Consolidated Financial Results for the Year Ended March 31, 2012

［Based on accounting principles generally accepted in the United States of America ("U.S. GAAP")］
Tokyo, May 7, 2012 - Mitsui & Co., Ltd. announced its consolidated financial results for the year ended March 31, 2012.

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

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1. Consolidated financial results (Unaudited)

(1) Consolidated operating results information for the year ended March 31, 2012
(from April 1, 2011 to March 31, 2012)

		Years ended March 31,			
		2012	%	2011	%
Revenues	Millions of yen	5,251,602	12.2	4,679,443	14.2
Income before Income Taxes and Equity in Earnings	Millions of yen	413,211	51.5	272,697	116.4
Net income attributable to Mitsui & Co., Ltd.	Millions of yen	434,497	41.7	306,659	104.8
Net income attributable to Mitsui & Co., Ltd. per share, basic	Yen	238.10		168.05	
Net income attributable to Mitsui & Co., Ltd. per share, diluted	Yen	238.10		168.05	
Net income ratio to Mitsui & Co., Ltd. Shareholders' equity	%	17.4		13.3	

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.Equity in Earnings of Associated Companies - Net for the years ended March 31,2012 and 2011 were ¥232,090 million and ¥242,144 million, respectively.
3.Comprehensive Income for the years ended March 31, 2012 and 2011 were ¥373,029 million (95.0 %) and ¥191,345 million (△45.9 %), respectively.

(2) Consolidated financial position information

		March 31, 2012	March 31, 2011
Total assets	Millions of yen	9,011,823	8,598,124
Total equity (net worth)	Millions of yen	2,860,810	2,553,334
Mitsui & Co., Ltd. shareholders' equity	Millions of yen	2,641,318	2,366,192
Mitsui & Co., Ltd. shareholders' equity ratio	%	29.3	27.5
Mitsui & Co., Ltd. shareholders' equity per share	Yen	1,447.34	1,296.66

(3) Consolidated cash flow information

		Years ended March 31,	
		2012	2011
Operating activities	Millions of yen	380,984	504,474
Investing activities	Millions of yen	(438,191)	(484,021)
Financing activities	Millions of yen	57,394	33,820
Cash and cash equivalents at the end of the year	Millions of yen	1,431,112	1,441,059

2. Dividend information

		Years ended March 31, 2012	Years ended March 31, 2011	Year ending March 31, 2013 (Forecast)
Interim dividend per share	Yen	27	20	27
Year-end dividend per share	Yen	28	27	28
Annual dividend per share	Yen	55	47	55
Annual dividend (total)	Millions of yen	100,397	85,794	
Consolidated dividend payout ratio	%	23.1	28.0	25.1

Note: Regarding our dividend policy, please refer to "(4) Shareholder Return Policy" on page 37.

3. Forecast of consolidated operating results for the year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

		Year ending March 31, 2013
Net income attributable to Mitsui & Co., Ltd.	Millions of yen	400,000
Net income attributable to Mitsui & Co., Ltd. per share, basic	Yen	219.19

4. Others

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

(2) Number of shares :

	March 31, 2012	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	4,204,441	4,324,067

	Year ended March 31, 2012	Year ended March 31, 2011
Average number of shares of common stock outstanding	1,824,888,914	1,824,792,018

Disclosure Regarding Annual Audit Procedures
As of the date of disclosure of this annual earnings release, an audit the annual financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

A Cautionary Note on Forward-Looking Statements:
This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. (“Mitsui”), and these statements are based on Mitsui’s current assumptions, expectations and beliefs in light of the information currently possessed by it. It is not the intention of Mitsui to undertake to realize these statements, and various factors may cause Mitsui’s actual results to be materially different from any future performance expressed or implied by these forward-looking statements.
For key assumptions on which the statements concerning future performance are based, please refer to (3) “Forecasts for the year ending March 31, 2013” on p. 33. For cautionary notes with respect to forward-looking statements, please refer to the “Notice” section on p. 38.

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 May 8, 2012.
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

The audit procedures for consolidated financial statements have not been completed, at the time of release of this report.

(1) Summary of Consolidated Financial Results for the Year Ended March 31, 2012

1) Operating Environment

Throughout the fiscal year, the global economy demonstrated a slower rate of recovery particularly in the advanced economies; there were spillover effects from the financial strains in the euro area, tightening monetary policies of the emerging economies, and disruptions caused by natural disasters such as the Great East Japan Earthquake. Although the eminent risks observed in the latter half of 2011 had subsided, risk levels remain elevated and the global economy continues to be vulnerable.

The U.S. economy is gaining some traction as it shows improvement in employment, consumer spending, and business fixed investments, although it is still held back by continued weakness in the real estate market. The financial turbulence from the periphery countries of the euro area deepened and the entire area showed a sharp slowing. Contractions in business credit and output were marked in certain countries. Owing to the European Central Bank's longer-term refinancing operations and steps taken by the EU countries toward structural reforms, market uncertainties have since been alleviated. The underlying issues in the euro area are not yet resolved and there is a major downside risk of another crisis escalating when the early effects of the financing operations wane. Demand is not picking up in the euro area and its recovery is expected to slow. Japan showed a mild rate of recovery after a steep decline in output due to the earthquake. Reconstruction spending and slow improvement in employment, and the lull in yen's rise is expected to lead to a moderate recovery but any renewed crisis in Europe, strengthening of the yen, and the domestic power supply situation continue to provide downside risk.

The emerging and developing economies expected a gradual slowdown in their growth rates, due to tightening of monetary policies and a decline in export volumes, but the growth rate remains fast paced and continues to be the key force for global recovery. Although external demand has weakened, and very high growth rates in China are moderating, we maintain our view that China's growth will be sustained because of its resilient domestic consumption and the investments required for urbanization of the interior regions, and further room for policy easing. Although Asia's outlook may have dimmed somewhat due to weaker external demand, the rebound from supply-chain disruptions is a positive factor. In Latin America, over-heating pressures appear to have been contained and the risks are better balanced, while spillover effects to the region from the euro zone is likely to be limited. Overall we still see higher volatility in the flow of capital to the emerging economies, continued risks associated with moderating domestic demand in certain countries and slowing external demand.

The commodity markets including crude oil and metal resources, showed recovery after a period of price decline due to the slow recovery in advanced economies and the volatile financial markets. The price of WTI crude oil was at $110 per barrel in April, followed by a gradual decline down to the level of mid $70s per barrel in September, and subsequently recovered around $100 per barrel due to the elevated geopolitical situation in the Middle East region, and has continued to sustain such price level. The Nikkei index climbed back to the ¥10,000 mark in July but subsequently dropped to the ¥8,200 level at one point following the deepening of the crisis in the euro region; it rebounded to ¥10,083 as of the end of March reflecting the progress, although moderate, of the implementation of the comprehensive strategy agreement entered into by the EU member states and the joint efforts by the central banks in providing additional liquidity. In the foreign exchange market, the financial turbulence in the euro area and the slower recovery in the U.S. caused the yen to appreciate to the level of upper 70s yen to the U.S. dollar and to break the 100 yen per euro line, after which the yen declined to the level of 82.19 yen against the U.S. dollar in the end of March following Bank of Japan's additional policy easing.

Sovereign stress in the euro area may again elevate, and increase the level of instability in the financial markets, which in turn may lead to contraction of global trade and flow of funds, slow the growth rate in the emerging countries, and have a spillover effect into the commodity markets and as a result on our operations. Geopolitical risk is also increasing and may lead to higher volatility in the oil markets. While we will maintain our medium-to-long term expectation that the global economy is capable of showing a modest recovery driven by the growth fundamentals of the emerging economies, we believe extra care is required to monitor the elevated level of downside risks in our operating environment and the commodities markets, as we continue to capture the growth opportunities in the emerging markets and meet the global demand for our products.

2) Results of Operations

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") posted net income attributable to Mitsui & Co., Ltd. of ¥434.5 billion for the year ended March 31, 2012, an increase of ¥127.8 billion from ¥306.7 billion for the corresponding previous year. Major developments during the year 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 reclassification of ENEOS GLOBE Corporation as an associated company, which had previously been accounted for as a subsidiary. The Foods & Retail Segment also reported an increase in gross profit due to improvement in valuation gains and losses on forward contracts related to coffee. Some segments, such as the Chemical Segment, which reported underperforming trading activities in petrochemical intermediate materials and fertilizer materials, posted declines in gross profit from the corresponding previous year, although overall gross profit increased by ¥19.1 billion.
- Loss on write-downs of securities was increased reflecting a decline in investment value of particular unlisted stocks and the sluggish stock market for the year ended March 31, 2012. 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, while a remeasurement gain on existing interests resulting from the acquisition of the entire stake in Multigrain AG as well as a gain on sales of security in INPEX CORPORATION was recorded for the year ended March 31, 2012, a decline in gain on sales of securities was reported due to a reversal effect of gains recognized for reclassification from subsidiary to associated company, such as those on MT Falcon Holding Company S.A.P.I. de C.V., for the corresponding previous year.
- The reversal effect recorded for the year ended March 31, 2012 due to a loss for the settlement between several of Mitsui & Co., Ltd.'s subsidiaries and certain BP p.l.c. subsidiaries regarding the oil spill incident in the Gulf of Mexico for the corresponding previous year.
- Despite the contributions by Valepar S.A. and Robe River Mining Co. Pty. Ltd., reflecting the rise in iron ore prices, equity in earnings of associated companies decreased due mainly to the recognition of impairment losses on investments in listed associated companies, including TPV Technology Limited, Moshi Moshi Hotline, Inc. and Nihon Unisys, Ltd., reflecting declines in the share prices.
- 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 Consumer Service & IT, Machinery & Infrastructure Projects and Chemical segments posted increases in net income attributable to Mitsui & Co., Ltd.

Return-on-equity for the year ended March 31, 2012 was 17.4%, an increase of 4.1% from 13.3% for the corresponding previous year.

3) Financial Condition

Total assets as of March 31, 2012 were ¥9.0 trillion, an increase of ¥0.4 trillion from ¥8.6 trillion as of March 31, 2011. Investments and plant, property and equipment (“PPE”) increased by ¥0.3 trillion to ¥4.6 trillion due to expansions of existing and new investments as well as acquisition of Multigrain AG, partly offset by appreciation of the Japanese yen. Current assets increased by ¥0.1 trillion to ¥4.4 trillion as a result of increases in trade receivables and inventories, despite a decline in derivative assets. Total Mitsui & Co., Ltd. shareholders’ equity as of March 31, 2012 was ¥2.6 trillion, an increase of ¥0.2 trillion from ¥2.4 trillion as of March 31, 2011. This reflects an increase in retained earnings despite the aforementioned appreciation of the Japanese yen against foreign currencies. The net debt-to-equity ratio (“Net DER”) (*) as of March 31, 2012 was 0.81 times.

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

4) Cash Flows

Net cash provided by operating activities for the year ended March 31, 2012 was ¥381.0 billion. Net cash provided by operating activities was comprised of operating income of ¥348.4 billion, dividends received of ¥245.7 billion, including those from associated companies, and net cash outflow of ¥206.6 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 year ended March 31, 2012 was ¥438.2 billion including expansion-related expenditures for natural resources in the Energy and the Mineral & Metal Resources segments and the acquisition of a stake in Integrated Healthcare Holdings Sdn. Bhd. Accordingly, free cash flow (*) for the year ended March 31, 2012 was a net outflow of ¥57.2 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 year ended March 31, 2012 were ¥5,251.6 billion, an increase of ¥572.2 billion from ¥4,679.4 billion for the corresponding previous year.

Revenues from sales of products for the year ended March 31, 2012 were ¥4,753.2 billion, an increase of ¥598.4 billion from ¥4,154.8 billion for the corresponding previous year, as a result of the following:

- The Energy Segment reported an increase of ¥322.4 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 ¥114.8 billion attributable to the reclassification of ENEOS GLOBE Corporation (Japan) as an associated company in the previous year ended March 31, 2011.
- The Foods & Retail Segment reported an increase of ¥135.4 billion. The increase was attributable to an increase in sales volume, coupled with higher prices in Mitsui’s import and offshore businesses of grains and palm oil for Asian countries as well as, coffee import business mainly from Brazil and a contribution of ¥76.7 billion coming in from Multigrain AG (Switzerland), which was acquired in the year ended March 31, 2012.
- The Americas Segment reported an increase of ¥134.6 billion. United Grain Corporation (United States) reported an increase of ¥100.1 billion in revenue due to the fact that in the year ended March 31, 2012, United Grain Corporation took over operations of the grain origination and export business that 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, following dissolution of the joint venture.
- The Mineral & Metal Resources Segment reported an increase of ¥73.9 billion. Mitsui-Itochu Iron Pty.

Ltd. (Australia) 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. (Australia) also reported an increase of ¥13.3 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 previous year. Furthermore, reflecting increases in sales volume of the 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 ¥34.3 billion.

Revenues from sales of services for the year ended March 31, 2012 were ¥377.0 billion, an increase of ¥5.6 billion from ¥371.4 billion for the corresponding previous year.

Revenues from other sales for the year ended March 31, 2012 were ¥121.4 billion, a decline of ¥31.9 billion from ¥153.3 billion for the corresponding previous year. MT Falcon Holdings Company, S.A.P.I. de C.V. (Mexico), which has natural-gas-fired power stations in Mexico, reported a decline of ¥20.5 billion due to reclassification as an associated company resulting from the partial sale of interest in the company. In addition, Mitsui recorded losses and gains in revenues related to the commodity derivatives trading business, which corresponds to foreign exchange gains of ¥5.8 billion and losses of ¥8.9 billion posted in other income-net for the year ended March 31, 2012 and for the corresponding previous year, respectively.

Gross Profit

Gross profit for the year ended March 31, 2012 was ¥878.3 billion, an increase of ¥19.1 billion from ¥859.2 billion for the corresponding previous year as a result of the following:

- The Energy Segment reported an increase of ¥22.4 billion in gross profit. The petroleum trading business at Mitsui posted an increase reflecting increased trading volumes and a recovery in market conditions. Increases of ¥12.1 billion, ¥11.5 billion and ¥7.8 billion due to higher oil prices were reported by Mitsui E&P Middle East B. V. (Netherland), Mitsui Oil Exploration Co., Ltd. (Japan) and Mitsui E&P Australia Pty Limited (Australia), respectively. Furthermore, Mitsui Coal Holdings Pty. Ltd. (Australia) reported a ¥7.1 billion increase due to increase in equity production and the rise in coal prices. Meanwhile, Mitsui Oil Co., Ltd. (Japan) reported a decline of ¥5.7 billion due to worsening margins, and Westport Petroleum, Inc. (United States) reported a decline of ¥3.5 billion due to reduced heavy oil demand and deteriorating market conditions triggered by a warm winter. Mitsui E&P USA LLC (United States) reported a decline of ¥3.6 billion due to an increase in depreciation costs associated with progress in development of shale gas resources. A decline of ¥18.4 billion was also recorded due to reclassification of ENEOS GLOBE Corporation as an associated company.
- The Foods & Retail Segment reported an increase of ¥13.3 billion in gross profit due to a ¥9.3 billion improvement in valuation gains and losses on forward contracts related to coffee, which were deemed to be derivatives, as well as a ¥4.1 billion contribution by Multigrain AG, which was acquired in the year ended March 31, 2012.
- The Mineral & Metal Resources Segment reported an increase of ¥7.4 billion in gross profit. Mitsui-Itochu Iron Pty. Ltd. reported an increase of ¥6.6 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 ¥3.2 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 previous year.
- The Chemical Segment reported a decline of ¥6.4 billion in gross profit. This was mainly due to underperforming trading activities of petrochemical intermediate materials and fertilizer materials, as well as a decline in sales prices and volume at Shark Bay Salt Pty. Ltd. (Australia).

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended March 31, 2012 were ¥514.8 billion, a decline of ¥18.2 billion from ¥533.0 billion for the corresponding 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
Year ended March 31, 2012	275.6	11.4	29.8	7.5	47.2
Year ended March 31, 2011	268.5	11.6	29.2	8.0	48.6
Change	7.1	(0.2)	0.6	(0.5)	(1.4)

	Rent	Depreciation	Tax	Others	Total
Year ended March 31, 2012	17.0	13.3	7.7	105.3	514.8
Year ended March 31, 2011	18.6	15.8	8.2	124.5	533.0
Change	(1.6)	(2.5)	(0.5)	(19.2)	(18.2)

- Personnel expenses were ¥275.6 billion, an increase of ¥7.1 billion from ¥268.5 billion for the corresponding previous year. This increase is mainly attributable to an increase in performance-based bonuses at Mitsui.
- Other expenses were ¥105.3 billion, a decline of ¥19.2 billion from ¥124.5 billion for the corresponding 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. to associated companies.

