Consolidated Financial Results for the Six-Month Period Ended September 30, 2015 [IFRS]

Tokyo, November 6, 2015 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 2015, 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, 2015
(from April 1, 2015 to September 30, 2015)

		Six-month period ended September 30,			
		2015	%	2014	%
Revenue	Millions of yen	2,497,832	△ 9.1	2,747,569	△ 4.1
Profit before income taxes	Millions of yen	225,030	△ 27.9	312,081	△ 1.1
Profit for the period	Millions of yen	145,755	△ 37.4	232,874	8.7
Profit for the period attributable to owners of the parent	Millions of yen	130,641	△ 41.3	222,660	9.3
Comprehensive income for the period	Millions of yen	△ 126,149	-	360,720	53.1
Earnings per share attributable to owners of the parent, basic	Yen	72.88		124.22	
Earnings per share attributable to owners of the parent, diluted	Yen	72.86		124.20	

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, 2015	March 31, 2015
Total assets	Millions of yen	11,698,198	12,202,921
Total equity	Millions of yen	4,201,559	4,397,374
Total equity attributable to owners of the parent	Millions of yen	3,906,586	4,099,795
Equity attributable to owners of the parent ratio	%	33.4	33.6

2. Dividend information

		Year ended March 31,		Year ending March 31, 2016 (Forecast)
		2016	2015	
Interim dividend per share	Yen	32	32	
Year-end dividend per share	Yen		32	32
Annual dividend per share	Yen		64	64

3. Forecast of consolidated operating results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

		Year ending March 31, 2016
Profit attributable to owners of the parent	Millions of yen	240,000
Earnings per share attributable to owners of the parent, basic	Yen	133.89

Note :
We maintain our forecast profit attributable to owners of the parent for the year ending March 31, 2016 of ¥240.0 billion announced together with the results of fiscal year ended March 2015. No updates have been made to this forecast.

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

(2) Changes in accounting policies and accounting estimate :
(i) Changes in accounting policies required by IFRS None
(ii) Other changes None
(iii) Changes in accounting estimates Yes
Note :
For further details please refer to page 27 "4. Condensed Consolidated Financial Statements (7) Change in Accounting Estimate".

(3) Number of shares :

	September 30, 2015	March 31, 2015
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	4,000,896	3,995,027

	Six-month period ended September 30, 2015	Six-month period ended September 30, 2014
Average number of shares of common stock outstanding	1,792,519,055	1,792,509,235

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, 2016" on p.17.
For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.20.

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 9, 2015.
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, 2015, and thereafter.

In the global economy, the scenario of recovery driven by the United States continued unabated, yet overall growth was slower than originally forecast. This trend was linked to a greater than expected slowdown in China's economy which acted to delay recovery among developed countries while also prompting further slowdown in growth among emerging countries.

The United States economy continued to expand due to steadily improving employment, solid corporate earnings, gradual recovery in the housing market and other upbeat fundamentals. This positive trend ensued despite signs of weak external demand due a strong U.S. dollar and the downturn in emerging economies.

The Japanese economy stalled overall, despite having benefitted from positive factors in the form of an upbeat environment for employment and incomes and a surge in visitors from overseas. This was due to weakening exports stemming largely from slowing demand in China, coupled with bearish developments in personal consumption largely due to budget-minded household spending and unfavorable weather conditions.

The European economy picked up moderately, despite a recurrence of problems in Greece causing disturbance, due to depreciation in the euro currency underpinned by quantitative easing measures, along with lower crude oil prices.

The Chinese economy continued to lose steam, hampered by debt problems facing the nation's local governments, adjustments in production to reduce excess capacity, sluggish personal consumption against a backdrop of sliding share prices, along with a situation where local governments have been taking a cautious approach toward executing public works projects in the face of the government's anti-corruption campaign.

As for other emerging countries, economic disparities have been taking shape driven by factors that include: 1.) connectivity of such countries with China's economy, 2.) their reliance on resource exports, 3.) their dependence on foreign funds, and 4.) the extent to which they have made progress in implementing structural reforms.

The spot reference price for iron ore CFR North China (Fe 62%) remained soft against a backdrop of the slowing Chinese economy, trading mainly in the range of US$50–$60 per ton. The Dubai Crude spot price remained at around the level of US$50 per barrel with sluggish growth in demand weighing on the upside.

The global economic outlook poses growing concerns amid risk factors that include possibilities of a surge in capital outflows from emerging countries due to a hike in United States interest rates, and persisting economic slowdown in China.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥2,497.8 billion for the six-month period ended September 30, 2015 ("current period"), a decline of ¥249.8 billion from ¥2,747.6 billion for the corresponding six-month period of the previous year ("previous period").

- Revenue from sales of products for the current period was ¥2,220.5 billion, a decline of ¥252.3 billion from ¥2,472.8 billion for the previous period, as a result of the following:
  - The Energy Segment reported a decline of ¥177.6 billion. Petroleum trading operations recorded a decline of ¥131.9 billion reflecting lower crude oil prices. Furthermore, oil and gas producing operations recorded a decline of ¥27.2 billion reflecting lower crude oil and gas prices.

- The Chemicals Segment reported a decline of ¥35.7 billion due to a decline in trading volume and lower prices of chemicals in China.
- The Iron & Steel Products Segment reported a decline of ¥31.8 billion mainly due to a transfer of domestic structural product and metal scrap businesses from Mitsui & Co. Steel Ltd. to Metal One Mitsui Bussan Resources & Structural Steel Corporation (now called MM & KENZAI Corporation), which is an equity accounted investee.
- The Americas Segment reported a decline of ¥28.1 billion due to a decline in sales volume of oil and gas well tubular products and a decline in trading volume of soybean, corn and butadiene in spite of an increase in Novus International, Inc. from higher methionine prices.
- The Lifestyle Segment reported an increase of ¥25.6 billion due to an increase in trading volume of coffee, corn and soybean in spite of a decline in Multigrain Trading AG from lower soybean prices.

● Revenue from rendering of services for the current period was ¥196.7 billion, a decline of ¥11.1 billion from ¥207.8 billion for the previous period.
● Other revenue for the current period was ¥80.7 billion, an increase of ¥13.8 billion from ¥66.9 billion for the previous period.

Gross Profit

Gross profit for the current period was ¥390.6 billion, a decline of ¥29.6 billion from ¥420.2 billion for the previous period.

● The Energy Segment reported a decline of ¥40.4 billion. Mitsui E&P Middle East B.V. reported a decline of ¥16.7 billion mainly due to lower crude oil prices. Mitsui Oil Exploration Co., Ltd. reported a decline of ¥9.5 billion from lower crude oil prices and higher production costs, which was partially offset by the positive impact of exchange rate fluctuations, and Mitsui E&P USA LLC reported a decline of ¥8.6 billion from lower gas prices. Furthermore, Mitsui E&P Australia Pty Limited reported a decline of ¥7.8 billion from lower crude oil prices in spite of partially off-setting cost reductions. Meanwhile, an increase of ¥4.0 billion was recorded mainly as a reversal of losses on LNG trading in the previous period.
● The Mineral & Metal Resources Segment reported a decline of ¥20.3 billion. Iron ore mining operations in Australia reported a decline of ¥23.3 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations and cost reductions.
● The Americas Segment reported an increase of ¥22.2 billion. Novus International, Inc. reported an increase of ¥25.4 billion due to higher methionine prices and lower costs.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current period were ¥283.4 billion, an increase of ¥2.0 billion from ¥281.4 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	147.8	7.5	16.9	3.9	24.5
Previous Period	145.2	7.0	17.0	4.1	23.9
Change	2.6	0.5	(0.1)	(0.2)	0.6

(Billions of Yen)	Rent	Depreciation	Tax	Provision for doubtful receivables	Others	Total
Current Period	13.2	7.2	4.1	6.5	51.8	283.4
Previous Period	10.3	7.2	5.4	6.4	54.9	281.4
Change	2.9	0.0	(1.3)	0.1	(3.1)	2.0

Gain on Securities and Other Investments—Net

Gain on securities and other investments for the current period was ¥16.1 billion, an increase of ¥6.8 billion from ¥9.3 billion for the previous period.

