

# 3rd Quarter Financial Results Year Ending March 2014

**Mitsui & Co., Ltd.**  
**February 5, 2014**

**A Cautionary Note on Forward-Looking Statements:**

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

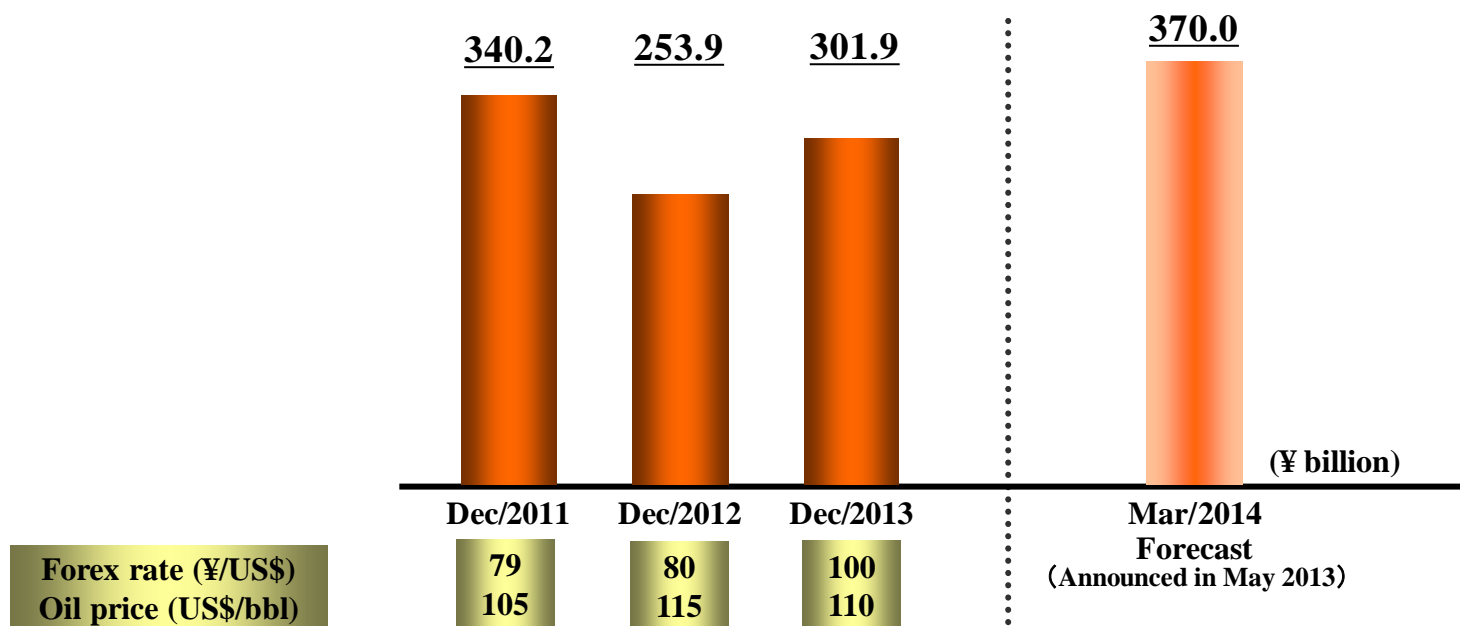
# Overview of the Results for 9-month Period Ended Dec/2013

The global economy has recovered at a moderate pace while clear differences in economic conditions emerged between advanced economies and emerging economies.

Japan and U.S. economies remain solid, while Chinese economy is unlikely to boost any time soon as it undergoes structural reforms. Some countries face a challenging situation of having to take austerity measures even as their economies lose steam.

- ✓ Net income attributable to Mitsui for 9-month period was ¥301.9 billion, an increase of ¥48.0 billion from the corresponding period of the previous year.
- ✓ Weaker coal prices and one-time losses were outweighed by positive factors including depreciation of the Japanese yen, increase in iron ore production volumes, increase in dividends received from LNG projects, recovery in trading activities of Chemicals and Iron & Steel Products as well as strong performances by IPP and automotive-related businesses.

■ Net Income attributable to Mitsui & Co., Ltd.\*



\* In this presentation material, “net income” means “net income attributable to Mitsui & Co., Ltd.”

# Investments and Loans

- Investments and loans for the 9-months were ¥760 billion, in line with the full year plan.
- Strategic divestitures totaled ¥205 billion. As a result net cash outflow was ¥555 billion.

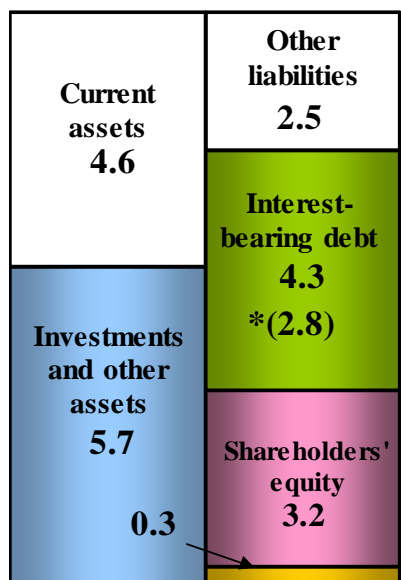
<u>Business Area</u>	<u>Plan</u> <u>Mar/2014</u>	<u>Result</u> <u>Mar/2014 3Q</u> (¥ billion)	<u>Major Projects</u>
<b>Metals</b>	280	240	Acquisition and expansion of Australian iron ore mines, Automotive components, Caserones copper development
<b>Machinery &amp; Infrastructure</b>	280	180	Australian IPP/power & gas retail, Rolling stock for leasing, Czech water business, Smart city development, U.S. IPP
<b>Chemicals</b>	40	25	Tank terminal expansion in U.S., Detergent raw material production in Thailand
<b>Energy</b>	320	250	Onshore oil field in Italy, Expansion of oil & gas, Shale gas/oil development
<b>Lifestyle</b>	50	45	Intravenous products manufacturing in India, Senior facilities/housing in U.S., Salmon farming in Chile
<b>Innovation &amp; Corporate Development</b>	30	20	High-speed mobile service in Indonesia
<b>Gross Investments &amp; Loans</b>	1,000	760	
<b>Divestiture</b>	▲170	▲205	Refinancing of FPSO project, Egyptian/New Zealand oil field interests, Rolling stock for leasing, QIWI shares
<b>Net Cash Outflow</b>	830	555	•Progress during October – December 2013 in blue

# Balance Sheets & Cash Flows

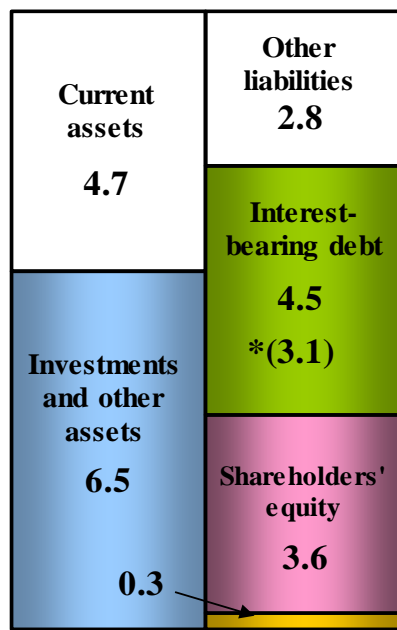
## Balance Sheets

## Cash Flows

(¥ trillion) Mar/2013



Dec/2013



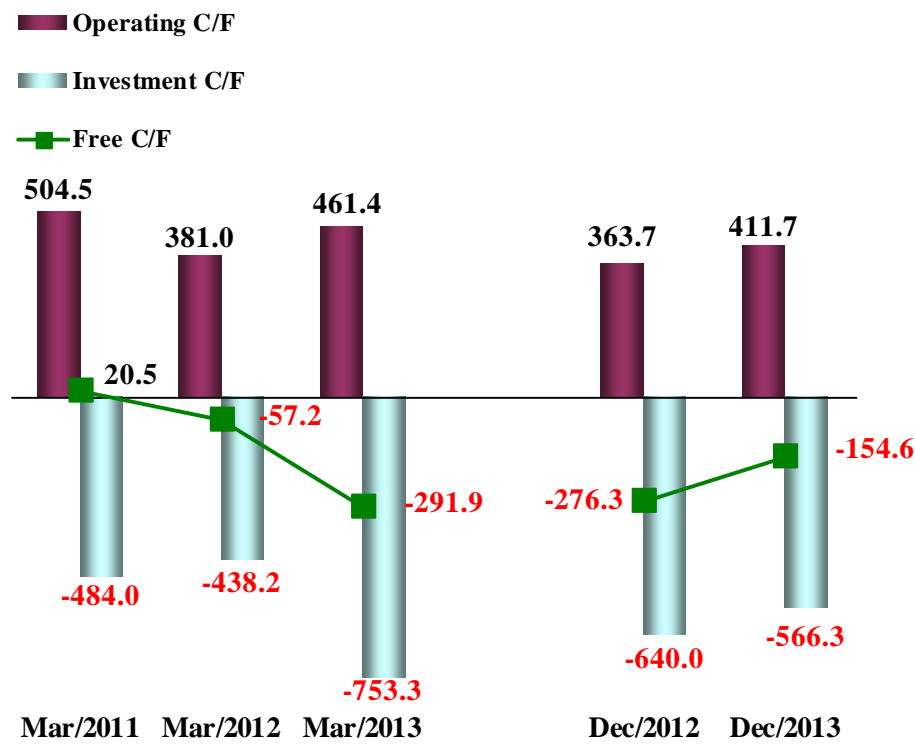
Total assets	¥10.3
Shareholders' equity	¥3.2
Net DER	0.89x

Total assets	¥11.2
Shareholders' equity	¥3.6
Net DER	0.88x

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

➤ 9-month operating cash inflow was ¥411.7 billion, an increase of ¥48.0 billion compared with the same period of the previous year.

(¥ billion)



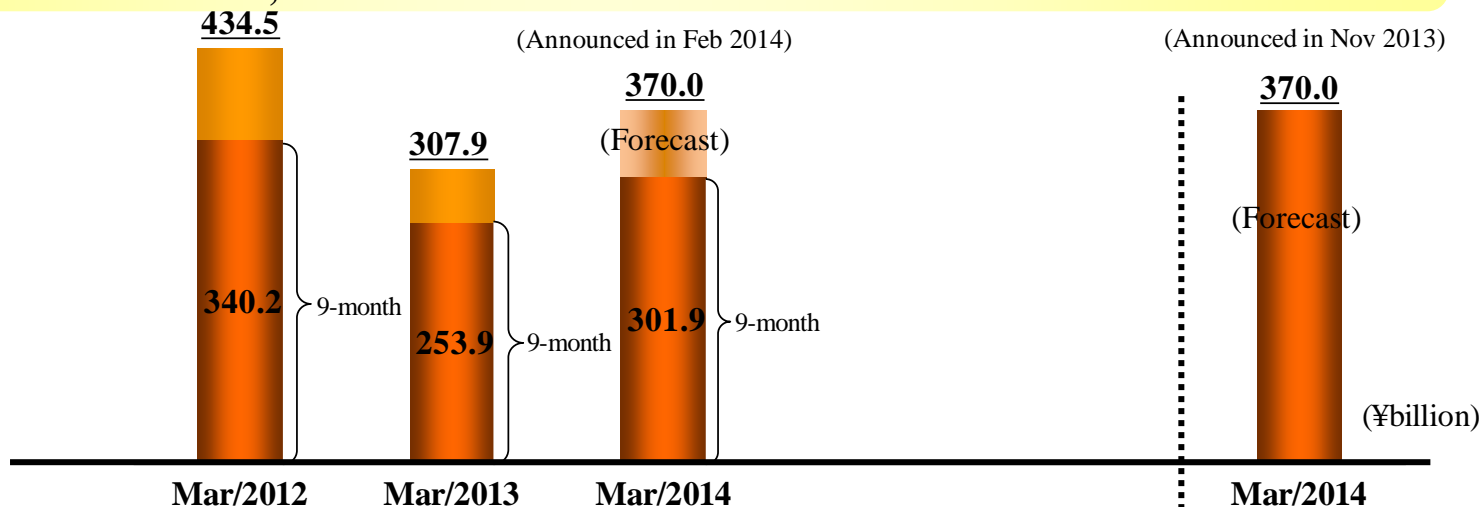
(12 months period)

(9 months period)

# Net Income Forecast for Year Ending March 2014

# Net Income Forecast for Year Ending March 2014

- Full year net income forecast remains unchanged at ¥370 billion.
- Despite the one-time losses recorded in Mineral & Metal Resources, increases are expected in Energy, Machinery & Infrastructure, Iron & Steel Products etc.



