Consolidated Financial Results for the Six-Month Period Ended September 30, 2014 [IFRS]

Tokyo, November 6, 2014 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 2014, based on International Financial Reporting Standards ("IFRS").

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

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1. Consolidated financial results (Unreviewed)

(1) Consolidated operating results information for the six-month period ended September 30, 2014
(from April 1, 2014 to September 30, 2014)

		Six-month period ended September 30,			
		2014	%	2013	%
Revenue	Millions of yen	2,747,569	△ 4.1	2,864,467	-
Profit before income taxes	Millions of yen	312,081	△ 1.1	315,653	-
Profit for the period	Millions of yen	232,874	8.7	214,261	-
Profit for the period attributable to owners of the parent	Millions of yen	222,660	9.3	203,690	-
Comprehensive income for the period	Millions of yen	360,720	53.1	235,557	-
Earnings per share attributable to owners of the parent, basic	Yen	124.22		111.60	
Earnings per share attributable to owners of the parent, diluted	Yen	124.20		111.60	

Note:
Percentage figures for Revenue, Profit before income taxes, Profit for the period, Profit for the period attributable to owners of the parent, and Comprehensive income for the period represent changes from the previous year.

(2) Consolidated financial position information

		September 30, 2014	March 31, 2014
Total assets	Millions of yen	12,254,323	11,491,319
Total equity	Millions of yen	4,395,029	4,100,304
Total equity attributable to owners of the parent	Millions of yen	4,093,681	3,815,767
Equity attributable to owners of the parent ratio	%	33.4	33.2

2. Dividend information

		Year ended March 31,		Year ending March 31, 2015 (Forecast)
		2015	2014	
Interim dividend per share	Yen	32	25	
Year-end dividend per share	Yen		34	32
Annual dividend per share	Yen		59	64

3. Forecast of consolidated operating results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

		Year ending March 31, 2015
Profit attributable to owners of the parent	Millions of yen	380,000
Earnings per share attributable to owners of the parent, basic	Yen	211.99

Note :
We maintain our forecast profit attributable to owners of the parent for the year ending March 31, 2015 of ¥380.0 billion announced together with the results of fiscal year ended March 2014. No updates have been made to this forecast.

4. Others
(1) Increase/decrease of important subsidiaries during the period : None

(2) Number of shares :

	September 30, 2014	March 31, 2014
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,829,153,527
Number of shares of treasury stock	4,008,718	36,641,439

	Six-month period ended September 30, 2014	Six-month period ended September 30, 2013
Average number of shares of common stock outstanding	1,792,509,235	1,825,144,542

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

A Cautionary Note on Forward-Looking Statements:
This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. ("Mitsui"), and those statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it. Various factors may cause Mitsui's actual results to be materially different from any future performance expressed or implied by these forward-looking statements. Therefore, these statements do not constitute a guarantee by Mitsui that such future performance will be realized.
For key assumptions on which the statements concerning future performance are based, please refer to (2) "Forecasts for the Year Ending March 31, 2015" on p.16.
For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.19.

Supplementary materials and IR meeting on financial results:
Supplementary materials on financial results can be found on our web site.
We will hold an IR meeting on financial results for analysts and institutional investors on November 7, 2014.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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1. Qualitative Information

As of the date of disclosure of this quarterly earnings report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

(1) Operating Environment

The following is an overview of the operating environment for the six-month period ended September 30, 2014, and afterwards.

Looking at the global economy, although the U.S. continued to show firm growth, there was an overall slowdown in the global economy, with the pace of economic recovery slower than expected in Japan and Europe and the signs of stagnation in the emerging countries becoming more prominent. There were also rising concerns about uncertain factors that could impact the global economy such as the situation in Ukraine, the conflict in Syria and Iraq, and the spread of infection of the Ebola virus.

The U.S. economy has been smoothly recovering since the end of the cold-snap-induced negative growth of January to March owing to steadily improving employment, gradual recovery in the housing market, and strong corporate earnings, and it is expected to grow stably in the second half of the fiscal year. In the Japanese economy, the impact of the consumption tax hike has been prolonged and there has continued to be a slump in consumer spending and decline in industrial production. Nevertheless, the economy is expected to pick up gradually on the back of improvements in the employment environment and corporate earnings.

For the European economy, there are growing concerns about the future economic outlook due to the harsh employment environment amid a wide gap between supply and demand, more cautious stance on lending by the financial institutions, and a slowdown in exports to Russia in relation to the situation in Ukraine.

In the Chinese economy, the restraint of excess production capacity and a softer real estate market have led to a slowdown in the economic growth rate. Meanwhile, in other emerging economies, where there is a delay in improvements of weak economic fundamentals such as inflation and current account deficits, there are concerns of a capital outflow triggered by the end of the third round of quantitative easing (QE3) in the United States.

The spot reference price for iron ore CFR North China (Fe 62%) fell below the US$80-per-ton level in September, declining to the lowest price in 5 years. Amid a slowdown in global demand, the Dubai Crude spot price also sharpened its downward trend, and recently, it has been traded in a range of around US$80–US$90 per barrel.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. (“Mitsui”) and its subsidiaries (collectively “we”) recorded total revenue of ¥2,747.6 billion for the six-month period ended September 30, 2014 (“current period”), a decline of ¥116.9 billion from ¥2,864.5 billion for the corresponding six-month period of the previous year (“previous period”).

- Revenue from sales of products for the current period was ¥2,472.8 billion, a decline of ¥135.5 billion from ¥2,608.3 billion for the previous period, as a result of the following:
  - The Energy Segment reported a decline of ¥214.7 billion. The sale of Mitsui Oil Co., Ltd. resulted in a decline of ¥150.4 billion and petroleum trading operations recorded a decline of ¥131.9 billion due to a decline in trading volume. Meanwhile, oil and gas producing operations recorded an increase of ¥24.8 billion reflecting higher production volume. MMGS Inc., a gas distribution subsidiary in the United States, also reported an increase of ¥16.0 billion due to an increase in sales volume.
  - The Iron & Steel Products Segment reported a decline of ¥20.0 billion. Transactions of line pipe to LNG projects had been almost shipped by the end of the previous year and trading volume of other steel products also declined.

- The Americas Segment reported an increase of ¥83.9 billion due to an increase in trading volume of soybean.

- Revenue from rendering of services for the current period was ¥207.8 billion, an increase of ¥5.8 billion from ¥202.0 billion for the previous period.
- Other revenue for the current period was ¥66.9 billion, an increase of ¥12.7 billion from ¥54.2 billion for the previous period. The commodity derivatives trading business at Mitsui recorded an increase in other revenue corresponding to a deterioration of ¥5.1 billion in the foreign exchange gains and losses posted in other expense.

Gross Profit

Gross profit for the current period was ¥420.2 billion, a decline of ¥16.9 billion from ¥437.1 billion for the previous period.

- The Mineral & Metal Resources Segment reported a decline of ¥20.5 billion. Iron ore mining operations in Australia reported a decline of ¥21.8 billion due to lower iron ore prices.
- The Iron & Steel Products Segment reported a decline of ¥6.5 billion. Transactions of line pipe to LNG projects had been almost shipped by the end of the previous year and trading volume of other steel products also declined.
- The Innovation & Corporate Development Segment reported an increase of ¥7.3 billion. The commodity derivatives trading business at Mitsui recorded an increase in gross profit corresponding to a deterioration of ¥5.1 billion in the foreign exchange gains and losses posted in other expense.
- The Machinery & Infrastructure Segment reported an increase of ¥5.5 billion, attributable to an increase in trading volume of newly built ships and second-hand ships.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current period were ¥281.4 billion, an increase of ¥1.2 billion from ¥280.2 billion for the previous period. The table below provides a breakdown of selling, general and administrative expenses used for our internal review.

(Billions of Yen)	Personnel	Welfare	Travel	Entertainment	Communication
Current Period	145.2	7.0	17.0	4.1	23.9
Previous Period	143.8	6.9	16.6	4.0	25.4
Change	1.4	0.1	0.4	0.1	(1.5)

(Billions of Yen)	Rent	Depreciation	Tax	Provision for doubtful receivables	Others	Total
Current Period	10.3	7.2	5.4	6.4	54.9	281.4
Previous Period	9.7	7.3	4.5	5.4	56.6	280.2
Change	0.6	(0.1)	0.9	1.0	(1.7)	1.2

Gain on securities and other investments—net

Gain on securities and other investments for the current period was ¥9.3 billion, a decline of ¥3.2 billion from ¥12.5 billion for the previous period.

