Company Registered No 07769021 (England and Wales)

MKI (U.K.), LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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MKI (U.K.), LTD

COMPANY INFORMATION

Directors	M Tobe (resigned 1 April 2015) K Nakatani (resigned 18 June 2014) S Suzuki (resigned 1 April 2015) E Furuya (resigned 1 April 2015) T Nakajima (appointed 20 June 2014, resigned 1 April 2015) T Shimizu (appointed 20 June 2014, resigned 1 April 2015) T Cho (appointed 1 April 2015) Y Iwata (appointed 1 April 2015) M Mori (appointed 1 April 2015)
Company number	07769021
Registered office	8th & 9th Floors, 1 St Martin's Le Grand London EC1A 4AS
Business address	8th & 9th Floors, 1St Martin's Le Grand London EC1A 4AS
Independent auditor	Deloitte LLP 2 New Street Square London EC4A 3BZ
Bankers	Sumitomo Mitsui Banking Corporation Europe Limited 99 Queen Victoria Street London EC4V 4EH

MKI (U.K.), LTD

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MKI (U K), LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015 This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption The directors have not prepared a Strategic Report in accordance with the provisions applicable to companies entitled to the small companies' exemption

Directors

The directors who served during the year were

M Tobe (resigned 1 April 2015)
K Nakatani (resigned 18 June 2014)
S Suzuki (resigned 1 April 2015)
E Furuya (resigned 1 April 2015)
T Nakajima (appointed 20 June 2014, resigned 1 April 2015)
T Shimizu (appointed 20 June 2014, resigned 1 April 2015)

Going concern assessment

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they adopt the going concern basis in preparing the financial statements

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006 A resolution proposing that they be re-appointed will be put forward at the next General Meeting

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf

T Cho
Director
Date 28/09/2015

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MKI (U K.), LTD

We have audited the financial statements of MKI (U K), Ltd for the year ended 31 March 2015, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MKI (U.K.), LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report

Manbhinder Rana F C A (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 28/09/2015

MKI (U.K.), LTD

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
Turnover	2	1,441,200	1,200,085
Cost of sales		(811,803)	(718,007)
Gross profit		629,397	482,078
Administrative expenses		(227,116)	(177,333)
Operating profit	3	402,281	304,745
Interest payable and similar charges	7	-	(241)
Profit on ordinary activities before taxation		402,281	304,504
Tax on profit on ordinary activities	8	(86,958)	(71,371)
Profit for the financial year	12	315,323	233,133

All amounts relate to continuing operations

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account

The notes on pages 7 to 12 form part of these financial statements

MKI (U.K), LTD
REGISTERED NUMBER 07769021

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
Current assets					
Debtors	9	104,602		209,173	
Cash at bank		351,318		398,259	
		455,920		607,432	
Creditors amounts falling due within one year	10	(193,501)		(180,336)	
Net current assets			262,419		427,096
Total assets less current liabilities			262,419		427,096
Capital and reserves					
Called up share capital	11		200,000		200,000
Profit and loss account	12		62,419		227,096
Shareholders' funds	13		262,419		427,096

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

T Cho
Director
Date 28/09/2015

The notes on pages 7 to 12 form part of these financial statements

1. Accounting policies

MKI (UK) Ltd is a limited company incorporated in the United Kingdom The financial statements cover the year to 31 March 2015 Significant accounting policies, which have been adopted consistently in the current year and prior period, are described below

1 1 Accounting convention

The financial statements have been prepared under the historical cost convention

1 2 Going concern

The company is in profit for the year and has net current assets, mostly in the form of cash at bank, as at the balance sheet date Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.4 Revenue recognition

Revenue represents amounts receivable for IT consulting and technical support services provided in the normal course of business and is measured at fair value

1.5 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing difference arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivables as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1. **Accounting policies (continued)**

1.7 Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared and approved by shareholders before or on the balance sheet date Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Financial Statements are authorised for issue

1.8 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than GBP (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated Exchange differences on monetary items are recognised in profit or loss in the year in which they arise

2. **Turnover**

The total turnover of the company for the year has been derived from IT consulting and technical support to group companies wholly undertaken in the United Kingdom

All turnover arose within the United Kingdom

3. **Operating profit**

The operating profit is stated after charging/(crediting)

	2015 £	2014 £
Operating lease rentals		
- other operating leases	77,610	40,500
Difference on foreign exchange	91	(70)

4 **Auditors' remuneration**

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	10,800	10,500
Fees payable to the company's auditor and its associates in respect of		
Taxation compliance services	5,000	5,000

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2015 £	2014 £
Wages and salaries	811,803	718,007

The average monthly number of employees, including the directors, during the year was as follows

	2015 No	2014 No
Management	1	1
Technical	4	5
	5	6

6. Directors' remuneration

	2015 £	2014 £
Remuneration	277,557	266,142

The highest paid director received remuneration of £277,557 (2014 - £266,142)