- For the current period, a ¥9.9 billion gain due to valuation of fair value on shares in Hutchison China MediTech (including a ¥10.1 billion gain on shares in Hutchison MediPharma Holdings before a share exchange with Hutchison China MediTech) and a ¥3.5 billion gain on sales of stakes in relation to automobile business were recorded.
- For the previous period, a ¥9.1 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded.

Impairment Reversal (Loss) of Fixed Assets

Gain on fixed assets for the current period was ¥4.8 billion, an increase of ¥5.6 billion from ¥0.8 billion of loss for the previous period.

- For the current period, an ¥11.8 billion reversal of impairment was recorded at Tokyo International Air Cargo Terminal Ltd. Meanwhile, a ¥5.2 billion loss was recorded at Mitsui E&P UK Limited on fixed assets as a result of changes in estimation of asset retirement costs at oil and gas fields in the North Sea.
- There were miscellaneous small transactions for the previous period.

Gain on Disposal or Sales of Fixed Assets—Net

Gain on disposal or sales of fixed assets for the current period was ¥11.5 billion, an increase of ¥11.1 billion from ¥0.4 billion for the previous period.

- For the current period, an ¥11.6 billion gain on the sales of buildings in Japan was recorded.
- There were miscellaneous small transactions for the previous period.

Other Expense—Net

Other expense for the current period was ¥19.2 billion, a deterioration of ¥10.6 billion from ¥8.6 billion for the previous period.

- For the current period, exploration expenses totaled ¥8.3 billion, including those recorded at oil and gas producing businesses. Furthermore, a ¥6.3 billion impairment loss on goodwill on Multigrain Trading AG was recorded.
- For the previous period, exploration expenses totaled ¥12.6 billion, including those recorded at oil and gas producing businesses.

Finance Income (Costs)

Interest Income

Interest income for the current period was ¥15.9 billion, a decline of ¥0.8 billion from ¥16.7 billion for the previous period.

Dividend Income

Dividend income for the current period was ¥26.0 billion, a decline of ¥50.9 billion from ¥76.9 billion for the previous period.

- Dividends from six LNG projects (Qatargas 1, Abu Dhabi, Oman, Qatargas 3, Equatorial Guinea and Sakhalin II) were ¥11.1 billion in total, a decline of ¥50.1 billion from ¥61.2 billion for the previous period.

Interest Expense

Interest expense for the current period was ¥25.6 billion, an increase of ¥1.0 billion from ¥24.6 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	0.17%	0.21%
U.S. dollar	0.30%	0.23%

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 ¥88.3 billion, a decline of ¥15.5 billion from ¥103.8 billion for the previous period.

- IPP businesses recorded a deterioration of ¥19.6 billion mainly due to a one-time negative impact on IPP businesses from lower electricity prices and obsolete power plants.
- Valepar S.A. recorded a decline of ¥11.5 billion due to foreign exchange valuation losses on debt at Vale S.A. and lower iron ore prices, which was partially offset by recognition of a deferred tax asset reflecting the tax system revision in Brazil.
- Japan Australia LNG (MIMI) Pty. Ltd reported a decline due to lower oil prices.
- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded an increase of ¥12.4 billion due to the reversal effect of additional recognition of a deferred tax liability reflecting the tax system revision in Chile for the previous period.
- For the previous period, research and developments cost incurred for the development of a new aircraft engine with General Electric Company were recorded.
- The LNG receiving terminal project in Mexico recorded an increase of ¥4.7 billion due to a change in lease accounting treatment. Furthermore, a one-time positive impact in relation to Toyo Engineering Corporation was recorded reflecting the difference between loss estimates and actual amounts.

Income Taxes

Income taxes for the current period were ¥79.3 billion, an increase of ¥0.1 billion from ¥79.2 billion for the previous period.

- Reduced tax burden in relation to income taxes recognized as other comprehensive income corresponding to sale of financial assets measured at FVTOCI was declined.
- Subsidiaries whose functional currency and currency used to calculate tax profit differ recorded an increase in tax burden on taxable temporary difference arising from depreciation of currency used to calculate tax profit against functional currency.
- Profit before income taxes for the current period was ¥225.0 billion, a decline of ¥87.1 billion from ¥312.1 billion for the previous period. In response, applicable income taxes also declined.
- For the previous period, a ¥12.0 billion negative impact on deferred tax was caused by the repeal of the Australian Mineral Resource Rent Tax (“MRRT”).

The effective tax rate for the current period was 35.2%, an increase of 9.8% from 25.4% for the previous period. The major factors for the increase were the aforementioned decline in reduced tax burden corresponding to sale of financial assets measured at FVTOCI and effects on depreciation of currency used to calculate tax profit. Furthermore, a decline in no-tax or low-tax income such as dividend income caused an increase in the effective tax rate. Meanwhile, the major factor for the decline was the negative impact for the previous year on deferred tax caused by the repeal of the Australian Mineral Resource Rent Tax (“MRRT”).

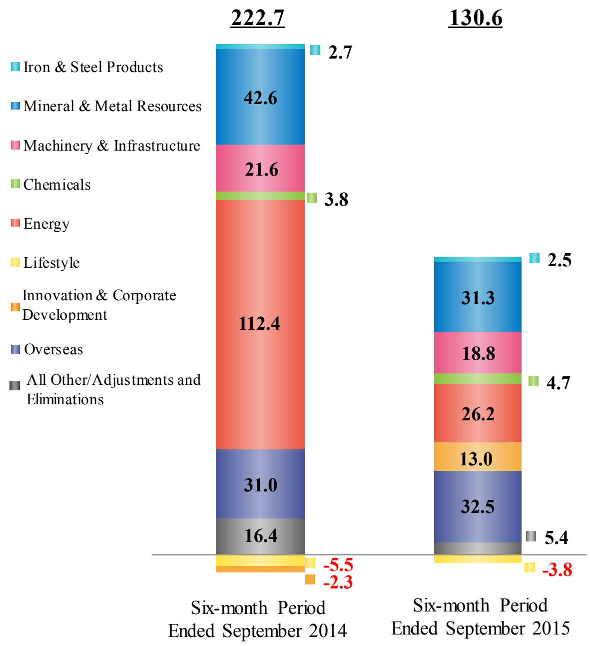
Profit for the Period

As a result of the above factors, profit for the period was ¥145.8 billion, a decline of ¥87.1 billion from ¥232.9 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 ¥130.6 billion, a decline of ¥92.1 billion from ¥222.7 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. 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)		347.4	462.1	(114.7)
Gross profit	a	390.6	420.2	(29.6)
Selling, general and administrative expenses	b	(283.4)	(281.4)	(2.0)
Dividend income	c	26.0	76.9	(50.9)
Profit of equity method investments (*2)	d	88.3	103.8	(15.5)
Depreciation and amortization	e	125.9	142.4	(16.5)

*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

From the current period, for the purpose of disclosing each operating segment’s EBITDA more properly, profits and losses associated with EBITDA of jointly invested subsidiaries by several segments are allocated using “Profit of equity method investments”, and service fees received from affiliated companies are either added up as “Gross profit” or deducted from “Selling, general and administrative expenses” according to its content. Furthermore, Media Business Div., included in the Lifestyle Segment, was transferred to the Innovation & Corporate Development Segment. In accordance with the aforementioned changes, the operating segment information for the previous period has been restated to conform to the current period presentation.