- A ¥9.1 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the current period.
- For the previous period, an ¥8.4 billion gain was recorded due to a reversal of impairment loss on shares in Penske Automotive Group, Inc., reflecting a rise in the share price. Meanwhile, an impairment loss of ¥2.6 billion was recorded on the investment in SCM Minera Lumina Copper Chile, a project company for the Caserones Copper Mine.

Impairment Loss of Fixed Assets
Impairment loss of fixed assets for the current period was ¥0.8 billion, the same amount as the previous period. There were miscellaneous small transactions in both periods.

Gain on Disposal or Sales of Fixed Assets—Net
Gain on disposal or sales of fixed assets for the current period was ¥0.4 billion, a decline of ¥1.3 billion from ¥1.7 billion for the previous period. There were miscellaneous small transactions in both periods.

Other Expense—Net
Other expense for the current period was ¥8.6 billion, a decline of ¥2.0 billion from ¥10.6 billion for the previous period.

- For the current period, exploration expenses totaled ¥12.6 billion, including those recorded at oil and gas producing businesses.
- For the previous period, exploration expenses totaled ¥11.5 billion, including those recorded at oil and gas producing businesses. Furthermore, Mitsui Raw Materials Development Pty. Ltd. recorded a ¥3.5 billion foreign exchange loss related to borrowings denominated in U.S. dollars. Meanwhile, the Innovation & Corporate Development Segment recorded foreign exchange gains of ¥7.5 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment.

Finance Income (Costs)
Interest Income
Interest income for the current period was ¥16.7 billion, the same amount as the previous period.

Dividend Income
Dividend income for the current period was ¥76.9 billion, an increase of ¥11.8 billion from ¥65.1 billion for the previous period.

- Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥61.2 billion in total, an increase of ¥8.3 billion from ¥52.9 billion for the previous period, due to an increase in dividends received from the Sakhalin II project.
- Dividends from preferred shares in JA Mitsui Leasing Ltd. increased by ¥4.0 billion.

Interest Expense
Interest expense for the current period was ¥24.6 billion, an increase of ¥0.4 billion from ¥24.2 billion for the previous period. The following table provides the month-end average of three-month Tibor for the Japanese yen and three-month Libor for the U.S. dollar for both periods.

	Current Period	Previous Period
Japanese yen	0.21%	0.23%
U.S. dollar	0.23%	0.27%

Share of Profit of Investments Accounted for Using the Equity Method
Share of profit of investments accounted for using the equity method for the current period was ¥103.8 billion, an increase of ¥5.4 billion from ¥98.4 billion for the previous period.

- Valepar S.A. reported an increase of ¥4.6 billion, reflecting the positive impact of exchange rate fluctuations which was partially offset by lower iron ore prices.
- IPP businesses reported an increase of ¥3.4 billion. Mark-to-market valuation gains and losses, such as those on power derivative and fuel purchase contracts, improved by ¥2.3 billion. Meanwhile, new

businesses including Astoria I gas-fired IPP in the United States, in which Mitsui acquired stakes in the last year, contributed to the increase.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported a decline of ¥15.8 billion due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile.
- Robe River Mining Co. Pty. Ltd., an iron ore mining company in Australia, reported a decline of ¥8.0 billion due to lower iron ore prices.
- For the previous period, SCM Minera Lumina Copper Chile posted a ¥10.6 billion impairment loss on fixed assets. Meanwhile, Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4.2 billion impairment loss on fixed assets and other assets.

Income Taxes

Income taxes for the current period were ¥79.2 billion, a decline of ¥22.2 billion from ¥101.4 billion for the previous period.

- Profit before income taxes for the current period was ¥312.1 billion, a decline of ¥3.6 billion from ¥315.7 billion for the previous period. In response, applicable income taxes also declined.
- For the current period, a ¥13.4 billion deferred tax assets was recognized after evaluating the recoverability in relation to sales of financial assets measured at FVTOCI.
- A ¥12.0 billion negative impact on deferred tax was caused by the repeal of the Australian Mineral Resource Rent Tax ("MRRT") at the end of September 2014 which led to the reversal of deferred tax assets. Meanwhile, the current tax burden of MRRT declined reflecting the decline in iron ore prices.

The effective tax rate for the current period was 25.4%, a decline of 6.7% from 32.1% for the previous period. The major factors for the decrease were the aforementioned recognition of deferred tax assets in relation to sales of financial assets measured at FVTOCI and an increase in no-tax or low-tax income such as dividend income. Meanwhile, factors for the increase included the aforementioned reversal of deferred tax assets related to MRRT.

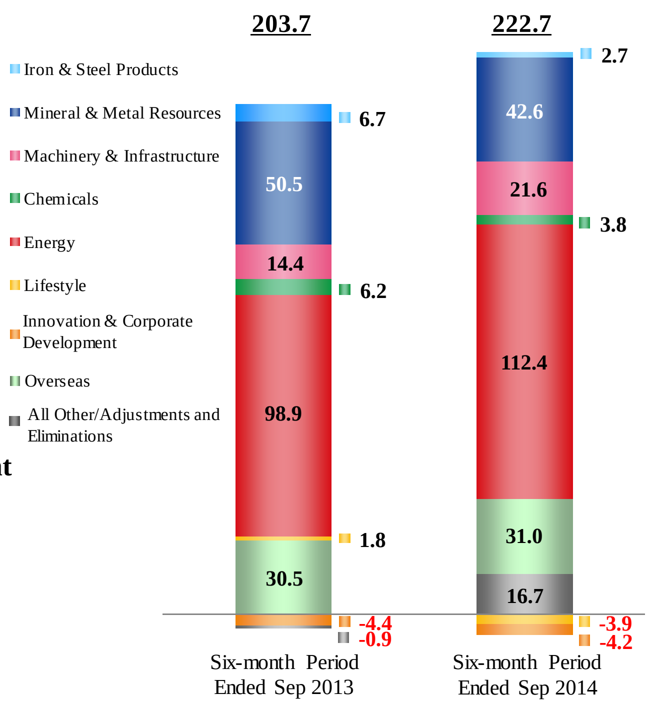
Profit for the Period

As a result of the above factors, profit for the period was ¥232.9 billion, an increase of ¥18.6 billion from ¥214.3 billion for the previous period.

Profit for the Period Attributable to Owners of the Parent

Profit for the period attributable to owners of the parent was ¥222.7 billion, an increase of ¥19.0 billion from ¥203.7 billion for the previous period.

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



2) EBITDA

We use EBITDA as a measure of underlying earning power from the current period.

EBITDA is the total of "gross profit," "selling, general and administrative expenses," "dividend income" and "share of profit of investments accounted for using the equity method" from the consolidated statements of income and "depreciation and amortization" from the consolidated statements of cash flows.

(Billions of Yen)		Current Period	Previous Period	Change
EBITDA (a+b+c+d+e) (*1)		462.1	422.3	+39.8
Gross profit	a	420.2	437.1	(16.9)
Selling, general and administrative expenses	b	(281.4)	(280.2)	(1.2)
Dividend income	c	76.9	65.1	+11.8
Profit of equity method investments (*2)	d	103.8	98.4	+5.4
Depreciation and amortization	e	142.4	102.0	+40.4

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

*2 “Profit of equity method investments” means “share of profit of investments accounted for using the equity method” in the consolidated statements of income. The same shall apply hereafter.

3) Operating Results by Operating Segment

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	5.8	12.6	(6.8)
Gross profit	20.3	26.8	(6.5)
Selling, general and administrative expenses	(19.4)	(18.8)	(0.6)
Dividend Income	1.0	0.8	+0.2
Profit of equity method investments	3.3	3.1	+0.2
Depreciation and amortization	0.6	0.7	(0.1)
Profit for the period attributable to owners of the parent	2.7	6.7	(4.0)

EBITDA declined by ¥6.8 billion, mainly due to the following factors:

Gross profit declined by ¥6.5 billion. Transactions of line pipe to LNG projects had been mostly shipped out by the end of the previous year and trading volume of other steel products also declined.

Profit of equity method investments increased by ¥0.2 billion.

Profit for the period attributable to owners of the parent declined by ¥4.0 billion. In addition to the factors mentioned above, foreign exchange gains and losses corresponding to transactions of line pipe improved by ¥1.9 billion.