7 Interest payable

	2015 £	2014 £
Other interest payable	-	241

8 Taxation

	2015 £	2014 £
UK corporation tax charge on profit for the year	86,958	71,371

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%) The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	402,281	304,504
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	84,479	70,036
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	666	1,335
Adjustments to tax charge in respect of prior periods	1,758	-
Other differences leading to an increase (decrease) in the tax charge	55	-
Current tax charge for the year (see note above)	86,958	71,371

Factors that may affect future tax charges

The standard rate of corporation tax was reduced to 21% on 1 April 2015 The standard rate of corporation tax will be reduced to 20% on 1 April 2016

There are no deferred tax balances in the year or the previous year

9. Debtors

	2015 £	2014 £
Amounts owed by parent and fellow subsidiary undertakings	77,000	152,763
Other debtors	5,121	25,090
Prepayments and accrued income	22,481	31,320
	104,602	209,173

10 Creditors·
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	4,575	3,556
Amounts owed to parent and fellow subsidiary undertakings	34,261	21,462
Corporation tax	14,500	29,141
Other taxation and social security	117,868	110,643
Other creditors	1,497	34
Accruals and deferred income	20,800	15,500
	193,501	180,336

11. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000

12. Reserves

	Profit and loss account £
At 1 April 2014	227,096
Profit for the financial year	315,323
Dividends Equity capital	(480,000)
At 31 March 2015	62,419

13. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	427,096	593,963
Profit for the financial year	315,323	233,133
Dividends (Note 14)	(480,000)	(400,000)
Closing shareholders' funds	262,419	427,096

14. Dividends

	2015 £	2014 £
Dividends paid on equity capital	480,000	400,000

15 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group

16. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Mitsui Knowledge Industry Co , Ltd, a company registered and incorporated in Japan, and ultimate parent undertaking is Mitsui & Co , Ltd, a company registered and incorporated in Japan

A copy of the Group financial statements can be obtained from the Company's registered office at 2-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

These financial statements of Mitsui & Co Ltd are submitted for filing with the individual accounts of MKI (U K), Ltd (Co No 07769021) in accordance with the consolidation exemption requirements of s401(2)(f) Companies Act 2006

Annual Securities Report
for the fiscal year ended March 31, 2015

MITSUI & CO., LTD.

Certain References and Information

This report is prepared for overseas investors and compiled based on contents of the Annual Securities Report ("Yukashoken Hokokusho") of Mitsui & Co , Ltd filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on June 19, 2015

As used in this report, "Mitsui" is used to refer to Mitsui & Co , Ltd (Mitsui Bussan Kabushiki Kaisha), "we," "us," and "our" are used to indicate Mitsui & Co , Ltd and subsidiaries, unless otherwise indicated "Share" means one share of Mitsui's common stock, "ADS" means an American Depositary Share representing 20 shares, and "ADR" means an American Depositary Receipt evidencing one or more ADSs Also, "dollar" or "$" means the lawful currency of the United States of America, and "yen" or "¥" means the lawful currency of Japan

All financial statements and information contained in this report have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board except where otherwise noted

A Cautionary Note on Forward-Looking Statements
This report includes forward-looking statements based on our current expectations, assumptions, estimates and projections about our business, our industry and capital markets around the world Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate," "forecast," "plan" or similar words The forward-looking statements in this report are subject to various risks, uncertainties and assumptions These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial position, or state other forward-looking information Known and unknown risks, uncertainties and other factors could cause our actual operating results to differ materially from those contained or implied in any forward-looking statement Our expectations expressed in these forward-looking statements may not turn out to be correct, and our actual results could materially differ from and be worse than our expectations

Important risks and factors that could cause our actual results to differ materially from our expectations are discussed in "2 Operating and Financial Review and Prospects, 4 Risk Factors" or elsewhere in this report and include, without limitation

- changes in economic conditions that may lead to unforeseen developments in markets for products handled by us,
- fluctuations in currency exchange rates that may cause unexpected deterioration in the value of transactions,
- adverse political developments in the various jurisdictions where we operate, which among things, may create delays or postponements of transactions and projects,
- changes in laws, regulations or policies in any of the countries where we conduct our operations, and
- significant changes in the competitive environment

We do not assume, and specifically disclaim, any obligation to update any forward-looking statements which speak only as of the date made

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1. Overview of Mitsui and Its Subsidiaries