Estimated effect on net income for the Year Ending Mar/2014 (Announced in May 2013)			Forecast for Mar/2014 (Average of (i) & (ii) (Announced in Feb 2014))	(i) Year Ending Mar/2014 1Q - 3Q (Result)	(ii) Year Ending Mar/2014 4Q (Assumption)	FY Mar/2014 (Revised Forecast) (Announced in Nov 2013)
Commodity Price	Crude Oil / JCC	¥1.9 bn (US\$1/bbl)	109	109	107	105
	Crude Oil / Consolidated <sup>(*)1</sup>		110	110	110	108
	Iron Ore	¥2.2 bn (US\$1/ton)	(*)2	129.1 <sup>(*)3</sup>	(*)2	(*)2
	Copper	¥0.6 bn (US\$100/ton)	7,325	7,384 <sup>(*)4</sup>	7,150	7,413
Exchange Rate <sup>(*)5</sup>	USD	¥1.9 bn (¥1/USD)	99.85	99.80	100	96.83
	AUD	¥1.9 bn (¥1/AUD)	92.30	93.06	90	91.47
	BRL	¥0.4 bn (¥1/BRL)	43.66	44.87	40	42.47

(\*)1 Oil price trend is reflected in net income with a 0-6 month time lag, and Consolidated oil price is calculated on such basis.

For the year ending Mar/2014: 4~6 month time lag: 34%, 1~3 month time lag: 47%, without lag: 19%

(\*)2 We refrain from disclosing iron ore price assumption.

(\*)3 Year ending Mar/2014 1-3Q Result: Daily average of representative reference prices (fine, Fe 62% CFR North China) during Apr '13-Dec '13.

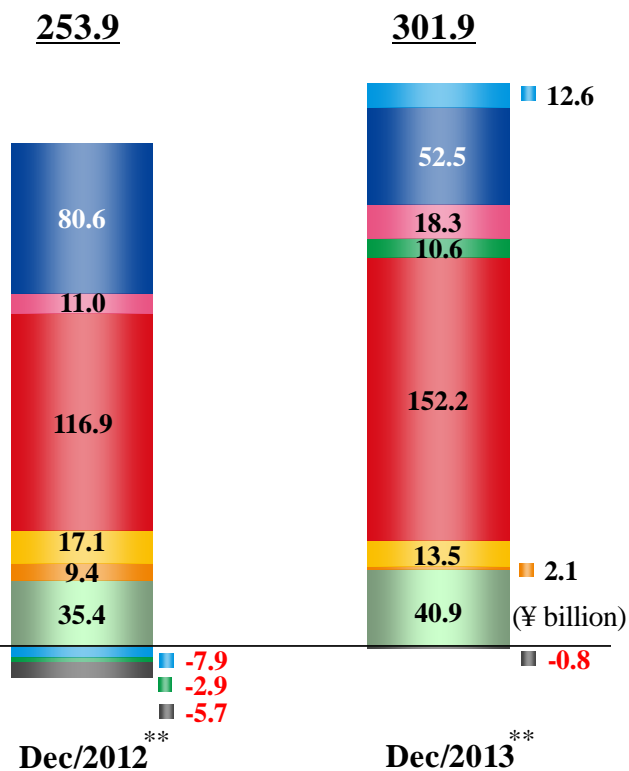
(\*)4 Year ending Mar/2014 1-3Q Result: Average of LME cash settlement monthly average price during Jan '13-Sep '13.

(\*)5 Impact of currency fluctuation on net income of overseas subsidiaries and associated companies (denominated in functional currency) against JPY. Depreciation of JPY has the effect of increasing the net income through the conversion of net income of overseas subsidiaries and associated companies (denominated in functional currency) into JPY. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange hedging are not included.

# Supplementary Information

# Net Income by Operating Segment

## Major Factors in Y-on-Y Changes (after tax basis)



<b>Energy</b>	<b>¥152.2 bn</b>	<b>+¥35.3 bn (+30%)</b>
<ul style="list-style-type: none"> <li>↑ Increase in dividend income from LNG projects: +35.5</li> <li>↑ MEPME +13.4: Higher oil production, lower costs, depreciation of JPY and asset sales</li> <li>↑ Japan Australia LNG (MIMI): Increase reflecting depreciation of JPY</li> <li>↓ MEPAU -11.1: Decline in production associated with overhauling of its oil production facility</li> <li>↓ Reversal of deferred tax liabilities on undistributed retained earnings: -8.0</li> </ul>		
<b>Iron &amp; Steel Products</b>	<b>¥12.6 bn</b>	<b>+¥20.5 bn</b>
<ul style="list-style-type: none"> <li>↑ Exchange gains on foreign exchange contracts for trade settlement</li> <li>↑ Reversal effect of impairment loss on listed shares in an iron &amp; steel company : +4.3</li> <li>↑ Recovery in trading activities</li> </ul>		
<b>Chemicals</b>	<b>¥10.6 bn</b>	<b>+¥13.5 bn</b>
<ul style="list-style-type: none"> <li>↑ Gain on the sale of shares in Daicel +3.3</li> <li>↑ Reversal effect of impairment loss on shares in Mitsui Chemicals +3.0</li> <li>↑ Recovery in trading activities for petrochemical materials</li> </ul>		
<b>Machinery &amp; Infrastructure</b>	<b>¥ 18.3 bn</b>	<b>+¥7.3 bn (+66%)</b>
<ul style="list-style-type: none"> <li>↑ Solid performance by IPP and automotive businesses</li> </ul>		
<b>Mineral &amp; Metal Resources</b>	<b>¥52.5 bn</b>	<b>-¥28.1 bn (-35%)</b>
<ul style="list-style-type: none"> <li>↓ Valepar -18.6: Vale's participation in the federal tax settlement (REFIS)</li> <li>↓ Impairment loss on MLCC (Caserones copper project company) : -14.1</li> <li>↓ Reversal of deferred commitment fee (Codelco)</li> <li>↓ MCH -6.4*: Impairment loss on undeveloped coal deposit</li> <li>↑ MIOD +20.5*, MII +4.9*: Depreciation of JPY and higher iron ore sales volume</li> </ul>		
<b>Overseas</b>	<b>¥40.9 bn</b>	<b>+¥5.5 bn</b>
<b>Innovation &amp; Corporate Development</b>	<b>¥2.1 bn</b>	<b>-¥7.3 bn</b>
<b>Lifestyle</b>	<b>¥ 13.5 bn</b>	<b>-¥3.6 bn</b>
<b>All Others/Adjustments &amp; Eliminations</b>	<b>-¥0.8 bn</b>	<b>+¥4.9 bn</b>

\* This segment's holding portion

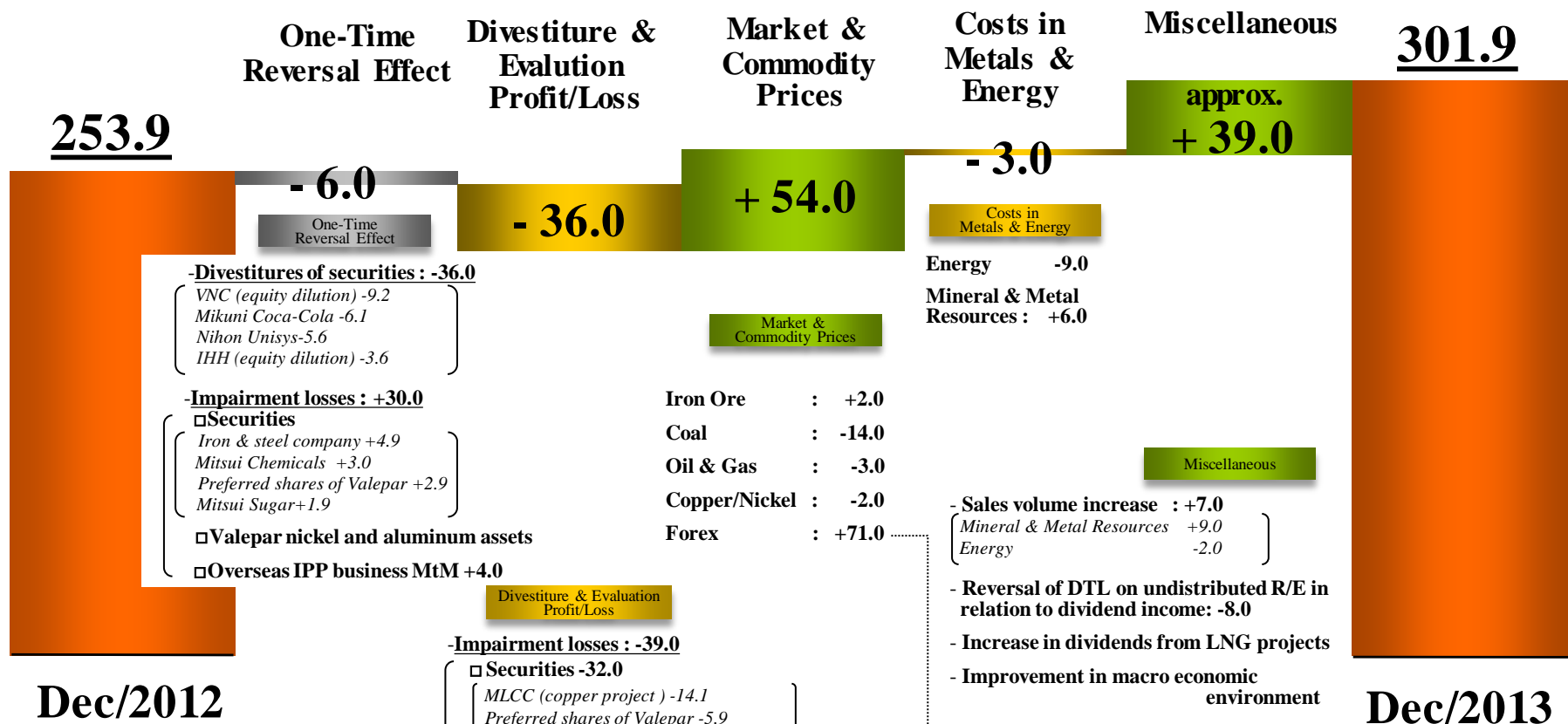
\*\* Restated to conform with reorganization of business units (including first half of Year Ending Mar/2014)