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
Year ended March 31, 2012	33.3	21.5	86.9	55.2	45.1	72.3	64.3	36.7
Year ended March 31, 2011	32.5	18.4	79.1	51.0	56.6	66.1	58.1	29.7
Change	0.8	3.1	7.8	4.2	(11.5)	6.2	6.2	7.0

Operating Segment	Americas	Europe, the Middle East and Africa	Asia Pacfic	Total	All other	Adjustments and Eliminations	Consolidated Total
Year ended March 31, 2012	51.1	19.0	16.2	501.6	5.9	7.3	514.8
Year ended March 31, 2011	52.8	16.8	15.8	476.9	6.1	50.0	533.0
Change	(1.7)	2.2	0.4	24.7	(0.2)	(42.7)	(18.2)

The Energy Segment reported a decline of ¥11.5 billion mainly due to a decline of ¥16.4 billion resulting from the reclassification of ENEOS GLOBE Corporation to an associated company. Starting from the year ended March 31, 2012, we have implemented a new internal accounting rule stipulating that particular considerations for particular intragroup 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 Eliminations 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 ¥34.8 billion.

Provision for Doubtful Receivables

Provision for doubtful receivables for the year ended March 31, 2012 was ¥15.1 billion, an increase of ¥5.9 billion from ¥9.2 billion for the corresponding previous year. 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.

Interest Expense—Net

Interest expense, net of interest income, for the year ended March 31, 2012 was ¥5.4 billion, an increase of

¥4.7 billion from ¥0.7 billion for the corresponding previous year. In addition to a decline in interest income, Multigrain AG, which was acquired in the year ended March 31, 2012, reported an increase in interest expense. The following table provides the periodic average of 3 month Libor of the Japanese yen and the U.S. dollar for the year ended March 31, 2012 and 2011.

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

	Year ended March31,	
	2011	**2012**
Japanese yen	0.21	0.20
U.S. dollar	0.36	0.40

Dividend Income

Dividend income for the year ended March 31, 2012 was ¥86.5 billion, an increase of ¥35.5 billion from ¥51.0 billion for the corresponding previous year. Dividend income from six LNG projects (Abu Dhabi, Oman, Qatargas 1 and 3, Equatorial Guinea and Sakhalin II) was ¥68.6 billion, an increase of ¥37.6 billion from ¥31.0 billion for the corresponding 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 year ended March 31, 2012 was ¥21.9 billion, a decline of ¥17.6 billion from ¥39.5 billion for the corresponding previous year.

- For the year ended March 31, 2012, the Energy Segment recorded a gain of ¥8.4 billion on the sale of INPEX CORPORATION. The Foods & Retail Segment recorded a ¥3.6 billion remeasurement gain on existing interests resulting from acquisition of 100% ownership of 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.
- For the year ended March 31, 2011, due to divestiture of 30% interests in MT Falcon Holdings Company S.A.P.I. de C.V. out of 70%, a remeasurement gain on the remaining 40% interests and a gain on sales of the 30% interests were recorded in the Machinery & Infrastructure Projects Segment. Furthermore, a gain of ¥9.1 billion on divestiture of unlisted securities was reported at Mitsui & Co. (Hong Kong) Ltd. in the Machinery & Infrastructure Projects Segment, and a remeasurement gain of ¥8.8 billion was recorded in the Energy Segment due to the reclassification of Mitsui Marubeni Liquefied Gas Co., Ltd. from subsidiary to associated company as a result of its merger with the LPG business of JX Nippon Oil & Energy Corporation. Mitsui Marubeni Liquefied Gas Co., Ltd. changed its name to ENEOS GLOBE Corporation after the merger.

Loss on Write-Downs of Securities

Loss on write-downs of securities for the year ended March 31, 2012 was ¥33.5 billion, a deterioration of ¥14.0 billion from ¥19.5 billion for the corresponding previous year.

- For the year ended March 31, 2012, the Mineral & Metal Resources Segment recorded an impairment loss of ¥4.1 billion on preferred shares of Valepar S.A., reflecting an other-than-temporary decline related to the foreign exchange translation loss in the investment value of the current portion of the preferred shares. Furthermore, the Consumer Service & IT Segment recorded a ¥4.0 billion impairment loss on shares in Formosa Epitaxy Incorporation (Taiwan), an LED manufacturer. The Machinery & Infrastructure Projects Segment recorded an impairment loss reflecting an other-than-temporary decline in the investment value of an aviation-related stock.

- For the corresponding previous year, the Mineral & Metal Resources Segment recorded an impairment loss of ¥3.1 billion on preferred shares of Valepar S.A. in the same manner.

Gain on Disposal or Sales of Property and Equipment—Net

Gain on disposal or sales of property and equipment—net for the year ended March 31, 2012 was ¥5.7 billion, an increase of ¥5.5 billion from ¥0.2 billion for the corresponding previous year. The Logistics & Financial Business and the Consumer Service & IT segments recorded a ¥4.5 billion gain on sales of unused land in Japan. Gain on disposal or sales of property and equipment—net for the corresponding previous year consisted of miscellaneous small gains.

Impairment Loss of Long-Lived Assets

Impairment loss of long-lived assets for the year ended March 31, 2012 was ¥14.0 billion, a decline of ¥4.3 billion from ¥18.3 billion for the corresponding previous year.

- Mitsui & Co. Uranium Australia Pty. Ltd. (Australia) in the Energy Segment reported an impairment loss of ¥5.0 billion in mining equipment and mineral rights due to its decision to withdraw from a uranium mine development project in Australia.
- For the corresponding previous year, Mitsui & Co. Uranium Australia Pty. Ltd. reported an impairment loss of ¥6.9 billion in mineral rights and mining equipment related to the Honeymoon uranium mine due mainly to a delay in the development schedule. Furthermore, 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 .

Impairment Loss of Goodwill

Impairment loss of goodwill for the year ended March 31, 2012 was ¥4.2 billion, a deterioration of ¥3.6 billion from ¥0.6 billion for the corresponding previous year, which consisted of miscellaneous small impairments.

Settlement of the Oil Spill Incident in the Gulf of Mexico

A loss of ¥88.6 billion for the settlement between Mitsui's subsidiaries and certain BP p.l.c. subsidiaries regarding the oil spill incident in the Gulf of Mexico was recorded for the corresponding previous year ended March 31, 2011. Please refer to the description on "(8) The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico" on "4. Consolidated Financial Statements" for details.

Other Income (Loss)—Net

Other income-net for the year ended March 31, 2012 was an income of ¥7.9 billion, an improvement of ¥15.3 billion from a loss of ¥7.4 billion for the corresponding previous year.

- For the year ended March 31, 2012, Mitsui recorded foreign exchange gains of ¥5.8 billion on commodity derivatives trading activities in the Logistics & Financial Business Segment, which corresponded to related revenues 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 progress of an LNG project in the vicinity of the salt field. In the Energy Segment, Mitsui Oil Exploration Co., Ltd. recorded foreign exchange gains of ¥3.9 billion. Meanwhile, exploration expenses totaled ¥19.8 billion, including those recorded at oil and gas producing businesses, such as Mitsui Oil Exploration Co., Ltd. and Mitsui E&P Australia Pty. Limited in the Energy Segment.
- For the corresponding previous year, Mitsui Oil Exploration Co., Ltd. in the Energy Segment reported foreign exchange fluctuation gains of ¥4.7 billion, and in the Mineral & Metal Resources Segment, Mitsui recorded a ¥4.0 billion profit on foreign exchange derivative contracts, intended to reduce

exposure to the fluctuating foreign exchange rate at iron ore mining operations. Meanwhile, in the Consumer Service & IT Segment, a loss allowance for an office development business in Japan was recorded by Mitsui, and in the Energy Segment, exploration expenses of ¥16.7 billion were recorded by Mitsui E&P Australia Pty Limited, Mitsui E&P Mozambique Area 1 Limited (United Kingdom), and MOEX Offshore 2007 LLC, which recorded an exploration expense related to the Mississippi Canyon 252 lease in the Gulf of Mexico. The Logistics & Financial Business Segment recorded a foreign exchange loss of ¥8.9 billion on commodity derivatives trading activities, which corresponded to related revenues in the same segment.

Income Taxes

Income taxes for the year ended March 31, 2012 were ¥172.6 billion, a decline of ¥31.3 billion from ¥203.9 billion for the corresponding previous year. There was an increase due to an increase in "income from continuing operations before income taxes and equity in earnings" and "equity earnings of associated companies-net." In addition, we record a ¥7.7 billion valuation allowance against deferred tax assets of the national corporate tax, which we determined are not more likely than not to be realized. We evaluate the realizability based on the estimate of Mitsui and the subsidiaries within the consolidated tax group's future taxable income. A ¥26.1 billion one-time positive impact was recorded due to a reduction of the Japanese corporate income tax rate. The reduction of the tax rate will be effective for the fiscal year starting from April 1, 2012. The main cause of the positive impact was a reversal of deferred tax liabilities on undistributed retained earnings of associated companies. Meanwhile, reversal of deferred tax liabilities related to dividends received from associated companies for the year ended March 31, 2012 was approximately ¥25.5 billion, equivalent to the level for the corresponding previous year (*1). A one-time positive impact was caused by enactment of the Australian Mineral Resource Rent Tax Act 2012 in March 2012 which led to the recognition of deferred tax assets (net of valuation allowances) for the operating assets subject to the Mineral Resource Rent Tax(*2).
The effective tax rate on "income from continuing operations before income taxes and equity in earnings" for the year ended March 31, 2012 was 41.8%, a decline of 33.0% from 74.8% for the corresponding previous year. The decline in effective tax rate is primarily attributable to the aforementioned positive impact of the tax rate deduction and the positive impact due to the enactment of the Mineral Resource Rent Tax Act 2012.

(*1) 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.

(*2) Entities have the option to elect to uplift the tax book values of the assets as of May 2010 to the market value, at the induction into the Australian Mineral Resource Rent Tax Act 2012, which can be depreciated over up to 25 years for the taxable income calculation purpose. Our iron ore and coal producing businesses plan to apply the uplift allowance to the operating assets subject to the Mineral Resource Rent Tax. The Mineral Resource Rent Tax is regarded as a kind of corporate income tax and is subject to tax effect accounting. We record deferred tax assets for the difference in the book values for accounting purpose and tax purpose (the market value based on our best estimation), and apply a valuation allowance for the portion we believe is not more likely than not to be realized.

Equity in Earnings of Associated Companies—Net

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥232.1 billion, a decline of ¥10.0 billion from ¥242.1 billion for the corresponding previous year as a result of the following:

- An increase of ¥18.2 billion was recorded at Valepar S.A. (Brazil), reflecting a boost in earnings at its investee, Vale S.A. ("Vale"), mainly due to the increase in iron ore prices, despite the negative effect of foreign exchange. Furthermore, an increase of ¥9.8 billion was recorded at Robe River Mining Co. Pty. Ltd. (Australia), an investment vehicle company for our Australian iron ore mining business, due to an increase in iron ore prices and one-time positive impact caused by enactment of the Australian Mineral Resource Rent Tax Act 2012, which led to the recognition of deferred tax assets (net of valuation allowances), despite the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain recorded for the corresponding previous year. Meanwhile, equity in earnings declined by ¥5.1 billion at Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, due to a decline in sales volume caused by the collapse of a ship loader facility and production interruption due to adverse weather as well as an increase in operating costs, despite an increase in copper prices.

- Due to a decline in share price, impairment losses on investments of ¥33.1 billion in total, including ¥18.3 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. In addition to the impairment loss on investment in Nihon Unisys, Ltd., equity in losses were recorded mainly due to the recognition of valuation allowances for its deferred tax assets.
- For the corresponding 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 year ended March 31, 2012 was ¥472.7 billion, an increase of ¥161.8 billion from ¥310.9 billion for the corresponding previous year.

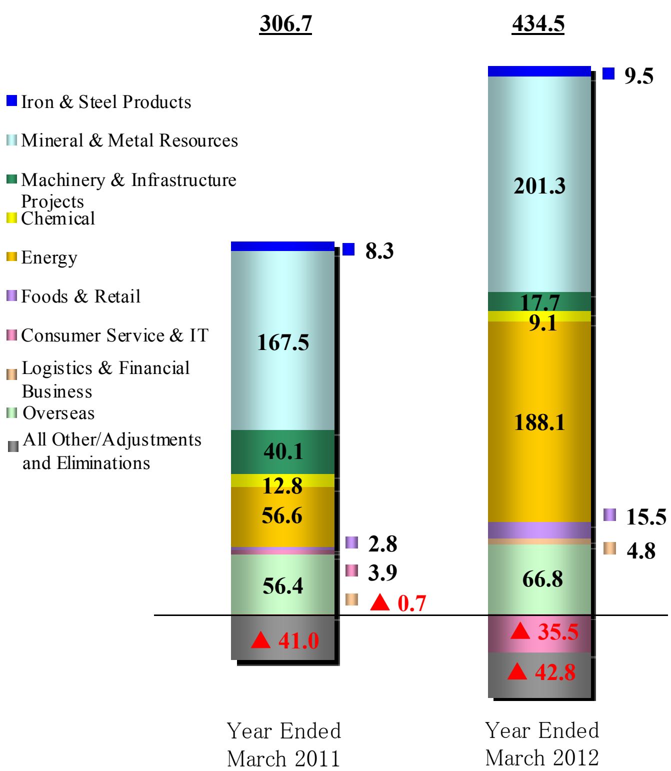
Net Income attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the year ended March 31, 2012 was ¥38.2 billion, an increase of ¥33.9 billion from ¥4.3 billion for the corresponding previous year. Mitsui Oil Exploration Co., Ltd., which recorded the settlement of the oil spill incident in the Gulf of Mexico for the corresponding previous year, reported a deterioration of ¥32.1 billion 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 year ended March 31, 2012 was ¥434.5 billion, an increase of ¥127.8 billion from ¥306.7 billion for the corresponding previous year.

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



2) Operating Results by Operating Segment

During the year ended March 31, 2012, 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. 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 year ended March 31, 2011 has been restated to conform to the current year presentation. During the year ended March 31, 2012, the Logistics & Financial Market Segment changed its name to the Logistics & Financial Business Segment.

Iron & Steel Products Segment

Gross profit for the year ended March 31, 2012 was ¥42.8 billion, a decline of ¥1.2 billion from ¥44.0 billion for the corresponding previous year. An increase in export sales of tubular products was more than offset by negative effects, such as weaker demand in emerging markets including Asia, sluggish domestic sales for construction and weakening price competitiveness of Japanese steel products for export sales caused by the appreciation in Japanese yen against the U.S. dollar.

Operating income for the year ended March 31, 2012 was ¥9.6 billion, a decline of ¥1.2 billion from ¥10.8 billion for the corresponding previous year.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥4.0 billion, a decline of ¥0.5 billion from ¥4.5 billion for the corresponding previous year.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥9.5 billion, an increase of ¥1.2 billion from ¥8.3 billion for the corresponding previous year.

Mineral & Metal Resources Segment

Gross profit for the year ended March 31, 2012 was ¥194.8 billion, an increase of ¥7.4 billion from ¥187.4 billion for the corresponding previous year. The main factor contributing to the increase was the increase in iron ore prices. Led by increases in demand in China, spot prices crept up from July 2010 and peaked in February 2011. Followed by a correction in the market, prices dropped sharply from the middle of September 2011 and bottomed out at the end of October 2011.

The majority of contract prices applied for products sold during the year ended March 31, 2012 was based on a daily average of spot reference prices during the twelve – month period starting from December 1, 2010 through November 30, 2011, and were accordingly settled at levels higher than the corresponding previous year. However, starting from the three-month period ended December 31, 2011, a certain portion of contracts has shifted to pricing that reflects current spot reference prices, such as a daily average of spot reference prices for the corresponding quarter of the shipment month and a daily average of spot reference prices for the shipment month.

Consequently, Mitsui-Itochu Iron Pty. Ltd. recorded an increase of ¥6.6 billion in gross profit, due to increases in iron ore prices and sales volume, despite the negative effect of foreign exchange. Mitsui Iron Ore Development Pty. Ltd. also reported an increase of ¥3.2 billion reflecting the rise in iron ore prices, which was partially offset by the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain for the corresponding previous year.

