result, net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2012 is expected to be ¥430.0 billion, the same level as originally forecasted.

[Assumption]	1st Half of Mar-12 Actual	2nd Half of Mar-12 Revised Forecast	Mar-12 Revised Forecast	Mar-12 Original Forecast
Exchange rate (JPY/USD)	79.16	80.00	79.58	80.00
Crude oil	$104/bbl	$104/bbl	$104/bbl	$94/bbl

(Billions of yen)

	Mar-12 Revised	Mar-12 Original	Increase /Decrease	Description of Increase/Decrease
Total trading transactions	11,500.0	11,500.0	0.0	
Gross profit	890.0	890.0	0.0	Increase at Energy due to increase in oil prices and decline at other segments due to decline in sales volume
SG & A expenses	-540.0	-540.0	0.0	
Provision for doubtful receivables	-10.0	-10.0	0.0	
Operating income	340.0	340.0	0.0	
(Other expenses)				
Interest expenses	-5.0	-10.0	5.0	
Dividend income	75.0	60.0	15.0	Increase in oil and gas prices
Gain on sales of securities, PPE and other gains-net	-15.0	-10.0	-5.0	Impairment losses partially offset by one time compensation gain related to salt field
Income before income taxes and equity in earnings	395.0	380.0	15.0	
Income taxes	-200.0	-210.0	10.0	
Income before equity in earnings	195.0	170.0	25.0	
Equity in earnings of associated companies	260.0	290.0	-30.0	Impairment losses
Net income before attribution of noncontrolling interests	455.0	460.0	-5.0	
Net income attributable to noncontrolling interests	-25.0	-30.0	5.0	
Net income attributable to Mitsui & Co., Ltd.	430.0	430.0	0.0	

Forecast of annual operating results by operating segment compared to the original forecast is as shown below:

(Billions of yen)	Year ending March 31, 2012 Revised Forecast	Year ending March 31, 2012 Original Forecast	Change
Iron & Steel Products	9.0	9.0	0.0
Mineral & Metal Resources	195.0	205.0	(10.0)
Machinery & Infrastructure Projects	20.0	28.0	(8.0)
Chemical	14.0	14.0	0.0
Energy	160.0	120.0	(40.0)
Foods & Retail	16.0	10.0	6.0
Consumer Service & IT	(23.0)	4.0	(27.0)
Logistics & Financial Business	6.0	5.0	1.0
Americas	18.0	18.0	0.0
Europe, the Middle East and Africa	1.0	2.0	(1.0)
Asia Pacific	46.0	45.0	1.0
All Other/Adjustments and Eliminations	(32.0)	(30.0)	(2.0)
Consolidated total	430.0	430.0	0.0