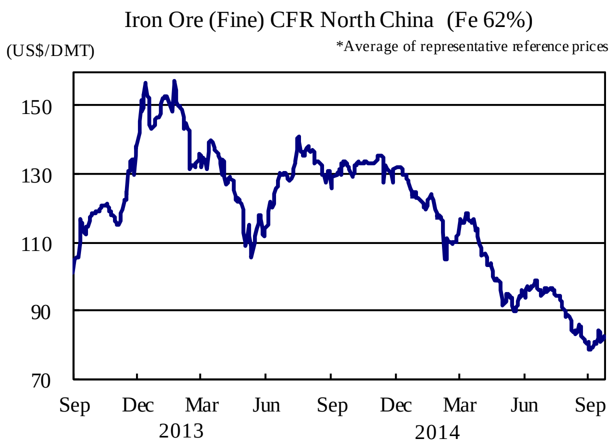
Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	111.9	123.1	(11.2)
Gross profit	76.5	97.0	(20.5)
Selling, general and administrative expenses	(21.0)	(21.6)	+0.6
Dividend Income	0.8	0.7	+0.1
Profit of equity method investments	24.7	27.9	(3.2)
Depreciation and amortization	31.0	19.1	+11.9
Profit for the period attributable to owners of the parent	42.6	50.5	(7.9)

EBITDA declined by ¥11.2 billion, mainly due to the following factors:

Gross profit declined by ¥20.5 billion reflecting the impact from lower iron ore prices on iron ore mining operations in Australia.

As for iron ore pricing, the majority of contract prices applied to products sold during the current period were based on pricing that more closely reflects current spot reference prices, the same pricing as applied in the



previous year, such as a daily average of spot reference prices for the current quarter of shipments and a daily average of spot reference prices for the shipment month. Mitsui Iron Ore Development Pty. Ltd. reported a decline of ¥21.7 billion in gross profit reflecting lower iron ore prices.

Profit of equity method investments declined by ¥3.2 billion.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded a decline of ¥15.8 billion to a loss of ¥13.9 billion from a profit of ¥1.9 billion for the previous period, due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile.
- Profit from Robe River Mining Co. Pty. Ltd. were ¥14.9 billion, a decline of ¥8.0 billion from ¥22.9 billion due to lower iron ore prices.
- SCM Minera Lumina Copper Chile, a project company for the Caserones Copper Mine, reported an improvement of ¥10.7 billion from a ¥10.7 billion loss for the previous period, due to a reversal effect of a ¥10.6 billion impairment loss on fixed assets posted in the previous period.
- Valepar S.A. posted ¥16.0 billion of profit, an increase of ¥4.6 billion from ¥11.4 billion due to the positive impact of exchange rate fluctuations which was partially offset by lower iron ore prices. Reflecting the exchange rate fluctuations on Brazilian real against U.S. dollar, there was a reversal effect of foreign exchange losses on debt denominated in U.S. dollars recorded in the previous period.

Depreciation and amortization increased by ¥11.9 billion.

Profit for the period attributable to owners of the parent declined by ¥7.9 billion. In addition to the above, the following factors also affected results:

- A ¥12.0 billion negative impact on deferred tax was caused by the repeal of the Australian Mineral Resource Rent Tax (“MRRT”) at the end of September 2014 which led to the reversal of deferred tax assets. Meanwhile, the current tax burden of MRRT declined reflecting the decline in iron ore prices.
- A ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the current period.
- For the previous period, Mitsui Raw Materials Development Pty. Ltd. recorded a ¥3.5 billion foreign exchange loss related to borrowings denominated in U.S. dollars.
- For the previous period, an impairment loss of ¥2.6 billion was recorded on the investment in SCM Minera Lumina Copper Chile.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	32.7	21.6	+11.1
Gross profit	59.4	53.9	+5.5
Selling, general and administrative expenses	(64.6)	(61.1)	(3.5)
Dividend Income	2.5	1.9	+0.6
Profit of equity method investments	26.1	18.3	+7.8
Depreciation and amortization	9.3	8.6	+0.7
Profit for the period attributable to owners of the parent	21.6	14.4	+7.2

EBITDA increased by ¥11.1 billion, mainly due to the following factors:

Gross profit increased by ¥5.5 billion.

- The Infrastructure Projects Business Unit reported an increase of ¥1.4 billion.
- The Integrated Transportation Systems Business Unit reported an increase of ¥4.1 billion. The main factor behind the increase was an increase in trading volume of newly built ships and second-hand ships.

Profit of equity method investments increased by ¥7.8 billion.

- The Infrastructure Projects Business Unit reported an increase of ¥5.9 billion. IPP businesses posted profit of ¥12.4 billion in total, an increase of ¥3.3 billion from ¥9.1 billion for the previous period. Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, improved by ¥2.1 billion to a gain of ¥2.6 billion from ¥0.5 billion for the previous period. Meanwhile, new businesses including Astoria I gas-fired IPP in the United States, in which Mitsui acquired stakes in the last year, contributed to the increase.

- The Integrated Transportation Systems Business Unit reported an increase of ¥1.9 billion. Automotive-related business in North America achieved a solid performance.

Profit for the period attributable to owners of the parent increased by ¥7.2 billion. In addition to the factors mentioned above, in the previous period, this segment recorded a ¥6.7 billion gain due to a reversal of impairment loss on shares in Penske Automotive Group, Inc., reflecting a rise in the share price.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	11.8	14.3	(2.5)
Gross profit	37.0	40.1	(3.1)
Selling, general and administrative expenses	(34.5)	(33.8)	(0.7)
Dividend Income	0.6	0.8	(0.2)
Profit of equity method investments	3.5	3.2	+0.3
Depreciation and amortization	5.1	4.1	+1.0
Profit for the period attributable to owners of the parent	3.8	6.2	(2.4)

EBITDA declined by ¥2.5 billion, mainly due to the following factors:
Gross profit declined by ¥3.1 billion.

- The Basic Chemicals Business Unit reported a decline of ¥0.2 billion.
- The Performance Chemicals Business Unit reported a decline of ¥2.8 billion. P.T. Kaltim Pasifik Amoniak, an ammonia producer in Indonesia, reported a decline of ¥6.2 billion due to a shutdown at the end of the previous year as a result of an asset transfer under the build-operate-transfer (BOT) contract. Meanwhile, sales of agricultural chemicals increased.

Profit of equity method investments increased by ¥0.3 billion.
Profit for the period attributable to owners of the parent declined by ¥2.4 billion.

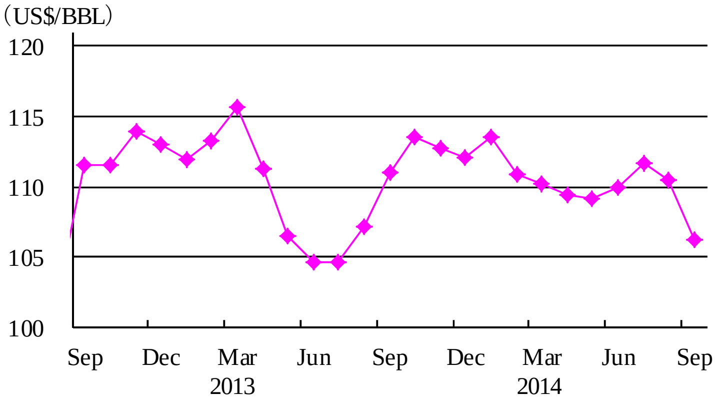
Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	246.8	212.7	+34.1
Gross profit	109.4	108.9	+0.5
Selling, general and administrative expenses	(28.7)	(30.1)	+1.4
Dividend Income	63.2	54.5	+8.7
Profit of equity method investments	26.8	28.4	(1.6)
Depreciation and amortization	76.2	51.0	+25.2
Profit for the period attributable to owners of the parent	112.4	98.9	+13.5

EBITDA increased by ¥34.1 billion, mainly due to the following factors:
The weighted average crude oil prices applied to our operating results for the current period and the previous period were estimated to be US$110 and US$111 per barrel, respectively.
Gross profit increased by ¥0.5 billion, primarily due to the following factors:

- Mitsui E&P Australia Pty Limited reported an improvement of ¥13.3 billion due to a reversal of

Crude Oil Price (JCC: Japan Crude Cocktail)



declined production during the previous period
associated with the refurbishment of its oil production facility.