# Breakdown of Y-on-Y Change in Net Income (Dec/2013 vs. Dec/2012)

(¥ billion)

(After tax basis)



**-Divestitures of securities : -36.0**

- VNC (equity dilution) -9.2
- Mikuni Coca-Cola -6.1
- Nihon Unisys -5.6
- IHH (equity dilution) -3.6

**-Impairment losses : +30.0**

- **Securities**
  - Iron & steel company +4.9
  - Mitsui Chemicals +3.0
  - Preferred shares of Valepar +2.9
  - Mitsui Sugar +1.9
- **Valepar nickel and aluminum assets**
- **Overseas IPP business MtM +4.0**

- Iron Ore** : +2.0
- Coal** : -14.0
- Oil & Gas** : -3.0
- Copper/Nickel** : -2.0
- Forex** : +71.0

- Energy** : -9.0
- Mineral & Metal Resources** : +6.0

- **Sales volume increase** : +7.0
  - Mineral & Metal Resources +9.0
  - Energy -2.0

- **Reversal of DTL on undistributed R/E in relation to dividend income**: -8.0
- **Increase in dividends from LNG projects**
- **Improvement in macro economic environment**

**-Impairment losses : -39.0**

- **Securities -32.0**
  - MLCC (copper project) -14.1
  - Preferred shares of Valepar -5.9
- **Inventories and long-lived assets -5.0**
  - (undeveloped coal deposit -3.2)
- **Overseas IPP business MtM -2.0**

**-Divestiture : +33.0**

- **Securities +25.0**
  - QIWI +10.0
  - Overseas lifestyle-related company +3.2
  - Daicel +2.5, Mikuni Coca-Cola +2.0\*
- **Long-lived assets +8.0** (Oil field interests +6.6)

**-Others : -30.0**

- **Vale tax related loss (REFIS)**

\* Exchange of shares

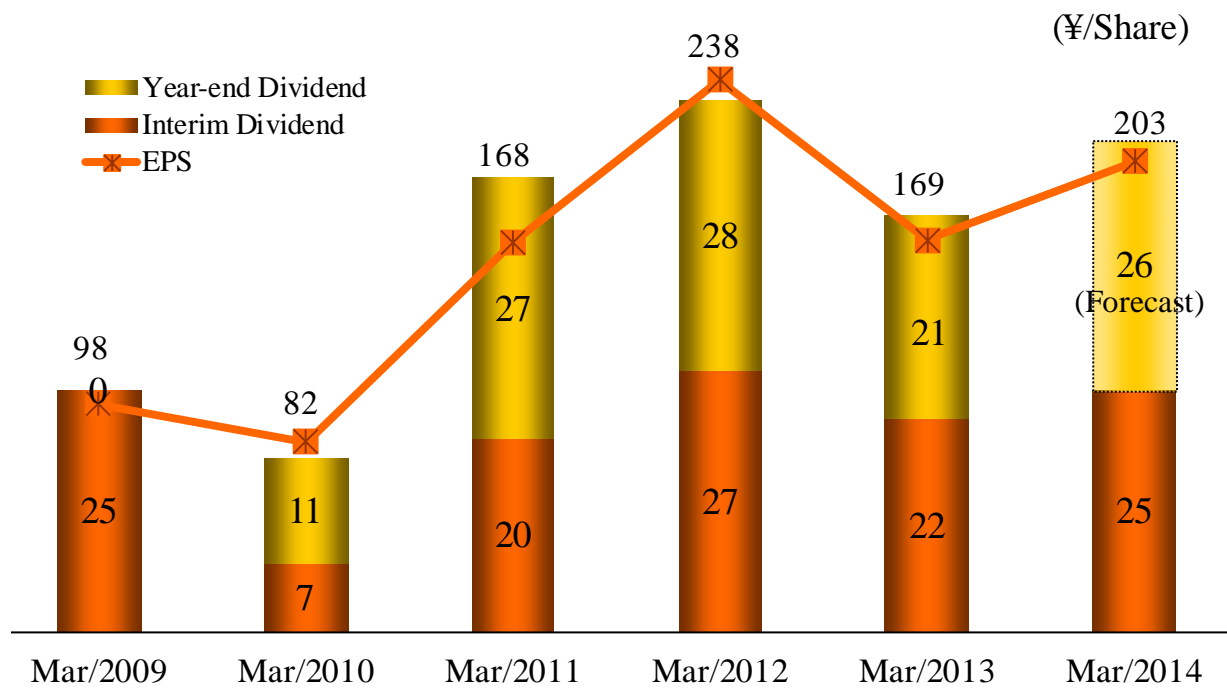
Forex : +71.0	Energy	Mineral & Metal Resources	Others	Total
Yen vs. Functional currency	+39.0	+13.0	+11.0	+63.0
Functional currency vs. Revenue currencies	-2.0	+12.0	-2.0	+8.0
<b>Total</b>	<b>+37.0</b>	<b>+25.0</b>	<b>+9.0</b>	<b>+71.0</b>

Note ; All figures for Mineral & Metal Resources and Energy on this page are stated on a global basis

# Appendix

# Annual Dividend for the Year Ending Mar/2014

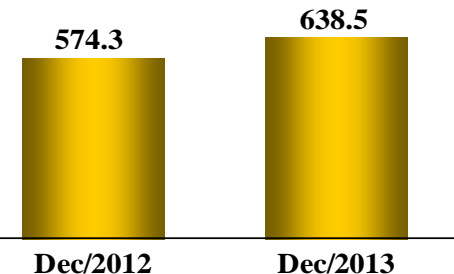
- Minimum dividend payout ratio to be maintained at 25% of consolidated net income, the target set forth in the current Medium-term Management plan.
- Assuming the annual consolidated net income will be ¥370 billion for the year ending March 2014, envisaged annual dividend is ¥51/share including an interim dividend of ¥25/share.



# Operating Results for Dec/2013 (KPIs)

(¥ billion)

## Gross Profit

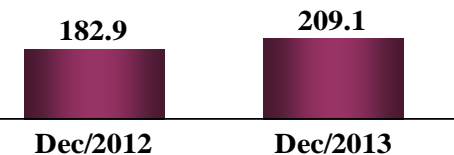


## Gross Profit

**¥638.5 bn +¥64.2.0 bn (+11%)**

↑ Mineral & Metal Resources	: +25.8	[ MIOD/ MII +39.2: Depreciation of JPY and expansion of iron ore production ]
↑ Iron & Steel Products	: +11.7	
↑ Chemicals	: +11.0	[ Depreciation of JPY, recovery of underperforming trading activities for petrochemical materials and strong sales of agricultural chemicals ]
↑ Machinery & Infrastructure	: +10.9	
↑ Energy	: +10.1	[ Solid performance by automotive and mining and construction machinery businesses in South America, locomotive business in Europe ]
↓ Innovation & Corporate Development	: -17.4	
		[ Oil and gas production : Depreciation of JPY and decline in production cost ]
		[ Commodity derivative trading business recorded a decline corresponding to an improvement in the foreign exchange gains and losses ]

## Operating Income



## Operating Income

**¥209.1 bn +¥26.2 bn (+14%)**

↑ Increase in gross profit partially offset by increased selling, general and administrative expenses of overseas subsidiaries due to depreciation of JPY

## Equity in Earnings of Associated Companies

**¥121.3 bn -¥14.3 bn (-11%)**

↓ Valepar -2.9	: Vale's participation in the federal tax settlement (REFIS)
↓ Impairment loss on MLCC (Caserones copper project)	: -14.1
↓ Impairment loss on Arch Pharmedlabs (pharmaceutical contract manufacturer in India)	: -4.2
↑ RRMC (iron ore mining company)	: +11.1: Increase reflecting depreciation of JPY
↑ IPP business	: +10.5: Start up of Hezhou and Paiton 3, increases in earnings from IPPs in Puerto Rico and U.K.
↑ Japan Australia LNG (MIMI)	: Increase reflecting depreciation of JPY