- The projected net income attributable to Mitsui & Co., Ltd. from the Mineral & Metal Resources Segment for the year ending March 31, 2012 is ¥195.0 billion, a decline of ¥10.0 billion from the original forecast. The primary reason for the decline is a decrease in shipments and an increase in the costs at the iron ore and non-ferrous metal businesses. We have assumed a certain level of iron ore price through March 31, 2012 in our forecast, taking into account the forecasted demand and supply balance for iron ore, spot market prices of iron ore, etc., but would like to refrain from disclosing price assumptions.
- The projected net income attributable to Mitsui & Co., Ltd. from the Energy Segment is ¥160.0 billion, an increase of ¥40.0 billion from the original forecast. We assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2012 to be US$104/barrel, up US$10 from US$94/barrel applied for the original forecast. We have taken into consideration the positive impact of the increase in oil prices as well as an increase in coal prices. We also expect an increase in the sales volume of oil and gas.
- The projected net income attributable to Mitsui & Co., Ltd. from the Iron & Steel Products Segment is ¥9.0 billion, the same level as originally forecasted based on the assumption that domestic construction demand will continue to be sluggish while overseas demand will continue to be strong. The projected net income attributable to Mitsui & Co., Ltd. of the Chemical Segment is ¥14.0 billion, the same level as originally forecasted due to underperforming trading activities for basic petrochemicals intermediate products offset by a one-time compensation gain related to the salt field in Australia. The projected net income attributable to Mitsui & Co., Ltd. of the Machinery & Infrastructure Projects Segment is ¥20.0 billion, a decline of ¥8.0 billion from the original forecast, reflecting the stagnancy of maritime markets and an underperforming Indonesian financing company for motor cycles.
- The projected net loss attributable to Mitsui & Co., Ltd. from the Consumer Services & IT Segment is ¥23.0 billion, a deterioration of ¥27.0 billion from the original forecast reflecting impairment losses of securities in listed associated companies recognized at the IT business unit in the six-month period ended September 30, 2011. The projected net income attributable to Mitsui & Co., Ltd. from the Logistics & Financial Business Segment is ¥6.0 billion, a ¥1.0 billion increase from the original forecast due to a gain on private equity investment. The projected net income attributable to Mitsui & Co., Ltd. from the Foods & Retail Segment is ¥16.0 billion, an increase of ¥6.0 billion from the original forecast due to an improvement from mark-to-market valuation gains and losses on commodity derivative contracts as well as a remeasurement gain resulting from an additional acquisition of shares in Multigrain AG.
- The projected net income attributable to Mitsui & Co., Ltd. from the Americas Segment is ¥18.0 billion, the same level as originally forecasted, as earnings at Novus International, Inc. are expected to continue be strong despite the production cost increase. The projected net income attributable to Mitsui & Co., Ltd. from the Europe, the Middle East and Africa Segment is ¥1.0 billion, a decline of ¥1.0 billion from the original forecast reflecting a loss from the segment's minority interest in the subsidiary engaged in food business in Europe which posted a write-down of inventories. The projected net income attributable to Mitsui & Co., Ltd. from the Asia Pacific Segment is ¥46.0 billion, an increase of ¥1.0 billion from the original forecast, due to an increase in this segment's portion of net income of a subsidiary of the Energy Segment, reflecting an increase in commodity prices.

Key commodity prices and other assumptions for the year ending March 31, 2012

The table below shows the assumptions of the key commodity prices and other parameters for the projected net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2012. Impacts of the price movements for each commodity on annual net income attributable to Mitsui & Co., Ltd. are included in the table.

12/3 (Original Forecast) (Announced in May 2011)	Impact on Net Income attributable to Mitsui & Co., Ltd. for the Year ending March 31, 2012 (Announced in May 2011)			12/3 (Revised Forecast) (Announced in Nov 2011)	12/3 1H (Result)	12/3 2H (Assumption)
94	Commodity	Crude Oil/JCC(*1)	¥1.5 bn (US$1/bbl)	104	104	104
(*2)		Iron Ore	¥1.9 bn (US$1/ton)	(*2)	175(*3)	(*2)
10.0		Nickel	¥1.8 bn (US$1/lb)	9.8	11.6(*4)	8.0
80	Forex(*5)	USD	¥1.8 bn (¥1/USD)	80	79	80
85		AUD	¥2.8 bn (¥1/AUD)	82	84	80
50		BRL	¥1.4 bn (¥1/BRL)	47	49	45

(*1) Oil price trend is reflected in net income with a 0-6 month time lag. Currently:
- 6 month time lag: about 15%
- 3 month time lag: about 59%
- no time lag : about 26%

(*2) We refrain from disclosing the iron ore prices used for 2012/3 forecast.
(*3)12/3 Apr-Sep:Dec '10 - May '11 average of representative reference prices (fine,Fe 62% CFR North China) .
(*4)12/3 Apr-Sep:Jan-Jun LME cash average price.
(*5) Impact of currency fluctuation on net income of overseas subsidiaries and associated companies (denominated in functional currency) against JPY. Impact of currency fluctuation between thier functional currencies against revenue currencies are not included.