Iron & Steel Products Segment

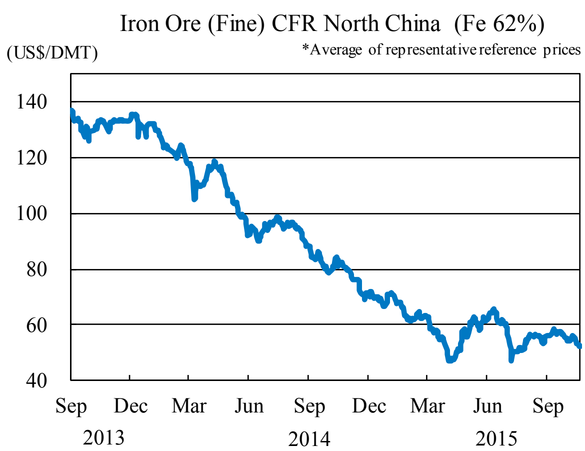
(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	5.6	6.6	(1.0)
Gross profit	16.5	20.8	(4.3)
Selling, general and administrative expenses	(15.4)	(18.9)	+3.5
Dividend income	1.3	1.0	+0.3
Profit of equity method investments	2.7	3.2	(0.5)
Depreciation and amortization	0.5	0.6	(0.1)
Profit for the period attributable to owners of the parent	2.5	2.7	(0.2)

EBITDA declined by ¥1.0 billion, mainly due to the following factors:
Gross profit declined by ¥4.3 billion.
Selling, general and administrative expenses declined by ¥3.5 billion.
Profit of equity method investments declined by ¥0.5 billion.
Profit for the period attributable to owners of the parent declined by ¥0.2 billion.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	67.2	90.1	(22.9)
Gross profit	57.1	77.4	(20.3)
Selling, general and administrative expenses	(18.7)	(20.4)	+1.7
Dividend income	0.8	0.8	0.0
Profit of equity method investments	4.5	1.3	+ 3.2
Depreciation and amortization	23.4	31.0	(7.6)
Profit for the period attributable to owners of the parent	31.3	42.6	(11.3)

EBITDA declined by ¥22.9 billion, mainly due to the following factors:
Gross profit declined by ¥20.3 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 as in the previous period, such as the daily average of spot reference prices for the current quarter of shipments, and the daily average of spot reference prices for the shipment month.



Mitsui Iron Ore Development Pty. Ltd. reported a decline of ¥18.1 billion in gross profit reflecting lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations and cost reduction. Mitsui-Itochu Iron Pty. Ltd. reported a decline of ¥5.2 billion in gross profit reflecting lower iron ore prices, which was partially offset by cost reductions and the positive impact of exchange rate fluctuations.
Profit of equity method investments increased by ¥3.2 billion.

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded an increase of ¥12.4 billion to a loss of ¥1.5 billion from a loss of ¥13.9 billion for the previous period, due to the reversal effect of additional recognition of a deferred tax liability reflecting the tax system revision in Chile.

- Valepar S.A. posted a profit of ¥4.5 billion, a decline of ¥11.5 billion from a profit of ¥16.0 billion for the previous period due to foreign exchange valuation losses on debt at Vale S.A. and lower iron ore prices, which was partially offset by recognition of a deferred tax asset reflecting the tax system revision in Brazil.
- Allocation to other segments declined by ¥5.9 billion mainly due to the negative impact from lower iron ore prices on iron ore mining operations in Australia, jointly invested with the Asia Pacific Segment.

Depreciation and amortization declined by ¥7.6 billion.

Profit for the period attributable to owners of the parent declined by ¥11.3 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 MRRT for the previous period.
- A ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the previous period.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	31.6	32.4	(0.8)
Gross profit	64.5	60.3	+4.2
Selling, general and administrative expenses	(63.9)	(63.1)	(0.8)
Dividend income	2.1	2.5	(0.4)
Profit of equity method investments	19.7	23.4	(3.7)
Depreciation and amortization	9.0	9.3	(0.3)
Profit for the period attributable to owners of the parent	18.8	21.6	(2.8)

EBITDA declined by ¥0.8 billion, mainly due to the following factors:

Gross profit increased by ¥4.2 billion.

- The Infrastructure Projects Business Unit reported an increase of ¥2.0 billion.
- The Integrated Transportation Systems Business Unit reported an increase of ¥2.2 billion.

Profit of equity method investments declined by ¥3.7 billion.

- The Infrastructure Projects Business Unit reported a decline of ¥11.6 billion.
  IPP businesses posted a loss of ¥7.0 billion in total, a deterioration of ¥19.4 billion from a profit of ¥12.4 billion for the previous period.
  - For the current period, a one-time negative impact was recorded due to lower electricity prices and obsolete power plants.
  - Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, deteriorated by ¥3.1 billion to a loss of ¥0.5 billion from a gain of ¥2.6 billion for the previous period.

  The LNG receiving terminal project in Mexico recorded an increase of ¥4.7 billion due to a change in lease accounting treatment. Furthermore, a one-time positive impact in relation to Toyo Engineering Corporation was recorded reflecting the difference between loss estimates and actual amounts.
- The Integrated Transportation Systems Business Unit reported an increase of ¥8.0 billion. For the previous period, this Business Unit recorded research and development costs incurred for the development of a new aircraft engine with General Electric Company.

Profit for the period attributable to owners of the parent declined by ¥2.8 billion. In addition to the above, the following factors also affected results:

- For the current period, an ¥11.8 billion reversal gain of impairment loss was recorded at Tokyo International Air Cargo Terminal Ltd.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	13.6	12.1	+1.5
Gross profit	38.1	37.2	+0.9
Selling, general and administrative expenses	(34.2)	(33.9)	(0.3)
Dividend income	0.8	0.6	+0.2
Profit of equity method investments	4.3	3.0	+1.3
Depreciation and amortization	4.7	5.1	(0.4)
Profit for the period attributable to owners of the parent	4.7	3.8	+0.9

EBITDA increased by ¥1.5 billion, mainly due to the following factors:

Gross profit increased by ¥0.9 billion.

- The Basic Chemicals Business Unit reported an increase of ¥0.3 billion.
- The Performance Chemicals Business Unit reported an increase of ¥0.5 billion.

Profit of equity method investments increased by ¥1.3 billion.

Profit for the period attributable to owners of the parent increased by ¥0.9 billion.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	140.4	249.1	(108.7)
Gross profit	69.9	110.3	(40.4)
Selling, general and administrative expenses	(25.5)	(27.5)	+2.0
Dividend income	12.5	63.2	(50.7)
Profit of equity method investments	15.0	26.9	(11.9)
Depreciation and amortization	68.6	76.2	(7.6)
Profit for the period attributable to owners of the parent	26.2	112.4	(86.2)

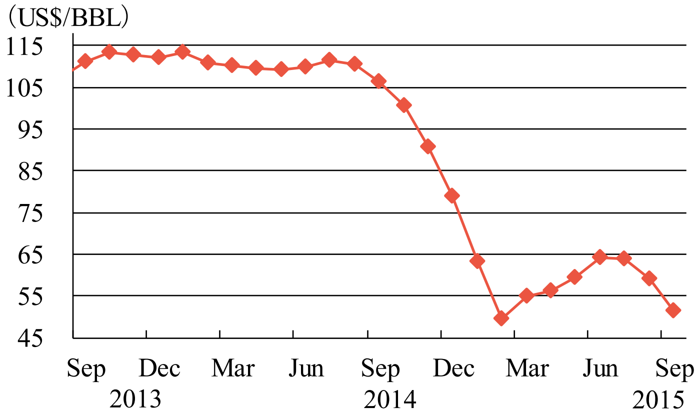
EBITDA declined by ¥108.7 billion, mainly due to the following factors:

The weighted average crude oil prices applied to our operating results for the current period and the previous period were estimated to be US$60 and US$110 per barrel, respectively.

Gross profit declined by ¥40.4 billion, primarily due to the following factors:

- Mitsui E&P Middle East B.V. reported a decline of ¥16.7 billion mainly due to lower crude oil prices.
- Mitsui Oil Exploration Co., Ltd. reported a decline of ¥9.5 billion from lower crude oil prices and higher production costs, which was partially offset by the positive impact of exchange rate fluctuations.

Crude Oil Price (JCC: Japan Crude Cocktail)



- Mitsui E&P USA LLC reported a decline of ¥8.6 billion from lower gas prices.
- Mitsui E&P Australia Pty Limited reported a decline of ¥7.8 billion from lower crude oil prices in spite of partially off-setting cost reductions.
- An increase of ¥4.0 billion was recorded mainly as a reversal of losses on LNG trading in the previous period.