- Mitsui E&P USA LLC reported an improvement of ¥4.8 billion from higher production and lower costs.
- A decline of ¥6.6 billion was recorded due to the sale of Mitsui Oil Co., Ltd in the previous year.
- Mitsui E&P Middle East B.V. reported a decline of ¥5.4 billion due to an increase in production cost as well as the sales of interests in oil fields in Egypt in the previous year.
- A ¥3.5 billion decline was recorded from LNG transactions.

Dividend income increased by ¥8.7 billion mainly due to an increase in dividends received from the Sakhalin II project. Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥61.2 billion in total, an increase of ¥8.3 billion from ¥52.9 billion for the previous period.
Profit of equity method investments declined by ¥1.6 billion.
Depreciation and amortization increased by ¥25.2 billion. Oil and gas producing operations recorded an increase of ¥26.5 billion, including an increase of ¥10.1 billion at Marcellus and Eagle Ford shale gas and oil operations in the United States.
Profit for the period attributable to owners of the parent increased by ¥13.5 billion. In addition to the above, exploration expenses of ¥11.8 billion in total and ¥10.6 billion in total were recorded for the current period and the previous period, respectively.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	6.3	6.4	(0.1)
Gross profit	56.9	55.3	+1.6
Selling, general and administrative expenses	(70.3)	(64.0)	(6.3)
Dividend Income	2.9	3.2	(0.3)
Profit of equity method investments	10.4	6.3	+4.1
Depreciation and amortization	6.3	5.6	+0.7
Profit for the period attributable to owners of the parent	(3.9)	1.8	(5.7)

EBITDA declined by ¥0.1 billion, mainly due to the following factors:
Gross profit increased by ¥1.6 billion.

- The Food Resources Business Unit reported an increase of ¥1.3 billion.
- The Food Products & Services Business Unit recorded an increase of ¥2.2 billion.
- The Consumer Service Business Unit reported a decline of ¥1.9 billion.

Selling, general and administrative expenses increased by ¥6.3 billion due to an increase in provision for doubtful receivables at Multigrain Trading AG and increases from new subsidiaries acquired in the previous year.
Profit of equity method investments increased by ¥4.1 billion.

- The Food Resources Business Unit reported an increase of ¥0.4 billion .
- The Food Products & Services Business Unit reported a decline of ¥0.1 billion.
- The Consumer Service Business Unit reported an increase of ¥3.9 billion. Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4.2 billion impairment loss on fixed assets and other assets for the previous period.

Profit for the period attributable to owners of the parent declined by ¥5.7 billion. In addition to the above, the following factors also affected results:

- Gains and losses on equity method investments deteriorated by ¥4.8 billion; an impairment loss and gains on sales were recorded for the current period and previous period, respectively.
- Foreign exchange losses for the current period were ¥3.6 billion, a deterioration of ¥3.4 billion from

the previous period, mainly attributable to those related to coffee trading at Mitsui.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	(5.4)	(12.0)	+6.6
Gross profit	16.5	9.2	+7.3
Selling, general and administrative expenses	(30.4)	(30.6)	+0.2
Dividend Income	4.5	0.9	+3.6
Profit of equity method investments	1.6	6.0	(4.4)
Depreciation and amortization	2.5	2.5	0.0
Loss for the period attributable to owners of the parent	(4.2)	(4.4)	+0.2

EBITDA increased by ¥6.6 billion, mainly due to the following factors:
Gross profit increased by ¥7.3 billion.

- There was an increase in gross profit corresponding to a ¥5.1 billion deterioration of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current period and for the previous period.
- Mitsui & Co. Commodity Risk Management Ltd. reported an increase of ¥3.2 billion due to the recovery of underperforming trading of derivatives for the previous period.

Dividend income increased by ¥3.6 billion. Dividends from preferred shares in JA Mitsui Leasing Ltd. increased by ¥4.0 billion.
Profit of equity method investments declined by ¥4.4 billion due to a decline in profit of JA Mitsui Leasing Ltd.
Loss for the period attributable to owners of the parent improved by ¥0.2 billion. In addition to the factors mentioned above, for the current period and for the previous period, foreign exchange gains of ¥2.4 billion and ¥7.5 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business at Mitsui.

Americas Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	15.5	14.2	+1.3
Gross profit	38.4	38.3	+0.1
Selling, general and administrative expenses	(31.0)	(30.9)	(0.1)
Dividend Income	0.0	0.0	0.0
Profit of equity method investments	3.9	2.9	+1.0
Depreciation and amortization	4.2	3.9	+0.3
Profit for the period attributable to owners of the parent	12.6	9.8	+2.8

EBITDA increased by ¥1.3 billion, mainly due to the following factors:
Gross profit increased by ¥0.1 billion.
Profit of equity method investments increased by ¥1.0 billion.
Profit for the period attributable to owners of the parent increased by ¥2.8 billion. In addition to the factors mentioned above, this segment recorded a ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC for the current period.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	0	(0.3)	+0.3
Gross profit	9.4	8.8	+0.6
Selling, general and administrative expenses	(10.5)	(10.0)	(0.5)
Dividend Income	0.1	0.1	0.0
Profit of equity method investments	0.9	0.5	+0.4
Depreciation and amortization	0.2	0.3	(0.1)
Profit for the period attributable to owners of the parent	3.2	1.1	+2.1

EBITDA increased by ¥0.3 billion, mainly due to the following factors:
Gross profit increased by ¥0.6 billion.
Profit of equity method investments increased by ¥0.4 billion.
Profit for the period attributable to owners of the parent increased by ¥2.1 billion.

Asia Pacific Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	0.3	0.7	(0.4)
Gross profit	6.3	6.4	(0.1)
Selling, general and administrative expenses	(10.0)	(8.9)	(1.1)
Dividend Income	0.6	0.9	(0.3)
Profit of equity method investments	3.0	2.1	+0.9
Depreciation and amortization	0.3	0.2	+0.1
Profit for the period attributable to owners of the parent	15.2	19.6	(4.4)

EBITDA declined by ¥0.4 billion, mainly due to the following factors:
Gross profit declined by ¥0.1 billion.
Profit of equity method investments increased by ¥0.9 billion.
Profit for the period attributable to owners of the parent declined by ¥4.4 billion. In addition to the above, this segment recorded profit from the segment’s minority interest in iron ore mining and coal mining operations in Australia, which declined due to fall in prices of iron ore and coal.

(3) Financial Condition and Cash Flows

1) Financial Condition

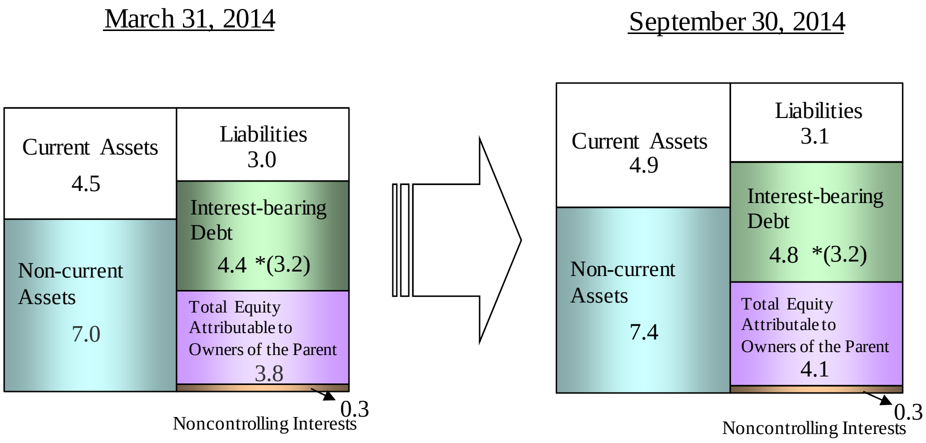
Total assets as of September 30, 2014 were ¥12,254.3 billion, an increase of ¥763.0 billion from ¥11,491.3 billion as of March 31, 2014.

Total current assets as of September 30, 2014 were ¥4,877.4 billion, an increase of ¥412.0 billion from ¥4,465.4 billion as of March 31, 2014. Inventories increased by ¥91.4 billion, mainly due to seasonal factors at Multigrain Trading AG. As of September 30, 2014, assets of ¥111.4 billion and liabilities of ¥58.2 billion were transferred to the assets held for sale and liabilities directly associated with assets held for sale accounts, respectively, due to the merger of domestic construction steel and metal scrap businesses of Mitsui & Co., Steel Ltd. with Metal One Structural Steel & Resource Corporation as of November 1, 2014.