## Equity in Earnings of Associated Companies-Net



## Net Income

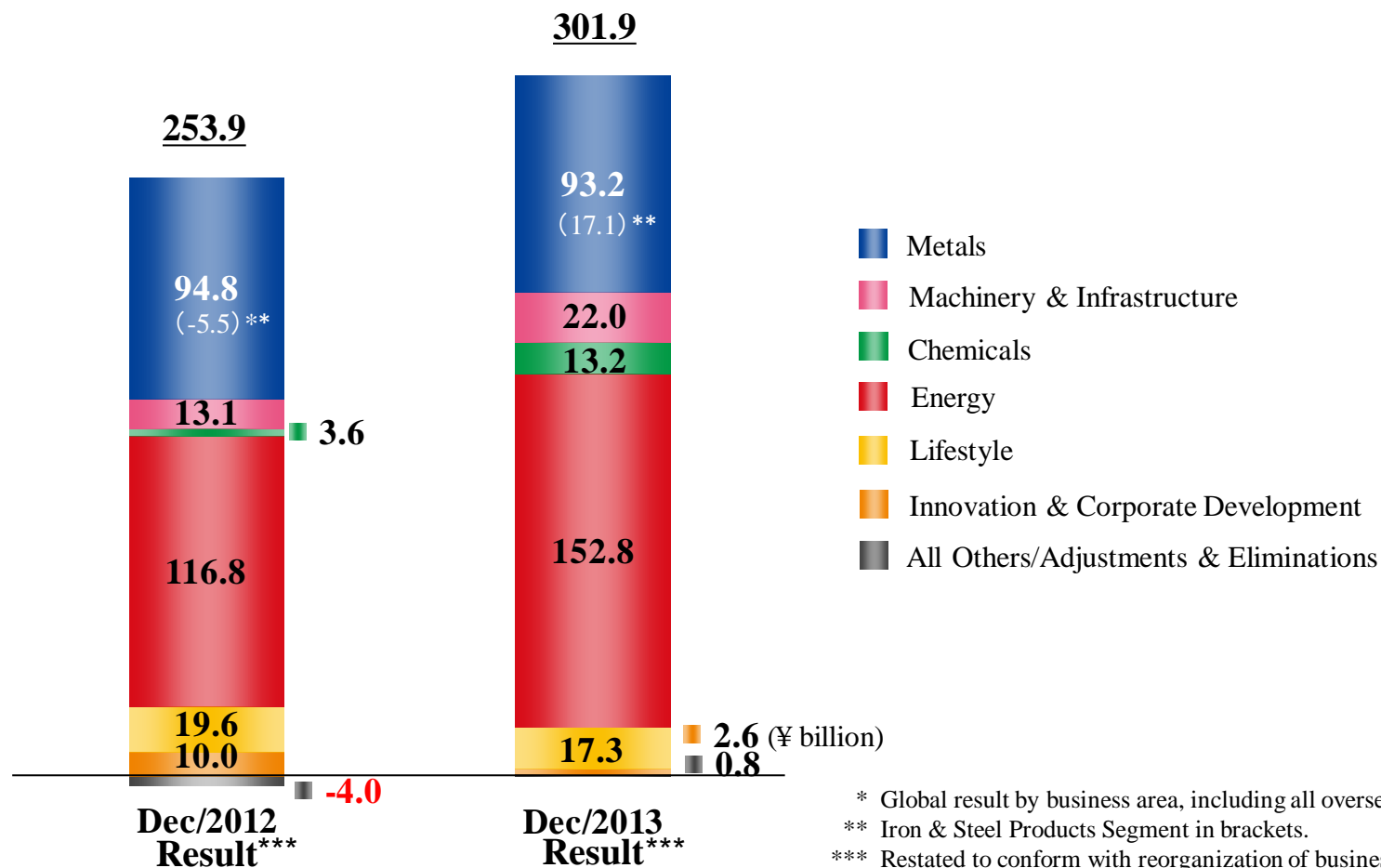
**¥301.9 bn +¥48.0 bn (+19%)**

### Other Major Line Items that Affected Y-on-Y Changes on Net Income

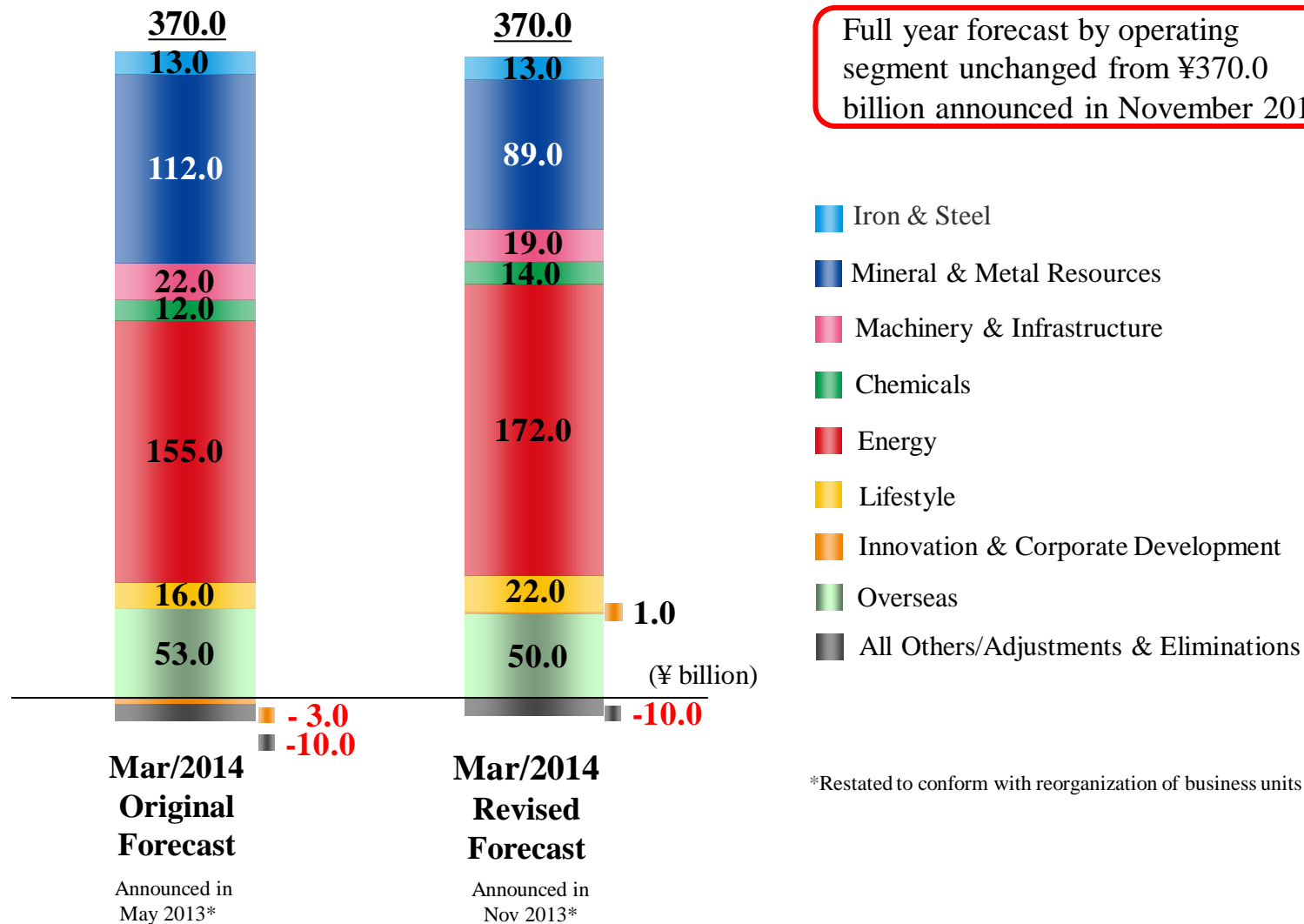
↑ Dividend income (pre-tax)	: +38.1	LNG projects +35.5, reflecting increase in dividends from Sakhalin II
↑ Other expenses (pre-tax)	: +11.2	Commodity derivative trading business recorded improvement of +12.0 in the foreign exchange gains and losses corresponding to a decline in gross profit
↑ Gain on sales of long-lived assets (pre-tax)	: +6.6	Sales of interests in oil fields in Egypt and New Zealand
↑ Impairment losses on securities (pre-tax)	: +4.5	
		[ Dec/2013 -16.8: Valepar preferred shares -9.5, Investment in LNG project -3.3 ]
		[ Dec/2012 -21.3: Iron & steel company -4.9, Mitsui Chemicals -3.0, Valepar preferred shares -4.5 ]

# Net Income for 9-month Period by Business Area

## -Global Basis- (Reference\*)



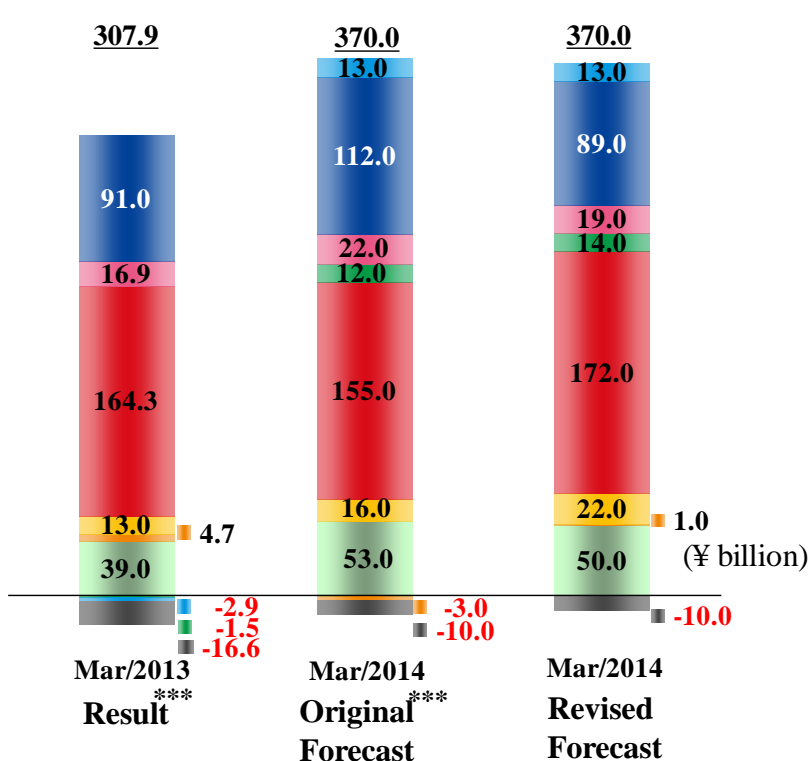
## Forecast for the Year Ending Mar/2014



# FY Mar/2014 Net Income Forecast (Reference)

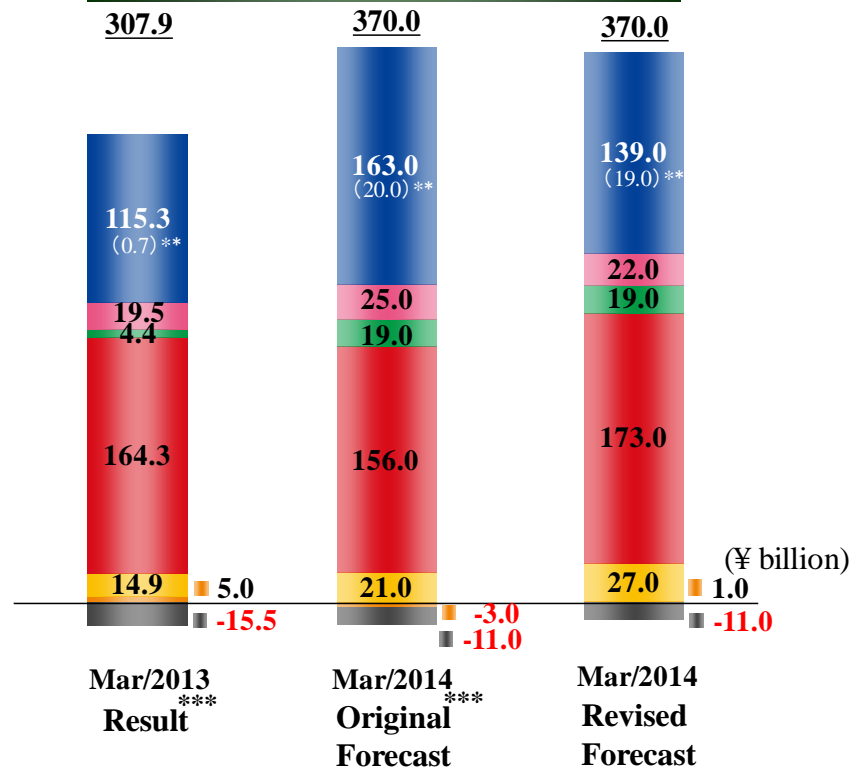
Full year forecast unchanged from ¥370.0 billion announced in November 2013

## By Operating Segment



- Iron & Steel Products
- Machinery & Infrastructure
- Energy
- Innovation & Corporate Development
- All Others/Adjustments & Eliminations
- Mineral & Metal Resources
- Chemicals
- Lifestyle
- Overseas