Dividend income declined by ¥50.7 billion. Dividends from six LNG projects (Qatargas 1, Abu Dhabi, Oman, Qatargas 3, Equatorial Guinea and Sakhalin II) were ¥11.1 billion in total, a decline of ¥50.1 billion from ¥61.2 billion for the previous period.

Profit of equity method investments declined by ¥11.9 billion. Japan Australia LNG (MIMI) Pty. Ltd

reported a decline due to lower oil prices.
Depreciation and amortization declined by ¥7.6 billion. Oil and gas producing operations recorded a decline of ¥7.7 billion, including a decline of ¥8.6 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 declined by ¥86.2 billion. In addition to the above, the following factors also affected results:

- For the current period, exploration expenses of ¥7.6 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui E&P USA LLC. For the previous period, exploration expenses of ¥11.8 billion in total were recorded, including those recorded by Mitsui E&P Mozambique Area 1 Limited and Mitsui E&P Australia Pty Limited.
- For the current period, an impairment loss of ¥5.2 billion was recorded at Mitsui E&P UK Limited on fixed assets as a result of changes in estimation of asset retirement costs at oil and gas fields in the North Sea.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	6.0	5.6	+0.4
Gross profit	57.2	56.4	+0.8
Selling, general and administrative expenses	(71.4)	(67.5)	(3.9)
Dividend income	2.4	2.8	(0.4)
Profit of equity method investments	11.4	7.6	+3.8
Depreciation and amortization	6.4	6.2	+0.2
Loss for the period attributable to owners of the parent	(3.8)	(5.5)	+1.7

EBITDA increased by ¥0.4 billion, mainly due to the following factors:
Gross profit increased by ¥0.8 billion.

- The Food Resources Business Unit reported a decline of ¥0.8 billion.
- The Food Products & Services Business Unit reported an increase of ¥1.1 billion.
- The Consumer Service Business Unit reported an increase of ¥0.5 billion.

Selling, general and administrative expenses increased by ¥3.9 billion.
Profit of equity method investments increased by ¥3.8 billion.

- The Food Resources Business Unit reported an increase of ¥1.8 billion.
- The Food Products & Services Business Unit reported an increase of ¥0.5 billion.
- The Consumer Service Business Unit reported an increase of ¥1.5 billion.

Loss for the period attributable to owners of the parent improved by ¥1.7 billion. In addition to the above, the following factors also affected results:

- For the current period, Bussan Real Estate Co., Ltd. (now called Mitsui & Co. Real Estate Ltd.) recorded a ¥13.1 billion gain on the sales of buildings in Japan.
- For the current period, a ¥6.3 billion impairment loss on goodwill was recorded at Multigrain Trading AG.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	7.2	(2.0)	+9.2
Gross profit	24.7	18.5	+6.2
Selling, general and administrative expenses	(30.1)	(31.4)	+1.3
Dividend income	4.5	4.6	(0.1)
Profit of equity method investments	5.4	3.7	+1.7
Depreciation and amortization	2.8	2.6	+0.2
Profit for the period attributable to owners of the parent	13.0	(2.3)	+15.3

EBITDA increased by ¥9.2 billion, mainly due to the following factors:

Gross profit increased by ¥6.2 billion.

- The IT & Communication Business Unit reported an increase of ¥1.5 billion.
- The Corporate Development Business Unit reported an increase of ¥4.7 billion.

Profit of equity method investments increased by ¥1.7 billion.

Profit for the period attributable to owners of the parent increased by ¥15.3 billion. In addition to the above, a ¥9.9 billion gain due to the valuation of fair value on shares in Hutchison China MediTech (including a ¥10.1 billion gain on shares in Hutchison MediPharma Holdings before share exchange with Hutchison China MediTech) was recorded.

Americas Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	39.8	19.8	+20.0
Gross profit	63.5	41.3	+22.2
Selling, general and administrative expenses	(31.9)	(31.0)	(0.9)
Dividend income	0.0	0.0	0.0
Profit of equity method investments	3.4	5.4	(2.0)
Depreciation and amortization	4.9	4.2	+0.7
Profit for the period attributable to owners of the parent	16.9	12.6	+4.3

EBITDA increased by ¥20.0 billion, mainly due to the following factors:

Gross profit increased by ¥22.2 billion. Novus International, Inc. reported an increase of ¥25.4 billion due to higher methionine prices and lower costs.

Profit of equity method investments declined by ¥2.0 billion.

Profit for the period attributable to owners of the parent increased by ¥4.3 billion. In addition to the above, a ¥4.5 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the previous period.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	3.9	2.9	+1.0
Gross profit	10.9	10.5	+0.4
Selling, general and administrative expenses	(9.9)	(10.5)	+0.6
Dividend income	0.1	0.1	0.0
Profit of equity method investments	2.5	2.7	(0.2)
Depreciation and amortization	0.2	0.2	0.0
Profit for the period attributable to owners of the parent	2.9	3.2	(0.3)

EBITDA increased by ¥1.0 billion, mainly due to the following factors:

Gross profit increased by ¥0.4 billion.

Profit of equity method investments declined by ¥0.2 billion.

Profit for the period attributable to owners of the parent declined by ¥0.3 billion.

Asia Pacific Segment

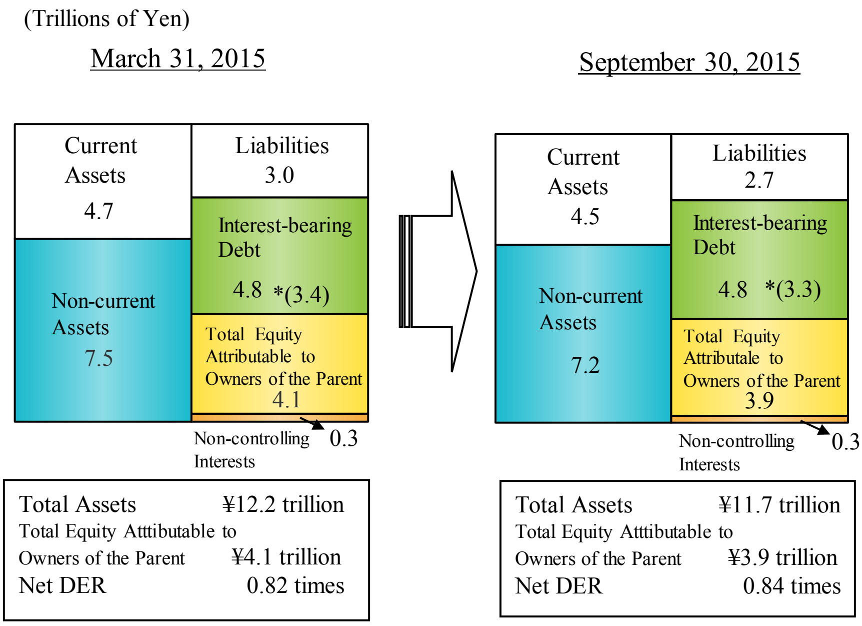
(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	22.6	29.0	(6.4)
Gross profit	12.0	10.9	+1.1
Selling, general and administrative expenses	(10.3)	(10.0)	(0.3)
Dividend income	0.7	0.6	+0.1
Profit of equity method investments	19.5	27.1	(7.6)
Depreciation and amortization	0.7	0.3	+0.4
Profit for the period attributable to owners of the parent	12.7	15.2	(2.5)

EBITDA declined by ¥6.4 billion, mainly due to the following factors:
Gross profit increased by ¥1.1 billion.
Profit of equity method investments declined by ¥7.6 billion. Allocation from other segments declined by ¥5.8 billion mainly due to the negative impact from lower iron ore prices on iron ore mining operations in Australia, jointly invested with the Mineral & Metal Resources Segment.
Profit for the period attributable to owners of the parent declined by ¥2.5 billion.

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

1) Financial Condition

Total assets as of September 30, 2015 was ¥11,698.2 billion, a decline of ¥504.7 billion from ¥12,202.9 billion as of March 31, 2015.