Total current liabilities as of September 30, 2014 were ¥3,115.0 billion, an increase of ¥130.3 billion from ¥2,984.7 billion as of March 31, 2014. Short-term debt increased by ¥48.4 billion.

As a result, working capital, or current assets less current liabilities, as of September 30, 2014, totaled ¥1,762.4 billion, an increase of ¥281.7 billion from ¥1,480.7 billion as of March 31, 2014.

(Trillions of Yen)



Total Assets	¥11.5 trillion
Total Equity Attributable to Owners of the Parent	¥3.8 trillion
Net DER	0.83 times

Total Assets	¥12.3 trillion
Total Equity Atttibutable to Owners of the Parent	¥4.1 trillion
Net DER	0.78 times

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

Total non-current assets as of September 30, 2014 totaled ¥7,377.0 billion, an increase of ¥351.1 billion from ¥7,025.9 billion as of March 31, 2014, mainly due to the following factors:

- Investments accounted for using the equity method as of September 30, 2014 was ¥2,600.8 billion, an increase of ¥152.0 billion from ¥2,448.8 billion as of March 31, 2014. Major factors included an increase of ¥70.1 billion due to an acquisition of a 20% stake in VLI S.A., which is engaged in integrated freight transportation in Brazil, as well as an increase of ¥59.0 billion resulting from foreign currency exchange fluctuations. Meanwhile, there was a decline of ¥104.3 billion due to dividends received from equity accounted investees, despite an increase of ¥103.8 billion corresponding to the profit of equity method for the current period.
- Other investments as of September 30, 2014 were ¥1,639.2 billion, an increase of ¥84.5 billion from ¥1,554.7 billion as of March 31, 2014, mainly due to the following factors:
  - A ¥52.1 billion net increase due to valuation on financial assets measured at FVTOCI; and
  - A ¥43.1 billion net increase due to foreign currency exchange fluctuations.
- Property, plant and equipment as of September 30, 2014 totaled ¥2,129.7 billion, an increase of ¥122.2 billion from ¥2,007.5 billion as of March 31, 2014, mainly due to the following factors:
  - An increase of ¥37.1 billion (including a foreign exchange translation gain of ¥18.0 billion) at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States;
  - An increase of ¥26.0 billion (including a foreign exchange translation gain of ¥18.3 billion) at oil and gas operations other than U.S. shale gas and oil producing operations;
  - An increase of ¥12.2 billion (including a foreign exchange translation gain of ¥1.1 billion) at the methanol manufacturing joint venture in United States; and
  - An increase of ¥10.5 billion (including a foreign exchange translation loss of ¥0.1 billion) at the wind power generation business in Australia.
- Trade and other receivables as of September 30, 2014 totaled ¥457.7 billion, a decline of ¥13.2 billion from ¥470.9 billion as of March 31, 2014, mainly due to the following factors:
  - A decline of ¥11.7 billion due to collection of long-term loan receivables at a private equity-sponsored loans business with GE Capital; and
  - An increase of ¥11.6 billion due to a loan to the FPSO leasing business for oil and gas production

in Brazil and Ghana.

Total non-current liabilities as of September 30, 2014 totaled ¥4,744.2 billion, an increase of ¥337.8 billion from ¥4,406.4 billion as of March 31, 2014. Long-term debt, less current portion as of September 30, 2014 was ¥3,778.5 billion, an increase of ¥310.2 billion from ¥3,468.3 billion as of March 31, 2014, mainly due to an increase in long-term borrowings at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States.

Total equity attributable to owners of the parent as of September 30, 2014 was ¥4,093.7 billion, an increase of ¥277.9 billion from ¥3,815.8 billion as of March 31, 2014. Major components included:

- Retained earnings increased by ¥128.7 billion which was partially offset by a dividend payment and a cancellation of treasury stock;
- Other components of equity as of September 30, 2014 increased by ¥104.7 billion to ¥871.3 billion from ¥766.6 billion as of March 31, 2014, mainly due to the following factors:
  - Foreign currency translation adjustments increased by ¥82.0 billion, reflecting the appreciation of the U.S. dollar against the Japanese yen; and
  - Financial assets measured at FVTOCI increased by ¥31.8 billion reflecting the higher stock prices; and
- Treasury stock declined by ¥50.2 billion, due to a cancellation.

Net interest-bearing debt, or interest-bearing debt less cash and cash equivalents and time deposits as of September 30, 2014 was ¥3,191.6 billion, an increase of ¥12.8 billion from ¥3,178.8 billion as of March 31, 2014. The net debt-to-equity ratio (DER) as of September 30, 2014 was 0.78 times, 0.05 points lower compared to 0.83 times as March 31, 2014.

	Billions of Yen			
	As of March 31, 2014		As of September 30, 2014	
Short-term debt	¥	436.9	¥	485.3
Long-term debt	¥	3,974.2	¥	4,284.2
Interest bearing debt	¥	4,411.1	¥	4,769.5
Less cash and cash equivalents and time deposits	¥	(1,232.3)	¥	(1,577.9)
Net interest-bearing debt	¥	3,178.8	¥	3,191.6
Total equity attributable to owners of the parent	¥	3,815.8	¥	4,093.7
Net DER (times)		0.83		0.78

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	373.7	239.3	+134.4
Cash flows from change in working capital	b	(27.5)	(91.5)	+64.0
Core operating cash flow	a-b	401.2	330.8	+70.4

Net cash provided by operating activities for the current period was ¥373.7 billion, an increase of ¥134.4 billion from ¥239.3 billion for the previous period.

Net cash outflow from an increase in working capital, or changes in operating assets and liabilities for the current period, was ¥27.5 billion, a decline of ¥64.0 billion from ¥91.5 billion for the previous period.

Core operating cash flow, cash flows from operating activities without the net cash outflow from an increase in working capital, for the current period amounted to ¥401.2 billion, an increase of ¥70.4 billion from ¥330.8 billion for the previous period.

- Depreciation and amortization for the current period was ¥142.4 billion, an increase of ¥40.4 billion from ¥102.0 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥184.4 billion, an increase of ¥32.5 billion from ¥151.9 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Iron & Steel Products	2.0	6.7	(4.7)
Mineral & Metal Resources	85.4	87.8	(2.4)
Machinery & Infrastructure	39.8	18.7	+21.1
Chemicals	9.9	13.1	(3.2)
Energy	210.4	176.3	+34.1
Lifestyle	3.3	2.7	+0.6
Innovation & Corporate Development	0.7	(2.7)	+3.4
Americas	11.4	11.0	+0.4
Europe, the Middle East and Africa	1.5	0.3	+1.2
Asia Pacific	4.2	2.9	+1.3
All Other and Adjustments and Eliminations	32.6	14.0	+18.6
Consolidated Total	401.2	330.8	+70.4

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥190.0 billion, a decline of ¥236.8 billion from ¥426.8 billion for the previous period. The net cash used in investing activities consisted of:

- Net cash outflows that corresponded to investments in and advances to equity accounted investees (net of sales of investments and collection of advances) were ¥66.2 billion. The major cash outflows were an acquisition of a 20% stake in VLI S.A. for ¥70.1 billion as well as a loan to the FPSO leasing business for oil and gas production in Brazil and Ghana for ¥11.6 billion. The major cash inflows included the sale of the stake in Silver Bell Mining, LLC and redemption of preferred shares in Valepar S.A. for ¥10.0 billion.
- Net cash inflows that corresponded to other investments (net of sales and maturities of other investments) were ¥25.6 billion. The major cash inflows were a sale of shares in Burberry Group plc for ¥11.8 billion and capital redemption from a private equity-sponsored loans business with GE Capital for ¥11.4 billion.
- Net cash inflows that corresponded to long-term loan receivables (net of collection) were ¥22.4 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥170.8 billion. Major expenditures included:
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥63.7 billion;
  - Iron ore mining projects in Australia for ¥32.5 billion;
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥25.0 billion;
  - A wind power generation business in Australia for ¥10.5 billion; and
  - A methanol manufacturing joint venture in the United States for ¥10.0 billion.

  The major cash inflows included the sale of an ammonia plant by P.T. Kaltim Pasifik Amoniak for ¥9.9 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current period was a net inflow of ¥183.7 billion.

Cash Flows from Financing Activities

For the current period, net cash provided by financing activities was ¥142.2 billion, an increase of ¥60.4 billion from ¥81.8 billion for the previous period. The net cash inflow from the borrowing of long-term debt was ¥175.9 billion and short-term debt was ¥35.6 billion. Meanwhile, the cash outflow from payments of cash dividends was ¥61.0 billion.