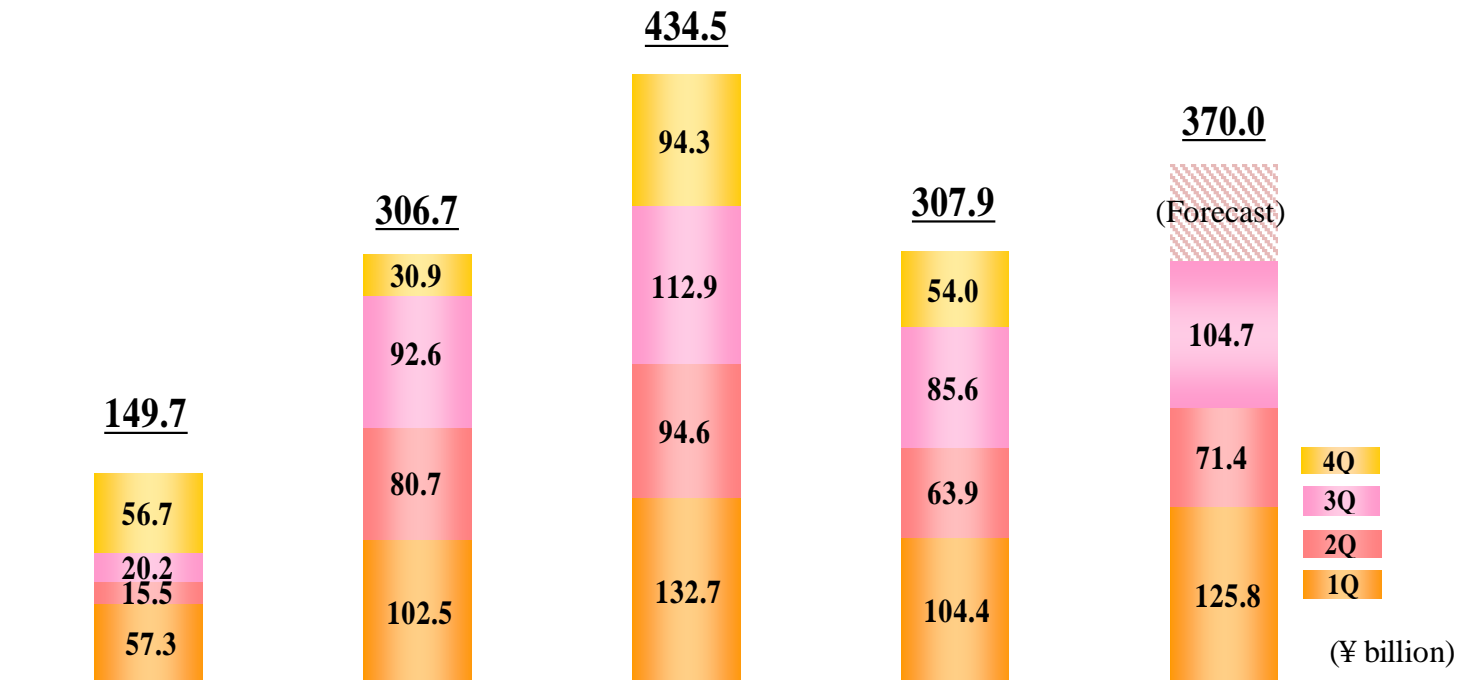
## By Business Area (Reference)\*



- Metals
- Machinery & Infrastructure
- Chemicals
- Energy
- Lifestyle
- Innovation & Corporate Development
- All Others/Adjustments & Eliminations

\* Global result/forecast by business area, including all overseas operations.  
 \*\* Iron & Steel Products Segment in brackets.  
 \*\*\* Restated to conform with reorganization of business units

# Quarterly Net Income Results



Mar/2010

Mar/2011

Mar/2012

Mar/2013

Mar/2014\*

Forex rate (¥/US\$)  
Oil price (US\$/bbl)

93  
62

85  
80

79  
108

83  
114

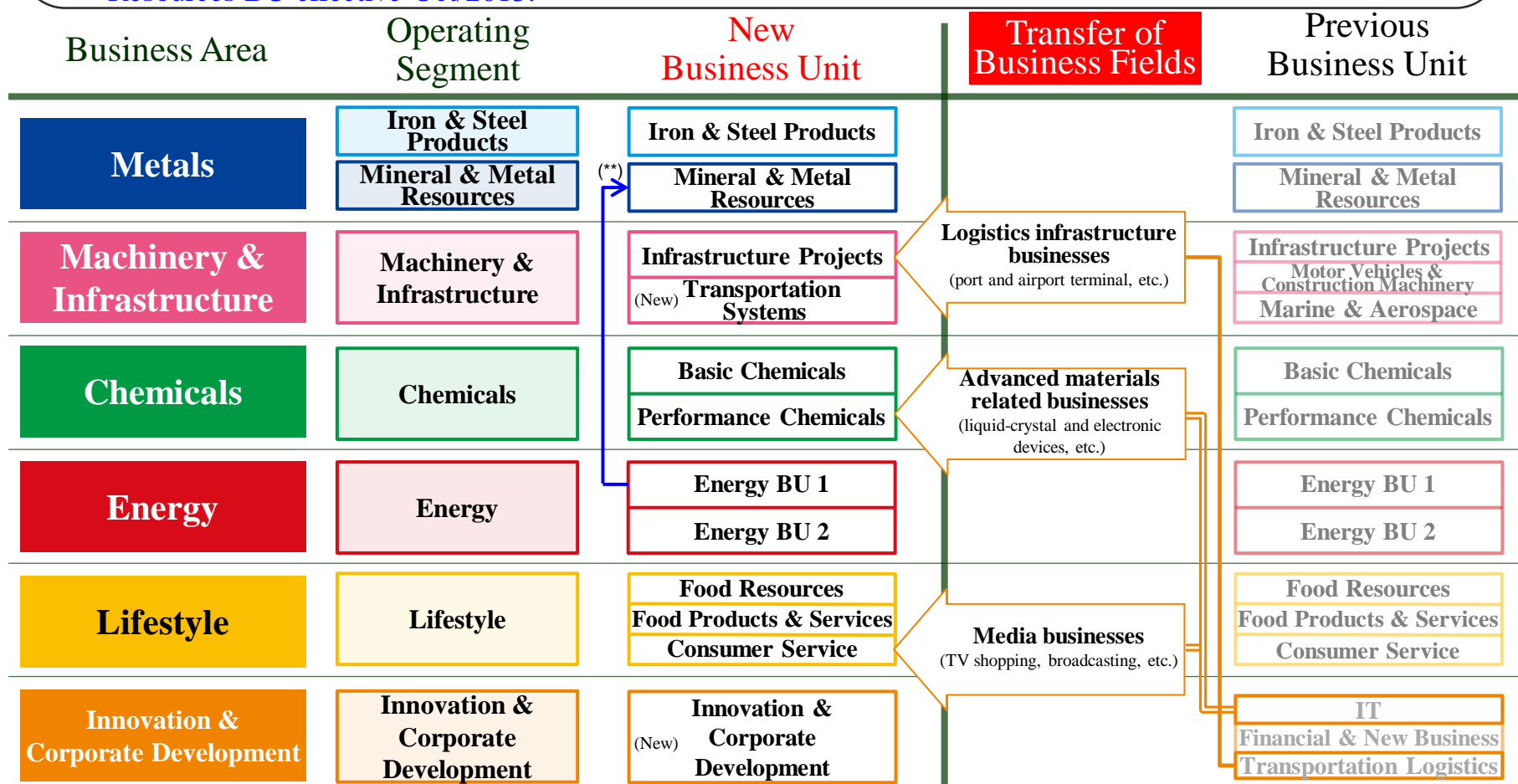
100  
110

\* Average of 9-month period ended Dec, 2013



# Reorganization of Business Units (Mar/2014)

- Consolidate business fields to achieve wide-ranging synergies across product categories. (15 ⇔ 12 business units from FY Mar/2014) (\*)
  - ☑ Establishment of Transportation Systems Business Unit
  - ☑ Establishment of Innovation & Corporate Development Business Unit (provide a cross-organizational functional capabilities, contribute to creating new business for the next-generation)
  - ☑ Integration and Transfer of business fields (Infrastructure Projects, Performance Chemicals and Consumer Service)
- Coal business (except for sales to power utilities) has been transferred from Energy BU1 to Mineral & Metal Resources BU effective Oct/2013.\*\*



# Iron Ore Spot Price\* (Reference)

(US\$/DMT)

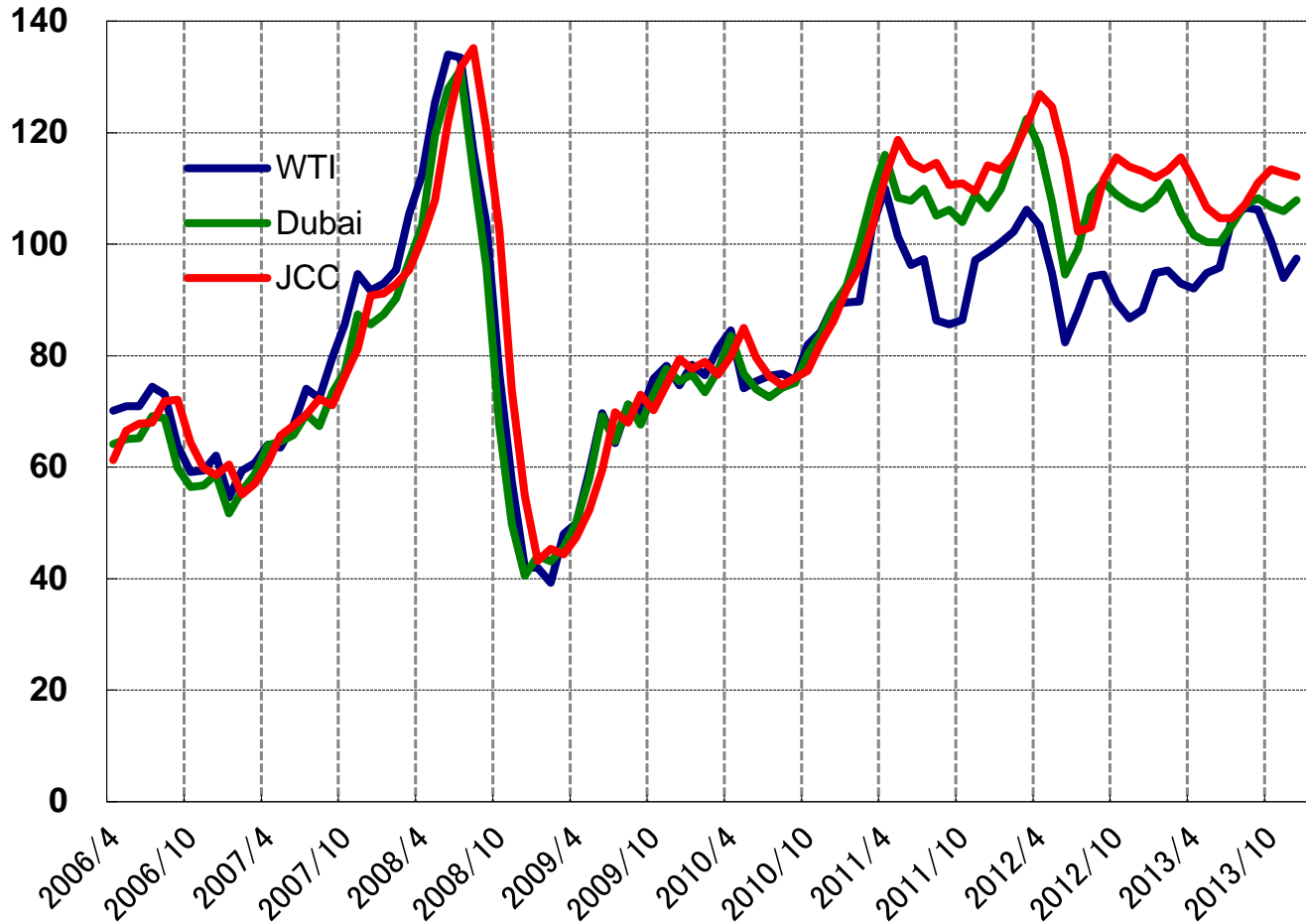
CFR North China (Fine, Fe 62%)