Operating income for the year ended March 31, 2012 was ¥173.1 billion, an increase of ¥3.9 billion from ¥169.2 billion for the corresponding previous year. The increase in gross profit was partially offset by an increase in selling, general and administrative expenses.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥131.2 billion, an increase of ¥10.7 billion from ¥120.5 billion for the corresponding previous year. Major factors were as follows:

- Valepar S.A. posted earnings of ¥75.1 billion, a substantial increase of ¥18.2 billion from ¥56.9 billion for the corresponding previous year, reflecting an increase in earnings at Vale S.A. mainly due to an increase in prices of iron ore, 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 Co. Pty. Ltd. were ¥49.0 billion, an increase of ¥9.8 billion from ¥39.2 billion for the corresponding previous year, due to an increase in iron ore prices and one-time positive impact caused by enactment of the Australian Mineral Resource Rent Tax Act 2012 in March 2012, which led to recognition of deferred tax assets (net of valuation allowances) for the operating assets subject to the Mineral Resource Rent Tax. It was partially offset by the negative effect of foreign exchange and the reversal effect of a sales price adjustment gain for the corresponding previous year.
- The scrap metal recycling business in which Mitsui Raw Materials Development Pty. Limited (Australia) invests, recorded losses of ¥6.2 billion, a decline of ¥8.1 billion from equity in earnings of ¥1.9 billion for the corresponding previous year, due to a ¥8.8 billion impairment loss on goodwill, mainly related to its North America operations.
- SUMIC Nickel Netherlands B.V. (Netherlands) reported a decline in equity in earnings of associated companies due to an increase in income tax recorded at its investee, a nickel smelter in New Caledonia.
- Compañía Minera Doña Inés de Collahuasi SCM recorded earnings of ¥14.4 billion, a decline of ¥5.1 billion from ¥19.5 billion for the corresponding previous year. The increase in copper prices was offset by a decline in sales volume caused by the collapse of a ship loader facility and production interruption due to adverse weather as well as an increase in operating costs.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥201.3 billion, a substantial increase of ¥33.8 billion from ¥167.5 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- Australian iron ore operations recorded a one-time positive impact of ¥18.1 billion in income taxes caused by enactment of the Australian Mineral Resource Rent Tax Act 2012, which included the positive impact Robe River Mining Co. Pty. Ltd. recorded in equity in earnings of associated companies (including tax effect on undistributed retained earnings.)
- A ¥11.9 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.
- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution increased by approximately ¥9.5 billion from the corresponding previous year.
- For other income, gains on foreign exchange derivative contracts, recorded at Mitsui, intended to reduce exposure to the fluctuating foreign exchange rate at iron ore producing businesses in Australia were ¥0.7 billion, a ¥3.3 billion decline from ¥4.0 billion for the corresponding previous year. Furthermore, foreign exchange gains and losses related to borrowings denominated in the U.S. dollars at Mitsui Raw Materials Development Pty. Limited deteriorated by ¥2.1 billion from the corresponding previous year.

Machinery & Infrastructure Projects Segment

Gross profit for the year ended March 31, 2012 was ¥94.0 billion, an increase of ¥0.1 billion from ¥93.9 billion for the corresponding previous year.

- The Infrastructure Projects Business Unit reported a decline of ¥2.3 billion in gross profit due to the reclassification of a brine electrolyzer manufacturing company and MT Falcon Holdings Company, S.A.P.I. de C.V., a holding company of natural-gas-fired power stations in Mexico, from subsidiaries to associated companies in the previous year ended March 31, 2011, despite an increase in gross profit at the power plant-related business.
- The Motor Vehicles & Construction Machinery Business Unit reported an increase of ¥7.4 billion in gross profit. Mining and construction machinery-related businesses in Americas posted an increase due to a growth in demand mainly for mining machinery. Furthermore, automotive-related businesses in

South America recorded a solid performance reflecting strong sales.

- The Marine & Aerospace Business Unit reported a decline of ¥5.2 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.

Operating loss for the year ended March 31, 2012 was ¥8.2 billion, a deterioration of ¥15.4 billion from ¥7.2 billion operating income for the corresponding previous year. The Motor Vehicles & Construction Machinery Business Unit reported an increase in selling, general and administrative expenses reflecting the increase in gross profit and PT. Bussan Auto Finance reported an increase in the provision for doubtful receivables due to the increase in loan receivables and higher allowances for past-due loan receivables. Furthermore, the deterioration of operating loss was also attributable to recording the receipt of intragroup service fees in "other income-net," which were previously recorded in "revenues."

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥38.0 billion, an increase of ¥4.9 billion from ¥33.1 billion for the corresponding previous year.

- The Infrastructure Projects Business Unit reported a decline of ¥3.2 billion from the corresponding 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 ¥12.3 billion in total, a decline of ¥1.1 billion from ¥13.4 billion for the corresponding previous year. The spread declined reflecting the decrease in power prices at some power generation units. Meanwhile, 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 ¥1.2 billion to a gain of ¥0.1 billion from a loss of ¥1.1 billion for the corresponding previous year.
- The Motor Vehicles & Construction Machinery Business Unit reported an increase of ¥4.3 billion from the corresponding previous year. Mining and construction machinery-related business in Australia achieved a solid performance reflecting strong demand. Automotive-related businesses in North America also recorded an increase.
- The Marine & Aerospace Business Unit reported an increase of ¥3.7 billion from the corresponding previous year. The main cause of the increase was the gain on reversal of a loss allowance at the LNG vessels chartering business due to market recovery.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥17.7 billion, a decline of ¥22.4 billion from ¥40.1 billion for the corresponding previous year. In addition to the above factors, there are the following factors.

- Due to the reclassification of MT Falcon Holdings Company S.A.P.I. de C.V. from subsidiary to associated company as a result of divestiture of its 30% interests out of 70%, a remeasurement gain on the remaining 40% interests and a gain on sales of the 30% interests were recorded as a gain on sales of securities for the corresponding previous year. Furthermore, Mitsui & Co. (Hong Kong) Ltd. reported a gain of ¥9.1 billion on divestiture of unlisted securities for the corresponding previous year.
- A ¥4.0 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.
- Reflecting an other-than-temporary decline in the investment value of an aviation-related stock, an impairment loss was recorded for the year ended March 31, 2012.

Chemical Segment

Gross profit for the year ended March 31, 2012 was ¥65.2 billion, a decline of ¥6.4 billion from ¥71.6 billion for the corresponding previous year.

- The Basic Chemicals Business Unit reported a decline of ¥6.5 billion in gross profit. This was mainly due to underperforming trading activities in 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 ¥0.1 billion in gross profit. Despite underperforming trading activities in fertilizer materials, 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 year ended March 31, 2012 was ¥10.3 billion, a decline of ¥10.7 billion from ¥21.0 billion for the corresponding previous year. In addition to the decline in gross profit, selling, general and administrative expenses increased.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥6.7 billion, an increase of ¥3.0 billion from ¥3.7 billion for the corresponding previous year. Compania Minera Miski Mayo S.R.L. (Peru), a phosphorus ore mining and sales company in which Mitsui Bussan Fertilizer Resources B.V. (Netherland) invests, contributed to the increase due to the production commencing in the three-month period ended December 2010.

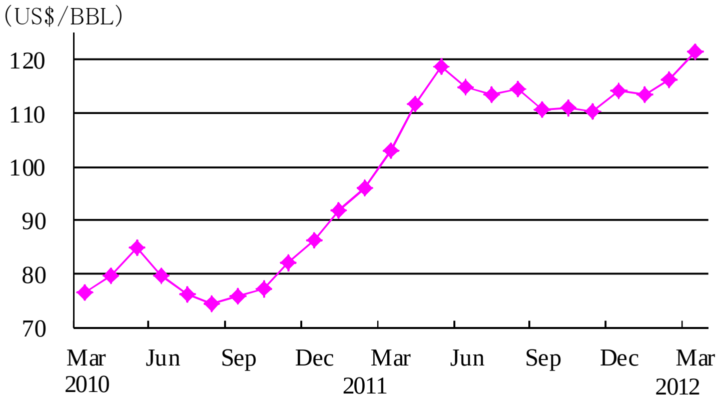
Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥9.1 billion, a decrease of ¥3.7 billion from ¥12.8 billion for the corresponding previous year.

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 progress of an LNG project in the vicinity of the salt field, which was partly offset by its impairment loss of goodwill for the year ended March 31, 2012.

Energy Segment

Oil prices (ICE Brent Crude Futures) remained firm in April 2011 due to moderate recovery of the global economy and reached a level of above US$125 per barrel. However, it then started declining in response to the slower recovery in the advanced economies as well as an outflow of speculative funds caused by the volatile financial market. After reaching a bottom of around US$100 per barrel in October, the Brent started to rise again due to concerns of geopolitical risks such as those related to Iran, and during the January to March 2012 period it traded in the range of approximately US$110 to $126 per barrel.

Crude Oil Price (JCC: Japan Crude Cocktail)



Reflecting such price movements, Japan Crude Cocktail (JCC) remained in the range of US$110-122 per barrel during the year ended March 31, 2012, compared to a steep increase from the US$70-80 per barrel range to above US$100 per barrel in the corresponding 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 year ended March 31, 2012 and 2011 were US$108 per barrel and US$80 per barrel, respectively.

Gross profit for the year ended March 31, 2012 was ¥219.1 billion, an increase of ¥22.4 billion from ¥196.7 billion for the corresponding previous year primarily due to the following factors:

- Due to higher oil prices, Mitsui E&P Middle East B. V., Mitsui Oil Exploration Co., Ltd. and Mitsui E&P Australia Pty Limited reported increases of ¥12.1 billion, ¥11.5 billion and ¥7.8 billion respectively, while Mitsui E&P USA LLC reported a decline of ¥3.6 billion due to an increase in depreciation costs associated with the progress in development of shale gas resources.
- Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥7.1 billion, mainly due to increased production and higher coal prices. The quarterly prices applicable to typical Australian premium hard coking coal

for the three-month periods ended June 30, 2011, September 30, 2011 and December 31, 2011 increased by approximately 65%, 40% and 35% respectively from the quarterly prices of US$200, US$225 and US$209 per ton FOB for the corresponding three-month periods of the previous year, while the quarterly price of US$225 per ton FOB for the three-month period ended March 31, 2012 did not change from the corresponding three-month period 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 applicable for the corresponding previous year.

- An increase 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 ¥5.7 billion in gross profit due to worsening margins and Westport Petroleum, Inc. reported a decline of ¥3.5 billion due to reduced heavy oil demand and deteriorating market conditions triggered by a warm winter in the United States. Furthermore, a decline of ¥18.4 billion in gross profit was recorded due to 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 year ended March 31, 2012 was ¥173.5 billion, an increase of ¥34.1 billion from ¥139.4 billion for the corresponding previous year. Selling, general and administrative expenses related to ENEOS GLOBE Corporation declined by ¥16.4 billion due to its reclassification as associated company.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥53.9 billion, an increase of ¥1.5 billion from ¥52.4 billion for the corresponding previous year. Due to the fact that the positive impact of higher oil-linked LNG prices was offset by negative factors, such as the effect of foreign exchange and reduced production, Japan Australia LNG (MIMI) Pty. Ltd. (Australia) reported earnings equivalent to the level for the corresponding previous year. Kyokuto Petroleum Industries, Ltd. (Japan) reported a decline of ¥3.8 billion due to an increase in its cost to sales ratio.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥188.1 billion, a significant increase of ¥131.5 billion from ¥56.6 billion for the corresponding 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 ¥68.6 billion in total, an increase of ¥37.6 billion from the corresponding 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 previous year.
- A ¥5.1 billion one-time positive impact was recorded on income taxes due to the reduction of the Japanese corporate income tax rate. The main cause of the positive impact included the reversal of deferred tax liabilities on undistributed retained earnings of associated companies.
- For the year ended March 31, 2012, Mitsui Oil Exploration Co., Ltd. recorded foreign exchange gains of ¥3.9 billion, while exploration expenses of ¥18.9 billion were recorded in other income-net, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui Oil Exploration Co., Ltd. For the corresponding previous year, Mitsui Oil Exploration Co., Ltd. recorded foreign exchange gains of ¥4.7 billion, while exploration expenses totaled ¥16.3 billion including those recorded by Mitsui E&P Australia Pty Limited and Mitsui E&P Mozambique Area 1 Limited, as well as those related to the Mississippi Canyon 252 lease in the Gulf of Mexico, recorded by MOEX Offshore 2007 LLC.
- For the year ended March 31, 2012, Mitsui as well as Mitsui Oil Exploration Co., Ltd. recorded gains of ¥8.4 billion in total on the sale of listed security in INPEX CORPORATION. For the corresponding previous year, a remeasurement gain of ¥8.8 billion was recorded due to the reclassification of ENEOS GLOBE Corporation from subsidiary to associated company.
- Mitsui & Co. Uranium Australia Pty. Ltd. reported an impairment loss of ¥5.0 billion in mining equipment and mineral rights due to its decision to withdraw from a uranium mine development project

in Australia, while at the same time a ¥4.0 billion positive impact was recorded on income taxes due to the recording of deferred tax assets. For the corresponding previous year, Mitsui & Co. Uranium Australia Pty. Ltd. reported an impairment loss of ¥6.9 billion in fixed assets related to the Honeymoon uranium mine due mainly to a delay in the development schedule.

- For the corresponding previous year, Mitsui Oil Co., Ltd. recorded an impairment loss of ¥4.0 billion on distribution facilities reflecting changes in the business environment in Japan, while MOEX Offshore 2007 LLC recorded an impairment loss on mineral rights related to the Mississippi Canyon 252 lease in the Gulf of Mexico.
- For the corresponding previous year, a loss of ¥88.6 billion was recorded for the settlement between Mitsui's subsidiaries and certain BP p.l.c. subsidiaries regarding the oil spill incident in the Gulf of Mexico. Due mainly to this reason, net income attributable to noncontrolling interests increased by ¥32.1 billion at Mitsui Oil Exploration Co., Ltd.

Please refer to the description in "(8) The Oil Spill Incident of a Drilling Rig in the Gulf of Mexico" in "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 year ended March 31, 2012 was ¥90.7 billion, an increase of ¥13.3 billion from ¥77.4 billion for the corresponding previous year.

- This segment recorded an improvement of ¥9.3 billion for mark-to-market valuation gains and losses on commodity derivative contracts related to coffee. Coffee prices, which rose during the last fiscal year, showed further increases at the start of the three-month period ended June 30, 2011, and remained within a certain range. However, prices started to decline in September in response to the slower global economy caused by turmoil in the capital markets, and as of March 31, 2012, 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 year ended March 31, 2012. Meanwhile, mark-to-market valuation losses were recorded for the corresponding previous year reflecting the rise in coffee prices.
- A contribution of ¥4.1 billion was reported by Multigrain AG, which was acquired in the three-month period ended June 30, 2011 and engages in the grain distribution and agricultural production business in Brazil.
- A ¥2.6 billion loss on write-down of inventories was recognized at MCM Foods Holdings Ltd., a food subsidiary in the United Kingdom.

Operating income for the year ended March 31, 2012 was ¥18.2 billion, an increase of ¥7.0 billion from ¥11.2 billion for the corresponding previous year. The increase in gross profit was partially offset by an increase in selling, general and administrative expenses, mainly due to reclassification of Multigrain AG from associated company to subsidiary.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥3.4 billion, an increase of ¥2.1 billion from ¥1.3 billion for the corresponding previous year.

- This segment recorded impairment losses on listed securities in Nippon Formula Feed Manufacturing Company Limited (Japan) and Mikuni Coca-Cola Bottling Co., Ltd. (Japan) for the year ended March 31, 2012, as well as in Mikuni Coca-Cola Bottling for the corresponding previous year, reflecting a decline in share price (*1).
- Multigrain AG recorded equity in losses of ¥1.2 billion, an improvement of ¥2.9 billion from the corresponding previous year (*2).

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥15.5 billion, an increase of ¥12.7 billion from ¥2.8 billion for the corresponding previous year. In addition to the above-mentioned factors, due to the reclassification of Multigrain AG from associated company to subsidiary as a result of additional investment, this segment recorded a ¥3.6 billion remeasurement gain on existing interests for the year ended March 31, 2012.

(*1) 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.

(*2) 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 prior to reclassification with a three-month time lag in equity losses.

Consumer Service & IT Segment

Gross profit for the year ended March 31, 2012 was ¥47.5 billion, an increase of ¥0.7 billion from ¥46.8 billion for the corresponding previous year.

- The Consumer Service Business Unit reported an increase of ¥1.8 billion in gross profit. The decline due to dampened consumer spending on commodities, such as fashion products in Japan, partially offsets the reversal effect of loss on write downs on inventories in the domestic residential home business in the corresponding previous year.
- The IT Business Unit reported a decline of ¥1.1 billion in gross profit due to curtailment of some product sales in the electronics business as well as weaker demand in the liquid crystal display-related business.