(*) 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 current assets as of September 30, 2015 was ¥4,506.2 billion, a decline of ¥224.3 billion from ¥4,730.5 billion as of March 31, 2015. Trade and other receivables declined by ¥255.1 billion, mainly due to the

decline in trading volume in the Machinery & Infrastructure and the Chemicals Segments as well as lower prices in the Energy Segment.
Total current liabilities as of September 30, 2015 was ¥2,607.6 billion, a decline of ¥233.5 billion from ¥2,841.1 billion as of March 31, 2015. Trade and other payables declined by ¥154.5 billion, corresponding to the decline in trade and other receivables.

As a result, working capital, or current assets less current liabilities, as of September 30, 2015, totaled ¥1,898.6 billion, an increase of ¥9.2 billion from ¥1,889.4 billion as of March 31, 2015.

Total non-current assets as of September 30, 2015 totaled ¥7,192.0 billion, a decline of ¥280.4 billion from ¥7,472.4 billion as of March 31, 2015, mainly due to the following factors:

- Investments accounted for using the equity method as of September 30, 2015 was ¥2,711.8 billion, a decline of ¥79.5 billion from ¥2,791.3 billion as of March 31, 2015, mainly due to the following factors:
    - An decline of ¥143.0 billion resulting from foreign currency exchange fluctuations;
    - An increase of ¥14.1 billion due to an acquisition of a 25% stake in Gonvarri Eólica, S.L., which is engaged in wind turbine towers and flanges manufacturing in Spain;
    - An increase of ¥11.9 billion due to an additional acquisition of a stake in a passenger railway transportation business in Brazil with Odebrecht TransPort S.A.; and
    - A decline of ¥87.8 billion due to dividends received from equity accounted investees, despite an increase of ¥88.3 billion corresponding to the profit of equity method investments for the current period.
- Other investments as of September 30, 2015 were ¥1,395.3 billion, a decline of ¥134.5 billion from ¥1,529.8 billion as of March 31, 2015, mainly due to the following factors:
    - A ¥132.6 billion net decline mainly due to the decline of fair value on financial assets measured at FVTOCI in investments in LNG projects due to lower crude oil prices, and
    - A ¥9.4 billion net increase due to the increase of fair value on financial assets measured at FVTPL, including a ¥9.9 billion increase due to valuation of fair value on shares in Hutchison China MediTech (including a ¥10.1 billion increase due to valuation of fair value on shares in Hutchison MediPharma Holdings before a share exchange with Hutchison China MediTech).
- Trade and other receivables as of September 30, 2015 totaled ¥378.2 billion, a decline of ¥46.9 billion from ¥425.1 billion as of March 31, 2015, mainly due to a decline of ¥20.7 billion from the collection of a loan receivable to the FPSO leasing business in Brazil and Vietnam.
- Property, plant and equipment as of September 30, 2015 totaled ¥2,122.0 billion, a decline of ¥26.1 billion from ¥2,148.1 billion as of March 31, 2015, mainly due to the following factors:
    - A decline of ¥33.2 billion (including a foreign exchange translation loss of ¥34.9 billion) at iron ore mining operations in Australia;
    - A decline of ¥13.3 billion (including a foreign exchange translation loss of ¥9.7 billion) at coal mining operations in Australia; and
    - An increase of ¥10.8 billion (including a foreign exchange translation gain of ¥2.7 billion) in locomotive leasing businesses in Europe.
- Intangible assets as of September 30, 2015 totaled ¥169.5 billion, an increase of ¥6.5 billion from ¥163.0 billion as of March 31, 2015. There was an increase of ¥11.8 billion due to a reversal of impairment loss at Tokyo International Air Cargo Terminal Ltd.

Total non-current liabilities as of September 30, 2015 totaled ¥4,889.1 billion, a decline of ¥75.3 billion from ¥4,964.4 billion as of March 31, 2015.

Total equity attributable to owners of the parent as of September 30, 2015 was ¥3,906.6 billion, a decline of ¥193.2 billion from ¥4,099.8 billion as of March 31, 2015. Major components included:

- Retained earnings increased by ¥84.4 billion, which was partially offset by a dividend payment.
- Other components of equity as of September 30, 2015 declined by ¥273.3 billion.
  - Foreign currency translation adjustments declined by ¥182.9 billion reflecting the depreciation of the Australian dollar and the Brazilian real against the Japanese yen, and
  - Financial assets measured at FVTOCI declined by ¥98.2 billion. Fair value in investments in LNG projects declined reflecting the drop in oil prices.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of September 30, 2015 was ¥3,290.5 billion, a decline of ¥91.7 billion from ¥3,382.2 billion as of March 31, 2015. The net debt-to-equity ratio (DER) as of September 30, 2015 was 0.84 times, 0.02 points higher compared to 0.82 times as of March 31, 2015.

	Billions of Yen			
	As of March 31, 2015		As of September 30, 2015	
Short-term debt	¥	290.6	¥	329.5
Long-term debt	¥	4,503.3	¥	4,420.9
Interest bearing debt	¥	4,793.9	¥	4,750.4
Less cash and cash equivalents and time deposits	¥	(1,411.7)	¥	(1,459.9)
Net interest-bearing debt	¥	3,382.2	¥	3,290.5
Total equity attributable to owners of the parent	¥	4,099.8	¥	3,906.6
Net DER (times)		0.82		0.84

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	325.5	373.7	(48.2)
Cash flows from change in working capital	b	56.9	(27.5)	+84.4
Core operating cash flow	a-b	268.6	401.2	(132.6)

Net cash provided by operating activities for the current period was ¥325.5 billion, a decline of ¥48.2 billion from ¥373.7 billion for the previous period.

Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥56.9 billion of net cash inflow, an increase of ¥84.4 billion from ¥27.5 billion of net cash outflow for the previous period.

Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current period amounted to ¥268.6 billion, a decline of ¥132.6 billion from ¥401.2 billion for the previous period.

- Depreciation and amortization for the current period was ¥125.9 billion, a decline of ¥16.5 billion from ¥142.4 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥112.4 billion, a decline of ¥72.0 billion from ¥184.4 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	2.4	2.0	+0.4
Mineral & Metal Resources	71.6	85.4	(13.8)
Machinery & Infrastructure	34.5	39.8	(5.3)
Chemicals	8.8	9.9	(1.1)
Energy	111.5	210.4	(98.9)
Lifestyle	0.1	2.9	(2.8)
Innovation & Corporate Development	3.0	1.4	+1.6
Americas	27.1	11.4	+15.7
Europe, the Middle East and Africa	1.6	1.5	+0.1
Asia Pacific	3.7	4.2	(0.5)
All Other and Adjustments and Eliminations	4.3	32.3	(28.0)
Consolidated Total	268.6	401.2	(132.6)

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥151.7 billion, a decline of ¥38.3 billion from ¥190.0 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 ¥10.1 billion. The major cash outflow was an acquisition of a 25% stake in wind turbine towers and flanges manufacturing business in Spain for ¥14.1 billion and an additional acquisition of a stake in a passenger railway transportation business in Brazil for ¥11.9 billion. The major cash inflow was a repayment of loan to the FPSO leasing business for oil and gas production in Brazil and Vietnam for ¥20.7 billion.
- Net cash inflows that corresponded to other investments (net of sales and maturities of other investments) were ¥6.8 billion. The major cash inflow was a sale of shares in Coca-Cola East Japan Co., Ltd. for ¥11.7 billion.
- Net cash inflows that corresponded to long-term loan receivables (net of collection) were ¥5.7 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥154.2 billion. Major expenditures included:
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥72.8 billion;
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥19.0 billion;
  - Iron ore mining projects in Australia for ¥17.0 billion; and
  - A methanol manufacturing joint venture in the United States for ¥10.2 billion.

  The major cash inflows included ¥13.5 billion from the sale of buildings in Japan by Bussan Real Estate Co., Ltd., which is sales proceeds of ¥17.0 billion less advance payment received in the previous fiscal year.

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 ¥173.8 billion.