In addition to the changes discussed above, there was an increase in cash and cash equivalents of ¥19.1 billion due to foreign exchange translation and a decline of ¥0.7 billion due to the reclassification to assets held for sale; as a result, cash and cash equivalents as of September 30, 2014 totaled ¥1,570.7 billion, an increase of ¥344.4 billion from ¥1,226.3 billion as of March 31, 2014.

2. Management Policy

(1) Result and Forecast for Investment and Loan Plan

Our progress with the investment and loan plan in each operating segment for the six-month period ended September 30, 2014 (current period) was as follows:

Segment	Result Current Period (¥ billion)	Major Items
Iron & Steel Products	0	
Mineral & Metal Resources	40	Expansion and development of Australian iron ore operations
Machinery & Infrastructure	115	Integrated logistics company* and FPSO lease in Brazil
Chemicals	15	Methanol production in U.S.
Energy	90	Developments in existing shale gas/oil and Thai businesses
Lifestyle	15	Additional acquisition of Fuji Pharma shares, Domestic real estate
Innovation & Corporate Development	5	Venture investment in U.S.
Overseas	25	Tank terminal expansion and senior living facilities/housing in U.S.
Gross Investments & Loans	305	Existing Business + Projects in the pipeline 285 / New Business 20
Divestiture	(120)	Burberry shares, Private equity-sponsored loans in U.S.
Net Cash Outflow	185	

* The planned investment of VLI in the previous year was differed into the current year. Therefore, this figure is not considered in the New Medium-term Management plan.

We implemented investments and loans of approximately ¥285 billion to existing businesses and projects in the pipeline (*), which is planned at ¥1.5 trillion for the three-year period of the New Medium-term Management Plan announced in May 2014. In addition, we made new investments and loans of approximately ¥20 billion for further growth. The resulting sum of investments and loans for the current period was ¥305 billion.

On the other hand, we collected approximately ¥120 billion through disposal of assets and investments, which is planned in the range from ¥700 to ¥900 billion during the New Medium-term Management Plan. To realize “Evolution of portfolio strategy”, which is one of the key initiatives of the New Medium-term Management Plan, we will continue with improvement and modification of our portfolio adjustment and achieve positive free cash flow during the New Medium-term Management Plan by ensuring discipline in investments.

* Projects in which our participation has been decided and announced as of May 2014 and profit contributions from such projects are expected within several years.

(2) Forecasts for the Year Ending March 31, 2015

1) Revised forecasts for the year ending March 31, 2015

＜Assumption＞	1st Half (Actual)	2nd Half (Forecast)	Revised Forecast	Original Forecast
Exchange rate (JPY/USD)	103.61	110	106.81	100
Crude oil (JCC)	$109.50/bbl	$87/bbl	$98/bbl	$102/bbl
Consolidated oil price	$109.77/bbl	$95/bbl	$103/bbl	$104/bbl

(Billions of yen)

	Revised Forecast	Original Forecast	Change	Description
Gross profit	820.0	850.0	(30.0)	Decline in iron ore prices Underperfoming of Multigrain Trading
Selling, general and administrative expenses	(580.0)	(580.0)	0.0	
Gain on investments, fixed assets and other	10.0	0.0	10.0	Increase of gain on asset recycling
Interest expenses	(20.0)	(20.0)	0.0	
Dividend income	120.0	110.0	10.0	Increase in dividend from LNG projects
Profit of equity method investments	210.0	230.0	(20.0)	Tax system revision in Chile
Profit before income taxes	560.0	590.0	(30.0)	
Income taxes	(160.0)	(190.0)	30.0	Recognition of DTA related to financial assets measured at FVTOCI
Non-controlling Interests	(20.0)	(20.0)	0.0	
Profit for the year attributable to owners of the parent	380.0	380.0	0.0	

EBITDA	850.0	850.0	0.0

We assume foreign exchange rates for the six-month period ending March 31, 2015 (2nd half) will be ¥110/US$, ¥95/AU$ and ¥45/BRL, while average foreign exchange rates for the six-month period ended September 30, 2015 (1st half) were ¥103.61/US$, ¥95.61/AU$ and ¥45.76/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2015 will be US$103/barrel, down US$1 from the original assumption, based on the assumption that the crude oil price (JCC) will average US$87/barrel throughout the six-month period ending March 31, 2015.

- Gross profit for the year ending March 31, 2015 is expected to be ¥820.0 billion, a decline of ¥30.0 billion from the original forecast, due to a decline in iron prices and underperforming origination and merchandising operations at Multigrain Trading AG.
- Increase of ¥10.0 billion is expected in gain on sale from asset recycling. Another ¥10.0 billion increase is expected in dividend income mainly attributable to those from LNG projects.
- Profit of equity method investments is expected to be ¥210.0 billion, a decline of ¥20.0 billion from the original forecast, reflecting the additional recognition of deferred tax liability reflecting the tax system revision in Chile.
- Income taxes are forecasted to improve by ¥30.0 billion, due to the recognition of deferred tax assets related to sales of financial assets measured at FVTOCI as well as the decline in profit before income taxes.

As a result, profit for the year attributable to owners of the parent is expected to be ¥380.0 billion, the same

level as the original forecast.
In addition to the above, depreciation and amortization is forecasted to increase; projected EBITDA is ¥850.0 billion, the same level as the original forecast.

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

(Billions of Yen)	Year ending March 31, 2015 Revised Forecast	Year ending March 31, 2015 Original Forecast	Change
Iron & Steel Products	8.0	8.0	0.0
Mineral & Metal Resources	80.0	118.0	(38.0)
Machinery & Infrastructure	45.0	38.0	+7.0
Chemicals	6.0	8.0	(2.0)
Energy	180.0	140.0	+40.0
Lifestyle	0.0	14.0	(14.0)
Innovation & Corporate Development	(4.0)	(2.0)	(2.0)
Americas	21.0	16.0	+5.0
Europe, the Middle East and Africa	3.0	1.0	+2.0
Asia Pacific	29.0	33.0	(4.0)
All Other and Adjustments and Eliminations	12.0	6.0	+6.0
Consolidated Total	380.0	380.0	0.0

- Revised forecast for the Iron & Steel Products Segment is ¥8.0 billion, the same level as the original forecast, taking into consideration its progress, which is in line with the original forecast.
- Revised forecast for the Mineral & Metal Resources Segment is ¥80.0 billion, a decline of ¥38.0 billion from the original forecast. The primary reasons for the decline are the decline in prices of iron ore and coal as well as the additional recognition of deferred tax liability reflecting the tax system revision in Chile. Meanwhile, we count the positive impact attributable to higher sales volume of iron ore and depreciation of the Japanese yen.
- Revised forecast for the Machinery & Infrastructure Segment is ¥45.0 billion, an increase of ¥7.0 billion from the original forecast. We anticipate solid performance on IPP business and the recovery of trading volume in commercial ships. Logistic infrastructure business and gas distribution business in Brazil are also expected to contribute to the increase.
- Revised forecast for the Chemicals Segment is ¥6.0 billion, a decline of ¥2.0 billion from the original forecast. We took into consideration unfavorable market conditions in the chlor-alkali producing business in the United States.
- Revised forecast for the Energy Segment is ¥180.0 billion, an increase of ¥40.0 billion from the original forecast. The main causes of the increase are an increase in dividend income from LNG projects; the positive effect from depreciation of the Japanese yen; and an increase in production volume at oil and gas producing operations.
- Revised forecast for the Lifestyle Segment is ¥0.0 billion, a decline of ¥14.0 billion from the original forecast, reflecting the underperforming origination and merchandising operations at Multigrain Trading AG and one-time losses including the impairment loss on investment recorded in the six-month period ended September 30, 2014.
- Revised forecast for the Innovation & Corporate Development Segment is ¥4.0 billion of loss, a deterioration of ¥2.0 billion from the original forecast. We predict profit declines in the venture capital business as well as precious metals trading at Mitsui & Co. Precious Metals, Inc.