Operating loss for the year ended March 31, 2012 was ¥17.0 billion, a deterioration of ¥6.1 billion from operating loss of ¥10.9 billion for the corresponding previous year. Selling, general and administrative expenses increased mainly at Mitsui.

Equity in losses of associated companies for the year ended March 31, 2012 was ¥20.3 billion, a deterioration of ¥28.2 billion from equity in earnings of ¥7.9 billion for the corresponding previous year.

- This segment recorded ¥18.3 billion, ¥6.7 billion and ¥6.0 billion in impairment losses for the year ended March 31, 2012 on listed securities in TPV Technology Limited, Moshi Moshi Hotline, Inc. and Nihon Unisys, Ltd., respectively, reflecting the decline in share price. In addition to the aforementioned impairment loss on investment in Nihon Unisys, Ltd., equity in losses was recorded mainly due to the setting up of valuation allowances for its deferred tax assets.
- For the corresponding 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 year ended March 31, 2012 was ¥35.5 billion, a deterioration of ¥39.4 billion from a net income of ¥3.9 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- For the year ended March 31, 2012, this segment recorded impairment losses on shares, including a ¥4.0 billion impairment loss on shares in Formosa Epitaxy Incorporation, an LED manufacturer and a ¥2.7 billion impairment loss on shares in the settlement service business company, QIWI Limited.
- A gain of ¥2.7 billion on the sale of securities through participation in a public tender offering by T-Gaia Corporation was posted for the year ended March 31, 2012.
- This segment reported a loss allowance for an office development business in Japan in other income-net for the corresponding previous year.
- Reversal of deferred tax liabilities on undistributed retained earnings of associated companies at the time of profit distribution declined by approximately ¥2.0 billion from the corresponding previous year.

Logistics & Financial Business Segment

Gross profit for the year ended March 31, 2012 was ¥27.2 billion, a decline of ¥2.6 billion from ¥29.8 billion for the corresponding previous year.

- The Financial & New Business Unit reported a decline of ¥5.6 billion in gross profit. Mitsui & Co. Commodity Risk Management Ltd. (United Kingdom), a trading company of commodity derivatives, reported an increase of ¥4.7 billion primarily due to the high performance in trading activities of natural gas. In addition, subsidiaries in the United States investing in venture companies recorded an increase in gross profit, due to the increase in gain on sales of securities and profit on revaluation of securities. Gross profits corresponding to foreign exchange gains of ¥5.8 billion and foreign exchange losses of ¥8.9 billion related to the commodity derivatives trading business posted in other expenses-net were included in gross profit for the year ended March 31, 2012 and for the corresponding previous year, respectively. Thus excluding foreign exchange gains and losses, earnings of this business unit increased over the corresponding previous year.
- The Transportation Logistics Business Unit reported an increase of ¥3.0 billion in gross profit. Portek International Private Limited (Singapore), which was newly acquired during the three-month period ended September 30, 2011, recorded a gross profit of ¥3.3 billion.

Operating loss for the year ended March 31, 2012 was ¥10.7 billion, a deterioration of ¥10.9 billion from operating income of ¥0.2 billion for the corresponding previous year. In addition to the decline in gross profit, selling, general and administrative expenses increased due to the increase in performance-based bonuses at derivative trading subsidiaries as well as the increase from newly acquired subsidiaries.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥5.8 billion, a decline of ¥1.2 billion from ¥7.0 billion for the corresponding previous year. ACAL Holdings Pte Ltd. (Singapore), a reinsurance company, reported a decline in earnings in connection to the multiple natural disasters including the Thailand floods.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥4.8 billion, an increase of ¥5.5 billion from net loss of ¥0.7 billion for the corresponding previous year. In addition to the above-mentioned factors, the following factors also affected results:

- For the year ended March 31, 2012, Trinet Logistics Co., Ltd. (Japan), a warehousing company, recorded a ¥3.2 billion gain on sales of unused land in Japan.
- For the year ended March 31, 2012 and for the corresponding previous year, foreign exchange profits of ¥5.8 billion and foreign exchange losses of ¥8.9 billion, respectively, were posted in other expense-net in relation to the commodity derivatives trading business.

Americas Segment

Gross profit for the year ended March 31, 2012 was ¥75.6 billion, a decline of ¥0.8 billion from ¥76.4 billion for the corresponding 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 recorded an increase in gross profit due to the fact that United Grain Corporation took over operations of the grain origination and export business, which had been carried out by United Harvest, LLC, a 50:50 joint venture between United Grain Corporation and CHS Inc., an agricultural cooperative-based company in the United States, following dissolution of the joint venture.
- Novus International, Inc. (United States) recorded a decline of ¥3.4 billion in gross profit due to an increase in production cost attributable to higher propylene prices, and the appreciation of the Japanese yen.

Operating income for the year ended March 31, 2012 was ¥24.3 billion, an increase of ¥1.7 billion from ¥22.6 billion for the corresponding previous year.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥4.3 billion, a decline of ¥2.3 billion from ¥6.6 billion for the corresponding previous year. Earnings at United Harvest, LLC declined to zero due to the fact that United Grain Corporation took over operations of the grain origination and export business, which had been carried out by United Harvest, LLC.

Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥16.4 billion, an increase of ¥0.5 billion from ¥15.9 billion for the corresponding previous year. In addition to the above-mentioned factors, Westport Petroleum, Inc. reported a net loss for the year ended March 31, 2012 due to reduced heavy oil demand and deteriorating market conditions triggered by a warm winter in the United States. Losses attributable to this segment through its interest in Westport Petroleum, Inc. increased due to the fact that the company posted a larger net loss for the year ended March 31, 2012 compared with the corresponding previous year.

Europe, the Middle East and Africa Segment

Gross profit for the year ended March 31, 2012 was ¥18.2 billion, an increase of ¥0.4 billion from ¥17.8 billion for the corresponding previous year.

Operating loss for the year ended March 31, 2012 was ¥0.7 billion, a deterioration of ¥2.2 billion from operating profit of ¥1.5 billion for the corresponding previous year. This segment reported an increase in selling, general and administrative expenses due to recording the receipt of intragroup service fees in "other income-net," which was previously recorded in "selling, general and administrative expenses."

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥0.5 billion, an increase of ¥0.5 billion from the corresponding previous year.

Net profit attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥1.2 billion, an increase of ¥1.1 billion from ¥0.1 billion for the corresponding previous year.

In addition to the above-mentioned factors, this segment recorded a loss from the segment's minority interest in MCM Foods Holdings Ltd. which posted a write-down of inventories.

Asia Pacific Segment

Gross profit for the year ended March 31, 2012 was ¥11.7 billion, a decline of ¥4.2 billion from ¥15.9 billion for the corresponding previous year. While the trading activities for chemicals as well as iron and steel products remained relatively firm despite the impact caused by the flood in Thailand, the gross profit declined due to recording the receipt of intragroup service fees in "other income-net," which was previously recorded in "revenues."

Operating loss for the year ended March 31, 2012 was ¥4.2 billion, a deterioration of ¥4.2 billion from the corresponding previous year.

Equity in earnings of associated companies for the year ended March 31, 2012 was ¥4.7 billion, an increase of ¥0.8 billion from ¥3.9 billion for the corresponding previous year.

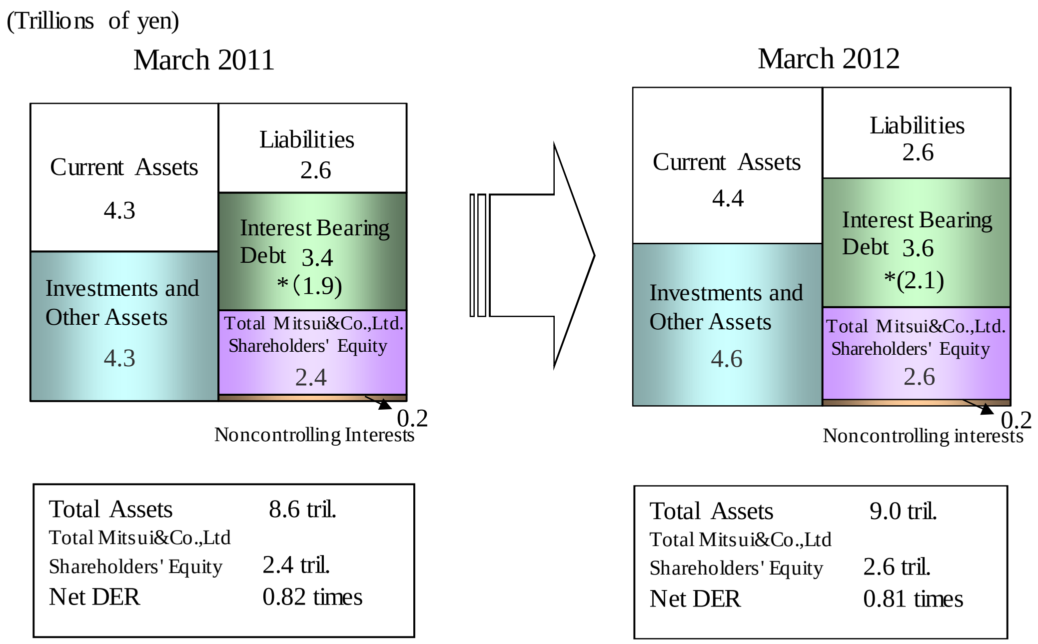
Net income attributable to Mitsui & Co., Ltd. for the year ended March 31, 2012 was ¥49.2 billion, an increase of ¥8.8 billion from ¥40.4 billion for the corresponding previous year. In addition to the above-mentioned factors, this segment recorded earnings from the segment's minority interest in Mitsui 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 March 31, 2012 were ¥9,011.8 billion, an increase of ¥413.7 billion from ¥8,598.1 billion as of March 31, 2011.

Total current assets as of March 31, 2012 were ¥4,426.3 billion, an increase of ¥108.7 billion from ¥4,317.6 billion as of March 31, 2011. Trade receivables and inventories increased by ¥181.3 billion in total primarily attributable to increases in trading volume at the petroleum trading business in the Energy Segment as well as in the Foods & Retail Segment reflecting higher trading volume. Meanwhile, derivative assets declined by ¥41.9 billion reflecting the lower prices at commodity derivative trading and other current assets declined by ¥19.2 billion due to collection of non-trade accounts receivables.



(*) 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 March 31, 2012 were ¥2,624.0 billion, an increase of ¥81.1 billion from ¥2,542.9 billion as of March 31, 2011. Short-term debt increased by ¥57.0 billion, mainly due to an increase in short-term loans at Mitsui as well as Mitsui Oil Exploration Co., Ltd. Current maturities of long-term debt increased by ¥63.8 billion, mainly due to increases at Mitsui and Mitsui & Co. (Australia), Ltd. Trade payables increased by ¥60.9 billion, which was primarily attributable to an increase at the Foods & Retail Segment and petroleum trading business in the Energy Segment, reflecting higher trading volume. Meanwhile, other current liabilities declined by ¥81.8 billion 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 a result, working capital, or current assets less current liabilities, as of March 31, 2012 totaled ¥1,802.3 billion, an increase of ¥27.6 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 March 31, 2012 totaled ¥4,585.5 billion, an increase of ¥305.0 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 March 31, 2012 was ¥3,191.7 billion, an increase of ¥56.3 billion from ¥3,135.4 billion as of March 31, 2011.
Within this category, investments in and advances to associated companies as of March 31, 2012 was ¥1,709.1 billion, an increase of ¥108.3 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) and an increase of ¥13.0 billion for acquiring a 50% stake in Santa Vitória Açúcar e Álcool Ltda (Brazil), a biomass-derived chemicals manufacturer;
- A ¥14.7 billion decline in investment in Multigrain AG due to its reclassification to subsidiary from associated company, as a result of acquisition of 100% of ownership; and
- Factors that do not involve cash flow included net increases in equity earnings of ¥72.8 billion (net of ¥159.3 billion in dividends received from associated companies) as well as a decline of ¥28.7 billion

resulting from a foreign exchange translation adjustment of foreign investments due to the appreciation of the Japanese yen.

Other investments as of March 31, 2012 were ¥792.5 billion, a decline of ¥67.3 billion from ¥859.8 billion as of March 31, 2011, mainly due to the following factors:

- A ¥43.1 billion decline in investment in Sakhalin Energy Investment Company Ltd. due to capital redemption (in addition, a ¥3.1 billion decline due to a foreign exchange translation loss) ;
- A ¥13.6 billion net decline in unrealized holding gains on available-for-sale securities reflecting a slide in the stock markets as well as divestitures of some stock; and
- A decline of ¥29.4 billion due to the recognition of impairment in investments.

Net property and equipment as of March 31, 2012 totaled ¥1,255.9 billion, an increase of ¥225.2 billion from ¥1,030.7 billion as of March 31, 2011. Major components were as follows:

- An increase of ¥92.5 billion (including a foreign exchange translation gain of ¥2.9 billion) at the Marcellus and Eagle Ford shale gas/oil projects in the United States;
- An increase of ¥56.6 billion (including a foreign exchange translation gain of ¥1.3 billion) for consolidation of Multigrain AG's assets, primarily comprised of land, land improvement and timberlands;
- An increase of ¥48.4 billion (including a foreign exchange translation loss of ¥0.2 billion) at iron ore mining projects in Australia;
- An increase of ¥15.3 billion (including a foreign exchange translation loss of ¥0.5 billion) at coal mining projects in Australia; and
- An increase of ¥7.9 billion (including a foreign exchange translation gain of ¥1.0 billion) at oil & gas projects excluding shale gas/oil projects.

Long-term debt less current maturities as of March 31, 2012 was ¥2,898.2 billion, an increase of ¥79.7 billion from ¥2,818.5 billion as of March 31, 2011. Mitsui and Mitsui & Co. (U.S.A.), Inc. recorded a decline in long-term debt, while long-term borrowings increased at the shale gas/oil business in the United States and Multigrain AG.

Total Mitsui & Co., Ltd. shareholders' equity as of March 31, 2012 was ¥2,641.3 billion, an increase of ¥275.1 billion from ¥2,366.2 billion as of March 31, 2011. A major component of the increase was an increase of ¥336.0 billion in retained earnings, while components that decreased included a net decline of ¥35.6 billion in foreign currency translation adjustments, mainly due to appreciation of the Japanese yen against the Brazilian real and Australian dollar.

As a result, the equity-to-asset ratio (*1) as of March 31, 2012 was 29.3%, up 1.8% 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 March 31, 2012 was ¥2,142.8 billion, an increase of ¥208.9 billion from ¥1,933.9 billion as of March 31, 2011. The net debt-to-equity ratio (*2) as of March 31, 2012 was 0.81 times, 0.01 points lower 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:
1. our capacity to meet debt repayment; and
2. 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 Mar. 2012	
Short-term debt	¥	250.1	¥	307.1
Long-term debt	¥	3,127.4	¥	3,270.9
Interest bearing debt	¥	3,377.5	¥	3,578.0
Less cash and cash equivalents and time deposits	¥	(1,443.6)	¥	(1,435.2)
Net interest bearing debt	¥	1,933.9	¥	2,142.8
Total Mitsui&Co.,Ltd. Shareholders' equity	¥	2,366.2	¥	2,641.3
Net DER (times)		0.82		0.81

2) Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities for the year ended March 31, 2012 was ¥381.0 billion, a decline of ¥123.5 billion from ¥504.5 billion for the corresponding previous year. Major components of net cash provided by operating activities were our operating income of ¥348.4 billion, dividend income of ¥245.7 billion, including dividends received from associated companies, and net cash outflow of ¥206.6 billion from an increase in working capital, or changes in operating assets and liabilities, including a payment of ¥86.1 billion for settlement of the oil spill incident in the Gulf of Mexico.

Compared with the corresponding previous year, operating income increased by ¥31.4 billion and dividend income increased by ¥45.0 billion and net cash outflow from an increase in working capital increased by ¥191.4 billion.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended March 31, 2012 was ¥438.2 billion, a decline of ¥45.8 billion from ¥484.0 billion for the corresponding 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 ¥98.9 billion, which included a 30% investment in Integrated Healthcare Holdings Sdn. Bhd. for ¥90.7 billion, investments in and loans to FPSO (Floating Production, Storage and Offloading vessel) leasing businesses for Brazilian deepwater oil exploration for ¥22.1 billion as well as acquiring 50% stake in Santa Vitória Açúcar e Álcool Ltda for ¥13.0 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 ¥8.8 billion and the collection of loans from Altamira LNG terminal project company.
- Net inflows of cash that corresponded to other investments (net of sales and redemption of other investments) were ¥2.7 billion. Expenditures included the additional investment in Multigrain AG for ¥21.9 billion, the acquisition of pharmaceutical and chemical business of Mercian Corporation for ¥15.1 billion, the acquisition of Portek International Limited, a port development and management company in Singapore, for ¥11.5 billion, the acquisition of a senior living business by MBK Real Estate LLC (United States) for ¥6.4 billion as well as the acquisition of Veloce Logística S.A., a logistics

company in Brazil, for ¥4.7 billion. Proceeds from sales of investments mainly consisted of a ¥43.1 billion capital redemption from Sakhalin Energy Investment Company Ltd., the divestiture of shares in INPEX CORPORATION for ¥10.7 billion and the divestiture of shares in an investing company for the Altamira LNG terminal.