1 Selected Financial Data

		IFRS			
Fiscal year		96th	95th	94th	Transition date
Year ended		March 31, 2015	March 31, 2014	March 31, 2013	April 1, 2012
Consolidated financial data					
Revenue	(Millions of Yen)	5,404,930	5,731,918	4,912,118	-
Gross profit	(Millions of Yen)	845,840	880,106	814,139	-
Profit for the year attributable to owners of the parent	(Millions of Yen)	306,490	350,093	296,623	-
Comprehensive income for the year attributable to owners of the parent	(Millions of Yen)	406,583	521,457	664,345	-
Total trading transactions	(Millions of Yen)	10,827,831	11,155,434	10,050,556	-
Total equity attributable to owners of the parent	(Millions of Yen)	4,099,795	3,815,767	3,439,141	2,866,278
Total assets	(Millions of Yen)	12,202,921	11,491,319	10,777,274	9,493,804
Equity attributable to owners of the parent per share	(Yen)	2,287 17	2,128 73	1,884 33	1,570 61
Basic earnings per share attributable to owners of the parent	(Yen)	170 98	192 22	162 53	-
Diluted earnings per share attributable to owners of the parent	(Yen)	170 95	192 21	162 53	-
Equity attributable to owners of the parent ratio	(%)	33 60	33 21	31 91	30 19
Return on Equity (ROE)	(%)	7 74	9 65	9 41	-
Price Earnings Ratio (PER)	(Times)	9 43	7 59	8 08	-
Cash flows from operating activities	(Millions of Yen)	639,967	449,243	455,326	-
Cash flows from investing activities	(Millions of Yen)	(386,397)	(659,818)	(754,533)	-
Cash flows from financing activities	(Millions of Yen)	(126,193)	(13,237)	236,335	-
Cash and cash equivalents at end of year	(Millions of Yen)	1,400,770	1,226,317	1,432,534	1,431,112
Number of employees (excluding average number of part-time employees)	(Number of persons)	47,118 (11,139)	48,090 (12,570)	45,148 (16,750)	44,805 (19,413)

(Notes) 1 The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards (IFRS) from the 95th fiscal year

2 Total trading transactions are voluntary disclosures for users of the consolidated financial statements as a measure commonly used by Japanese trading companies It is not to be construed as equivalent to revenue under IFRS Total trading transactions represent the gross transaction volume as the aggregate nominal value of the sales contracts in which the companies act as a principal and the commissions in which the Company and certain subsidiaries serve as an agent

3 Revenue and total trading transactions do not include consumption taxes

		U S GAAP			
Fiscal year		95th	94th	93rd	92nd
Year ended		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Consolidated financial data					
Revenues	(Millions of Yen)	5,740,650	4,911,609	5,251,602	4,679,443
Income from continuing operations before income taxes and equity in earnings	(Millions of Yen)	453,732	314,098	413,211	272,697
Net income attributable to Mitsui & Co , Ltd	(Millions of Yen)	422,161	307,926	434,497	306,659
Comprehensive income attributable to Mitsui & Co , Ltd	(Millions of Yen)	549,238	631,260	373,029	191,345
Total trading transactions	(Millions of Yen)	11,165,660	10,049,637	10,481,166	9,942,472
Total Mitsui & Co , Ltd shareholders' equity	(Millions of Yen)	3,586,414	3,181,819	2,641,318	2,366,192
Total equity	(Millions of Yen)	3,868,066	3,440,104	2,860,810	2,553,334
Total assets	(Millions of Yen)	11,001,264	10,324,581	9,011,823	8,598,124
Shareholders' equity per share	(Yen)	2,000 78	1,743 34	1,447 34	1,296 66
Basic net income attributable to Mitsui & Co , Ltd per share	(Yen)	231 79	168 72	238 10	168 05
Diluted net income attributable to Mitsui & Co , Ltd per share	(Yen)	231 78	-	-	168 05
Shareholders' equity ratio	(%)	32 60	30 82	29 31	27 52
Return on Equity (ROE)	(%)	12 47	10 58	17 35	13 34
Price Earnings Ratio (PER)	(Times)	6 29	7 78	5 70	8 87
Cash flows from operating activities	(Millions of Yen)	521,524	461,430	380,984	504,474
Cash flows from investing activities	(Millions of Yen)	(704,516)	(753,297)	(438,191)	(484,021)
Cash flows from financing activities	(Millions of Yen)	(34,698)	221,635	57,394	33,820
Cash and cash equivalents at end of year	(Millions of Yen)	1,225,079	1,425,174	1,431,112	1,441,059
Number of employees (excluding average number of part-time employees)	(Number of persons)	48,090 (12,570)	45,148 (16,750)	44,805 (19,413)	40,026 (19,378)

(Notes) 1 The consolidated financial statements prepared on the basis of accounting principles generally accepted in the United States of America (U S GAAP) in the 95th fiscal year is unaudited financial information pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act

2 Total trading transactions are voluntary disclosures for users of the consolidated financial statements as a measure commonly used by Japanese trading companies It is not to be construed as equivalent to revenue under U S GAAP Total trading transactions represent the gross transaction volume as the aggregate nominal value of the sales contracts in which the companies act as a principal and the commissions in which the Company and certain subsidiaries serve as an agent