(4) Shareholder Return Policy

In order to increase corporate value and maximize shareholder value, we have sought to maintain an optimal balance between (1) achieving sustainable growth through strategic investments in areas of our core strength and growth and (2) paying out cash dividends as direct compensation to shareholders with a target dividend payout ratio of consolidated net income.

We have set our minimum target dividend payout ratio at 20% of consolidated net income in our Medium-term Management Plan and vision for the next three to five years. While we principally aim for a steady increase of dividends from their current levels through improvements in the performance of the company, we will also consider compensating the shareholders in a more flexible manner, provided that we secure sufficient retained earnings for future business development. In accordance with this fundamental policy and based on the following views regarding the current circumstances, we are planning to set the dividend payout ratio at 23% for the year ending March 31, 2012, the same rate as the year ending March 31, 2011.

- The turmoil in the financial market stemming from the financial crisis in the European nations and the United States is starting to impact the real economy, causing the economic uncertainty to deepen.
- By responding to the strong demand for investments pursuant to our strategy of developing a business portfolio that would increase our corporate value by incorporating the continuous growth of the emerging economies, it is expected that, temporarily, there will be a large negative in the free cash flow during the year ending March 31, 2012.

For the six-month period ended September 30, 2011, we have decided to pay an interim dividend of ¥27 per share, a ¥7 per share increase from the corresponding six-month period of the previous year. For the year ending March 31, 2012, we currently envisage an annual dividend of ¥55 (including the interim dividend), ¥8 per share higher than for the year ended March 31, 2011, on the assumption that our annual consolidated net income attributable to Mitsui & Co., Ltd. will be ¥430 billion and that the dividend payout ratio is maintained at 23% of consolidated net income attributable to Mitsui & Co., Ltd. In making our final decisions, we will be carefully monitoring the future business performance.
We will continue to review the shareholder return policy taking into consideration the business environment, future investing activity trends, free cash flow and interest-bearing debt levels, and return on equity.

3. 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 available to it and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the outcome of other events in the Gulf of Mexico relating to the oil spill incident that occurred in the exploration block of Gulf of Mexico, in which a subsidiary of Mitsui held certain working interest (Incident). 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, the risk of BP Exploration and Production Inc. and BP Corporation North America Inc. (collectively, BP Parties) failing to make payment for claims concerning the Incident that are to be paid by the BP Parties under the terms of the settlement entered into between MOEX Offshore 2007 LLC (MOEX Offshore), MOEX USA Corporation and Mitsui Oil Exploration Co., Ltd. (collectively, MOEX Parties) and the BP Parties, the risk of additional or amended legal proceedings being brought against MOEX Offshore and its affiliates by governmental entities or private parties seeking fines, penalties or sanctions (collectively, Penalties), punitive damages, injunctive relief and other remedies, and the imposition on the MOEX Parties and their affiliates in pending or new lawsuits of Penalties, punitive damages, injunctive relief or other remedies. We note, however, that to date, no Penalties, punitive damages or injunctive relief have been imposed on MOEX Offshore in connection with the Incident.

These risks, uncertainties and other factors also involve the other factors contained in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other public filings, press releases or website disclosures, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements. As a result, given these factors and the magnitude of the Incident, any such liability could have a material adverse effect on Mitsui's consolidated financial position, consolidated operating results or consolidated cash flows.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