- Net outflows of cash that corresponded to long-term loan receivables (net of collection) were ¥1.4 billion. PT. Bussan Auto Finance, a motorcycle retail finance subsidiary in Indonesia, reported a cash outflow of ¥19.4 billion due to the increase in loan receivables. Meanwhile, Mitsui Rail Capital Participações Ltda. (Brazil) recorded a cash inflow of ¥10.3 billion from the divestiture of lease receivables.
- Net outflows of cash relating to purchases of property leased to others and property and equipment (net of sales of those assets) were ¥340.9 billion. Major expenditures included:
  - Marcellus and Eagle Ford shale gas/oil projects in the United States for ¥98.7 billion;
  - Oil and gas projects other than the shale gas/oil projects for a total of ¥76.8 billion;
  - Iron ore mining projects in Australia for ¥52.7 billion;
  - Coal mining projects in Australia for ¥27.7 billion;
  - Leased rolling stock for ¥25.4 billion; and
  - Leased aircraft for ¥9.7 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the year ended March 31, 2012 was a net outflow of ¥57.2 billion.

Cash Flows from Financing Activities

For the year ended March 31, 2012, net cash provided in financing activities was ¥57.4 billion, an increase of ¥23.6 billion from ¥33.8 billion for the corresponding previous year. The net cash inflow from the borrowing of long-term debt was ¥118.9 billion, mainly by Mitsui E&P USA LLC, which invests in the Marcellus Shale gas project in the United States and foreign financing subsidiaries. Furthermore, the net cash inflow from the borrowing of short-term debt was ¥41.4 billion, mainly by Mitsui Oil Exploration Co., Ltd. Meanwhile, the cash outflows from payments of cash dividends were ¥98.6 billion.

In addition to the changes discussed above, there was a decline of ¥10.1 billion due to foreign exchange translation; as a result, cash and cash equivalents as of March 31, 2012 totaled ¥1,431.1 billion, a decline of ¥10.0 billion from ¥1,441.1 billion as of March 31, 2011.

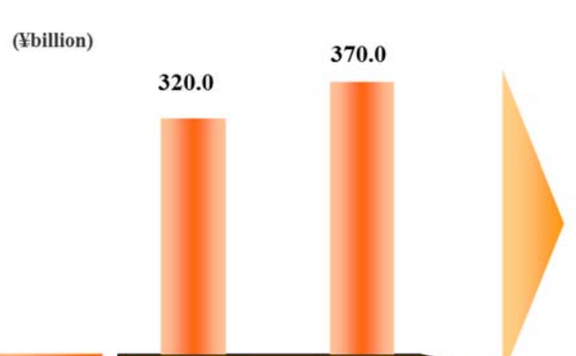
2. Management Policy

(1) Review on Medium-term Management Plan to March 31, 2012

1) Progress toward quantitative targets

(a) Operating Results

In the Medium-term Management Plan, we formulated earnings forecasts of ¥320.0 billion and ¥370.0 billion for the years ended March 31, 2011 and 2012, respectively. Although we recorded a loss for the settlement of the oil spill incident in the Gulf of Mexico for the year ended March 31, 2011 and a loss on the write-down of securities due to a decline in share prices for the year ended March 31, 2012, we posted net income attributable to Mitsui & Co., Ltd. of ¥306.7 billion and ¥434.5 billion for the years ended March 31, 2011 and 2012, respectively, achieving the quantitative target of the Medium-term Management Plan for the year ended March 31, 2012. Return-on-equity of the years ended March 31, 2011 and 2012 were 13.3% and 17.4%, respectively, also achieving the targeted rates in the Medium-term Management Plan.



Net Income	March 2011 Plan	March 2012 Plan	March 2011 Result	March 2012 Result
ROE	13.5%	14.0%	13.3%	17.4%
(¥ trillion yen) Total Assets	9.1	9.9	8.6	9.0
Shareholders' equity	2.5	2.8	2.4	2.6
Net interest-bearing debt	2.5	2.7	1.9	2.1
Net DER	1.0x	1.0x	0.82x	0.81x

(b) Financial condition and cash flow

During the two-year period of the Medium-term Management Plan, investments and plant, property and equipment increased due to vigorous expansion and new investments, although it was partly offset by effects of a drop in equity prices and the appreciation of the Japanese yen. Current assets increased due mainly to an increase in trade receivables resulting from an increase in trading volume. As a result, total assets increased to ¥9.0 trillion as of March 31, 2012, which did not reach the level of ¥9.9 trillion predicted in the Medium-term Management Plan.

Total shareholders' equity as of March 31, 2012 increased to ¥2.6 trillion, a smaller increase compared to what we forecasted in the Medium-term Management Plan, reflecting an increase in retained earnings despite the aforementioned lower equity prices and appreciation of the Japanese yen against foreign currencies. Free cash flows for the years ended March 31, 2011 and 2012 were a net inflow of ¥20.5 billion and a net outflow of ¥57.2 billion, respectively, resulting from aggressive investment activities to capture future growth and an increase in working capital, or changes in operating assets and liabilities.

Consequently, Net DER as of March 31, 2012 was 0.81 times, which is lower than the original premise of 1.0 time of the Medium-term Management Plan. We believe our financial strength remains solid to support "Challenge and Innovation."

(c) Investments and loans

During the two-year period ended March 31, 2012, we executed new investments and loans of approximately ¥1.34 trillion, which surpassed the original premise of ¥1.2 trillion of the Medium-term Management Plan. Of this amount, ¥500 billion was executed for the Mineral Resources & Energy business area, ¥190 billion for the Global Marketing Networks business area, ¥300 billion for the Lifestyle business area and ¥350 billion for the Infrastructure business area. Meanwhile, we constantly reviewed all business assets and collected approximately ¥400 billion through divestiture of assets and investments, including capital redemption of ¥73.2 billion from Sakhalin Energy Investment Company Ltd.

Business Area	Plan March 2011	Plan March 2012	Result March 2011-12	(¥billion) Major Projects
Mineral Resources & Energy	240	500	500	Expansion projects (iron ore, oil & gas, coal), Shale gas/oil, Caserones copper, Taganito nickel
Global Marketing Networks	160		190	Phosphorus ore development (Peru), Biomass-derived chemicals (Brazil), Chlor-alkali (U.S.), Novus, Logistics company (Brazil)
Lifestyle Business	60		300	Hospital business in Asia, Multigrain, MicroBiopharm Japan, TPV Technology
Infrastructure	240		350	IPP (Mexico), Rolling stock lease, Loan for commercial vessel business, FPSO lease (Brazil), Port development and management company
Gross Cash Outflow	1,200		1,340	
Divestiture	▲300		▲400	Sakhalin II, Loan collection from FPSO (Brazil), Steel Technologies, Container terminal, IPP (Mexico)
Net Cash Outflow	900		940	

2) Progress with four key initiatives in the Medium-term Management Plan

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

i) Mineral Resources & Energy areas – Increase equity production and reserves

To maintain and further increase our equity production tonnage and reserves of oil and gas, we proceeded with new projects including expansion of Mitsui Oil Exploration Co., Ltd.'s natural gas and condensate production in the Gulf of Thailand, unconventional energy resources projects such as the Marcellus shale gas project and the Eagle Ford shale oil/gas project in the United States, and the Mozambique gas project in which we succeeded in finding a large scale gas reservoir through exploration. In the iron ore producing business in Australia, we steadily carried out our plan to maintain and increase production capacity, and further improved the quality of our business assets.

ii) Non-Resources business area – Reinforcement of earnings base

We have taken the following initiatives to capitalize on the economic growth of emerging countries.

- In the Iron & Steel Products area, we established steel processing centers in Russia and a special steel production and sales company in India, partnering with quality local partners.
- In the port business area, we acquired Portek International Limited, a port development and management company, in order to build a business platform.
- In the Infrastructure area, we, through a 50:50 joint venture company, Galaxy NewSpring Pte. Ltd. with Hyflux Ltd., acquired water treatment plant operation assets located in China, including tap water treatment plants and wastewater treatment plants. In addition, we

participated in a coal-fired thermal IPP business in China, and entered into an agreement on a joint investment in a railroad freight car business with a Russian group.

- In the marine resource area, we have expanded our FPSO business mainly by owning and chartering FPSOs for deep water pre-salt oil fields in Brazil.
- In the motor vehicles & construction machinery area, we expanded the scale of construction machinery sales and service business and motor vehicle sales and finance business principally, in resource-rich countries.
- In the IT business area, we expanded TV shopping business in Asia.
- In the food area, we strove to strengthen our agricultural production and grain distribution business in Brazil. With an aim to securing a stable supply of grain from Brazil for the expanding markets, mainly Asia, we acquired additional shares in Multigrain AG, making it become a wholly-owned subsidiary from an associated company.

In the medical and healthcare area, we embarked on a project to expand our business domain to Asia. We acquired a 30% share in Integrated Healthcare Holdings Sdn. Bhd("IHH"), and accelerated our initiative to expand geographical coverage through IHH's subsequent acquisition of a Turkish healthcare group.

In the raw materials domain of the non-resource business area, the chemical area acquired an interest in the company for a phosphorus ore development project in Peru which Vale S.A. had been developing, and also, together with The Dow Chemical Company, formed 50:50 joint venture companies for a chlor-alkali project in Texas and a biopolymer production project in Brazil. The phosphorus ore development project is one of the company-wide cross-sectional projects by leveraging our business engineering capabilities, in particular, the synergy effects of the chemical area's knowledge of the fertilizer business and the mineral & metal resources area's vast experience in resource investments. In addition, the project is expected to contribute to both earnings base of trading business and of investment business.

iii) Strategy for Environment and Energy

As one of the initiatives to further strengthen the gas value chain, we, together with Tokyo Gas Co., Ltd., acquired natural gas-fired power stations in Mexico. Subsequently we divested a 30% stake in the power stations to Chubu Electric Power Co., Inc. and Tohoku Electric Power Co., Inc. with the aim to strengthen the business infrastructure of the power stations by combining the experiences and expertise of both companies, and simultaneously recovering a part of our investment at an early stage.

As an advisory board to the Corporate Management Committee, we established the Environment and New Energy Committee to analyze the external business environment, monitor and evaluate our current activities, specify our priorities and focus, and recommend relevant measures in environmental and new energy businesses. We advanced in our cross-sectional projects for future growth, such as Electric Vehicle/Secondary battery, smart city and renewable energy.

iv) Reinforcement of our foothold in domestic business

Living up to the needs of the changing domestic business environment, we strived to take initiatives to restructure and merge domestic businesses. Merger of our liquefied petroleum gas business with that of JX Nippon Oil & Energy Corporation, and a basic agreement to launch a detailed examination to integrate our domestic fertilizer business and that of Sumitomo Corporation, are examples of our achievements during the period of Medium-term Management Plan.

We created the Domestic Business Development Department, which promotes domestic businesses and devises domestic business strategy for all the business units, and branch offices in Japan with a view to engagement in the reconstruction business from the Great East Japan Earthquake and Japan's possible accession to the Trans Pacific Partnership.

(b) Acceleration of implementation of a global strategy and strategic deployment of human resources

We made progress on our business initiatives in BRICs countries, Mexico and Indonesia, which we had determined to be our strategic regions. We steadily proceeded with business projects in Mexico (Iron & Steel Products, Infrastructure Project, etc.), Brazil (Chemical, Motor Vehicles & Construction Machinery, etc.) and India (Iron & Steel Products, etc.) while we constructed an internal framework for business strategy in Indonesia, including a local partnership strategy. Further, we restructured our branch offices in Central-Eastern Europe, and established new offices in Africa focusing on fast developing regions and frontier regions.

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 now oversee operations in China, Taiwan, Korea and CIS countries.

To accelerate these initiatives, we steadily increased our efforts toward promoting globalization of our human resource base by, among other measures, shifting approximately 140 employees from our domestic offices to other Asian offices, especially in China, to promote a business strategy for China with clearly targeted areas.

(c) Evolution of portfolio strategy

Led by 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 the quality of our assets, to make strategic divestments and to dynamically allocate our management resources. As mentioned above, we shifted 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 company-wide staff exchange programs.

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

We have performed our business activities without any major delays in the face of natural disasters, such as the Great East Japan Earthquake and the Thailand floods. Based on knowledge acquired through such experiences, we have reworked our business continuity plan, which includes a roadmap for continuous and recovery operations, and ways to manage the company as well as to make decisions under adverse conditions.

As part of a company-wide initiative to improve business processes, we thoroughly reviewed all business processes. We gathered and organized all problems in light of internal controls and efficiency issues, and revised business process-related regulations to deal with such problems.

We introduced an information risk management system on a group-wide basis to properly manage risk of information leakage.

We introduced a new next-generation core system, which serves as a common group-wide information platform, use of which can streamline business processes and reduce system costs. The new system went live in November 2010 for Mitsui and successively for each of the other principal domestic and foreign subsidiaries.

We are committed to continuing to be engaged in long-term reconstruction support for the regions affected by the Great East Japan Earthquake, through our core businesses, including a car sharing business for the affected areas and additional supplies of LNG for the Japanese power companies.

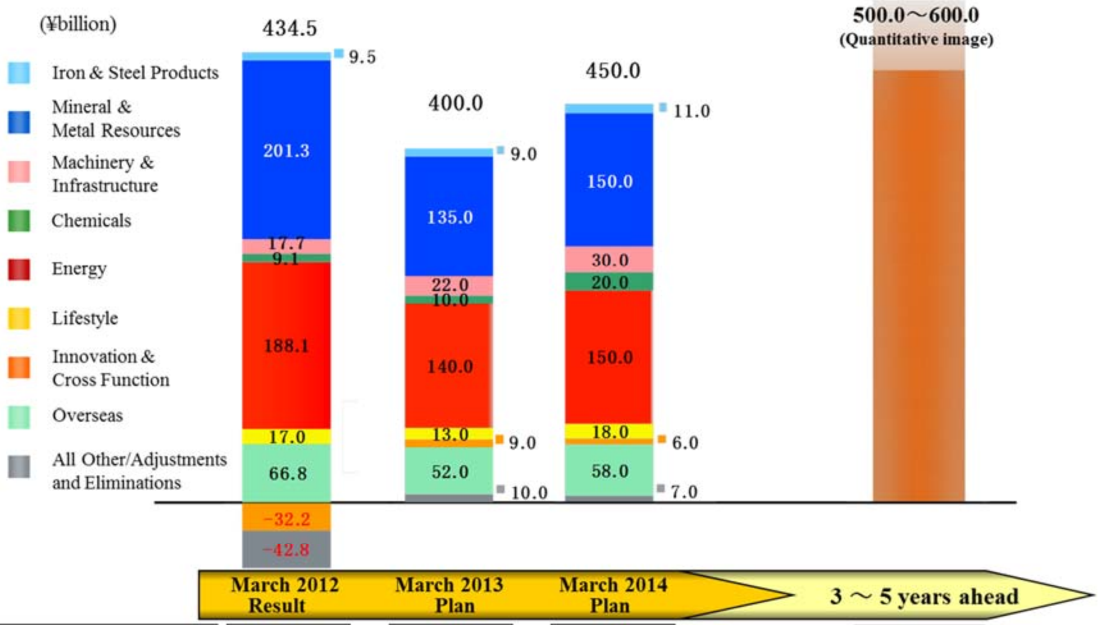
(2) <u>Medium-term Management Plan to March 31, 2014 "Challenge and Innovation 2014 – Creating the future through dynamic evolution"</u>

To realize our Long-term Management Vision "Dynamic Evolution as a 21st Century Global Business Enabler" announced in March 2009, we will further accelerate our move and build a strong earnings base making it capable of supporting growth through a proactive assumption of new business challenges, acquisition high-quality assets and recycling of our existing assets. We will further enhance our capability to decide, implement, verify and resolve, by sharpening keen sense, crisis consciousness and risk awareness towards the changing external environment. We strive to pursue the creation of additional value through a strong emphasis on the quality of our business activities and profits, by working steadily to differentiate our capabilities, and by accumulating a track record of Yoi-Shigoto (good quality work). We aim to become the strongest global business enabler by contributing to the world economy through expanding the business globally, and the economic development in Japan through taking on the challenge of creating new businesses for the next generation.