3 "Shareholders' equity" or "equity" in shareholders' equity per share, shareholders' equity ratio and return on equity (ROE) in the above table refers to "Total Mitsui & Co , Ltd shareholders' equity" in the consolidated balance sheets

4 Diluted net income attributable to Mitsui & Co , Ltd per share in the 94th and 93rd fiscal years is not disclosed as there are no dilutive potential shares

5 Revenues and total trading transactions do not include consumption taxes

2 History

Mitsui Bussan Kabushiki Kaisha ("Mitsui & Co , Ltd " in English) was originally incorporated on July 25, 1947, as Daiichi Bussan Kabushiki Kaisha with a common stock of ¥195,000, with the main purpose of importing, exporting and selling a wide variety of products

Since our establishment, our business results have developed strongly, and we have grown in scale as the result of capital increases or stock dividends, the issuance of foreign currency-denominated and domestic convertible bonds, along with integration with other new companies On February 16, 1959, we changed our name to our present name of Mitsui Bussan Kabushiki Kaisha (Mitsui & Co , Ltd), and took the form of a general trading company in both name and practice From then until the present day, we have continued to expand our business through mergers and acquisitions of other businesses and companies

The significant developments for the company that occurred during this time, including name changes, mergers, establishment of major affiliated companies, listings on securities exchanges, and other, are as follows

Jul 1947	Daiichi Bussan Kabushiki Kaisha established with common stock of ¥195,000
May 1949	Listed on Tokyo Stock Exchange
Nov 1954	Listed on Sapporo Securities Exchange, Nagoya Stock Exchange and Osaka Securities Exchange
Apr 1956	Established Daiichi Bussan Kabushiki Kaisha Australia (currently Mitsui &Co (Australia), Ltd)
Feb 1959	Changed the name to Mitsui Bussan Kabushiki Kaisha (Mitsui & Co , Ltd)
Feb 1959	Listed on Fukuoka Stock Exchange
Jan 1963	Participated in the development of the Moura Coal Mine in Australia (currently the Dawson Coal Mine)
May 1963	Issued American Depositary Receipts (ADR) in the U S (registered on NASDAQ in U S in 1971)
Feb 1965	Decided to participate in Robe River iron mine in Australia
Apr 1966	Established Mitsui & Co (U S A), Inc
Oct 1966	Concluded long-term purchase agreement of iron ore from Mount Newman in Australia
Mar 1971	Split off lease business and established Mitsui leasing, Ltd (currently JA Mitsui Leasing, Ltd)
Sept 1971	Signed basic agreement on development of Liquefied Natural Gas (LNG) in Das Island, Abu Dhabi
Oct 1971	Signed basic agreement on Iran Petrochemical Project
May 1976	Established Aim Services Co , Ltd with ARA (currently ARAMARK Corporation)
Nov 1976	Moved head office to Otemachi, Chiyoda-ku, Tokyo
Jul 1985	Participated in North West Shelf LNG project in Western Australia
Apr 1988	Established Mitsui & Co UK PLC (currently Mitsui & Co Europe PLC)
Dec 1990	Concluded Iran Petrochemical Project due to winding up of Iran Chemical Development Co Ltd
Oct 1991	Introduced Chief Operating Officer system
Feb 1994	Established P T Paiton Energy, an electric power company in Indonesia
Jun 1994	Signed development contracts (production sharing contract) for the Sakhalin II petroleum and natural gas projects
Apr 2002	Introduced Managing Officer system
Mar 2003	Participated in ownership interest in International Methanol Company of Saudi Arabia
Jun 2003	First appointment of external director
Sept 2003	Purchased ownership interest in Valepar S A , the holding company of Vale S A , the Brazilian diversified resource company
Apr 2004	Abolished Domestic Branches and Offices Segment and included them in each business unit by product
Apr 2006	Introduced overseas regional business unit system (currently three overseas regional business unit system)
Jun 2007	Acquired Steel Technologies, Inc , a U S steel processing service center
Feb 2010	Decided to participate in the Marcellus Shale Gas production development project in the US
Apr 2011	Delisted from NASDAQ (deregistered from the U S Securities and Exchange Commission (the "SEC") in July 2011)
Aug 2012	Established a strategic alliance with Codelco and participated in a joint venture to jointly hold shares of Anglo American Sur S A
Nov 2014	Moved head office to Marunouchi, Chiyoda-ku, Tokyo due to reconstruction of the head office building

3 Business Overview

We are a general trading company engaged in a range of global business activities including worldwide trading of various commodities, arranging financing for customers and suppliers in connection with our trading activities, organizing and coordinating international industrial projects by using the global office network and our ability to gather information Our business activities include the sale, import, export, offshore trading, production and a wide variety of comprehensive services such as retail, information and telecommunication, technology, logistics and finance in the areas of iron & steel, mineral & metal resources, machinery & infrastructure, chemicals, energy, lifestyle, innovation & corporate development We also participate in the development of natural resources such as oil, gas, iron and steel raw materials We have been proactively making strategic business investments in certain new industries such as IT, renewable energy and environmental solution businesses

