

Correction of Quarterly Securities Report  
for the Six-Month Period Ended September 30, 2018

English translation disclosed in the Correction of Quarterly Securities Report for the six-month period ended September 30, 2018, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on February 12, 2019.

**【Corrected items】**

**1. Overview of Mitsui and Its Subsidiaries**

1. Selected Financial Data

**2. Operating and Financial Review and Prospects**

2. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

(3) Financial Conditions and Cash Flows

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Condensed Consolidated Statements of Cash Flows

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3. BUSINESS COMBINATIONS

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Please refer to the underlined items of attached documents for the details of the correction.

## 1. Overview of Mitsui and Its Subsidiaries

### 1. Selected Financial Data

As of or for the periods ended September 30, 2018 and 2017 and as of or for the year ended March 31, 2018

<Before Corrections>

	In millions of Yen, except amounts per share and other				
	Six-month period ended September 30, 2018	Six-month period ended September 30, 2017	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	As of or for the year ended March 31, 2018
<b>Consolidated financial data</b>					
		*snip*			
Cash flows from investing activities	¥ (262,190)	¥ (104,793)	¥ -	¥ -	¥ (248,211)
Cash flows from financing activities	¥ (53,054)	¥ (412,683)	¥ -	¥ -	¥ (652,292)
		*snip*			

<After Corrections>

	In millions of Yen, except amounts per share and other				
	Six-month period ended September 30, 2018	Six-month period ended September 30, 2017	Three-month period ended September 30, 2018	Three-month period ended September 30, 2017	As of or for the year ended March 31, 2018
<b>Consolidated financial data</b>					
		*snip*			
Cash flows from investing activities	¥ (247,997)	¥ (104,793)	¥ -	¥ -	¥ (248,211)
Cash flows from financing activities	¥ (67,247)	¥ (412,683)	¥ -	¥ -	¥ (652,292)
		*snip*			

## 2. Operating and Financial Review and Prospects

### 2. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

#### (3) Financial Condition and Cash Flows

##### 2) Cash Flows

<Before Corrections>

(Billions of yen)	Current Period	Previous Period	Change
Cash flows from operating activities	161.7	161.5	+0.2
Cash flows from investing activities	<u>(262.2)</u>	(104.8)	<u>(157.4)</u>
Free cash flow	<u>(100.5)</u>	56.7	<u>(157.2)</u>
Cash flows from financing activities	<u>(53.1)</u>	(412.7)	<u>+359.6</u>
Effect of exchange rate changes on cash and cash equivalents etc.	<u>18.3</u>	12.3	<u>+6.0</u>
Change in cash and cash equivalents	(135.3)	(343.7)	+208.4

\*snip\*

#### *Cash Flows from Investing Activities*

\*snip\*

- Net cash inflows that corresponded to other investments (net of sales and maturities of other investments) were ¥13.3 billion, mainly due to the following factors:
  - ▷ A transfer of the iron & steel products business to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION for ¥64.4 billion;
  - ▷ A sale of shares in Synlait Milk which is a dairy production and sales company for ¥12.0 billion;
  - ▷ An acquisition of an oil and gas business in Australia for ¥48.2 billion; and
  - ▷ An investment in FKS Food & Agri Pte Ltd which is an integrated food enterprise that operates in Southeast Asia, for ¥11.8 billion.

\*snip\*

- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥147.4 billion, mainly due to the following factors:
  - ▷ An expenditure for the oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥53.6 billion
  - ▷ An expenditure for the real estate business in the U.S. for a total of ¥41.4 billion; and
  - ▷ An expenditure for iron ore mining operations in Australia for ¥10.6 billion.

#### *Cash Flows from Financing Activities*

- Net cash inflows from net change in short-term debt were ¥16.7 billion and net cash inflows from net change in long-term debt were ¥0.9 billion.
- The cash outflow from payments of cash dividends was ¥69.5 billion.