1) Business Plan for the period ending March 31, 2014 – quantitative summary

Global economy appears to be showing modest expansion driven by the growth fundamentals of emerging economies, especially China, although the domestic demand in developed countries is forecasted to be sluggish due to little leeway in public finance. It is expected that prices of mineral resources and energy will remain at a similar level of the current prices reflecting the robust demand of emerging countries. Increases in sales volume and prices in other product areas are also expected, reflecting a gradual but steady expansion of demand for the products.

Based on this assumption, we have formulated an earnings forecast for the year ending March 31, 2013 of ¥400 billion.



	March 2012 Result	March 2013 Plan	March 2014 Plan	3 ～ 5 years ahead
ROE	17.4%	14.3%	14.5%	12-15%
(¥ trillion yen)				
Total Assets	9.0	9.6	10.0	10.0-12.0
Shareholders' equity	2.6	2.9	3.3	
Net interest-bearing debt	2.1	2.3	2.3	
Net DER	0.81x	0.78x	0. 70x	

As for the year ending March 31, 2014, thanks to an increase in the equity production quantity in the mineral resources and energy businesses realized through our investments for the expansion of existing assets, as well as additional contributions in the Chemicals, Machinery & Infrastructure and Lifestyle business areas generated from new investments executed during the two-year period of previous Medium-term Management Plan, our earnings forecast is ¥450 billion. Furthermore, through the sound realization of the below-described key initiatives, we envisage a level of net income attributable to Mitsui & Co., Ltd. in the range of ¥500 billion to ¥600 billion in three to five years, namely the period from 2015 to 2017.

Effective April 1, 2012, Mitsui's operating segments were changed. Please refer to the description on "(3) Forecasts for the Year Ending March 31, 2013" for details.

2) Five key initiatives of the Medium-term Management Plan

(a) Reinforcement of the earnings base by demonstrating business engineering capabilities

i) Focus on upstream resource businesses (Metals, Energy, Chemicals, Food, and Consumer Products)

We will seek to develop expansion projects of the competitive existing business and good quality green field projects for mineral resources and energy from exploratory stage. We will also pursue opportunities to newly acquire basic resources, such as food resources and basic raw materials. When participating in resource development, we will contribute to the host country's multifaceted need for nation-building and industrial development by means such as advancement and development of basic industries, development of infrastructure, creation of employment and education system. We will strive to achieve sustainable growth through both resource development projects in which we invest and the host country's nation-building. We will enhance our global trading and marketing expertise in order to assert our presence in industries that present the potential for acquisition of prime resource assets and to maximize our contribution to existing projects for further improvement of asset values.

ii) Reinforcement of initiatives in the natural gas value chain

As demand for natural gas as a clean energy source is expected to increase, we will endeavor to further strengthen businesses in the natural gas value chain ranging from the resources exploration, construction and management of gas supply and distribution facilities to gas trading. We will take on challenges in the areas of LNG/CNG, gas chemical, gas-fired power generations and fuel gas for transport as well as development of next generation technologies in relation to gas field development in anticipation of increasing demand for and adding to the versatility of gas.

iii) Proactive approach to capture the momentum of growth in emerging economies and to meet global industrial requirement.

- We will accelerate business development by utilizing our global marketing network in the iron & steel products, chemicals and motor vehicle business areas.
- We will strengthen collaboration between the food unit and the agricultural chemicals unit to contribute to food production increases in response to world population increase.
- We will continuously engage in infrastructure business that serves as a basis for economic development.
- We will seek to accelerate expansion of the medical and healthcare business, and to explore new business opportunities in peripheral areas.
- We will take the initiative in developing new businesses in downstream domains.

iv) We will elevate our core functional capabilities of financing, logistics and IT for reinforcement of the company-wide earnings base. Also, we will take on challenges to create and incubate new businesses.

v) Enhancement of partnership strategy

We will formulate and solidify an all-round strategic alliance across industries with strong local partners in strategic countries.

vi) Enhancement of project management capabilities

We will also strengthen our project management capabilities so that we can carry out development projects as planned toward steady progress in the projects, implement post-merger integrations in a timely manner, and ensure realization of returns on existing investments.

We have developed key policies based on the new six business areas (*) outlined below.

Metals (Iron & Steel Products, Mineral & Metal Resources)	(1) Strengthen the earnings base by acquiring high quality assets and enhancing the competitiveness of existing assets (2) Strengthen global marketing capabilities to address the increase in demand from emerging economies (3) Employ industrial solutions to environmental issues and develop new businesses with sights set on the future (4) Enhance capabilities by expanding the global network with key suppliers/joint venture partners
Machinery & Infrastructure (Infrastructure Projects, Motor Vehicles & Construction Machinery, Marine & Aerospace)	(1) Take initiatives on large-scale projects as well as ensure realization of returns on existing investments (2) Diversify brands and businesses in the existing motor vehicles value chain, and challenge multi-brand and other new businesses (3) Accelerate initiatives in the area of marine energy business such as owning and chartering of FPSO (4) Reinforce earnings base balancing both trading and investment businesses in marine and aerospace area
Chemicals (Basic Chemicals, Performance Chemicals)	(1) Reconstruct the foundation of trading business (2) Ensure realization of return on investments made in the previous Medium-term Management Plan, such as the chlor-alkali project in the US (3) Create new businesses including those in shale gas derived chemicals in North America and green chemicals (4) Acquire and expand fertilizer resources, enhance the global marketing network to support them, and configure a global pesticide business by making new investments for the next generation (5) Efficiently manage and enhance global marketing platforms, including our domestic sales subsidiaries, and explore and promote the new business model (6) Steadily implement domestic mega-solar projects
Energy	(1) Optimize oil, gas and coal upstream portfolio, and acquire new high quality assets (2) Enhance technical and global oil trading capabilities that allow us to identify good quality assets and to improve the existing projects (3) Pursue an increase in reserves in existing LNG projects and maintain their stable operations (4) Commercializing the Mozambique LNG project and pursue participation in new LNG projects (5) Strengthen gas marketing capabilities on a global basis (6) Create new environmental business model for next generation
Lifestyle (Food Resources, Food Products & Services, Consumer Service)	(1) Promote the global grain strategy and strengthen other food upstream businesses (2) Develop advanced global trading and marketing capabilities (3) Reconstruct the earnings base for domestic food resources and food products business. (4) Strengthen the global food material business (5) Strengthen the business foundation of the domestic and foreign distributorship business, and reinforce our capabilities (6) Maximize the value of hospital business in Asia and establish the earnings base of peripheral businesses

	(7) Strengthen initiatives for markets of consumer products and services in emerging countries
Innovation & Cross Function (IT, Financial & New Business, Transportation Logistics)	(1) Embark on an internet & TV commerce business, energy optimization and industrial IT business areas, internet device service, big data/cloud computing/data center business areas (2) Accumulate a good quality investment portfolio and engage in investment with managerial involvement and business development (3) Secure stable earnings from the trading business and increase the assets under management of asset management business (4) Enhance provision of logistical capabilities for internal business departments and rebuild logistics business for external customers (5) Maximize the enterprise value of Portek, and enhance the logistics infrastructure business by utilizing Portek's expertise.

* With this Medium-term Management Plan, we restructured the previous four business areas into six new areas. Within each business area, we will strive to balance a combination of expanded upstream business and enhanced logistical and marketing capabilities. We have newly established Innovation & Cross Function business area, which provides functions of finance, logistics and IT, having incorporated IT Business Unit into this area. We will promote new business development through collaboration among the six business areas.

(b) Creating businesses for the next generation – Challenge to create new businesses to support the earnings base of the next generation –

i) We will enhance our ability to sense and monitor innovative new businesses that may arise from the long-term shift in technology and social systems, and carefully study the possibility of commercializing these innovations, and of incubating the new initiatives.

ii) We will effectively allocate management resources, such as funds and human resources, to areas where technological innovations and evolutions are expected to emerge.

iii) We will employ industrial solutions to environmental issues by taking on challenges in the areas of the environment and new energy, such as power systems for the next generation, electric power transmission and storage, water business, mega-solar projects, green chemicals, ESCO, etc.

iv) Utilizing experiences and know-hows accumulated through global businesses in various regions and industries, we will strive to take on new challenges in the domestic market. We will aim to contribute to the industrial transformation in Japan including globalization of Japanese companies.

(c) Evolution of portfolio strategy

i) We will ensure early realization of returns on existing investments, which were executed under the previous Medium-term Management Plan, clarifying positioning of each business domain and setting precise policy through the system, including the Portfolio Management Committee. We will also continue strategic divestiture and recycling of assets to improve asset quality.

ii) We have reviewed the previous performance evaluation indicators and introduced base cash flow (*1) and risk return (*2) as new performance evaluation indicators, with an aim toward ensuring investment discipline and in order for cash flow management to prevail.

*1 Base cash flow: Operating income (Gross profit + selling, general and administrative expenses + provision for doubtful receivables) – depreciation and amortization + dividend income (including dividends received from associated companies)

*2 Risk Return: Net income attributable to Mitsui & Co., Ltd. / Risk assets

iii) We will continue to dynamically allocate our resources, including funds and human resources to focus business areas and emerging economies including the Asian countries that are expected to grow in the future.

iv) We will evolve human resources management by nurturing managerial talent as well as project managers. We will make a continuous endeavor toward strategic human resources allocation and promotion of exchange programs for personnel across the units.

(d) Acceleration of globalization initiatives

i) We will combine the global product strategies for business units with regional origination capabilities of the regional business units. We will endeavor to expand our business globally and to explore and promote new business opportunities, through collaboration among the business units. We will also promote the regional business units to conduct businesses based on their accumulated local knowledge.

ii) We will continue to promote businesses with a special focus on BRICs, Mexico and Indonesia. In addition, we have newly named Mozambique and Myanmar as focus countries. We will make significant investments of our managerial resources in these focus countries. We will also expand our businesses in frontier regions, such as Africa, etc., and Turkey as well as the Middle East regions to capture the momentum of their economic growth by demonstrating our business engineering capabilities.

iii) We will continue to foster global staff and global leaders to support globalization of our businesses. We will proactively deploy domestic junior staff into overseas offices within five years after joining Mitsui so they can obtain their overseas on-site experience, while we continue to foster and promote personnel at overseas offices.

(e) Reinforcement of group management infrastructure

i) We will continue to further promote a company-wide initiative to improve business operations as well as more efficient and effective monitoring and control of various potential risks on a group-wide basis.

ii) We will expand the new next-generation core system, which went live in November 2010in the headquarters, to each of the principal domestic and foreign subsidiaries, as one of the reinforcement measures of our information strategy. We will also enhance information risk management by managing risk of information leakage in a proper manner.

iii) We will continue to develop our own CSR initiatives based on our core business while always bearing in mind "Yoi-Shigoto (good quality work)."

3) Investment and loan plan of the Medium-term Management Plan

During the two-year period of the Medium-term Management Plan, a total sum of ¥1,400 billion is planned for expenditures on investments and loans. Of this amount, ¥800 billion will be executed in the year ending March 31, 2013. Of this amount, Energy business area expects to make investments and loans of ¥250 billion, mainly for development of shale gas projects in the U.S. and acquisition of equity in an LNG project in Australia, which was announced in May 2012. ¥200 billion will be spent in the Metals business area mainly for expansion of existing projects; ¥200 billion in the Machinery & Infrastructure business area for rolling stock lease businesses and marine energy businesses; and ¥50 billion, respectively, in Lifestyle business area, Chemicals business area, and Innovation & Cross Function business area. We also plan asset recycling of a total sum of approximately ¥300 billion for the two-year period ending

(¥billion) Business Area	March 2013	March 2014
Metals	200	600
Machinery & Infrastructure	200	
Chemicals	50	
Energy	250	
Lifestyle	50	
Innovation & Cross Function	50	
Gross Cash Outflow	800	600
Divesture	▲160	▲140
Net Cash Outflow	640	460

March 31, 2014, out of which ¥160 billion is expected to be executed in the year ending March 31, 2013. As a result, cash flow from investing activities for the year ending March 31, 2013 is expected to show a cash outflow of ¥640 billion. While cash flow from operating activities is expected to show a cash inflow, free cash flow will be negative. We continue to work on initiatives to achieve a continuous and stable positive free cash flow trend in a mid to long-term.

(3) Forecasts for the Year Ending March 31, 2013

1) Annual business plan for the year ending March 31, 2013

[Assumption]		
Exchange rate (JPY/USD)	80.00	78.82
Crude oil (JCC)	$110/bbl	$114/bbl
Crude oil (JCC) reckoned in time lag	$113/bbl	$108/bbl

(Billions of yen)

	Mar-13 Outlook	Mar-12 Actual	Increase /Decrease	Description of Increase/Decrease
Gross profit	870.0	878.3	-8.3	
SG & A expenses	-530.0	-514.8	-15.2	Increase attributable to new subsidiaries
Provision for doubtful receivables	-10.0	-15.1	5.1	
Operating income	330.0	348.4	-18.4	
(Other expenses)				
Interest expenses	-10.0	-5.4	-4.6	
Dividend income	70.0	86.5	-16.5	Decline in dividend income from LNG projects
Gain on sales of securities, PPE and other gains-net	-10.0	-16.3	6.3	
Income before income taxes and equity in earnings	380.0	413.2	-33.2	
Income taxes	-185.0	-172.6	-12.4	Reversal effect of one time positive impacts due to MRRT and reduction in Japanese tax rate recorded in previous year
Income before equity in earnings	195.0	240.6	-45.6	
Equity in earnings of associated companies	225.0	232.1	-7.1	Reversal effect of impairment losses recorded in previous year, and decline in earnings from associated companies of resources and energy due to decline in prices.
Net income before attribution of noncontrolling interests	420.0	472.7	-52.7	
Net income attributable to noncontrolling interests	-20.0	-38.2	18.2	
Net income attributable to Mitsui & Co., Ltd.	400.0	434.5	-34.5	

The assumed foreign exchange rates for the year ending March 31, 2013 are ¥80/US$, ¥85/AU$ and ¥45/BRL, while the average foreign exchange rates for the year ended March 31, 2012 were ¥78.82/US$, ¥83.19/AU$ and ¥46.65/BRL.

Gross profit is expected to be ¥870.0 billion based on the assumption that prices of mineral resources and energy will remain at a similar level of the current prices due to the continued growth in demand of the emerging economies, despite a decline from prices applied for the year ended March 31, 2012, and that there will be a gradual increase in sales volumes and prices in other businesses areas. Dividend income is expected to be ¥70.0 billion due to a decline of dividend income from LNG projects. We anticipate a rebound effect from impairment losses recorded in the year ended March 31, 2012, in gains on sales of securities, property and equipment and other gains-net. Although reversal effect from impairment losses are also expected in the equity in earnings of associated companies, the number is expected to remain on a similar level of the year ended March 31, 2012 due to a decline in prices of mineral resources and energy. As a result, net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2013 is expected to be ¥400.0 billion.

The forecast for annual operating results by operating segment compared to the operating results for the year ending March 31, 2013 is described as follows:
From the year ending March 31, 2013, we changed the headquarters' cost allocation system at Mitsui from partial allocation to full allocation to the business units. The objective for the change is to enable the business units to make business judgments properly reflecting the current cost structure. As a result, all the segments except the regional business segments will incur additional expense allocations under the new headquarters' cost allocation system for the year ending March 31, 2013.

(Billions of yen)	Year ending March 31, 2013	Year ended March 31, 2012	Change
Iron & Steel Products	9.0	9.5	(0.5)
Mineral & Metal Resources	135.0	201.3	(66.3)
Machinery & Infrastructure	22.0	17.7	4.3
Chemicals	10.0	9.1	0.9
Energy	140.0	188.1	(48.1)
Lifestyle	13.0	17.0	(4.0)
Innovation & Cross Function	9.0	(32.2)	41.2
Americas	15.0	16.4	(1.4)
Europe, the Middle East and Africa	3.0	1.2	1.8
Asia Pacific	34.0	49.2	(15.2)
All Other/Adjustments and Eliminations	10.0	(42.8)	52.8
Consolidated total	400.0	434.5	(34.5)

* Mitsui's operating segments were changed, effective April 1, 2012 as described below;

- Foods & Retail Segment and the Consumer Service Business Unit that were included in the Consumer Service & IT Segment were aggregated into the Lifestyle Segment for the purpose of strengthening initiatives on our business towards consumer products and the service market in Japan and the emerging economies' consumers that are expected to expand.
- The Logistics & Financial Business Segment and the IT Business Unit that were included in the Consumer Service & IT Segment were aggregated into the Innovation & Cross Function Segment. This new segment provides the functions of financing, logistics and IT & process development for the purpose of reinforcing the entire companies' earnings base. This segment will also pursue the creation of new businesses with sights set on the next generation.
- The name of the Machinery & Infrastructure Project Segment has been changed to the Machinery & Infrastructure Segment.