The business units of Mitsui's Head Office, which are organized based on "products and services," plan overall and worldwide strategies for their products and services and conduct their worldwide operations The business units also collaborate with overseas branches and overseas trading subsidiaries in planning and executing their strategies for products and regions The overseas branches and overseas trading subsidiaries are separate operating units, which are delegated responsibility for the business of their regions as the centers of each particular regional strategy and operate diversified businesses together with their subsidiaries and associated companies in collaboration with the business units Therefore, our operating segments consist of product-focused operating segments comprised of the business units of the Head Office and region-focused operating segments comprised of overseas branches and overseas trading subsidiaries

For the disclosure pursuant to IFRS 8 "Operating Segments," our operating segments have been aggregated based on the nature of the products and other criteria into seven product-focused reportable operating segments and three region-focused reportable operating segments, totaling ten reportable operating segments

We have 445 affiliated companies for consolidation, which consist of 209 overseas subsidiaries, 70 domestic subsidiaries, 131 overseas equity accounted investees and 35 domestic equity accounted investees

Iron & Steel Products Segment

The Iron & Steel Products Segment consists of one business unit, the Iron & Steel Products Business Unit Through the Iron & Steel Products Segment, we provide our customers both in Japan and overseas with services relating to the procurement and supply of iron and steel products In addition, we invest in steel service centers that function as processing and distribution bases, in electric furnace steel mills and rolling mills that act as manufacturing bases, and in component suppliers and the iron and steel distribution industry

Infrastructure

Supply and sales expansion of steel products for infrastructure projects mainly in Asia, the Middle East and Africa

Supply and sales expansion of high value-added steel products such as rails to Africa, Brazil and Australia

Automotive

Automotive components manufacturing business and service center business

Energy

Supply and sales expansion of high value-added steel products related to shale gas development and renewable energy, in addition to conventional steel products used in the energy industry

Fabrication and assembly of offshore structures, as well as their maintenance including inspection, repair and technical assistance

Mineral & Metal Resources Segment

The Mineral & Metal Resources Segment consists of one business unit, the Mineral & Metal Resources Business Unit

The Mineral & Metal Resources Segment mainly engages in the following fields of business, as described below

Businesses relating to development of resource, production, processing and sales through investments

Iron Ore
Joint venture in Australia with Rio Tinto and BHP Billiton
Indirectly-held shares of Vale S A , the world's largest producer and sales company of iron ore

Coal
Joint venture with Anglo American, Rio Tinto and BHP Billiton in Australia

Ferrous Raw Materials and Recycling Solutions
Investment in metal scrap business through Sims in the U S and Australia, and diversified businesses in areas such as coal, power generation, ferroalloys and chemical products through Erdos Electrical Power & Metallurgical Co , Ltd in Inner Mongolia, China
Metal resources and materials recycling business in Japan and overseas, in consideration of the environment

Copper
Investment in Collahuasi, Anglo American Sur and Caserones joint ventures in Chile

Nickel
Investment in Coral Bay and Taganito joint ventures in the Philippines and VNC (Vale New Caledonia) joint venture in New Caledonia

Aluminum
Investment in alumina and aluminum ingot business through Albras and Alunorte in Brazil, as well as aluminum product manufacturing business with Dongyangguang Aluminum in China and aluminum coil center business of Garmco in Singapore

Global trading utilizing our logistics network function
Iron ore, ferrous raw materials such as metal scrap, hot briquetted iron, pig iron and ferroalloys, rebuilt automotive parts, coal, petroleum coke, copper concentrate and copper cathode, nickel, aluminum, rare metals, etc

Machinery & Infrastructure Segment

The Machinery & Infrastructure Segment consists of two business units, the Infrastructure Projects Business Unit and the Integrated Transportation Systems Business Unit

Infrastructure Projects Business Unit
The Infrastructure Projects Business Unit mainly engages in the fields of business described below

Electric power
Independent power producer (IPP) business with thermal power, hydropower and renewable energy

Marine energy / Basic industry
Marine energy business including FPSO (floating production, storage and offloading system for offshore oil and gas) facilities
Core infrastructure business including LNG facilities for offloading/unloading, pipeline and local gas distribution business

Water treatment and supply / Logistics
Development and operation of water supply and sewage, desalination, and wastewater treatment facilities in Mexico, China and Europe
Development and operation of logistics and social infrastructure projects mainly involving seaport and airport business

Integrated Transportation Systems Business Unit
The Integrated Transportation Systems Business Unit mainly engages in the fields of business described below