<After Corrections>

(Billions of yen)	Current Period	Previous Period	Change
Cash flows from operating activities	161.7	161.5	+0.2
Cash flows from investing activities	<u>(248.0)</u>	(104.8)	<u>(143.2)</u>
Free cash flow	<u>(86.3)</u>	56.7	<u>(143.0)</u>
Cash flows from financing activities	<u>(67.2)</u>	(412.7)	<u>+345.5</u>
Effect of exchange rate changes on cash and cash equivalents etc.	<u>18.2</u>	12.3	<u>+5.9</u>
Change in cash and cash equivalents	(135.3)	(343.7)	+208.4

\*snip\*

**Cash Flows from Investing Activities**

\*snip\*

- Net cash outflows that corresponded to other investments (including subsidiaries or other businesses, net of sales and maturities of other investments) were ¥15.4 billion, mainly due to the following factors:
  - ▷ A transfer of the iron & steel products business to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION for ¥64.4 billion;
  - ▷ A sale of shares in Synlait Milk which is a dairy production and sales company for ¥12.0 billion;
  - ▷ An acquisition of an oil and gas business in Australia for ¥48.2 billion;
  - ▷ An acquisition of the real estate business in the U.S. for a total of ¥28.7 billion; and
  - ▷ An investment in FKS Food & Agri Pte Ltd which is an integrated food enterprise that operates in Southeast Asia, for ¥11.8 billion.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥104.6 billion, mainly due to the following factors:
  - ▷ An expenditure for the oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥53.6 billion; and
  - ▷ An expenditure for iron ore mining operations in Australia for ¥10.6 billion.

**Cash Flows from Financing Activities**

- Net cash inflows from net change in short-term debt were ¥16.7 billion and net cash outflows from net change in long-term debt were ¥13.3 billion.
- The cash outflow from payments of cash dividends was ¥69.5 billion.

**(4) Management Issues**

1) Result (\*) and Forecast for Investment and Loan Plan

<Before Corrections>

We implemented investments and loans of approximately ¥250.0 billion for core areas (including the overlap with growth areas of ¥30.0 billion) and approximately ¥130.0 billion for growth areas (including the overlap with core areas of ¥30.0 billion). In addition, we made investment and loans of approximately ¥40.0 billion for other areas. The resulting sum of investments and loans for the current period was approximately ¥390.0 billion. On the other hand, we collected approximately ¥130.0 billion through disposal of assets and investments.

\*snip\*

<After Corrections>

We implemented investments and loans of approximately ¥250.0 billion for core areas (including the overlap with growth areas

of ¥30.0 billion) and approximately ¥110.0 billion for growth areas (including the overlap with core areas of ¥30.0 billion). In addition, we made investment and loans of approximately ¥40.0 billion for other areas. The resulting sum of investments and loans for the current period was approximately ¥370.0 billion. On the other hand, we collected approximately ¥130.0 billion through disposal of assets and investments.

\*snip\*

### 3. Condensed Consolidated Financial Statements

**Condensed Consolidated Statements of Cash Flows**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Six-Month Periods Ended September 30, 2018 and 2017**

<Before Corrections>

	<b>Millions of Yen</b>	
	<b>Six-month Period Ended September 30, 2018</b>	<b>Six-month Period Ended September 30, 2017</b>
*snip*		
<b>Investing Activities:</b>		
Change in time deposits .....	(5,940)	(6,940)
Investments in equity accounted investees .....	(108,555)	(149,346)
Proceeds from sales of investments in equity accounted investees .....	21,685	55,130
Purchases of other investments .....	(27,996)	(29,715)
Proceeds from sales and maturities of other investments .....	25,080	17,012
Increases in loan receivables .....	(36,041)	(11,404)
Collections of loan receivables .....	12,394	79,669
Purchases of property, plant and equipment.....	<u>(183,947)</u>	(88,011)
Proceeds from sales of property, plant and equipment.....	36,517	23,780
Purchases of investment property .....	(11,675)	(5,796)
Proceeds from sales of investment property .....	120	10,828
Acquisition of subsidiaries or other businesses (Note 3).....	<u>(48,240)</u>	-
Proceeds from sales of subsidiaries or other businesses (Note 4) ...	64,408	-
Cash flows from investing activities.....	<u>(262,190)</u>	<u>(104,793)</u>
<b>Financing Activities:</b>		
Change in short-term debt .....	16,680	(67,573)
Proceeds from long-term debt .....	<u>384,800</u>	81,152
Repayments of long-term debt .....	(383,905)	(367,839)
Purchases and sales of treasury stock .....	(8)	20
Dividends paid .....	(69,516)	(52,922)
Transactions with non-controlling interests shareholders .....	(1,105)	(5,521)
Cash flows from financing activities .....	<u>(53,054)</u>	<u>(412,683)</u>
*snip*		