- Projected net income attributable to Mitsui & Co., Ltd. from the Mineral & Metal Resources Segment for the year ending March 31, 2013 is ¥135.0 billion, a decline of ¥66.3 billion from the year ended March 31, 2012. The main reason for the projected decline is alleviation of tight demand and supply balance partially attributable to an increase in iron ore supply, despite the robust demand for iron ore in China. A certain portion of contracts has shifted to pricing that reflects current spot reference prices, such as the daily average of spot reference price for the corresponding quarter of the shipment month and the daily average of spot reference price for the shipment month, and these spot price referenced contracts have been increasing. As a result, we will be more exposed to short term price fluctuation factors. We have assumed a certain price level for iron ore for the entire year in our outlook taking into account various factors such as the demand and supply outlook and the prevailing market price, but would like to refrain from disclosing our assumption.

- Projected net income attributable to Mitsui & Co., Ltd. from the Energy Segment for the year ending March 31, 2013 is ¥140.0 billion, a decline of ¥48.1 billion from the year ended March 31, 2012. We assume the annual average price applicable to our financial results to be US$113/barrel, based on the assumption that the crude oil price (JCC) will be maintained at US$110/barrel throughout the year ending March 31, 2013. With the coal production business, we assumed a decline in coal prices in line with the conclusion reached in price negotiations wherein representative prices for premium hard coking coal for the three month period ending June 30, 2012 declined by more than 10% from US$235/MT for the three month period ended March 31, 2012, and representative prices for thermal coal declined by more than 10% from US$130/MT for the year ended March 31, 2012. We expect our annual equity coal production volume for the year ending March 31, 2013 to be approximately 11 million tons, higher than that of the corresponding previous year.
- Projected net income attributable to Mitsui & Co., Ltd. from the Iron & Steel Products Segment for the year ending March 31, 2013 is ¥9.0 billion, with a decline of ¥0.5 billion from the year ended March 31, 2012. We expect an increase in profit attributable to reconstruction demand after the Great East Japan Earthquake.
- Projected net income attributable to Mitsui & Co., Ltd. from the Machinery & Infrastructure Segment is ¥22.0 billion, an increase of ¥4.3 billion from the year ended March 31, 2012. Mining construction machinery-related and motor vehicles-related businesses in the emerging economies are expected to record solid performance. We also expect reversal effect from recognition of a loss allowance for vessels under construction recorded for the year ended March 31, 2012.
- Projected net income attributable to Mitsui & Co., Ltd. from the Chemicals Segment for the year ending March 31, 2013 is ¥10.0 billion, with an increase of ¥0.9 billion from the year ended March 31, 2012. While the recovery from underperforming trading activities of petrochemical intermediate materials is expected, a reversal effect is expected from a gain recorded in the year ended March 31, 2012, as consideration for releasing a part of the mining lease area in the vicinity of the salt field.
- Projected net income attributable to Mitsui & Co., Ltd. from the Lifestyle Segment for the year ending March 31, 2013 is ¥13.0 billion, a decline of ¥4.0 billion from the year ended March 31, 2012, reflecting a reversal effect of mark-to-market valuation gains and losses on commodity derivative contracts related to coffee recorded in the year ended March 31, 2012.
- The Innovation & Cross Function Segment contributes to the earnings base of other segments by providing the logistics and financial functions. The projected net income attributable to Mitsui & Co., Ltd. from the Innovation & Cross Function Segment for the year ending March 31, 2013 is ¥9.0 billion, an improvement of ¥41.2 billion from the year ended March 31, 2012, reflecting the reversal effect of impairment losses on listed and non-listed securities recorded for the year ended March 31, 2012.
- Projected net income attributable to Mitsui & Co., Ltd. from the Americas Segment for the year ending March 31, 2013 is ¥15.0 billion, a decline of ¥1.4 billion from the year ended March 31, 2012, reflecting a decline in methionine prices at Novus International, Inc. Projected net income to Mitsui & Co., Ltd. from the Europe, the Middle East and Africa Segment for the year ending March 31, 2013 is ¥3.0 billion, an increase of ¥1.8 billion from the year ended March 31, 2012, due to a reversal effect of the write-down of inventories in the food business in Europe posted in the year ended March 31, 2012. Projected net income attributable to Mitsui & Co., Ltd. from the Asia Pacific Segment is ¥34.0 billion, a decline of ¥15.2 billion from the year ended March 31, 2012, due to declines in this segment's portion of net incomes of subsidiaries of the Mineral & Metal Resources and Energy segments, reflecting an decline in commodity prices.
- Projected net income attributable to Mitsui & Co., Ltd. from All Other/Adjustments and Eliminations Segment for the year ending March 31, 2013 is ¥10.0 billion, an improvement of ¥52.8 billion from

the year ended March 31, 2012. The main reason for the projected improvement is the change in headquarters' cost allocation system at Mitsui from partial allocation to full allocation to the business units.

2) Key commodity prices and other parameters for the year ending March 31, 2013

The table below shows assumptions for key commodity prices and other parameters for the projected net income attributable to Mitsui & Co., Ltd. for the year ending March 31, 2013. Effects of price movements for each commodity on annual net income attributable to Mitsui & Co., Ltd. are included in the table.

<table>
<tr><th>March 2012</th><th colspan="3">Impact on Net Income attributable to Mitsui & Co., Ltd.
for the Year ending March 31, 2013</th><th>March 2013
(Assumption)</th></tr>
<tr><td>108</td><td rowspan="4">Commodity</td><td>Crude Oil/JCC(*1)</td><td>¥1.2 bn (US$1/bbl)</td><td>110</td></tr>
<tr><td>154(*2)</td><td>Iron Ore</td><td>¥1.9 bn (US$1/ton)</td><td>(*3)</td></tr>
<tr><td>8,821(*4)</td><td>Copper</td><td>(*5)</td><td>7,625</td></tr>
<tr><td>10.4(*4)</td><td>Nickel</td><td>¥1.8 bn (US$1/lb)</td><td>8.5</td></tr>
<tr><td>78.82</td><td rowspan="3">Forex (*6)</td><td>USD</td><td>¥1.6 bn (¥1/USD)</td><td>80</td></tr>
<tr><td>83.19</td><td>AUD</td><td>¥1.9 bn (¥1/AUD)</td><td>85</td></tr>
<tr><td>46.65</td><td>BRL</td><td>¥0.8 bn (¥1/BRL)</td><td>45</td></tr>
</table>

(*1) Oil price trend is reflected in net income with a 0-6 month time lag. We assume the annual average price applicable to our financial results to be US$113/bbl for March 2013 forecast, based on the estimation: 6 month time lag, 12%; 3 month time lag, 62%; no time lag, 26%.

(*2) Average of representative reference prices (Fine, 62% Fe CFR North China) during December 2010 to November 2011

(*3) We refrain from disclosing the iron ore price assumptions for March 2013 forecast.

(*4) Average of LME cash settlement price during January 2011 to December 2011 (Copper: US$/MT, Nickel: US$/lb)

(*5) We refrain from disclosing the copper price sensitivity to net income.

(*6) Impact of currency fluctuation on net income of overseas subsidiaries and associated companies (denomination in functional currency) against JPY

Note: Impact of Foreign Currency Exchange Fluctuation on Operating Results

The total sums for net incomes attributable to Mitsui & Co., Ltd. for the years ended March 31, 2011 and 2012 reported by overseas subsidiaries and associated companies were ¥362.9 billion and ¥473.5 billion, respectively. These companies principally use the U.S. dollar, the Australian dollar and the Brazilian real as functional currencies in their reporting.

We conducted a simplified estimation for the effect of foreign currency exchange fluctuations on net income attributable to Mitsui & Co., Ltd. for the year ending March 2013.

a) We aggregated a total projected net income attributable to Mitsui & Co., Ltd. in the business plans of these companies covering the year ending March 2013 according to their functional currencies. Firstly, we aggregated Australian dollar and Brazilian real denominated projected net income attributable to Mitsui & Co., Ltd. of those companies using two currencies as functional currencies, and secondly we aggregate the rest of projected net income attributable to Mitsui & Co., Ltd. from overseas subsidiaries and associated companies as a US dollar-equivalent amount. We conducted a sensitivity analysis on foreign currency fluctuation towards 3 categories of aggregated net income attributable to Mitsui & Co., Ltd.

For example, yen appreciation of ¥1 against US$1 would have the net effect of reducing net income attributable to Mitsui & Co., Ltd. by approximately ¥1.6 billion. Specifically, for the net income attributable to Mitsui & Co., Ltd. from those companies using Australian dollar and Brazilian real as functional currencies, appreciation of ¥1 against Australian AU$1 and Brazilian R$1 would have the net effect of reducing net income attributable to Mitsui & Co., Ltd. by approximately ¥1.9 billion and ¥0.8 billion, respectively.

b) Net income attributable to Mitsui & Co., Ltd. from those mineral resources and energy producing companies are affected by the currency fluctuation between U.S. dollar as a contractual currency of sales contracts and the two currencies as functional currency, affecting their Australian dollar or Brazilian real denominated revenues. We should pay attention to this in addition to the impact that is discussed in a) above.

c) Furthermore, some subsidiaries and associated companies, including the mineral resources and energy related production companies, carry out hedging on the exchange rates between their functional currencies and the U.S. dollar, which is the contract currency for sales contracts. There are also cases in which the carry out exchange hedging for yen equivalence valuation of net income attributable to Mitsui & Co., Ltd. that is denominated in foreign currencies. It is necessary to take the impact of these factors into consideration separately from the sensitivity resulting from the yen equivalence valuation of net income attributable to Mitsui & Co., Ltd. in each of the three currencies mentioned in a) above.

(4) Shareholder Return Policy

In order to increase corporate value and maximize shareholder value, we have sought to maintain an optimal balance between (a) meeting investment demand in areas that are our core strengths and growth largely through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends based on 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 for the two-year period ended March 31, 2012. While we principally aim for a steady increase in dividends through improvements in corporate performance, we have also included in our policy consideration of more flexible compensation to the shareholders, provided that we secure sufficient retained earnings for future business development. In accordance with this policy, we are planning to set the dividend payout ratio at 23% for the year ended March 31, 2012, the same rate as the year ended March 31, 2011.

The above policy will be maintained through the period of the Medium-term Management Plan to March 2014, and reflecting our sound financial standing resulting from the implementation of the initiatives of the previous Medium-term Management Plan, we have raised our minimum target dividend payout ratio to 25% of consolidated net income.

For the year ended March 31, 2012, we plan to pay an annual dividend of ¥55 per share, an ¥8 per share increase from the corresponding previous year. Pursuant to our policy, for the year ending March 31, 2013, we currently envisage an annual dividend of ¥55, the same amount as the year ended March 31, 2012, on the assumption that our annual consolidated net income attributable to Mitsui & Co., Ltd. will be ¥400 billion, as mentioned in our forecast net income for the year ending March 31, 2013.

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 possessed by 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., BP Corporation North America Inc. and BP p.l.c. (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 MOEX Offshore and MOEX USA being unable to implement the environmental projects as stipulated under the settlement entered into with the United States government, which, among other things, resolves the civil penalty claims asserted against the MOEX Parties, requiring that additional payments be made, 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 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	March 31, 2012
Current Assets:		
Cash and cash equivalents	¥ 1,441,059	¥ 1,431,112
Time deposits	2,574	4,130
Marketable securities	5,602	1,087
Trade receivables:		
Notes and loans, less unearned interest	297,552	322,585
Accounts	1,463,601	1,616,191
Associated companies	160,133	116,885
Allowance for doubtful receivables	(16,368)	(17,860)
Inventories	467,355	515,758
Advance payments to suppliers	124,634	129,987
Deferred tax assets—current	41,372	37,513
Derivative assets	95,619	53,664
Other current assets	234,509	215,271
Total current assets	4,317,642	4,426,323
Investments and Non-current Receivables:		
Investments in and advances to associated companies	1,600,818	1,709,082
Other investments	859,843	792,492
Non-current receivables, less unearned interest	457,495	454,191
Allowance for doubtful receivables	(42,414)	(36,840)
Property leased to others—at cost, less accumulated depreciation	259,682	272,746
Total investments and non-current receivables	3,135,424	3,191,671
Property and Equipment—at Cost:		
Land, land improvements and timberlands	148,716	202,834
Buildings, including leasehold improvements	360,648	401,451
Equipment and fixtures	1,077,930	1,306,754
Mineral rights	161,840	158,967
Vessels	38,900	42,539
Projects in progress	142,960	152,789
Total	1,930,994	2,265,334
Accumulated depreciation	(900,246)	(1,009,451)
Net property and equipment	1,030,748	1,255,883
Intangible Assets, less Accumulated Amortization	87,525	110,307
Deferred Tax Assets—Non-current	14,522	15,626
Other Assets	12,263	12,013
Total	¥ 8,598,124	¥ 9,011,823

(Millions of Yen)

Liabilities and Equity	March 31, 2011	March 31, 2012
Current Liabilities:		
Short-term debt	¥ 250,062	¥ 307,132
Current maturities of long-term debt	308,883	372,657
Trade payables:		
Notes and acceptances	41,049	53,308
Accounts	1,316,772	1,342,343
Associated companies	87,185	110,289
Accrued expenses:		
Income taxes	67,946	73,111
Interest	17,530	16,619
Other	72,273	93,266
Advances from customers	127,960	106,787
Derivative liabilities	88,198	65,262
Other current liabilities	165,091	83,256
Total current liabilities	2,542,949	2,624,030
Long-term Debt, less Current Maturities	2,818,529	2,898,218
Accrued Pension Costs and Liability for Severance Indemnities	37,054	55,799
Deferred Tax Liabilities—Non-current	316,031	283,614
Other Long-Term Liabilities	330,227	289,352
Equity:		
Common stock	341,482	341,482
Capital surplus	430,152	430,491
Retained earnings:		
Appropriated for legal reserve	61,763	65,500
Unappropriated	1,860,271	2,192,494
Accumulated other comprehensive income (loss):		
Unrealized holding gains and losses on available-for-sale securities	96,657	90,476
Foreign currency translation adjustments	(344,878)	(380,457)
Defined benefit pension plans	(58,544)	(68,163)
Net unrealized gains and losses on derivatives	(14,370)	(24,302)
Total accumulated other comprehensive loss	(321,135)	(382,446)
Treasury stock, at cost	(6,341)	(6,203)
Total Mitsui & Co., Ltd. shareholders' equity	2,366,192	2,641,318
Noncontrolling interests	187,142	219,492
Total equity	2,553,334	2,860,810
Total	¥ 8,598,124	¥ 9,011,823

(2) Statements of Consolidated Income and Comprehensive Income

Statements of Consolidated Income

(Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Revenues :		
Sales of products	¥4,154,833	¥4,753,167
Sales of services	371,352	377,033
Other sales	153,258	121,402
Total revenues	4,679,443	5,251,602
Total Trading Transactions : Year ended March 31, 2011, ¥ 9,942,472 million Year ended March 31, 2012, ¥ 10,481,166 million		
Cost of Revenues :		
Cost of products sold	(3,589,147)	(4,166,337)
Cost of services sold	(137,384)	(147,561)
Cost of other sales	(93,689)	(59,425)
Total cost of revenues	(3,820,220)	(4,373,323)
Gross Profit	859,223	878,279
Other Expenses (Income) :		
Selling, general and administrative	532,990	514,798
Provision for doubtful receivables	9,230	15,097
Interest expense - net	697	5,440
Dividend income	(51,000)	(86,461)
Gain on sales of securities - net	(39,517)	(21,937)
Loss on write-down of securities	19,464	33,481
Gain on disposal or sales of property and equipment - net	(229)	(5,697)
Impairment loss of long-lived assets	18,297	14,049
Impairment loss of goodwill	596	4,209
Settlement of the oil spill incident in the Gulf of Mexico	88,555	-
Other expenses (income) - net	7,443	(7,911)
Total other expenses (income)	586,526	465,068
Income before Income Taxes and Equity in Earnings	272,697	413,211
Income Taxes :		
Current	156,899	186,815
Deferred	47,002	(14,193)
Total income taxes	203,901	172,622
Income before Equity in Earnings	68,796	240,589
Equity in Earnings of Associated Companies - Net	242,144	232,090
Net Income before Attribution of Noncontrolling Interests	310,940	472,679
Net Income Attributable to Noncontrolling Interests	(4,281)	(38,182)
Net Income Attributable to Mitsui & Co., Ltd.	¥ 306,659	¥ 434,497