Assets	March 31, 2011	September 30, 2011
Current Assets:		
Cash and cash equivalents	¥ 1,441,059	¥ 1,343,820
Time deposits	2,574	3,437
Marketable securities	5,602	1,454
Trade receivables:		
Notes and loans, less unearned interest	297,552	291,448
Accounts	1,463,601	1,444,874
Associated companies	160,133	146,235
Allowance for doubtful receivables	(16,368)	(15,931)
Inventories	467,355	528,035
Advance payments to suppliers	124,634	124,270
Deferred tax assets—current	41,372	47,806
Derivative assets	95,619	103,066
Other current assets	234,509	230,839
Total current assets	4,317,642	4,249,353
Investments and Non-current Receivables:		
Investments in and advances to associated companies	1,600,818	1,541,458
Other investments	859,843	757,079
Non-current receivables, less unearned interest	457,495	434,955
Allowance for doubtful receivables	(42,414)	(36,640)
Property leased to others—at cost, less accumulated depreciation	259,682	253,462
Total investments and non-current receivables	3,135,424	2,950,314
Property and Equipment—at Cost:		
Land, land improvements and timberlands	148,716	195,696
Buildings, including leasehold improvements	360,648	369,628
Equipment and fixtures	1,077,930	1,092,859
Mineral rights	161,840	140,330
Vessels	38,900	37,178
Projects in progress	142,960	165,084
Total	1,930,994	2,000,775
Accumulated depreciation	(900,246)	(919,171)
Net property and equipment	1,030,748	1,081,604
Intangible Assets, less Accumulated Amortization	87,525	103,275
Deferred Tax Assets—Non-current	14,522	15,794
Other Assets	12,263	11,337
Total	¥ 8,598,124	¥ 8,411,677

(Millions of Yen)

Liabilities and Shareholders' Equity	March 31, 2011	September 30, 2011
Current Liabilities:		
Short-term debt	¥ 250,062	¥ 294,834
Current maturities of long-term debt	308,883	406,562
Trade payables:		
Notes and acceptances	41,049	37,965
Accounts	1,316,772	1,257,386
Associated companies	87,185	97,197
Accrued expenses:		
Income taxes	67,946	64,432
Interest	17,530	16,806
Other	72,273	71,379
Advances from customers	127,960	118,250
Derivative liabilities	88,198	85,226
Other current liabilities	165,091	89,939
Total current liabilities	2,542,949	2,539,976
Long-term Debt, less Current Maturities	2,818,529	2,784,939
Accrued Pension Costs and Liability for Severance Indemnities	37,054	38,136
Deferred Tax Liabilities—Non-current	316,031	285,892
Other Long-Term Liabilities	330,227	289,371
Equity:		
Common stock	341,482	341,482
Capital surplus	430,152	430,409
Retained earnings:		
Appropriated for legal reserve	61,763	64,778
Unappropriated	1,860,271	2,035,250
Accumulated other comprehensive income (loss):		
Unrealized holding gains and losses on available-for-sale securities	96,657	53,963
Foreign currency translation adjustments	(344,878)	(555,141)
Defined benefit pension plans	(58,544)	(56,390)
Net unrealized gains and losses on derivatives	(14,370)	(23,572)
Total accumulated other comprehensive loss	(321,135)	(581,140)
Treasury stock, at cost	(6,341)	(6,348)
Total Mitsui & Co., Ltd. shareholders' equity	2,366,192	2,284,431
Noncontrolling interests	187,142	188,932
Total equity	2,553,334	2,473,363
Total	¥ 8,598,124	¥ 8,411,677

(2) Statements of Consolidated Income and Comprehensive Income (Loss)

Statements of Consolidated Income

(Millions of Yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
Revenues :		
Sales of products	¥1,948,550	¥2,383,790
Sales of services	181,088	180,238
Other sales	74,689	65,002
Total revenues	2,204,327	2,629,030
Total Trading Transactions : Six-month period ended September 30, 2010, ¥ 4,866,537 million Six-month period ended September 30, 2011, ¥ 5,233,587 million		
Cost of Revenues :		
Cost of products sold	(1,666,025)	(2,078,032)
Cost of services sold	(65,451)	(68,044)
Cost of other sales	(35,029)	(29,028)
Total cost of revenues	(1,766,505)	(2,175,104)
Gross Profit	437,822	453,926
Other Expenses (Income) :		
Selling, general and administrative	264,514	254,345
Provision for doubtful receivables	3,483	4,906
Interest expense - net	1,214	2,408
Dividend income	(24,777)	(38,947)
Gain on sales of securities - net	(1,214)	(11,928)
Loss on write-down of securities	6,848	15,377
Loss (gain) on disposal or sales of property and equipment - net	111	(1,391)
Impairment loss of long-lived assets	2,527	2,117
Impairment loss of goodwill	-	1,860
Other income - net	(4,008)	(6,461)
Total other expenses (income)	248,698	222,286
Income before Income Taxes and Equity in Earnings	189,124	231,640
Income Taxes	90,629	109,136
Income before Equity in Earnings	98,495	122,504
Equity in Earnings of Associated Companies - Net	99,953	123,994
Net Income before Attribution of Noncontrolling Interests	198,448	246,498
Net Income Attributable to Noncontrolling Interests	(15,214)	(19,237)
Net Income Attributable to Mitsui & Co., Ltd.	¥ 183,234	¥ 227,261