	Millions of Yen	
	Six-month Period Ended September 30, 2018	Six-month Period Ended September 30, 2017
*snip*		
<b>Investing Activities:</b>		
Change in time deposits .....	(5,940)	(6,940)
Investments in equity accounted investees .....	(108,555)	(149,346)
Proceeds from sales of investments in equity accounted investees .....	21,685	55,130
Purchases of other investments .....	(27,996)	(29,715)
Proceeds from sales and maturities of other investments .....	25,080	17,012
Increases in loan receivables .....	(36,041)	(11,404)
Collections of loan receivables .....	12,394	79,669
Purchases of property, plant and equipment.....	<u>(141,081)</u>	(88,011)
Proceeds from sales of property, plant and equipment.....	36,517	23,780
Purchases of investment property .....	(11,675)	(5,796)
Proceeds from sales of investment property .....	120	10,828
Acquisition of subsidiaries or other businesses (Note 3).....	<u>(76,913)</u>	-
Proceeds from sales of subsidiaries or other businesses (Note 4) ...	64,408	-
Cash flows from investing activities.....	<u>(247,997)</u>	<u>(104,793)</u>
<b>Financing Activities:</b>		
Change in short-term debt .....	16,680	(67,573)
Proceeds from long-term debt .....	<u>370,607</u>	81,152
Repayments of long-term debt .....	(383,905)	(367,839)
Purchases and sales of treasury stock .....	(8)	20
Dividends paid .....	(69,516)	(52,922)
Transactions with non-controlling interests shareholders .....	<u>(1,105)</u>	<u>(5,521)</u>
Cash flows from financing activities .....	<u>(67,247)</u>	<u>(412,683)</u>
*snip*		

**Notes to Condensed Consolidated Financial Statements**  
**Mitsui & Co., Ltd. and subsidiaries**

**3. BUSINESS COMBINATIONS**

<Before Corrections>

**For the six-month period ended September 30, 2018**

**Oil and Gas Company in Australia**

\*snip\*

**For the six-month period ended September 30, 2017**

No material business combinations were completed during the six-month period ended September 30, 2017.

<After Corrections>

**For the six-month period ended September 30, 2018**

**Oil and Gas Company in Australia**

\*snip\*

**Real Estate business in the U.S.**

The Company acquired senior living properties and their operations from the current operators, West Living LLC, and the acquisition was completed through MBK Real Estate LLC ("MRE") on July 6, 2018. The total consideration paid was ¥28,673 million (U\$256 million).

The acquired properties are geographically close to the locations of those currently owned/managed by MRE, allowing it to operate efficiently. Acquiring the properties is consistent with our strategic plan to address the increasing demands for U.S. senior housing.

The purchase price allocation has been completed. The following table summarizes the fair values of the assets acquired and liabilities at the acquisition date:

	<u>Millions of Yen</u>	
<u>Property, plant and equipment.....</u>	¥	<u>41,417</u>
<u>Other non-current assets.....</u>		<u>1,449</u>
<u>    Total assets acquired.....</u>	¥	<u>42,866</u>
<u>Non-current liabilities.....</u>		<u>14,193</u>
<u>    Total liabilities assumed.....</u>	¥	<u>14,193</u>
<u>Net assets acquired.....</u>	¥	<u>28,673</u>

Pro forma results of operations for the above business combination have not been presented because the effects were not material to the consolidated financial statements. A net cash outflow in cash flows from investing activities of ¥28,673 million arising from the above business combination is included in "Acquisition of subsidiaries or other businesses" in the Condensed Consolidated Statements of Cash Flows for the six-month period ended September 30, 2018.

**For the six-month period ended September 30, 2017**

No material business combinations were completed during the six-month period ended September 30, 2017.

## **6. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT**

### <Before Corrections>

The amounts of acquisitions and disposals of property, plant and equipment for the six-month period ended September 30, 2018 were ¥185,218 million and ¥32,356 million, respectively.

The amounts of acquisitions and disposals of property, plant and equipment for the six-month period ended September 30, 2017 were ¥101,407 million and ¥51,281 million, respectively.

### <After Corrections>

The amounts of acquisitions (excluding business combinations) and disposals of property, plant and equipment for the six-month period ended September 30, 2018 were ¥143,801 million and ¥32,356 million, respectively. Please refer to Note 3. for significant acquisitions from business combinations.

The amounts of acquisitions and disposals of property, plant and equipment for the six-month period ended September 30, 2017 were ¥101,407 million and ¥51,281 million, respectively.