- Revised forecast for the Americas Segment is ¥21.0 billion, an increase of ¥5.0 billion from the original forecast, reflecting an increase in one-time profits as well as solid performance on food trading. Revised forecast for the Europe, the Middle East and Africa Segment is ¥3.0 billion, an increase of ¥2.0 billion from the original forecast, reflecting the one-time tax-related profit. Revised forecast for the Asia Pacific Segment is ¥29.0 billion, a decline of ¥4.0 billion from the original forecast, due to lower profit from the segment's minority interest in iron ore mining operations in Australia.
- Revised forecast for the All Other/Adjustments and Eliminations Segment is ¥12.0 billion, an increase of ¥6.0 billion from the original forecast, due to the recognition of deferred tax assets related to sales of financial assets measured at FVTOCI in the six-month period ended September 30, 2014.

2) Key commodity prices and other parameters for the year ending March 31, 2015

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2015. Effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2015 (Announced in May 2014)			Original Forecast (Announced in May 2014)	March 2015		Revised Forecast (Announced in November 2014)
				1st Half (Result)	2nd Half (Assumption)	
Commodity	Crude Oil/JCC	¥1.8 bn (US$1/bbl)	102	109.50	87	98
	Consolidated Oil Price(*1)		104	109.77	95	103
	U.S. Natural Gas(*2)	¥0.3 bn (US$0.1/mmBtu)	4.25(*3)	4.62	4.14	4.38
	Iron Ore	¥2.5 bn (US$1/ton)	(*5)	96.18	(*5)	(*5)
	Copper	¥0.7 bn (US$100/ton)	7,000	6,913(*6)	7,000	6,957
Forex (*7)	USD	¥2.7 bn (¥1/USD)	100	103.61	110	106.81
	AUD	¥1.5 bn (¥1/AUD)	95	95.61	95	95.30
	BRL	¥0.5 bn (¥1/BRL)	45	45.76	45	45.38

(*1) The oil price trend is reflected in profit for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March31, 2015, we assume the annual average price applicable to our financial results as the Consolidated Oil Price based on the estimation: 4-6 month time lag, 35%; 1-3 month time lag, 41%; no time lag, 24%.

(*2) US shale gas are not all sold at Henry Hub (HH) linked prices. Therefore the sensitivity does not represent the direct impact of HH movement, but rather the impact from the movement of weighted average gas sales price.

(*3) For natural gas sold in the US on HH linked prices, the assumed price used is US$4.25/mmBtu.

(*4) Daily average of representative reference prices (Fine, Fe 62% CFR North China) during April 2014 to September 2014

(*5) We refrain from disclosing the iron ore price assumptions.

(*6) Average of LME cash settlement price during January 2014 to June 2014

(*7) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen
Impact of currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

(3) 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 our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends based on a target consolidated dividend payout ratio.

For the period of the new Medium-term Management Plan announced in May 2014, we set our target dividend payout ratio at 30% of profit attributable to owners of the parent.
For the six-month period ended September 30, 2014, we have decided to pay an interim dividend of ¥32 per share, a ¥7 per share increase from the corresponding six-month period of the previous year. Pursuant to our policy, for the year ending March 31, 2015, we currently envisage an annual dividend of ¥64 per share (including the interim dividend of ¥32 per share), an ¥5 increase from the year ended March 31, 2014, on the assumption that profit for the year attributable to owners of the parent will be ¥380 billion, as mentioned in our forecast profit attributable to owners of the parent for the year ending March 31, 2015.
In relation to share buyback for the period of the new Medium-tern Management Plan, we will continue to take measures accordingly in a prompt and flexible manner as needed, taking into consideration the business environment, future investment activity trends, free cash flow, 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. Such risks, uncertainties and other factors may cause Mitsui's actual consolidated financial position, consolidated operating results or consolidated cash flows to be materially different from any future consolidated financial position, consolidated operating results or consolidated cash flows expressed or implied by these forward-looking statements.
These risks, uncertainties and other factors include, among others, (1) economic downturns worldwide or at specific regions, (2) fluctuations in commodity prices, (3) fluctuations in exchange rates, (4) credit risks from clients with which Mitsui and its consolidated subsidiaries have business transactions or financial dealings and/or from various projects, (5) declines in the values of non-current assets, (6) changes in the financing environment, (7) declines in market value of equity and/or debt securities, (8) changes in the assessment for recoverability of deferred tax assets, (9) inability to successfully restructure or eliminate subsidiaries or associated companies as planned, (10) unsuccessful joint ventures and strategic investments, (11) risks of resource related businesses not developing in line with assumed costs and schedules and uncertainty in reserves and performance of third party operators, (12) loss of opportunities to enter new business areas due to limitations on business resources, (13) environmental laws and regulations, (14) changes in laws and regulations or unilateral changes in contractual terms by governmental entities, (15) employee misconduct, (16) failure to maintain adequate internal control over financial reporting, and (17) climate change and natural disaster. For further information on the above, please refer to Mitsui's Annual Securities Report.
Forward-looking statements may be included in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other disclosure documents, press releases or website disclosures. Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

Assets		
	March 31, 2014	September 30, 2014
Current Assets:		
Cash and cash equivalents	¥ 1,226,317	¥ 1,570,672
Trade and other receivables	2,040,855	1,906,951
Other financial assets	271,288	280,842
Inventories	625,328	716,725
Advance payments to suppliers	183,576	156,852
Assets held for sale	—	111,373
Other current assets	118,049	133,955
Total current assets	4,465,413	4,877,370
Non-current Assets:		
Investments accounted for using the equity method	2,448,848	2,600,834
Other investments	1,554,673	1,639,221
Trade and other receivables	470,880	457,664
Other financial assets	116,298	123,744
Property, plant and equipment	2,007,452	2,129,694
Investment property	139,334	143,502
Intangible assets	144,153	151,872
Deferred tax assets	74,419	72,462
Other non-current assets	69,849	57,960
Total non-current assets	7,025,906	7,376,953
Total	¥ 11,491,319	¥ 12,254,323

(Millions of Yen)

Liabilities and Equity	March 31, 2014	September 30, 2014
Current Liabilities:		
Short-term debt	¥ 436,869	¥ 485,278
Current portion of long-term debt	505,946	505,614
Trade and other payables	1,473,834	1,420,022
Other financial liabilities	301,047	371,421
Income tax payables	42,857	57,833
Advances from customers	165,124	155,357
Provisions	17,491	24,217
Liabilities directly associated with assets held for sale	—	58,167
Other current liabilities	41,486	37,138
Total current liabilities	2,984,654	3,115,047
Non-current Liabilities:		
Long-term debt, less current portion	3,468,301	3,778,537
Other financial liabilities	95,541	96,025
Retirement benefit liabilities	69,558	70,773
Provisions	174,855	188,451
Deferred tax liabilities	567,281	578,528
Other non-current liabilities	30,825	31,933
Total non-current liabilities	4,406,361	4,744,247
Total liabilities	7,391,015	7,859,294
Equity:		
Common stock	341,482	341,482
Capital surplus	418,004	412,349
Retained earnings	2,345,790	2,474,476
Other components of equity	766,631	871,334
Treasury stock	(56,140)	(5,960)
Total equity attributable to owners of the parent	3,815,767	4,093,681
Non-controlling interests	284,537	301,348
Total equity	4,100,304	4,395,029
Total	¥ 11,491,319	¥ 12,254,323

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Six-month period ended September 30, 2013	Six-month period ended September 30, 2014
Revenue:		
Sale of products	¥ 2,608,332	¥ 2,472,813
Rendering of services	201,981	207,815
Other revenue	54,154	66,941
Total revenue	2,864,467	2,747,569
Cost:		
Cost of products sold	(2,316,937)	(2,206,933)
Cost of services rendered	(80,239)	(88,872)
Cost of other revenue	(30,225)	(31,522)
Total cost	(2,427,401)	(2,327,327)
Gross Profit	437,066	420,242
Other Income (Expenses):		
Selling, general and administrative expenses	(280,170)	(281,361)
Gain (loss) on securities and other investments—net	12,459	9,305
Impairment loss of fixed assets	(838)	(812)
Gain (loss) on disposal or sales of fixed assets—net	1,710	439
Other income (expense)—net	(10,588)	(8,574)
Total other income (expenses)	(277,427)	(281,003)
Finance Income (Costs):		
Interest income	16,746	16,735
Dividend income	65,064	76,932
Interest expense	(24,177)	(24,634)
Total finance income (costs)	57,633	69,033
Share of Profit of Investments Accounted for Using the Equity Method	98,381	103,809
Profit before Income Taxes	315,653	312,081
Income Taxes	(101,392)	(79,207)
Profit for the Period	¥ 214,261	¥ 232,874
Profit for the Period Attributable to:		
Owners of the parent	¥ 203,690	¥ 222,660
Non-controlling interests	10,571	10,214