Statements of Consolidated Comprehensive Income (Loss)

(Millions of Yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
Net Income before Attribution of Noncontrolling Interests	¥ 198,448	¥ 246,498
Other Comprehensive Income (Loss) (after income tax effect):		
Unrealized holding losses on available-for-sale securities	(73,384)	(47,626)
Foreign currency translation adjustments	(116,645)	(220,179)
Defined benefit pension plans	2,302	2,155
Net unrealized losses on derivatives	(7,472)	(9,273)
Comprehensive Income (Loss) before Attribution of Noncontrolling Interests	3,249	(28,425)
Comprehensive Loss (Income) Attributable to Noncontrolling Interests	2,606	(4,321)
Comprehensive Income (Loss) Attributable to Mitsui & Co., Ltd.	¥ 5,855	¥ (32,746)

(3) Statements of Consolidated Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
Operating Activities:		
Net income before attribution of noncontrolling interests	¥ 198,448	¥ 246,498
Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	69,815	69,532
Pension and severance costs, less payments	6,521	6,319
Provision for doubtful receivables	3,483	4,906
Gain on sales of securities - net	(1,214)	(11,928)
Loss on write-down of securities	6,848	15,377
Loss (gain) on disposal or sales of property and equipment - net	111	(1,391)
Impairment loss of long-lived assets	2,527	2,117
Impairment loss of goodwill	-	1,860
Deferred income taxes	4,470	18,463
Equity in earnings of associated companies, less dividends received	(29,255)	(72,259)
Changes in operating assets and liabilities:		
Decrease (increase) in trade receivables	25,563	(3,347)
Increase in inventories	(28,117)	(65,274)
Decrease in trade payables	(25,607)	(40,883)
Payment for the settlement of the oil spill incident in the Gulf of Mexico	-	(86,105)
Other - net	37,252	7,630
Net cash provided by operating activities	270,845	91,515
Investing Activities:		
Net decrease (increase) in time deposits	11,300	(533)
Net increase in investments in and advances to associated companies	(25,676)	(60,135)
Net increase in other investments	(93,539)	(14,534)
Net (increase) decrease in long-term loan receivables	(23,070)	976
Net increase in property leased to others and property and equipment	(149,494)	(157,760)
Net cash used in investing activities	(280,479)	(231,986)
Financing Activities:		
Net increase in short-term debt	52,303	32,848
Net (decrease) increase in long-term debt	(64,459)	109,387
Transactions with noncontrolling interest shareholders	9,012	(2,372)
Purchases of treasury stock - net	(208)	(7)
Payments of cash dividends	(20,081)	(49,286)
Net cash (used in) provided by financing activities	(23,433)	90,570
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(23,485)	(47,338)
Net decrease in Cash and Cash Equivalents	(56,552)	(97,239)
Cash and Cash Equivalents at Beginning of Period	1,401,399	1,441,059
Cash and Cash Equivalents at End of Period	¥ 1,344,847	¥ 1,343,820