Cash Flows from Financing Activities

For the current period, net cash used by financing activities was ¥97.1 billion, an increase of ¥239.3 billion from ¥142.2 billion of net cash provided for the previous period. The cash outflow from the borrowing of long-term debt was ¥77.1 billion and the cash outflow from payments of cash dividends was ¥57.4 billion. Meanwhile, the cash inflow from the borrowing of short-term debt was ¥47.0 billion.

In addition to the changes discussed above, there was a decline in cash and cash equivalents of ¥22.9 billion due to foreign exchange translation. Cash and cash equivalents as of September 30, 2015 totaled ¥1,454.6 billion, an increase of ¥53.8 billion from ¥1,400.8 billion as of March 31, 2015.

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 current period was as follows:

<Results(approx. figure)>

	(¥ billion)	Major Segments and items
Gross Investments & Loans	-240.0	Existing Business + Projects in the pipeline -165.0 / New Business -75.0
(breakdown) Iron & Steel Products	-15.0	Wind turbine towers manufacturing
Mineral & Metal Resources	-25.0	Port and infrastructure expansion of Australian iron ore operations
Machinery & Infrastructure	-25.0	Passenger railway transportation business in Brazil
Chemicals	-15.0	Methanol production in US
Energy	-95.0	Developments of Thai businesses and shale oil/gas in US
Lifestyle	-20.0	Domestic broiler, Food service in China, British education
Innovation & Corporate Development	-10.0	High-speed mobile service in Africa
Overseas	-35.0	Tank terminal expansion in US, Wind power operation in Australia
Divestiture	+100.0	Loan to FPSO leasing, Sales of domestic real estate, Sales of Coca Cola East Japan shares

New investing activities took place or commenced during July – Sep 2015 are printed in blue ink
Investing activities pursing from the 3-month period ended Jun/15 or before are printed in black ink

We implemented investments and loans of approximately ¥165 billion to existing businesses and projects in the pipeline (*). In addition, we made new investments and loans of approximately ¥75 billion for further growth. The resulting sum of investments and loans for the current period was ¥240 billion. On the other hand, we collected approximately ¥100 billion through disposal of assets and investments.
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.
Please refer to "New Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium –" released on May 7, 2014 on our web site.
Please also refer to our Presentation Material of Financial Results for the year ended March 31, 2015 "New Medium-term Management Plan Challenge & Innovation for 2020 – Demonstrating Mitsui Premium – Accomplishments in the First Year and Actions in Progress" for results for investments and loans in the first year of the New Medium-term Management Plan.

* 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, 2016

1) Revised forecasts for the year ending March 31, 2016

＜Assumption＞	1st Half (Actual)	2nd Half (Forecast)	Revised Forecast	Original Forecast
Exchange rate (JPY/USD)	121.73	120	120.86	120
Crude oil (JCC)	$58.96/bbl	$56/bbl	$57/bbl	$63/bbl
Consolidated oil price	$60/bbl	$57/bbl	$58/bbl	$63/bbl

(Billions of yen)

	Revised Forecast	Original Forecast	Change	Description
Gross profit	740.0	740.0	0.0	
Selling, general and administrative expenses	(570.0)	(600.0)	30.0	Cost reductions at subsidiaries, delay in certain project costs
Gain on investments, fixed assets and other	40.0	30.0	10.0	Reversal gain of impairment, valuation gain on securities
Interest expenses	(20.0)	(30.0)	10.0	
Dividend income	60.0	60.0	0.0	
Profit of equity method investments	170.0	190.0	(20.0)	One-time negative impact in IPP business, FX valuation losses on debt at Valepar
Profit before income taxes	420.0	390.0	30.0	
Income taxes	(150.0)	(130.0)	(20.0)	
Non-controlling Interests	(30.0)	(20.0)	(10.0)	Non-controlling interest on Novus International
Profit for the year attributable to owners of the parent	240.0	240.0	0.0	

Depreciation and amortization	260.0	270.0	(10.0)

EBITDA	660.0	660.0	0.0

We assume foreign exchange rates for the six-month period ending March 31, 2016 (2nd half) will be ¥120/US$, ¥85/AU$ and ¥30/BRL, while average foreign exchange rates for the six-month period ended September 30, 2015 (1st half) were ¥121.73/US$, ¥90.90/AU$ and ¥36.46/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2016 will be US$58/barrel, down US$5 from the original assumption, based on the assumption that the crude oil price (JCC) will average US$56/barrel throughout the six-month period ending March 31, 2016.

- Selling, general and administrative expenses for the year ending March 31, 2016 are expected to be ¥570.0 billon, a decline of ¥30.0 billion from the original forecast, due to a reduction of personnel expenses and promotion costs at subsidiaries as well as delays in certain project costs.
- Gain on investments, fixed assets and other is expected to be ¥40.0 billion, an increase of ¥10.0 billion from the original forecast, due to a reversal gain of impairment and valuation gains on securities.

- Profit of equity method investments is expected to be ¥170.0 billion, a decline of ¥20.0 billion from the original forecast, due to the one-time negative impact at IPP business as well as foreign exchange valuation losses on debt at Vale S.A. and lower iron ore prices, which was partially offset by recognition of a deferred tax asset reflecting the tax system revision in Brazil.
- Non-controlling interests is expected to be ¥30.0 billion, an increase of ¥10.0 billion from the original forecast, reflecting the solid performance of Novus International, Inc.

As a result, profit for the year attributable to owners of the parent is expected to be ¥240.0 billion, the same level as the original forecast.
In addition to the above, depreciation and amortization is forecasted to decline; projected EBITDA is ¥660.0 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 as follows:

(Billions of Yen)	Year ending March 31, 2016 Revised Forecast	Year ending March 31, 2016 Original Forecast	Change
Iron & Steel Products	9.0	12.0	(3.0)
Mineral & Metal Resources	44.0	38.0	+6.0
Machinery & Infrastructure	50.0	53.0	(3.0)
Chemicals	11.0	8.0	+3.0
Energy	48.0	56.0	(8.0)
Lifestyle	(4.0)	19.0	(23.0)
Innovation & Corporate Development	18.0	3.0	+15.0
Americas	33.0	23.0	+10.0
Europe, the Middle East and Africa	4.0	2.0	+2.0
Asia Pacific	22.0	22.0	0.0
All Other and Adjustments and Eliminations	5.0	4.0	+1.0
Consolidated Total	240.0	240.0	0.0

- The revised forecast for the Iron & Steel Products Segment is ¥9.0 billion, a decline of ¥3.0 billion reflecting unfavorable market conditions.
- The revised forecast for the Mineral & Metal Resources Segment is ¥44.0 billion, an increase of ¥6.0 billion from the original forecast, reflecting the cost reduction and the recognition of deferred tax assets reflecting the tax system revision in Brazil at Valepar S.A. in spite of lower iron ore prices.
- The revised forecast for the Machinery & Infrastructure Segment is ¥50.0 billion, a decline of ¥3.0 billion from the original forecast, reflecting the one-time negative impact in IPP business in spite of the reversal gain of impairment at Tokyo International Air Cargo Terminal Ltd.
- The revised forecast for the Chemicals Segment is ¥11.0 billion, an increase of ¥3.0 billion from the original forecast due to solid trading volume.
- The revised forecast for the Energy Segment is ¥48.0 billion, a decline of ¥8.0 billion from the original forecast, reflecting lower crude oil prices in spite of partially off-setting cost reductions.
- The revised forecast for the Lifestyle Segment is a loss of ¥4.0 billion, a deterioration of ¥23.0 billion from the original forecast, reflecting the impairment loss on goodwill on Multigrain Trading AG and the poor performance of origination and merchandising of agricultural products.
- The revised forecast for the Innovation & Corporate Development Segment is ¥18.0 billion, an increase of ¥15.0 billion from the original forecast, reflecting a valuation gain on shares in Hutchison China

MediTech (including shares in Hutchison MediPharma Holdings before the share exchange with Hutchison China MediTech).