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six-month period ended September 30, 2013	Six-month period ended September 30, 2014
Profit for the Period	¥ 214,261	¥ 232,874
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	45,543	68,110
Remeasurements of defined benefit pension plans	(199)	(2,569)
Share of other comprehensive income of investments accounted for using the equity method	(199)	2,585
Income tax relating to items not reclassified	(7,456)	(17,389)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(32,324)	19,384
Cash flow hedges	3,402	(3,534)
Share of other comprehensive income of investments accounted for using the equity method	6,170	54,637
Income tax relating to items that may be reclassified	6,359	6,622
Total other comprehensive income	21,296	127,846
Comprehensive Income for the Period	¥ 235,557	¥ 360,720
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 225,366	¥ 343,404
Non-controlling interests	10,191	17,316

(3) Condensed Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2013	¥ 341,482	¥ 428,552	¥2,060,298	¥ 614,783	¥ (5,974)	¥3,439,141	¥ 245,848	¥3,684,989
Profit for the period			203,690			203,690	10,571	214,261
Other comprehensive income for the period				21,676		21,676	(380)	21,296
Comprehensive income for the period						225,366	10,191	235,557
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥21)			(38,327)			(38,327)		(38,327)
Dividends paid to non-controlling interest shareholders							(10,794)	(10,794)
Acquisition of treasury stock					(10)	(10)		(10)
Sales of treasury stock			(0)		51	51		51
Equity transactions with non-controlling interest shareholders		(2,583)		242		(2,341)	11,688	9,347
Transfer to retained earnings			17,070	(17,070)		―		―
Balance as at September 30, 2013	¥ 341,482	¥ 425,969	¥2,242,731	¥ 619,631	¥ (5,933)	¥3,623,880	¥ 256,933	¥3,880,813

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2014	¥ 341,482	¥ 418,004	¥2,345,790	¥ 766,631	¥ (56,140)	¥3,815,767	¥ 284,537	¥4,100,304
Profit for the period			222,660			222,660	10,214	232,874
Other comprehensive income for the period				120,744		120,744	7,102	127,846
Comprehensive income for the period						343,404	17,316	360,720
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥34)			(60,946)			(60,946)		(60,946)
Dividends paid to non-controlling interest shareholders							(7,384)	(7,384)
Acquisition of treasury stock					(11)	(11)		(11)
Sales of treasury stock			0		0	0		0
Cancellation of treasury stock			(50,191)		50,191	―		―
Compensation costs related to stock options		215				215		215
Equity transactions with non-controlling interest shareholders		(5,870)		1,122		(4,748)	6,879	2,131
Transfer to retained earnings			17,163	(17,163)		―		―
Balance as at September 30, 2014	¥ 341,482	¥ 412,349	¥2,474,476	¥ 871,334	¥ (5,960)	¥4,093,681	¥ 301,348	¥4,395,029

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2013	Six-month period ended September 30, 2014
Operating Activities:		
Profit for the Period	¥ 214,261	¥ 232,874
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	101,988	142,443
Change in retirement benefit liabilities	4,096	(1,725)
Provision for doubtful receivables	5,444	6,359
(Gain)/loss on securities and other investments—net	(12,459)	(9,305)
Impairment loss of fixed assets	838	812
(Gain)/loss on disposal or sales of fixed assets—net	(1,710)	(439)
Finance (income)/costs—net	(54,302)	(65,273)
Income taxes	101,392	79,207
Share of profit of investments accounted for using equity method	(98,381)	(103,809)
Changes in operating assets and liabilities:		
Change in trade and other receivables	161,854	52,498
Change in inventories	(39,493)	(73,886)
Change in trade and other payables	(138,352)	8,435
Other—net	(75,567)	(14,563)
Interest received	14,442	17,515
Interest paid	(27,708)	(23,977)
Dividends received	151,933	184,380
Income taxes paid	(68,995)	(57,858)
Cash flows from operating activities	239,281	373,688
Investing Activities:		
Net change in time deposits	(4,699)	(976)
Net change in investments in and advances to equity accounted investees	(74,489)	(66,191)
Net change in other investments	(153,642)	25,583
Net change in long-term loan receivables	(13,398)	22,384
Net change in property, plant, equipment and investment property	(180,621)	(170,766)
Cash flows from investing activities	(426,849)	(189,966)
Financing Activities:		
Net change in short-term debt	42,986	35,646
Net change in long-term debt	77,874	175,857
Purchases and sales of treasury stock	(9)	(11)
Dividends paid	(38,334)	(60,955)
Transactions with non-controlling interest shareholders	(681)	(8,314)
Cash flows from financing activities	81,836	142,223
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3,469)	19,083
Cash and Cash Equivalents Included in Assets Held for Sale	-	(673)
Change in Cash and Cash Equivalents	(109,201)	344,355
Cash and Cash Equivalents at Beginning of Period	1,432,534	1,226,317
Cash and Cash Equivalents at End of Period	¥ 1,323,333	¥ 1,570,672

(5) Assumption for Going Concern: None

(6) Segment Information

Six-month period ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	117,484	383,454	185,713	452,426	759,162	474,998	45,243
Gross Profit	26,798	96,978	53,880	40,063	108,885	55,307	9,199
Share of Profit of Investments Accounted for Using the Equity Method	3,115	27,886	18,332	3,167	28,418	6,311	5,965
Profit (Loss) for the Period Attributable to Owners of the parent	6,671	50,492	14,420	6,182	98,945	1,847	(4,427)
EBITDA	12,551	123,135	21,575	14,315	212,678	6,439	(11,961)
Total Assets at March 31, 2014	567,741	1,970,858	1,872,585	765,751	2,478,158	1,495,387	496,533

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	341,522	52,024	51,505	2,863,531	933	3	2,864,467
Gross Profit	38,331	8,751	6,435	444,627	492	(8,053)	437,066
Share of Profit of Investments Accounted for Using the Equity Method	2,855	462	2,056	98,567	10	(196)	98,381
Profit (Loss) for the Period Attributable to Owners of the parent	9,769	1,127	19,642	204,668	4,345	(5,323)	203,690
EBITDA	14,166	(340)	669	393,227	1,781	27,321	422,329
Total Assets at March 31, 2014	568,772	105,907	345,074	10,666,766	5,037,172	(4,212,619)	11,491,319

Six-month period ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	90,739	390,155	204,081	470,243	542,889	462,527	54,425
Gross Profit	20,283	76,471	59,449	36,966	109,401	56,938	16,460
Share of Profit of Investments Accounted for Using the Equity Method	3,300	24,673	26,092	3,521	26,798	10,441	1,568
Profit (Loss) for the Period Attributable to Owners of the parent	2,710	42,601	21,591	3,815	112,369	(3,880)	(4,199)
EBITDA	5,804	111,889	32,702	11,754	246,843	6,286	(5,361)
Total Assets at September 30, 2014	579,386	2,016,856	1,997,726	816,906	2,533,782	1,629,599	490,120

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	427,718	51,616	52,271	2,746,664	907	(2)	2,747,569
Gross Profit	38,415	9,407	6,250	430,040	394	(10,192)	420,242
Share of Profit of Investments Accounted for Using the Equity Method	3,900	910	3,005	104,208	-	(399)	103,809
Profit (Loss) for the Period Attributable to Owners of the parent	12,558	3,248	15,215	206,028	4,460	12,172	222,660
EBITDA	15,497	38	252	425,704	383	35,978	462,065
Total Assets at September 30, 2014	592,378	106,789	357,855	11,121,397	5,086,285	(3,953,359)	12,254,323

Notes:1. "All Other" principally consisted of the Corporate Staff Unit which provides financing services and operations services to external customers and/or to the companies and affiliated companies. Total assets of "All Other" at March 31, 2014 and September 30, 2014 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.
2. Transfers between repotable segments are made at cost plus a markup.
3. Profit (Loss) for the Period Attributable to Owners of the parent of "Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Since the three-month period ended June 30, 2014, EBITDA has been disclosed by reportable segments as the information of the operating segments periodically reviewed by the management. EBITDA is comprised of the companies' (a) gross profit, (b) selling, general and administrative expenses, (c) dividend income and (d) share of profit of investments accounted for using the equity method as presented in the Condensed Consolidated Statements of Income and (e) depreciation and amortization as presented in the Condensed Consolidated Statements of Cash Flows.