(4) Assumption for Going Concern : None

(5) Operating Segment Information

Six-month period ended September 30, 2010 (from April 1, 2010 to September 30, 2010) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Business
Revenues	93,158	225,164	124,828	405,189	668,084	284,167	74,197	37,740
Gross Profit	22,226	91,078	44,915	35,083	103,879	37,567	25,027	21,701
Operating Income (Loss)	5,614	81,692	2,552	9,389	73,372	5,065	(4,615)	6,542
Equity in Earnings of Associated Companies -Net	1,965	46,174	13,527	1,908	22,115	1,546	1,711	6,212
Net Income Attributable to Mitsui & Co., Ltd.	4,974	77,211	9,866	5,816	64,913	2,994	1,576	3,291
Total Assets at September 30, 2010	496,184	962,032	1,465,027	618,002	1,438,635	605,802	519,995	373,124

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	190,482	70,963	29,340	2,203,312	1,015	-	2,204,327
Gross Profit	38,206	9,460	7,874	437,016	398	408	437,822
Operating Income (Loss)	15,012	1,491	(75)	196,039	(2,728)	(23,486)	169,825
Equity in Earnings of Associated Companies -Net	2,866	46	1,397	99,467	-	486	99,953
Net Income Attributable to Mitsui & Co., Ltd.	9,793	376	19,699	200,509	2,097	(19,372)	183,234
Total Assets at September 30, 2010	388,953	111,744	264,245	7,243,743	2,708,216	(1,741,365)	8,210,594

Six-month period ended September 30, 2011 (from April 1, 2011 to September 30, 2011)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Business
Revenues	95,244	300,419	140,961	479,597	796,299	350,672	68,122	34,161
Gross Profit	22,363	110,068	43,707	34,543	108,546	49,962	23,281	13,490
Operating Income (Loss)	5,612	99,177	(5,079)	6,603	86,413	14,273	(8,889)	(3,118)
Equity in Earnings (Losses) of Associated Companies -Net	1,660	82,696	22,847	1,888	24,798	1,154	(20,236)	3,565
Net Income (Loss) Attributable to Mitsui & Co., Ltd.	4,544	111,756	10,044	7,661	87,399	12,838	(25,379)	2,015
Total Assets at September 30, 2011	482,541	1,008,802	1,248,572	647,743	1,439,005	773,045	642,648	396,943

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	265,036	63,424	33,856	2,627,791	1,241	(2)	2,629,030
Gross Profit	38,612	8,804	6,190	459,566	202	(5,842)	453,926
Operating Income (Loss)	13,662	(812)	(1,602)	206,240	(2,818)	(8,747)	194,675
Equity in Earnings (Losses) of Associated Companies -Net	2,475	477	2,504	123,828	-	166	123,994
Net Income (Loss) Attributable to Mitsui & Co., Ltd.	10,345	(516)	25,827	246,534	1,693	(20,966)	227,261
Total Assets at September 30, 2011	411,230	97,995	236,318	7,384,842	2,818,768	(1,791,933)	8,411,677

Notes:1. "All Other" includes business activities which primarily provide services, such as financing services and operations services to external customers and/or to the companies and associated companies. Total assets of "All Other" at September 30, 2010 and 2011 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of certain subsidiaries related to the above services.

2. Net Income (Loss) Attributable to Mitsui & Co., Ltd. of "Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable operating segments, such as certain expenses of the corporate departments, and eliminations of intersegment transactions.

3. Transfers between operating segments are made at cost plus a markup.

4. During the three-month period ended June 30, 2011, the company has changed the management system of the offices in the Far East and CIS areas to reinforce and accelerate the regional business strategy. Effective April 1, 2011, the business units of the Head Office oversee operations in China, Taiwan, Korea and CIS. The information related to the companies in the above areas is included in the operating segment information of the related business units. In accordance with this change, the operating segment information for the six-month period ended September 30, 2010, has been restated to conform to the current six-month period presentation.

5.During the three-month period ended June 30, 2011, "Logistics & Financial Markets" segment changed its name to "Logistics & Financial Business."

6. Operating Income (Loss) reflects the companies' a) Gross Profit, b) Selling, general and administrative expenses, and c) Provision for doubtful receivables as presented in the Statements of Consolidated Income.