\*Average of representative reference prices

# Oil Price

US\$/BBL



# Equity Share of Delivery (Results)

	Mar/2013 1Q	Mar/2013 2Q	Mar/2013 3Q	Mar/2013 4Q	Mar/2013 Total	Mar/2014 1Q	Mar/2014 2Q	Mar/2014 3Q*	Mar/2014 Total
<b>Iron Ore (Mt)</b>	11.4	12.4	12.7	11.7	48.0	12.0	13.0	13.5	38.5
<b>MIOD</b>	7.0	7.6	7.6	6.3	28.6	7.4	8.1	8.0	23.5
<b>MII</b>	1.1	1.0	1.1	1.1	4.2	1.3	1.3	1.3	4.0
<b>Vale**</b>	3.3	3.8	3.9	4.2	15.2	3.3	3.6	4.2	11.0
<b>Coal (Mt)</b>	2.5	2.5	2.6	2.0	9.6	2.5	2.7	2.8	8.0
<b>MCH</b>	2.1	2.2	2.3	1.7	8.3	2.1	2.3	2.4	6.8
<b>BMC**</b>	0.3	0.3	0.4	0.3	1.3	0.4	0.4	0.4	1.2
Coking Coal	1.9	1.8	1.8	1.4	7.0	1.6	1.7	1.9	5.3
Thermal Coal	0.5	0.7	0.8	0.6	2.6	0.8	1.0	0.9	2.7
<b>Copper (Kt)***</b>	11.1	10.9	12.5	20.0	54.4	21.2	23.6	31.2	75.9

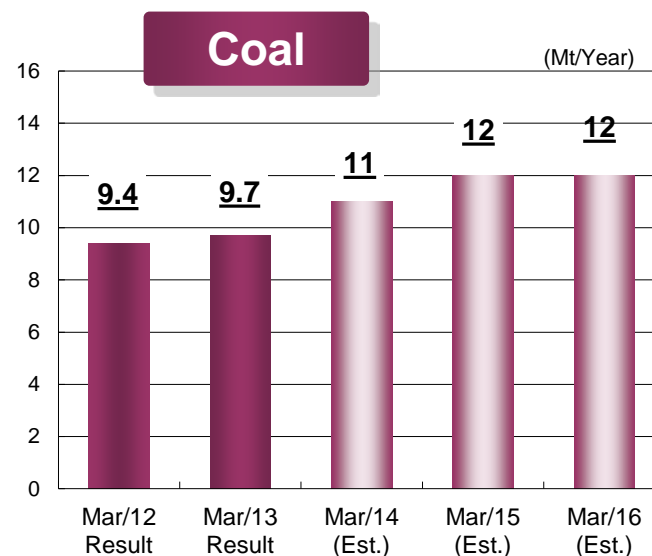
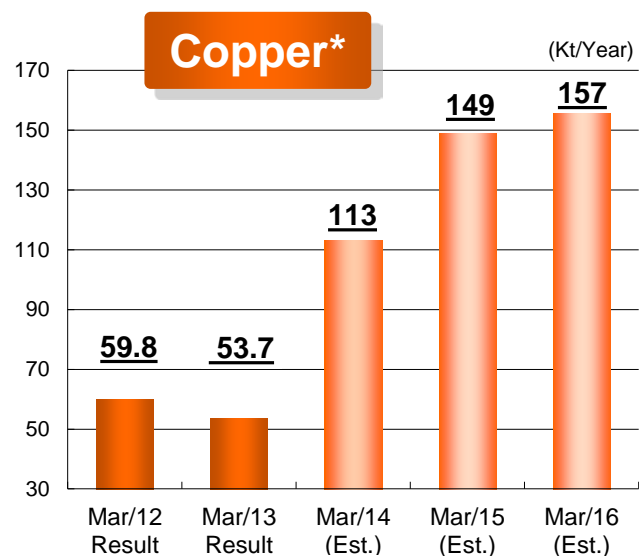
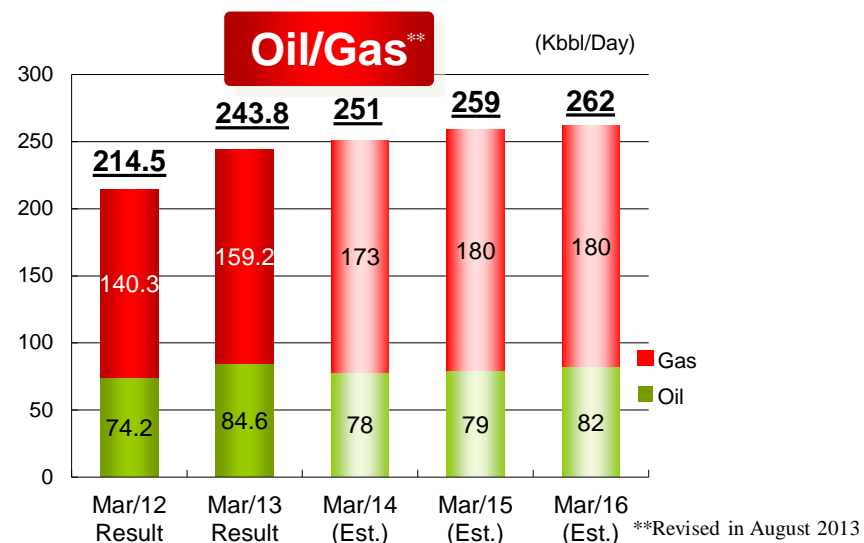
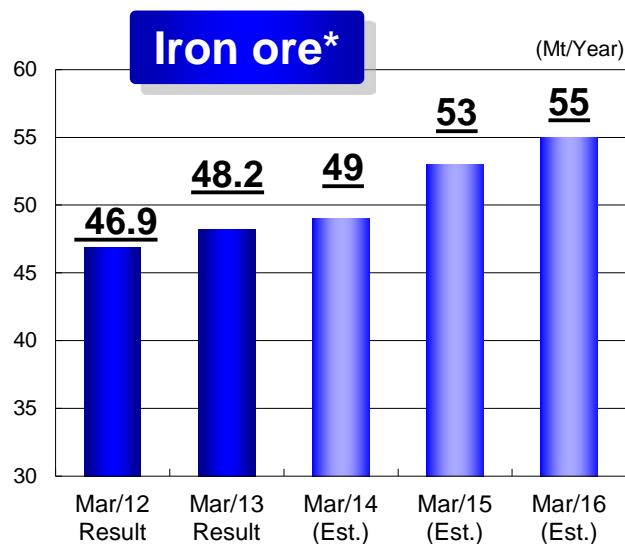
\* Preliminary figures for coal

\*\* Vale, BMC and Copper ; 1Q: Result of Jan-Mar, 2Q: Result of Apr-Jun, 3Q: Result of Jul-Sep, 4Q: Result of Oct-Dec

\*\*\* Including 5% equity share of Vale

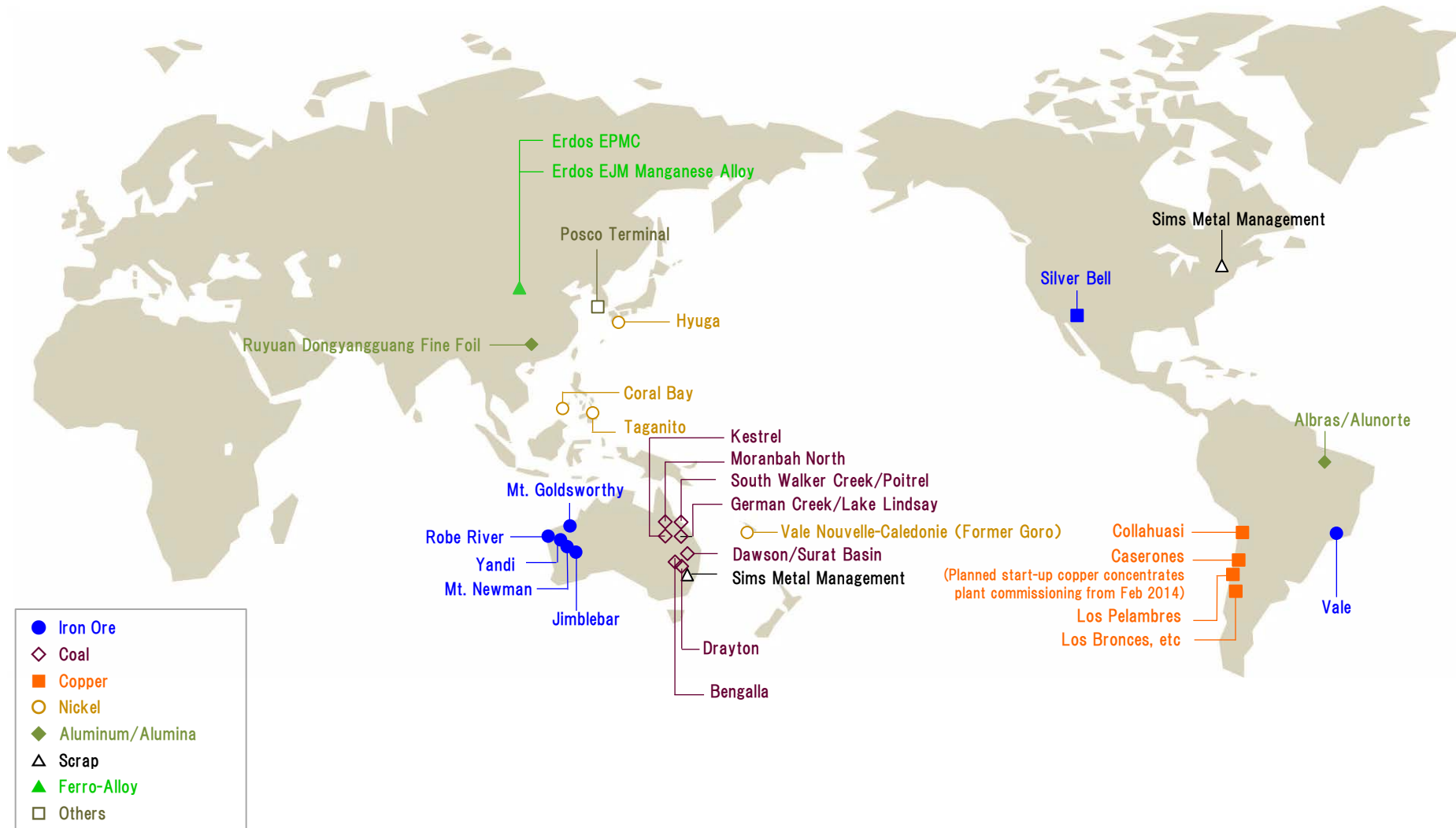
※Figures may not add up due to rounding.