Statements of Consolidated Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Comprehensive Income :		
Net Income before attribution of Noncontrolling Interests	¥ 310,940	¥ 472,679
Other comprehensive (loss) income(after income tax effect):		
Unrealized holding losses on available-for-sale securities	(29,154)	(9,897)
Foreign currency translation adjustments	(79,319)	(37,127)
Defined benefit pension plans	(9,344)	(9,645)
Net unrealized losses on derivatives	(6,845)	(9,899)
Comprehensive Income before attribution of Noncontrolling Interests	186,278	406,111
Comprehensive Loss (Income) attributable to Noncontrolling Interests	5,067	(33,082)
Comprehensive Income attributable to Mitsui & Co., Ltd.	¥ 191,345	¥ 373,029

(3)Statements of Changes in Consolidated Equity

(Millions of Yen)

	Year ended March 31, 2011		Year ended March 31, 2012	
Common Stock:				
Balance at beginning of year	¥	341,482	¥	341,482
Balance at end of year	¥	341,482	¥	341,482
Capital Surplus:				
Balance at beginning of year	¥	428,848	¥	430,152
Equity transactions with noncontrolling interest shareholders		1,304		339
Balance at end of year	¥	430,152	¥	430,491
Retained Earnings:				
Appropriated for Legal Reserve:				
Balance at beginning of year	¥	53,844	¥	61,763
Transfer from unappropriated retained earnings		7,919		3,737
Balance at end of year	¥	61,763	¥	65,500
Unappropriated:				
Balance at beginning of year	¥	1,618,101	¥	1,860,271
Net income attributable to Mitsui & Co., Ltd.		306,659		434,497
Cash dividends paid to Mitsui & Co., Ltd. shareholders		(56,567)		(98,537)
Dividends paid per share:				
Year ended March 31, 2011, ¥31.0				
Year ended March 31, 2012, ¥54.0				
Transfer to retained earnings appropriated for legal reserve		(7,919)		(3,737)
Losses on sales of treasury stock		(3)		(0)
Balance at end of year	¥	1,860,271	¥	2,192,494
Accumulated Other Comprehensive Income (Loss) (After Income Tax Effect):				
Balance at beginning of year	¥	(205,826)	¥	(321,135)
Unrealized holding losses on available-for-sale securities		(27,238)		(6,293)
Foreign currency translation adjustments		(72,212)		(35,622)
Defined benefit pension plans		(9,412)		(9,619)
Net unrealized losses on derivatives		(6,452)		(9,934)
Equity transactions with noncontrolling interest shareholders		5		157
Balance at end of year	¥	(321,135)	¥	(382,446)
Treasury Stock, at Cost:				
Balance at beginning of year	¥	(6,321)	¥	(6,341)
Purchases of treasury stock		(263)		(16)
Sales of treasury stock		243		154
Balance at end of year	¥	(6,341)	¥	(6,203)
Total Mitsui & Co., Ltd. shareholders' equity	¥	2,366,192	¥	2,641,318

	Year ended March 31, 2011		Year ended March 31, 2012	
Noncontrolling Interests:				
Balance at beginning of year	¥	199,678	¥	187,142
Dividends paid to noncontrolling interest shareholders		(12,623)		(14,712)
Net income attributable to noncontrolling interests		4,281		38,182
Unrealized holding losses on available-for-sale securities (after income tax effect)		(1,916)		(3,604)
Foreign currency translation adjustments (after income tax effect)		(7,107)		(1,505)
Defined benefit pension plans (after income tax effect)		68		(26)
Net unrealized (losses) gains on derivatives (after income tax effect)		(393)		35
Equity transactions with noncontrolling interest shareholders and other		5,154		13,980
Balance at end of year	¥	187,142	¥	219,492
Total Equity:				
Balance at beginning of year	¥	2,429,806	¥	2,553,334
Losses on sales of treasury stock		(3)		(0)
Net income before attribution of noncontrolling interests		310,940		472,679
Cash dividends paid to Mitsui & Co., Ltd. shareholders		(56,567)		(98,537)
Dividends paid to noncontrolling interest shareholders		(12,623)		(14,712)
Unrealized holding losses on available-for-sale securities (after income tax effect)		(29,154)		(9,897)
Foreign currency translation adjustments (after income tax effect)		(79,319)		(37,127)
Defined benefit pension plans (after income tax effect)		(9,344)		(9,645)
Net unrealized losses on derivatives (after income tax effect)		(6,845)		(9,899)
Sales and purchases of treasury stock		(20)		138
Equity transactions with noncontrolling interest shareholders and other		6,463		14,476
Balance at end of year	¥	2,553,334	¥	2,860,810

(4) Statements of Consolidated Cash Flows

(Millions of Yen)

	Year ended March 31, 2011	Year ended March 31, 2012
Operating Activities:		
Net income before attribution of noncontrolling interests	¥ 310,940	¥ 472,679
Adjustments to reconcile net income before attribution of noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	147,388	153,475
Pension and severance costs, less payments	10,375	9,243
Provision for doubtful receivables	9,230	15,097
Gain on sales of securities - net	(39,517)	(21,937)
Loss on write-down of securities	19,464	33,481
Gain on disposal or sales of property and equipment - net	(229)	(5,697)
Impairment loss of long-lived assets	18,297	14,049
Impairment loss of goodwill	596	4,209
Settlement of the oil spill incident in the Gulf of Mexico	88,555	-
Deferred income taxes	47,002	(14,193)
Equity in earnings of associated companies, less dividends received	(92,398)	(72,804)
Changes in operating assets and liabilities:		
Increase in trade receivables	(104,471)	(134,283)
Increase in inventories	(49,027)	(33,045)
Increase in trade payables	74,082	39,397
Payment for the settlement of the oil spill incident in the Gulf of Mexico	-	(86,105)
Other - net	64,187	7,418
Net cash provided by operating activities	504,474	380,984
Investing Activities:		
Net decrease in time deposits	10,983	253
Net increase in investments in and advances to associated companies	(71,322)	(98,896)
Net (increase) decrease in other investments	(79,705)	2,718
Net increase in long-term loan receivables	(30,479)	(1,402)
Net increase in property leased to others and property and equipment	(313,498)	(340,864)
Net cash used in investing activities	(484,021)	(438,191)
Financing Activities:		
Net increase in short-term debt	50,202	41,420
Net increase in long-term debt	31,816	118,940
Transactions with noncontrolling interest shareholders	8,427	(4,533)
Purchases of treasury stock - net	(36)	138
Payments of cash dividends	(56,589)	(98,571)
Net cash provided by financing activities	33,820	57,394
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(14,613)	(10,134)
Net Increase (Decrease) in Cash and Cash Equivalents	39,660	(9,947)
Cash and Cash Equivalents at Beginning of Period	1,401,399	1,441,059
Cash and Cash Equivalents at End of Period	¥ 1,441,059	¥ 1,431,112

(5) Assumption for Going Concern : None

(6) Basis of Consolidated Financial Statements

Scope of Subsidiaries and Associated Companies

① Subsidiaries
1) Overseas 187

2) Japan 76

② Associated Companies
1) Overseas 109

2) Japan 41

A total of 320 subsidiaries and associated companies are excluded from the above. These include the companies which are sub-consolidated or accounted for under the equity method by other subsidiaries, other than trading subsidiaries.

(7) Notes to Consolidated Financial Statements

①Operating Segment Information

Year ended March 31, 2011 (from April 1, 2010 to March 31, 2011) (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	187,827	495,389	295,889	890,346	1,400,613	581,466	147,717	67,720
Gross Profit	44,012	187,395	93,938	71,625	196,655	77,409	46,784	29,847
Operating Income (Loss)	10,840	169,171	7,173	21,045	139,382	11,204	(10,940)	225
Equity in Earnings (Losses) of Associated Companies -Net	4,474	120,501	33,110	3,714	52,350	1,287	7,925	6,958
Net Income(Loss) Attributable to Mitsui & Co., Ltd.	8,282	167,521	40,107	12,762	56,608	2,796	3,861	(718)
Total Assets at March 31, 2011	487,439	1,145,516	1,368,674	699,370	1,564,059	625,210	561,344	388,460

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	396,751	136,782	76,679	4,677,179	2,058	206	4,679,443
Gross Profit	76,378	17,838	15,916	857,797	914	512	859,223
Operating Income (Loss)	22,611	1,528	42	372,281	(5,150)	(50,128)	317,003
Equity in Earnings (Losses) of Associated Companies -Net	6,639	(29)	3,919	240,848	-	1,296	242,144
Net Income(Loss) Attributable to Mitsui & Co., Ltd.	15,854	77	40,396	347,546	3,633	(44,520)	306,659
Total Assets at March 31, 2011	415,328	114,926	268,613	7,638,939	2,704,386	(1,745,201)	8,598,124

Year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure Projects	Chemical	Energy	Foods & Retail	Consumer Service & IT	Logistics & Financial Business
Revenues	189,338	567,718	312,589	789,283	1,730,010	720,758	152,437	73,597
Gross Profit	42,796	194,833	93,957	65,211	219,051	90,746	47,494	27,224
Operating Income (Loss)	9,637	173,141	(8,181)	10,271	173,533	18,172	(16,960)	(10,666)
Equity in Earnings (Losses) of Associated Companies -Net	4,006	131,178	37,985	6,736	53,928	3,426	(20,260)	5,752
Net Income (Loss) Attributable to Mitsui & Co., Ltd.	9,451	201,264	17,689	9,086	188,085	15,519	(35,530)	4,839
Total Assets at March 31, 2012	523,884	1,121,721	1,340,703	685,933	1,750,490	763,490	644,944	404,168

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenues	529,052	119,511	65,056	5,249,349	2,246	7	5,251,602
Gross Profit	75,616	18,151	11,685	886,764	684	(9,169)	878,279
Operating Income (Loss)	24,290	(712)	(4,159)	368,366	(5,245)	(14,737)	348,384
Equity in Earnings (Losses) of Associated Companies -Net	4,276	451	4,735	232,213	-	(123)	232,090
Net Income (Loss) Attributable to Mitsui & Co., Ltd.	16,389	1,232	49,221	477,245	2,196	(44,944)	434,497
Total Assets at March 31, 2012	428,391	106,076	275,758	8,045,558	2,923,772	(1,957,507)	9,011,823

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 March 31, 2011 and 2012 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 year ended March 31, 2012, 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 year ended March 31, 2011, has been restated to conform to the current year presentation.

5.During the year ended March 31, 2012, "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.

②Net Income attributable to Mitsui & Co., Ltd. per share

The following is a reconciliation of basic net income attributable to Mitsui & Co., Ltd. per share to diluted net income attributable to Mitsui & Co., Ltd. per share for the years ended March 31, 2011 and 2012:

Year ended March 31, 2011(from April 1, 2010 to March 31, 2011)

	Net income (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Net Income Attributable to Mitsui & Co., Ltd. per Share:			
Net income attributable to Mitsui & Co., Ltd.	306,659	1,824,792	168.05
Effect of Dilutive Securities:			
Adjustments of effect of dilutive securities of associated companies	(2)	-	
Diluted Net Income Attributable to Mitsui & Co., Ltd. per Share:			
Net income attributable to Mitsui & Co., Ltd. after effect of dilutive securities	306,657	1,824,792	168.05

Year ended March 31, 2012(from April 1, 2011 to March 31, 2012)

	Net income (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen
Basic Net Income Attributable to Mitsui & Co., Ltd. per Share:			
Net income attributable to Mitsui & Co., Ltd.	434,497	1,824,889	238.10
Effect of Dilutive Securities:			
Adjustments of effect of dilutive securities of associated companies	-	-	
Diluted Net Income Attributable to Mitsui & Co., Ltd. per Share:			
Net income attributable to Mitsui & Co., Ltd. after effect of dilutive securities	434,497	1,824,889	238.10

③Subsequent Events

There are no material subsequent events to be disclosed.

Notes to Leases, Related party transactions, Tax effect accounting, Financial instruments, Securities, Derivative instruments, Pension cost and severance indemnities, Business combinations, Asset retirement obligations and others are omitted because there is less necessity for disclosure in the Flash Report.

(8) 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 (Interest) as a non-operator. On September 19, 2010, BP Exploration and Production Inc. (BP), the owner of a 65% Interest 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. MOEX USA is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO) in which Mitsui & Co., Ltd. (Mitsui) has a 70.45% equity interest.

Following this Incident, civil lawsuits were brought by various private parties, 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. Almost all of these lawsuits are pending before the federal district court for the Eastern District of Louisiana (Court), and the plaintiffs in some of the civil lawsuits have requested the award of punitive damages from MOEX Offshore, MOEX USA and MOECO (collectively, MOEX Parties) and others.

On May 20, 2011, the MOEX Parties entered into a settlement (BP Settlement) with regard to the Incident, and BP, BP Corporation North America Inc. and BP p.l.c., (collectively, BP Parties) are now the counterparties. Pursuant to the BP 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 BP Settlement, waived and released all of its claims against the MOEX Parties and all other Mitsui companies. In addition, the BP Parties agreed to fully indemnify the MOEX Parties and all other Mitsui companies as to the claims except for 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, arising from the Incident. The indemnification covers, for example, claims asserted under the Oil Pollution Act of 1990 (OPA).

In the financial statements, Mitsui recognized the effect of the BP Settlement as a subsequent event, and recognized the BP 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 BP Settlement amount was paid during the year ended March 31, 2012.
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 year ended March 31, 2011.

The United States filed a complaint in the Court on December 15, 2010, seeking from parties, including MOEX Offshore, among other things, civil penalties under the Clean Water Act (CWA). In addition, two states and certain local governmental entities filed civil penalty claims, punitive damages claims and claims seeking other remedies based on state environmental laws and other laws. In November and December 2011, the state law claims and maritime negligence claims against MOEX Offshore and MOEX USA, made in the state and certain local government cases, were dismissed by the Court, although such dismissal was followed by an appeal by certain local governmental entities. The United States entered into an agreement with MOEX Offshore and MOEX USA to resolve the United States' civil penalty claims, on February 17, 2012 lodged a settlement agreement (DOJ Settlement) with the Court, and on May 3, 2012 filed a motion seeking the Court's approval of the DOJ Settlement. Pursuant to the DOJ Settlement, MOEX Offshore and MOEX USA have agreed to make a US$45 million payment to the United States, as well as payments, which could total to up to US$25 million, to those Gulf Coast state governments that, within a specified period of time, waive all potential civil or administrative penalty claims concerning the Incident against the MOEX Parties. In addition, MOEX Offshore and MOEX USA have agreed to undertake environmental projects in four Gulf Coast states, and the total cost of the projects is anticipated to be US$20 million.

Mitsui recognized US$90 million with respect to the DOJ Settlement as “Other expense (income)—net” in the Statement of Consolidated Income for the year ended March 31, 2012, as well as the “Other current liabilities” in the Consolidated Balance Sheet as of March 31, 2012.

In August and September 2011, the Court issued orders with respect to a number of the claims filed against the MOEX Parties and others by private parties seeking recovery for alleged economic loss and property damage and for personal injury and costs caused by the clean-up efforts, dismissing certain of the causes of action filed by these private parties against MOEX Offshore and MOEX USA. Indemnification and contribution claims were filed by co-defendants against MOEX Offshore and MOEX USA, but in November 2011, the Court dismissed these claims.
These dismissal orders are not final and Penalties assessed against the MOEX Parties and punitive damages, solely to the extent arising from conduct of the MOEX Parties, are not covered by the indemnification provided under the BP Settlement. Under the terms of the BP Settlement, the MOEX Parties must defend all active claims pending against them. As the result of the Court’s dismissal orders and the BP Settlement and the DOJ Settlement, once it is approved, the only claims that the MOEX Parties will continue to defend are those arising under OPA, certain individual personal injury claims, as well as certain claims filed by local governmental entities. As to the OPA claims and the compensatory damages claims for the above-mentioned individual personal injury claims, they are covered by the indemnity in the BP Settlement. In connection with the settlements between BP and a number of the private party plaintiffs that were filed with the Court for approval on April 18, 2012 and once approved are to include releases of claims against the MOEX Parties, the commencement date of the trial of a number of the issues presented by the lawsuits before the Court is postponed to January 14, 2013.

As a result of the BP Settlement, the DOJ Settlement and the various orders issued by the Court, Mitsui expects that any additional liability resulting from the Incident will not materially affect the future consolidated financial position, results of operations or cash flows.

The MOEX Parties have sought insurance coverage with respect to the Incident, but the maximum potential insurance recovery, including the partial recovery that has already been obtained, is substantially less than the costs incurred in connection with this Incident, including the BP Settlement amount.