(6) Significant Changes in Shareholders' Equity : None

(7) The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico

On April 20, 2010, the *Deepwater Horizon*, a third party semi-submersible drilling rig conducting exploration work on the Mississippi Canyon 252 block in the Gulf of Mexico experienced a blow-out event that led to an explosion, fire and the extensive release of oil into the Gulf of Mexico (Incident). At the time of the Incident, MOEX Offshore 2007 LLC (MOEX Offshore), a 100% subsidiary of MOEX USA Corporation (MOEX USA), owned a 10% working interest in the block as a non-operator (Interest). MOEX USA is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO) in which Mitsui & Co., Ltd. (Mitsui) has a 69.91% equity interest. On September 19, 2010, BP Exploration and Production Inc. (BP), the owner of a 65% interest in the block and the operator of the exploration project in the block at the time of the Incident, publicly announced that the operations to plug the well were successfully completed in cooperation with U.S. government agencies.

On May 20, 2011, MOEX Offshore, MOEX USA and MOECO (collectively, MOEX Parties) entered into a settlement (Settlement) with BP and BP Corporation North America Inc. (collectively, BP Parties) with regard to the Incident. Pursuant to the Settlement, the MOEX Parties made payment of US$1.065 billion and MOEX Offshore assigned to BP the Interest and most of the MOEX Parties' claims against other parties involved in the Incident. BP, under the terms of the Settlement, waived and released all of its claims against the MOEX Parties and all other Mitsui companies. In addition, BP Parties agreed to fully indemnify the MOEX Parties and all other Mitsui companies as to the claims, except for those described below, arising from the Incident. The indemnification covers, for example, claims asserted under the Oil Pollution Act of 1990 (OPA). Excepted from BP's indemnification obligation are fines, penalties or sanctions (collectively, Penalties) assessed against the MOEX Parties, and punitive damages, solely to the extent arising from conduct of the MOEX Parties. There are some additional categories of claims that have been excluded from the indemnity, but none of those claims has been alleged against the MOEX Parties at this point.

Mitsui recognized an impairment loss for the amounts invested to acquire the Interest that were booked as "Property and Equipment (Mineral Rights)" in "Impairment loss of long-lived assets," and also recognized expense relating to the well that had been capitalized as "Property and Equipment (Projects in Progress)" in "Other income-net" for the three-month period ended June 30, 2010.
As a result of the Settlement, Mitsui recognized in the financial statements the effects of subsequent events of the Settlement, and recognized the Settlement amount as "Settlement of the oil spill incident in the Gulf of Mexico" in the Statement of Consolidated Income for the year ended March 31, 2011, and "Other current liabilities" in the Consolidated Balance Sheet as of March 31, 2011.
The Settlement amount recognized as "Other current liabilities" in the Consolidated Balance Sheet as of March 31, 2011 was paid during the six-month period ended September 30, 2011.

As of November 2, 2011, Mitsui is not able to estimate the total amount of the liabilities that it and its consolidated subsidiaries may incur as a result of the Incident that are in addition to the liabilities that have previously been recognized as a result of the Settlement, but has recorded an amount, which is not material, in accordance with appropriate accounting practice as additional related accounting liabilities for costs and claims not covered under the indemnity by the BP Parties as of September 30, 2011. However, this is not intended to represent an opinion of Mitsui that it and its consolidated subsidiaries will not incur any material future liability related to the Incident. Rather, it is the result of the application of accounting rules, under which loss recognition is not required in situations where a loss is not considered probable or cannot be reasonably estimated, to the currently available set of facts as summarized below.

A complaint filed by the United States in the federal district court for the Eastern District of Louisiana on December 15, 2010 seeks from MOEX Offshore, among other things, civil penalties under the Clean Water Act (CWA) and other relief. The United States alleges that MOEX Offshore, because of its Interest at the time of the Incident, is subject to liability for civil penalties under the CWA. In making its determination as to the amount of civil penalties under the CWA, the court will consider the seriousness of the violation or violations, the degree of culpability involved and the history of prior violations, among other factors. In the federal district court for the Eastern District of Louisiana, certain gulf coast states and local governmental entities filed complaints seeking from the MOEX Parties and others penalties, punitive damages and other relief under state environmental and other laws.