Sea

Sales of newbuilding ships, provision of ship management services, brokerage for chartering vessels and for sales and purchases of second-hand ships for ship owners and shipping companies in Japan and overseas, and sales of ship machinery to shipbuilders

Ownership and operation of commercial ships and LNG carriers

Land

Export, manufacturing and sales of Japanese automobiles and parts

Import wholesaling, dealing and manufacturing of Japanese vehicles, logistics for vehicle parts, retail operations and retail finance worldwide

Sales and ancillary services involving dump trucks for mining operations, hydraulic excavators, etc

Arrangement for rolling stock and locomotive operating and finance leasing in North America, Brazil, Europe and Russia, as well as provision of relevant operating, maintenance and management services

General freight transport and passenger transport business in Brazil

Truck leasing and truck rental business in North America

Air

Sales, provision and arrangement of operating leases and finance leases for passenger aircraft, as well as aircraft engines to airlines in Japan and overseas

Chemicals Segment

The Chemicals Segment consists of the Basic Chemicals Business Unit and the Performance Chemicals Business Unit

The Chemicals Segment mainly engages in the fields of business described below

Value chain relating to food and agriculture

Agricultural chemicals business in Europe and the U S

Phosphorus ore business in Peru

Fertilizer business and food and nutrition chemicals business

Responding to growing market needs for environmentally friendly and sustainable energy with our green and biochemical business

Manufacture of bio-succinic acid in Canada

Oleochemical business using palm oil as raw materials in Malaysia and China

Investment in manufacturing products based on various competitive feedstock

Production and sales of methanol in Saudi Arabia and the U S

Chlor-alkali business in the U S

Salt business in Australia

Supporting Japanese chemical manufactures with proprietary technology and products in starting up businesses overseas

Production and sales of high-performance polyethylene resin in Singapore

Production and sales of raw materials for high-performance polycarbonate in Germany

Energy Segment

The Energy Segment consists of two business units, the Energy Business Units I and II

The Energy Segment engages mainly in the fields of business described below

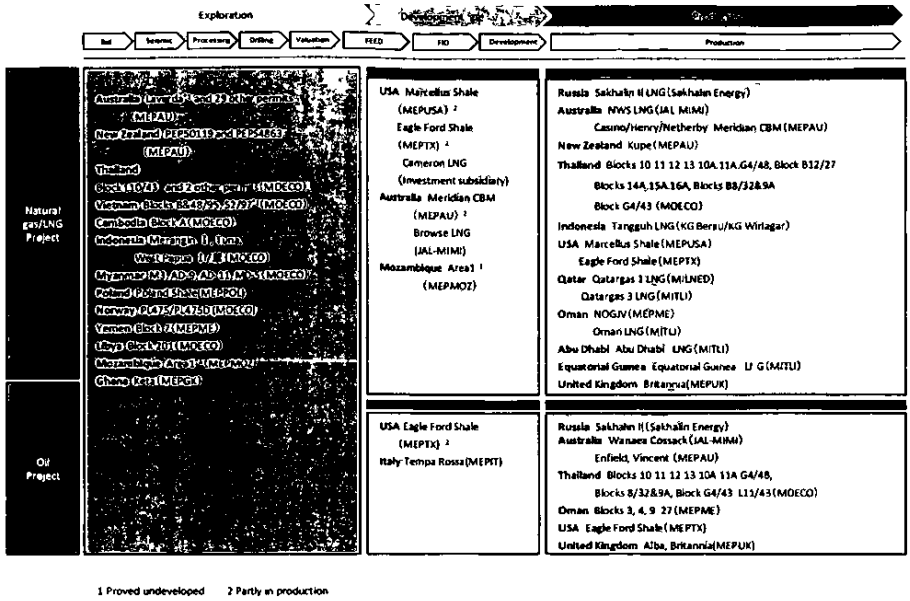
Exploration, development and production of energy resources including oil and natural gas/LNG (Main businesses are shown in the below chart)

Trading and marketing of oil, natural gas/LNG, petroleum products, coal, uranium etc

Environmental and next-generation energy businesses toward the realization of a low-carbon society

Upstream・Midstream Assets (Natural Gas/LNG/Oil)

As of March 31 2015



1 Proved undeveloped 2 Partly in production

Lifestyle Segment

The Lifestyle Segment consists of three business units, the Food Resources Business Unit, the Food Products & Services Business Unit and the Consumer Service Business Unit

The media business has been transferred from the Consumer Service Business Unit to the IT & Communication Business Unit under the Innovation & Corporate Development Segment, effective from April 2015

The Lifestyle Segment mainly engages in the fields of business described below

Food resources, products and services

Securing and supply of grains, oils and fats, sugars, livestock and marine products, beverage materials, dairy products and other such items worldwide

Supply of edible oils, refined sugar, compound feed stuffs and other products on a global scale