- The revised forecast for the Americas Segment is ¥33.0 billion, an increase of ¥10.0 billion from the original forecast, reflecting the solid performance of Novus International, Inc. The revised forecast for the Europe, the Middle East and Africa Segment is ¥4.0 billion, an increase of ¥2.0 billion from the original forecast, reflecting a decline in selling, general and administrative expense. The revised forecast for the Asia Pacific Segment is ¥22.0 billion, the same level as the original forecast, taking into consideration the progress, which is in line with the original forecast.

2) Key commodity prices and other parameters for the year ending March 31, 2016

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2016. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2016 (Announced in May 2015)			Original Forecast (Announced in May 2015)	March 2016		Revised Forecast (Announced in November 2015)
				1st Half (Result)	2nd Half (Assumption)	
Commodity	Crude Oil/JCC	¥2.7 bn (US$1/bbl)	63	58.96	56	57
	Consolidated Oil Price(*1)		63	60	57	58
	U.S. Natural Gas(*2)	¥0.8 bn (US$0.1/mmBtu)	3.65	2.78(*3)	3.00(*4)	2.89
	Iron Ore	¥3.0 bn (US$1/ton)	(*5)	53(*6)	(*5)	(*5)
	Copper	¥1.0 bn (US$100/ton)	6,000	5,934(*7)	5,700	5,817
Forex (*8)	USD	¥1.8 bn (¥1/USD)	120	121.73	120	120.86
	AUD	¥0.8 bn (¥1/AUD)	95	90.90	85	87.95
	BRL	¥0.3 bn (¥1/BRL)	40	36.46	30	33.23

(*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, 2016, 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, 34%; 1-3 month time lag, 38%; no time lag, 28%.
(*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) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2015 - June 2015.
(*4) For natural gas sold in the US on HH linked prices, the assumed price used is US$3.00/mmBtu.
(*5) We refrain from disclosing the iron ore price assumptions.
(*6) Daily average of representative reference prices (Fine, Fe 62% CFR North China) during April 2015 to September 2015
(*7) Average of LME cash settlement price during January 2015 to June 2015
(*8) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen. Impact of f currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

(3) Profit Distribution Policy

Our profit distribution policy has been resolved as follows at the board of directors through discussion in which external directors were also involved:

- In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.

- In addition to the above, in relation to share buyback toward improving capital efficiency, we judge that the decision by the board of directors in a prompt and flexible manner as needed concerning its timing and amount by taking into consideration of the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity, continues to contribute to enhancement of corporate value.

For the six-month period ended September 30, 2015, we have decided to pay an interim dividend of ¥32 per share, the same amount as the corresponding six-month period of the previous year. For the year ending March 31, 2016, we currently envisage an annual dividend of ¥64 per share (including the interim dividend of ¥32 per share), the same amount as the year ended March 31, 2015, taking into consideration of EBITDA, core operating cash flow as well as stability and continuity of the amount of dividend, on the assumption that profit for the year attributable to owners of the parent will be ¥240 billion, as mentioned in our forecast for profit attributable to owners of the parent for the year ending March 31, 2016.

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		
	September 30, 2015	March 31, 2015
Current Assets:		
Cash and cash equivalents	¥ 1,454,645	¥ 1,400,770
Trade and other receivables	1,694,740	1,949,837
Other financial assets	342,661	384,156
Inventories	685,474	671,164
Advance payments to suppliers	200,117	188,545
Other current assets	128,534	136,051
Total current assets	4,506,171	4,730,523
Non-current Assets:		
Investments accounted for using the equity method	2,711,846	2,791,341
Other investments	1,395,327	1,529,767
Trade and other receivables	378,220	425,136
Other financial assets	137,697	130,974
Property, plant and equipment	2,121,974	2,148,142
Investment property	153,508	147,757
Intangible assets	169,484	162,951
Deferred tax assets	64,954	78,746
Other non-current assets	59,017	57,584
Total non-current assets	7,192,027	7,472,398
Total	¥ 11,698,198	¥ 12,202,921

(Millions of Yen)

Liabilities and Equity		
	September 30, 2015	March 31, 2015
Current Liabilities:		
Short-term debt	¥ 329,470	¥ 290,641
Current portion of long-term debt	398,225	472,718
Trade and other payables	1,229,454	1,384,039
Other financial liabilities	372,422	414,011
Income tax payables	35,349	41,877
Advances from customers	187,920	177,432
Provisions	16,351	25,523
Other current liabilities	38,394	34,900
Total current liabilities	2,607,585	2,841,141
Non-current Liabilities:		
Long-term debt, less current portion	4,022,682	4,030,598
Other financial liabilities	125,348	147,289
Retirement benefit liabilities	43,895	46,211
Provisions	228,298	228,540
Deferred tax liabilities	436,964	482,141
Other non-current liabilities	31,867	29,627
Total non-current liabilities	4,889,054	4,964,406
Total liabilities	7,496,639	7,805,547
Equity:		
Common stock	341,482	341,482
Capital surplus	407,572	411,881
Retained earnings	2,622,217	2,537,815
Other components of equity	541,271	814,563
Treasury stock	(5,956)	(5,946)
Total equity attributable to owners of the parent	3,906,586	4,099,795
Non-controlling interests	294,973	297,579
Total equity	4,201,559	4,397,374
Total	¥ 11,698,198	¥ 12,202,921

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Six-month period ended September 30, 2015	**Six-month period ended September 30, 2014**
Revenue:		
Sale of products	¥ 2,220,451	¥ 2,472,813
Rendering of services	196,715	207,815
Other revenue	80,666	66,941
Total revenue	2,497,832	2,747,569
Cost:		
Cost of products sold	(1,996,097)	(2,206,933)
Cost of services rendered	(79,014)	(88,872)
Cost of other revenue	(32,130)	(31,522)
Total cost	(2,107,241)	(2,327,327)
Gross Profit	390,591	420,242
Other Income (Expenses):		
Selling, general and administrative expenses	(283,371)	(281,361)
Gain (loss) on securities and other investments—net	16,070	9,305
Impairment reversal (loss) of fixed assets—net	4,808	(812)
Gain (loss) on disposal or sales of fixed assets—net	11,517	439
Other income (expense)—net	(19,185)	(8,574)
Total other income (expenses)	(270,161)	(281,003)
Finance Income (Costs):		
Interest income	15,945	16,735
Dividend income	25,977	76,932
Interest expense	(25,597)	(24,634)
Total finance income (costs)	16,325	69,033
Share of Profit of Investments Accounted for Using the Equity Method	88,275	103,809
Profit before Income Taxes	225,030	312,081
Income Taxes	(79,275)	(79,207)
Profit for the Period	¥ 145,755	¥ 232,874
Profit for the Period Attributable to:		
Owners of the parent	¥ 130,641	¥ 222,660
Non-controlling interests	15,114	10,214

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six-month period ended September 30, 2015	**Six-month period ended September 30, 2014**
Profit for the Period	¥ 145,755	¥ 232,874
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	(117,234)	68,110
Remeasurements of defined benefit pension plans	1,479	(2,569)
Share of other comprehensive income of investments accounted for using the equity method	(3,289)	2,585
Income tax relating to items not reclassified	29,759	(17,389)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(66,031)	19,384
Cash flow hedges	3,818	(3,534)
Share of other comprehensive income of investments accounted for using the equity method	(147,140)	54,637
Income tax relating to items that may be reclassified	26,734	6,622
Total other comprehensive income	(271,904)	127,846
Comprehensive Income for the Period	¥ (126,149)	¥ 360,720
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ (132,039)	¥ 343,404
Non-controlling interests	5,890	17,316

(3) Condensed Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent							
	Common Stock	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
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

(Millions of Yen)