# Equity Share of Production (Announced in May 2013)



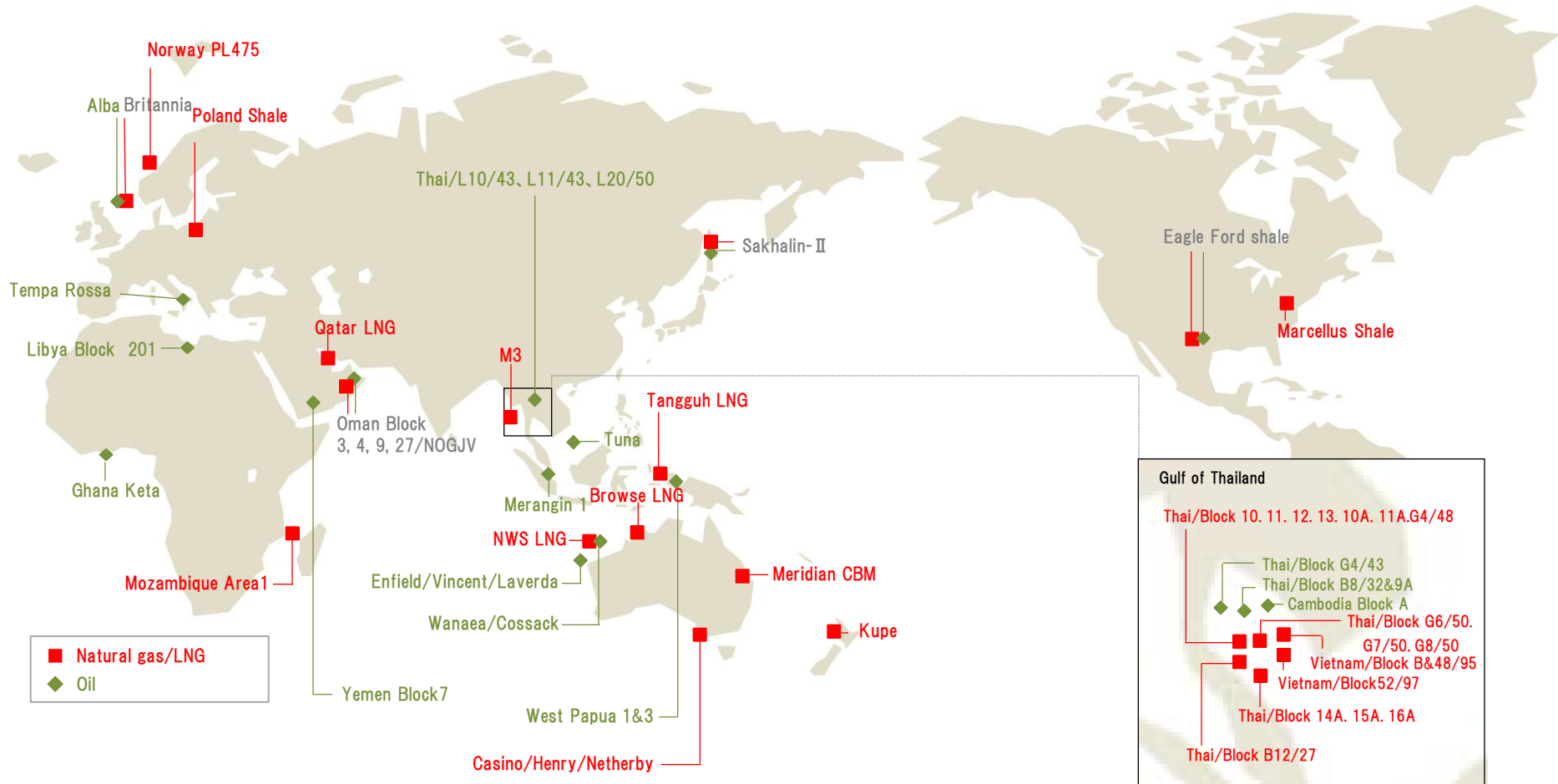
As of December 31, 2013

# Major Projects in Mineral & Metal Resources Business



As of December 31, 2013

# Upstream Assets in Energy Business



As of December 31, 2013

## Upstream Assets (Natural Gas/LNG/Oil)



	Exploration	Development	Production
Natural gas/LNG Project	<p><b>Australia:</b> Laverda*1 and 23 other permits (MEPAU)</p> <p><b>New Zealand:</b> PEP50119 and PEP54863 (MEPAU)</p> <p><b>Papua New Guinea:</b> PPL426 (MEPAU)</p> <p><b>Thailand:</b> Block L10/43.L20/L50 and 3 other permits (MOECO)</p> <p><b>Vietnam:</b> Blocks B&amp;48/95, 52/97*1 (MOECO)</p> <p><b>Cambodia:</b> Block A (MOECO)</p> <p><b>Indonesia:</b> Merangin I, Tuna, West Papua I / III (MOECO)</p> <p><b>Myanmar:</b> M3 (MOECO)</p> <p><b>Poland:</b> Poland Shale (MEPPOL)</p> <p><b>Norway:</b> PL475 (MOECO)</p> <p><b>Yemen:</b> Block 7 (MEPME)</p> <p><b>Libya:</b> Block 201 (MOECO)</p> <p><b>Mozambique:</b> Area1*1 (MEPMOZ)</p> <p><b>Ghana:</b> Keta (MEPGK)</p>	<p><b>USA:</b> Marcellus Shale (MEPUSA) *2 Eagle Ford Shale (MEPTX) *2</p> <p><b>Australia:</b> Meridian CBM (MEPAU) *2 Browse LNG (JAL-MIMI)</p> <p><b>Mozambique:</b> Area1*1 (MEPMOZ)</p>	<p><b>Russia:</b> Sakhalin II LNG (Sakhalin Energy)</p> <p><b>Australia:</b> NWS LNG (JAL-MIMI), Casino/Henry/Netherby, Meridian CBM (MEPAU)</p> <p><b>New Zealand:</b> Kupe (MEPAU)</p> <p><b>Thailand:</b> Blocks 10.11.12.13.10A.11A.G4/48, Block B12/27, Blocks 14A.15A.16A, Blocks B8/32&amp;9A, Block G4/43 (MOECO)</p> <p><b>Indonesia:</b> Tangguh LNG (KG Berau/KG Wiriagar)</p> <p><b>USA:</b> Marcellus Shale (MEPUSA) Eagle Ford Shale (MEPTX)</p> <p><b>Qatar:</b> Qatargas 1 LNG (MILNED) Qatargas 3 LNG (Mitsui Qatargas 3)</p> <p><b>Oman:</b> NOGJV (MEPME)</p> <p><b>United Kingdom:</b> Britannia (MEPUK)</p>
	Oil Project		<p><b>USA:</b> Eagle Ford Shale (MEPTX) *2</p> <p><b>Italy:</b> Tempa Rossa (MEPIT)</p>

\*1 Proved undeveloped \*2 Partly in production



As of December 31, 2013

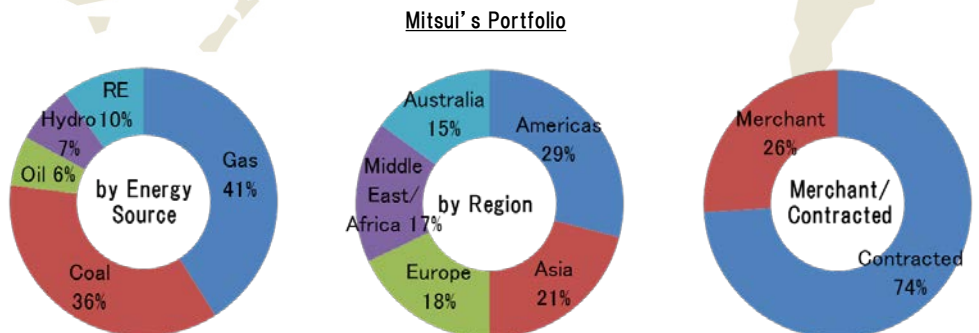
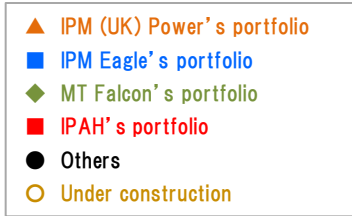
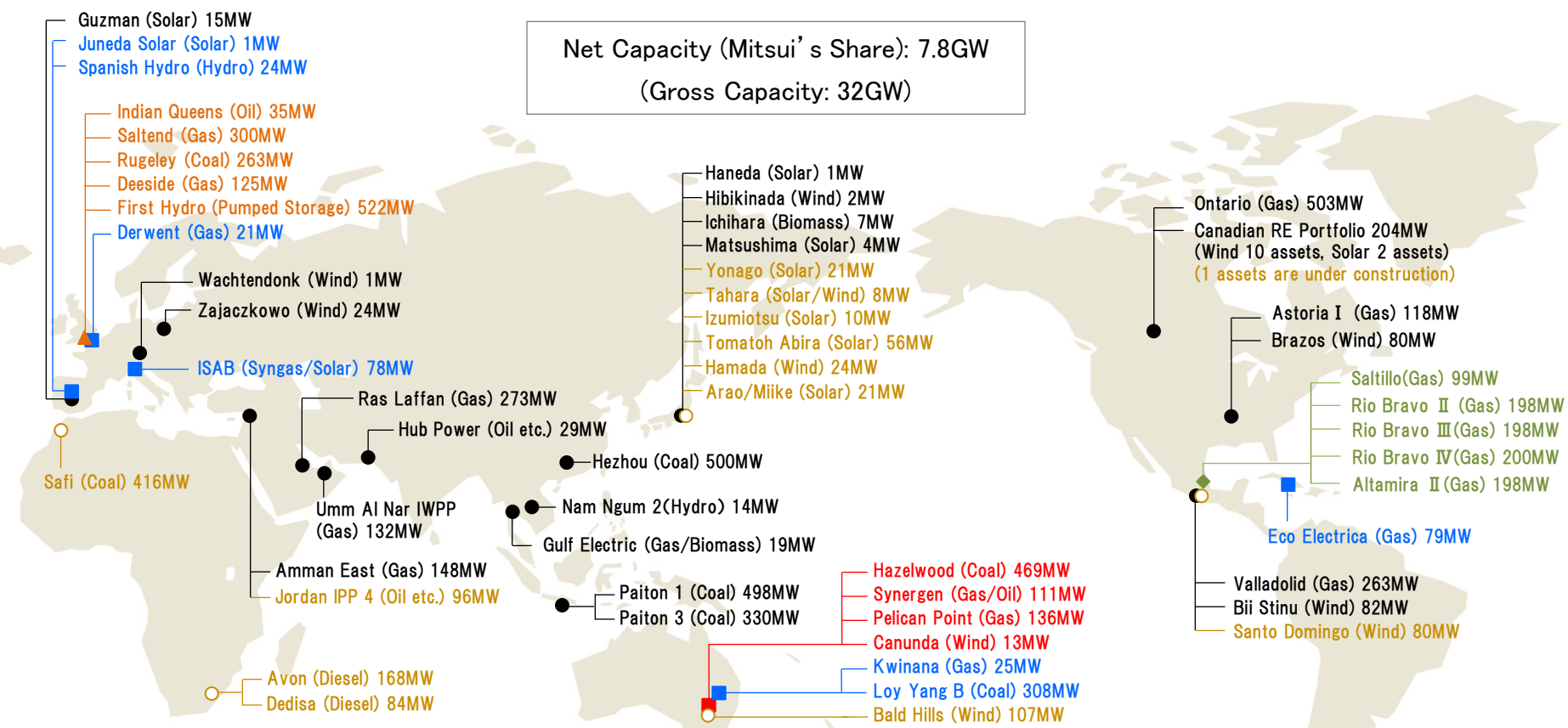
# Major Investments in Iron & Steel Products Business