Sales of processed foods and alcoholic beverages, etc for supermarkets, convenience stores, contract food and catering services, and restaurant chains

Support for Japanese retailers, including convenience stores, in their efforts to achieve global expansion

Medical and healthcare

Hospital business and its ancillary business

Pharmaceutical manufacturing, and development support business, and manufacturing and sales of generic pharmaceuticals

Services

Outsourcing and franchising business focusing mainly on contract food services and facility management services

Healthcare staffing services and educational business

Real estate

Development, leasing and property management of office buildings, business parks, smart cities, logistics facilities and residences

Housing and industrial materials

Afforestation, woodchip processing, and lumber businesses, sales of Off Road tires, manufacturing and sales of sanitary ware

Fashion

Fashion e-commerce business, brand marketing business for global markets, OEM business for apparel and export of advanced functional materials and textile fabrics

Media

Broadcasting services and TV shopping business

Innovation & Corporate Development Segment

The Innovation & Corporate Development Segment consists of one business unit, the Innovation & Corporate Development Business Unit
The IT & Communication Business Unit and Corporate Development Business Unit have been newly established in place of the Innovation & Corporate Development Business Unit, effective from April 2015 Due to this reorganization, the media business has been transferred from the Consumer Service Business Unit to the IT & Communication Business Unit

The Innovation & Corporate Development Segment mainly engages in the fields of business described below

Telecommunication business, operation of service platforms including high-speed mobile internet, e-commerce and online payment system, and related services such as digital marketing and data centers
Creation of businesses for the next generation, by utilizing IT services and big data applications, in fields such as medical and healthcare, agriculture, resources and energy
Creation and provision of cyber security and cloud service
Asset management, leasing and insurance
Buyout investment and venture investment
Commodity derivatives and provision to clients and the group companies with hedging tools for price fluctuation risks of commodities
Logistics center business including warehousing and delivery centers and cold-chain logistics in Japan and abroad, and establishment and proposal of logistics strategies for clients

Americas Segment

Leveraging our extensive expertise in business investment in the U S , an incubation center for new businesses, the Americas Segment mainly engages in the fields of business described below

Metals business area

Streamlining processes at each stage of the value chain in alliances with steelmakers, steel processors, major customers and recycling companies

Provision of a full range of processing services of steel products through Steel Technologies LLC (50% shareholdings) and other affiliated companies

Provision of oil and gas well tubular products and other energy-related steel products through Champions Pipe & Supply, Inc and Cinco Pipe and Supply, Inc

Machinery & Infrastructure business area

Development and operation of large-scale infrastructure projects and related businesses centered on power generation, water treatment, transportation, and energy and mineral resources mainly in Brazil and Mexico

Expansion and reinforcement of businesses related to automotive, construction machinery, ships, aerospace and transportation

Chemicals business area

Trading of products such as petrochemical products, food and feed additives, chemical fertilizers, pesticides, synthetic resins, and resin additives

Production and sales of amino acids used in feedstuffs at Novus International, Inc

Tank terminal operations at Intercontinental Terminals Company LLC

Lifestyle business area

Businesses related to food materials and processed food products, medical and healthcare, housing and industrial materials, fashion, services, and real estate

Grain origination and export business at United Grain Corporation of Oregon

Single Family and Multi-family residential development, and Senior housing development and operation at MBK Real Estate LLC

Others

Identifying and forming new projects in the Energy and Innovation & Corporate Development business areas

Europe, the Middle East and Africa Segment

In the Europe, the Middle East and Africa Segment, led by Mitsui & Co Europe PLC, overseas trading subsidiaries, other branch offices and representative offices, together with their affiliated companies, collaborate with other business units and regional business units This segment mainly engages in the fields of business described below

Metals business area

Sale of oil and gas well tubular products and line pipe, provision of related services in the form of SCM for energy-related industry, and fabrication and assembly of offshore structures and their inspection, repair and maintenance

Processing and sales of steel products including automotive and electrical steel sheets in Europe

Joint venture with a packaging manufacturer and sales of tin materials in Africa and around Turkey

Sales of steel materials for transportation infrastructure such as building materials and rails, mainly in the Middle East and Africa

Sales and intermediary services involving iron and steel raw materials, nonferrous metals and their products, and steel scrap

Energy business area

Mining and development of energy resources including LNG

Sales and intermediary services involving energy resources

Machinery & Infrastructure business area

Power generation (thermal power, wind power and solar power) business in Europe, the Middle East and

Africa
Water and sewer concession business in Europe
Offshore-related business (FPSO, FSRU)
Port operation business, mainly in Africa
Building and chartering ships, and leasing of locomotive, aircraft and aircraft engines

Chemicals business area
Sales and intermediary services involving chemical products and materials
Operation of chemical tank terminal in Belgium