	Attributable to owners of the parent							
	Common Stock	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
Balance as at April 1, 2015	¥ 341,482	¥ 411,881	¥ 2,537,815	¥ 814,563	¥ (5,946)	¥ 4,099,795	¥ 297,579	¥ 4,397,374
Profit for the period			130,641			130,641	15,114	145,755
Other comprehensive income for the period				(262,680)		(262,680)	(9,224)	(271,904)
Comprehensive income for the period						(132,039)	5,890	(126,149)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥32)			(57,361)			(57,361)		(57,361)
Dividends paid to non-controlling interest shareholders							(11,111)	(11,111)
Acquisition of treasury stock					(10)	(10)		(10)
Sales of treasury stock		0			0	0		0
Compensation costs related to stock options		181				181		181
Equity transactions with non-controlling interest shareholders		(4,490)		510		(3,980)	2,615	(1,365)
Transfer to retained earnings			11,122	(11,122)		―		―
Balance as at September 30, 2015	¥ 341,482	¥ 407,572	¥ 2,622,217	¥ 541,271	¥ (5,956)	¥ 3,906,586	¥ 294,973	¥ 4,201,559

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2015	Six-month period ended September 30, 2014
Operating Activities:		
Profit for the Period	¥ 145,755	¥ 232,874
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	125,929	142,443
Change in retirement benefit liabilities	(675)	(1,725)
Provision for doubtful receivables	6,456	6,359
(Gain) loss on securities and other investments—net	(16,070)	(9,305)
Impairment (reversal) loss of fixed assets—net	(4,808)	812
(Gain) loss on disposal or sales of fixed assets—net	(11,517)	(439)
Finance (income) costs—net	(11,555)	(65,273)
Income taxes	79,275	79,207
Share of profit of investments accounted for using the equity method	(88,275)	(103,809)
Changes in operating assets and liabilities:		
Change in trade and other receivables	267,409	48,949
Change in inventories	(22,712)	(73,886)
Change in trade and other payables	(124,494)	8,435
Other—net	(63,251)	(11,014)
Interest received	20,018	17,515
Interest paid	(25,555)	(23,977)
Dividends received	112,350	184,380
Income taxes paid	(62,737)	(57,858)
Cash flows from operating activities	325,543	373,688
Investing Activities:		
Net change in time deposits	89	(976)
Net change in investments in and advances to equity accounted investees	(10,106)	(66,191)
Net change in other investments	6,769	25,583
Net change in long-term loan receivables	5,730	22,384
Net change in property, plant, equipment and investment property	(154,175)	(170,766)
Cash flows from investing activities	(151,693)	(189,966)
Financing Activities:		
Net change in short-term debt	46,968	35,646
Net change in long-term debt	(77,080)	175,857
Purchases and sales of treasury stock	(10)	(11)
Dividends paid	(57,369)	(60,955)
Transactions with non-controlling interest shareholders	(9,603)	(8,314)
Cash flows from financing activities	(97,094)	142,223
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(22,881)	19,083
Cash and Cash Equivalents Included in Assets Held for Sale	-	(673)
Change in Cash and Cash Equivalents	53,875	344,355
Cash and Cash Equivalents at Beginning of Period	1,400,770	1,226,317
Cash and Cash Equivalents at End of Period	¥ 1,454,645	¥ 1,570,672

(5) Assumption for Going Concern: None

(6) Segment Information

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

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	91,237	391,095	204,910	470,474	543,794	460,182	58,331
Gross Profit	20,781	77,411	60,278	37,197	110,306	56,446	18,513
Share of Profit of Investments Accounted for Using the Equity Method	3,150	1,270	23,376	3,026	26,925	7,645	3,699
Profit (Loss) for the Period Attributable to Owners of the parent	2,710	42,601	21,591	3,815	112,369	(5,462)	(2,254)
EBITDA	6,586	90,051	32,399	12,075	249,149	5,646	(1,973)
Total Assets at March 31, 2015	457,838	1,951,657	2,046,943	839,609	2,582,054	1,615,681	592,538

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	430,553	52,680	56,947	2,760,203	1,411	(14,045)	2,747,569
Gross Profit	41,250	10,471	10,926	443,579	898	(24,235)	420,242
Share of Profit of Investments Accounted for Using the Equity Method	5,357	2,672	27,058	104,178	30	(399)	103,809
Profit (Loss) for the Period Attributable to Owners of the parent	12,558	3,248	15,215	206,391	4,097	12,172	222,660
EBITDA	19,789	2,864	28,981	445,567	486	16,012	462,065
Total Assets at March 31, 2015	613,287	167,658	443,322	11,310,587	5,115,883	(4,223,549)	12,202,921

Six-month period ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	58,147	373,916	199,788	433,379	375,148	490,992	66,027
Gross Profit	16,493	57,120	64,535	38,056	69,855	57,209	24,675
Share of Profit of Investments Accounted for Using the Equity Method	2,732	4,533	19,742	4,289	15,019	11,403	5,366
Profit (Loss) for the Period Attributable to Owners of the parent	2,548	31,297	18,800	4,724	26,172	(3,834)	13,041
EBITDA	5,575	67,221	31,608	13,565	140,438	6,033	7,188
Total Assets at September 30, 2015	420,051	1,786,655	1,921,011	820,224	2,252,199	1,575,925	592,488

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	406,254	54,852	62,805	2,521,308	1,323	(24,799)	2,497,832
Gross Profit	63,518	10,913	11,994	414,368	836	(24,613)	390,591
Share of Profit of Investments Accounted for Using the Equity Method	3,350	2,499	19,532	88,465	30	(220)	88,275
Profit (Loss) for the Period Attributable to Owners of the parent	16,937	2,877	12,697	125,259	753	4,629	130,641
EBITDA	39,828	3,887	22,608	337,951	(3,242)	12,692	347,401
Total Assets at September 30, 2015	602,518	156,540	412,936	10,540,547	5,398,234	(4,240,583)	11,698,198

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, 2015 and September 30, 2015 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.
2. Transfers between reportable segments are made at cost plus a markup.
3. Profit (Loss) for the 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 year ended March 31, 2015, EBITDA has been disclosed by reportable segments as the information of the operating segments periodically reviewed by the entity's chief operating decision maker. EBITDA is comprised of the companies' (a) Gross Profit, (b) Selling, general and administrative expenses, (c) Dividend income, (d) Share of Profit 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.
5. Previously, Profit for the Period of the jointly invested subsidiaries by several segments was allocated from main segment to sub segment by using Profit for the Period Attributable to Non-controlling interests account. However, in order to disclose each operating segment's EBITDA more properly, since the three-month period ended June 30, 2015, profits and losses associated with EBITDA have been allocated by using Share of Profit of Investments Accounted for Using the Equity Method account. Also, in order to disclose each operating segment's Total Assets more properly, since the three-month period ended June 30, 2015, Total Assets of the jointly invested subsidiaries have been allocated based on the internal profit share. In accordance with these changes, the operating segment information for the six-month period ended September 30, 2014 has been restated to conform to the current period presentation.
6. Since the three-month period ended June 30, 2015, service fees received from affiliated companies, which were formerly included in Other income (expense) - net, have been either included in Revenue or deducted from Selling, general and administrative expenses according to their nature, in order to disclose each operating segment's EBITDA more properly. In accordance with this change, the operating segment information for the six-month period ended September 30, 2014 has been restated to conform to the current period presentation.
7. During the three-month period ended June 30, 2015, Media Business Div. was transferred from the "Lifestyle" segment to the "Innovation & Corporate Development" segment, in conjunction with the creation of the IT & Communication Business Unit and the Corporate Development Business Unit in "Innovation & Corporate Development" segment. In accordance with this change, the operating segment information for the six-month period ended September 30, 2014 has been restated to conform to the current period presentation.

(7) Change in Accounting Estimate

The significant change in an accounting estimate in the Condensed Consolidated Financial Statements is as follows.

（Reversal of Impairment Loss）

For the six-month period ended September 30, 2015, TOKYO INTERNATIONAL AIR CARGO TERMINAL LTD., a subsidiary in the Machinery & Infrastructure Segment, recognized the reversal of impairment loss of ¥11,808 million related to the intangible asset based on the service concession arrangement in “Impairment reversal (loss) of fixed assets—net” in the Condensed Consolidated Statements of Income based on the recoverable amount of ¥12,075 million. This reversal of impairment loss mainly related to the increase in the quantity of air cargo caused by the increase in inbound and outbound flights at Haneda Airport and the cost reduction.

The recoverable amount above represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.