As of December 31, 2013

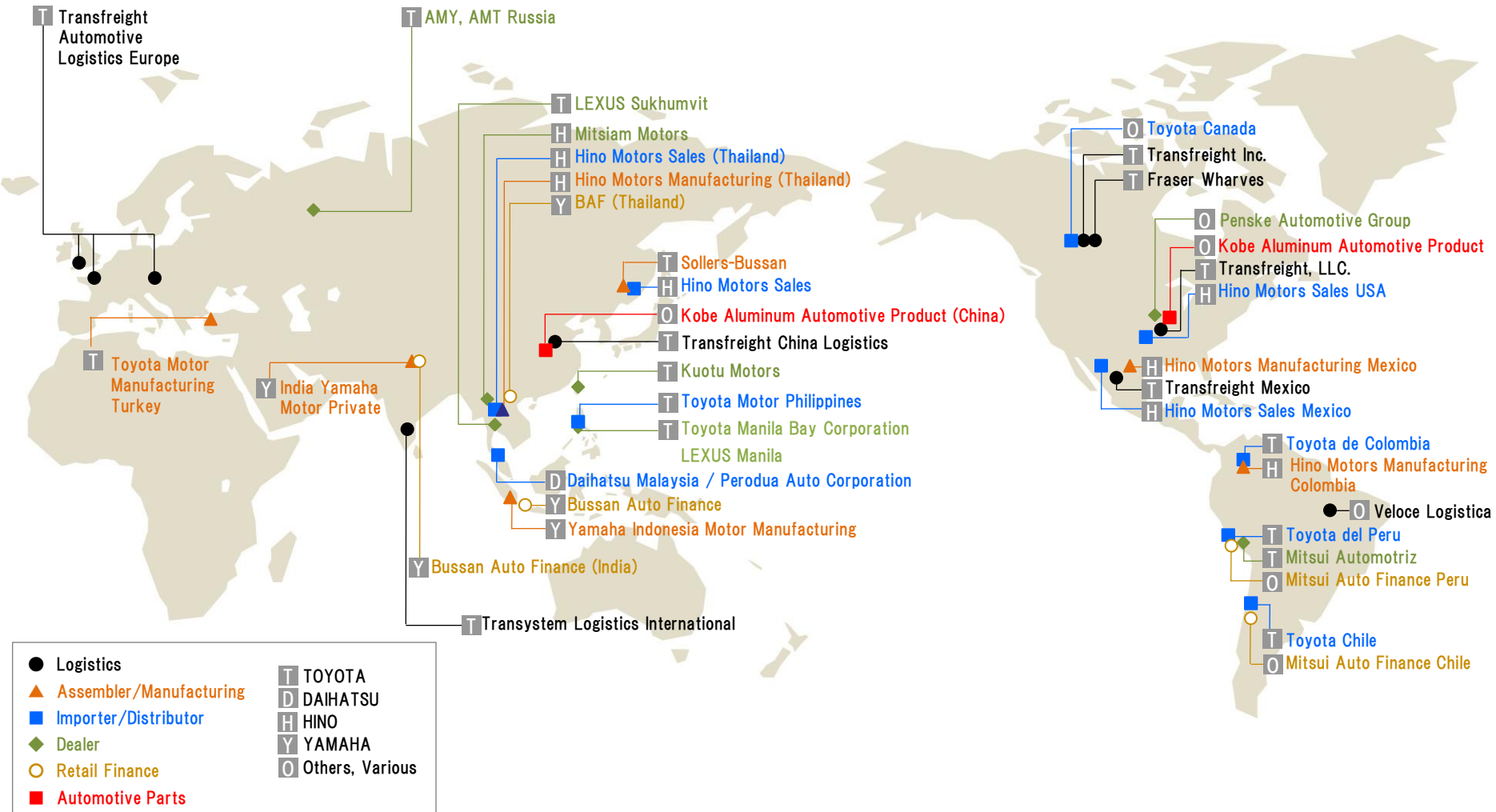
# Portfolio of IPP (Independent Power Producer) Business

Net Capacity (Mitsui's Share): 7.8GW  
(Gross Capacity: 32GW)



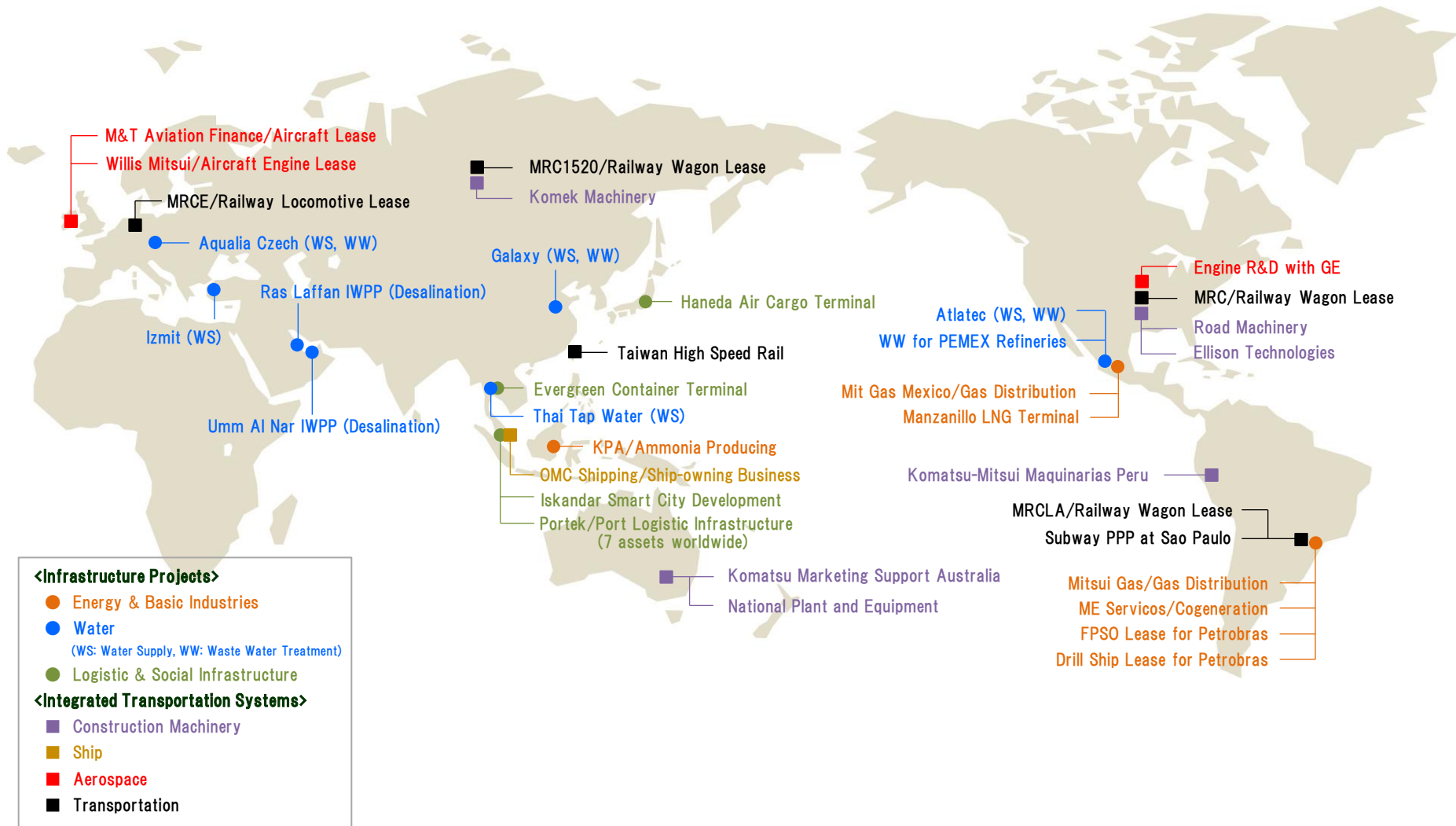
As of December 31, 2013

# Portfolio of Automotive-Related Business



As of December 31, 2013

## Other Major Machinery & Infrastructure Business



As of December 31, 2013

## Major Investments in Trading Business in Chemical Business



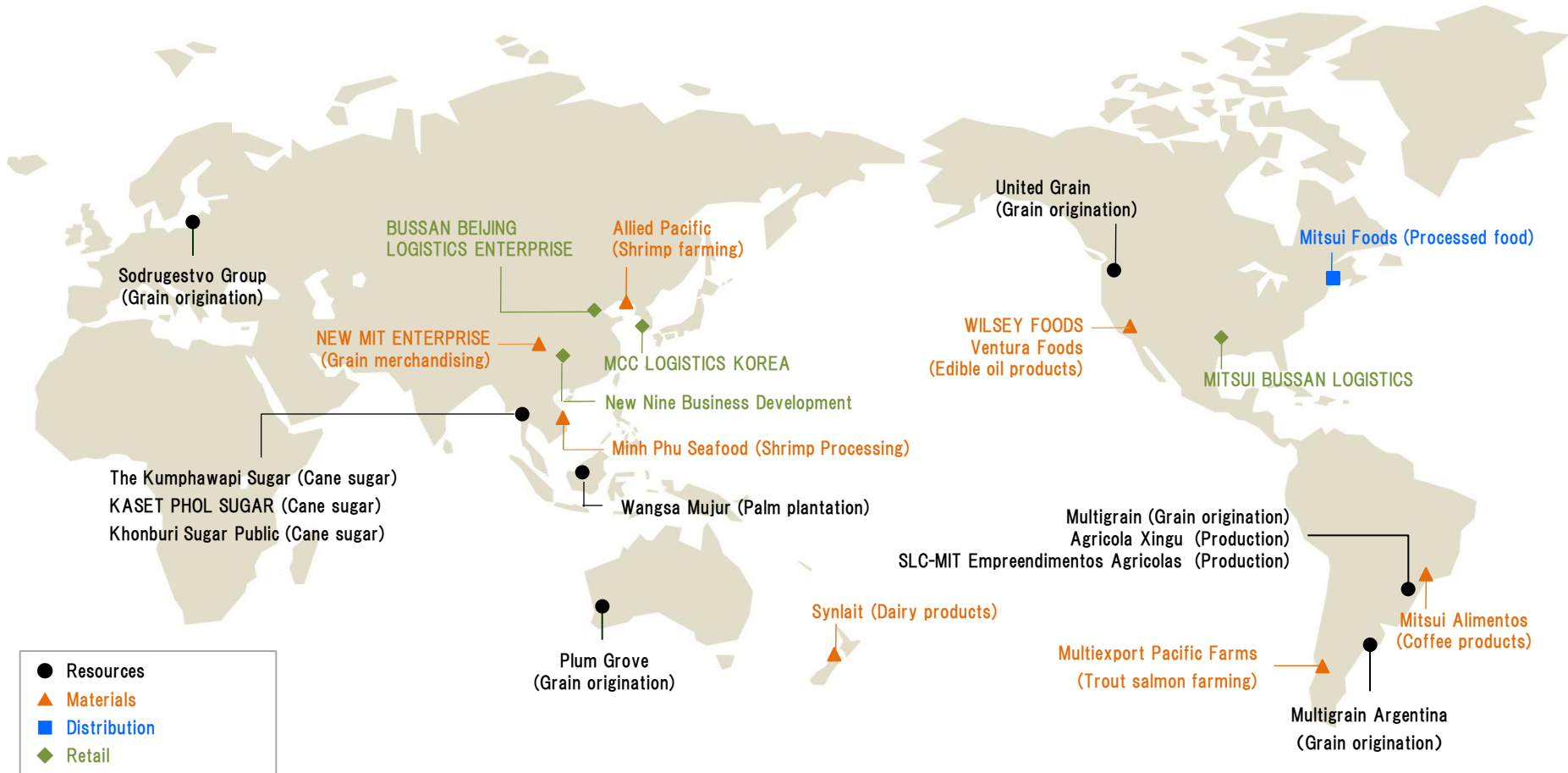
As of December 31, 2013

# Major Investments in Manufacturing Business in Chemical Business



As of December 31, 2013

## Major Overseas Investments in Food Resources and Food Products & Services



As of December 31, 2013

# Major Investments in Consumer Service Business