Most of the civil lawsuits brought by various types of businesses, government, property owners and individuals, seeking recovery for alleged property damages, personal injuries and economic losses caused by the Incident, and alleged injuries and damages caused by post-incident clean up activities, as well as the lawsuits brought by the United States seeking penalties and other relief described above, were sent for pretrial proceedings to a federal district court judge in the Eastern District of Louisiana (MDL Proceedings) and separated into several bundles based upon the nature of the claims being asserted. An admiralty action and cross-claims were filed against the MOEX Parties, as part of the MDL Proceedings, seeking indemnification and contribution as to claims filed against certain of the other defendants in the MDL proceedings. In addition to the above claims, the plaintiffs in some of the civil lawsuits have requested the award of punitive damages from the MOEX Parties and others.

On August 26, 2011 and September 30, 2011, the court dismissed a number of the causes of action filed against the MOEX Parties and others in the bundles of cases seeking recovery by private parties for alleged economic loss and property damage and for personal injury and costs caused by the clean-up efforts. While these orders are not final, for these bundles, the state law and maritime claims against the MOEX Parties were dismissed by these orders. As the result of these orders, the only claims that remain in these bundles of cases against MOEX Offshore and MOEX USA are those arising under OPA. Further, the court stated that punitive damages are not available under OPA.

The Bureau of Ocean Energy Management, Regulation and Enforcement's portion of a joint report, dated September 14, 2011, that it prepared with the United States Coast Guard, addressed the causes of the Incident. The report stated that there were a variety of factors that led to the Incident, and did not identify any actions on the part of MOEX Parties as being among those factors. Various other government investigations into the Incident are ongoing.

A trial of a number of the issues presented by the lawsuits that are part of the MDL Proceedings is scheduled to start in February 2012.

Under the terms of the Settlement, the MOEX Parties are continuing to defend all the claims filed against them in the MDL Proceedings. As noted above, punitive damages, solely to the extent arising from conduct of the MOEX Parties, if awarded, as well as Penalties, will not be covered by the indemnification provided by the BP Parties in the Settlement. However, because these lawsuits are still on-going, the MOEX Parties currently are unable to reasonably estimate the total amount of their liability for Penalties and their liability, if any, for punitive damages.

The MOEX Parties have sought insurance coverage with respect to the Incident, but the maximum potential insurance recovery is substantially less than the Settlement amount.

(8) Subsequent Events

On October 12, 2011 (Chile time), Mitsui & Co., Ltd. (“Mitsui”), and Corporación Nacional del Cobre de Chile (“CODELCO”) entered into a financing arrangement in which Mitsui or a subsidiary of Mitsui would extend a short-term bridge loan up to US$6.75 billion to a wholly-owned subsidiary of CODELCO (the “Borrower”) to finance CODELCO’s potential acquisition of up to a 49% interest in Anglo American Sur S.A. (“Anglo Sur”), a wholly-owned subsidiary of Anglo American plc. CODELCO would guarantee all payment and performance obligations of the Borrower in respect of such bridge loan.

CODELCO holds the right, exercisable every three years (the next window opening in January 2012) to purchase up to 49% of the equity of Anglo Sur and up to 49% of any loans granted to Anglo Sur by its shareholders (the “Option”). Anglo Sur owns certain properties in Chile, including Los Bronces and El Soldado copper mines, Chagres smelter, and a number of exploration properties with significant potential. If the Borrower decides to draw on the bridge loan, the loan proceeds will in turn be made available to CODELCO to finance the exercise of the Option. The commitment period will be from January 3, 2012 to April 1, 2012, extendable in certain circumstances up to August 1, 2012.

The Borrower has the right to settle part of such bridge loan with an indirect 50% interest in the Anglo Sur equity acquired by CODELCO. Any remaining balance of the bridge loan not settled in this manner would automatically convert into a five-year term loan facility.