Lifestyle business area
Fashion business for the Japanese market
Medical and healthcare business, focusing on pharmaceuticals
Real estate development business in the U K
Sales and intermediary services involving food and food materials

Others
Demonstration project for electric buses on routes in the U K
Energy development and production business and petrochemical and power plant business in the Middle East

Asia Pacific Segment

In the Asia Pacific Segment, trading subsidiaries including Mitsui & Co (Asia Pacific) Pte Ltd (Singapore), Mitsui & Co (Thailand) Ltd and Mitsui & Co (Australia) Ltd , subsidiaries and associated companies jointly collaborate with other business units and regional business units This segment mainly engages in the fields of business described below

ASEAN Region
Engaging in various businesses involving chemical products, steel and metal products, industrial projects and foods
Supplying tap water under long-term water supply agreements with local public water utilities in Thailand

Southwest Asia
Import and export related transactions
Various manufacturing and sales operations in India with Indian companies, and pursuing opportunities for investment in infrastructure including logistics infrastructure in India

Oceania
Development of mineral resources such as iron ore and coal
Energy business including wind power generation
Export sales of agricultural crops including wheat

4 Affiliated Companies

(1) Parent Company

Mitsui does not have a parent company

(2) Major Subsidiaries

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Iron & Steel Products	Mitsui & Co Steel Ltd	Domestic sales, export, import of steel products	Japan	100 0
	Bangkok Coil Center Co , Ltd	Steel processing	Thailand	99 1
	Regency Steel Asia Pte Ltd	Wholesale and retail of steel products	Singapore	92 5
Mineral & Metal Resources	Mitsui-Itochu Iron Pty Ltd	Mining and sales of Australian iron ore	Australia	70 0
	Mitsui Iron Ore Development Pty Ltd	Mining and sales of Australian iron ore	Australia	100 0
	Mitsui Raw Materials Development Pty Limited	Investment in Sims Metal Management Ltd , a scrap metal recycler	Australia	100 0
	Oriente Copper Netherlands B V	Investment in and loan to copper business in Chile through Inversiones Mineras Acrux SpA	Netherlands	100 0
	Japan Collahuasi Resources B V	Investment in Collahuasi copper mine in Chile	Netherlands	61 9
	Mitsui Bussan Copper Investment & Co , Ltd	Investment in Caserones copper mine in Chile	Japan	100 0
	MITSUI BUSSAN METALS CO , LTD	Sales and trading of non-ferrous scrap, alloy and products	Japan	100 0
	Mitsui & Co Mineral Resources Development (Asia) Corp	Investments in nickel and cobalt smelting business in Philippines	Philippines	100 0
	Mitsui Coal Holdings Pty Ltd	Investments in Australian coal business	Australia	100 0
Machinery & Infrastructure	Mitsui & Co Plant Systems, Ltd	Sales of various plants, electric power facilities and transportation equipment	Japan	100 0
	KARUGAMO ENERGY MANAGEMENT PTY LIMITED	Investments in power generation business	Australia	100 0
	MIT POWER CANADA LP INC	Investment in Greenfield Power Generation Project in Ontario	Canada	100 0
	MITSUI GAS E ENERGIA DO BRASIL LTDA	Investments in gas distribution companies in Brazil	Brazil	100 0
	Mit Investment Manzanillo B V	Investment in LNG terminal in Mexico	Netherlands	100 0
	Drillship Investment B V	Investment in deepwater drilling service business	Netherlands	100 0
	MIT Gas Mexico, S de R L de C V	Investments in gas distribution companies in Mexico	Mexico	100 0
	ME Servicos de Energia do Brasil Participacoes Ltda	Cogeneration service business in Brazil	Brazil	90 0
	MIT Pipeline Investment Americas, Inc	Investments in natural gas pipeline project in Arizona	U S A	100 0
	ATLATEC, S A de C V	Designing, building and operation of wastewater treatment plants	Mexico	85 0
	MyPower Corp	Investment and management of power projects in U S	U S A	100 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Machinery & Infrastructure	MIZHA ENERGIA PARTICIPACOES S A	Investment in power producing business in Brazil	Brazil	100 0
	MIT SAFI COMPANY LIMITED	Investment in power generation business in Morocco	United Kingdom	100 0
	Portek International Private Limited	Development and operation of container terminal	Singapore	90 0
	Tokyo International Air Cargo Terminal Ltd	Operation of air cargo terminal at Tokyo International Airport	Japan	100 0
	Toyota Chile S A	Import and sales of automobiles and auto parts in Chile	Chile	100 0
	Mitsui Automotriz S A	Retail sales of automobiles and auto parts	Peru	100 0
	MITSUI AUTO FINANCE CHILE LTDA	Automobile retail finance	Chile	100 0
	TRANSFREIGHT, LLC	Auto parts logistics business	U S A	100 0
	Veloce Logistica SA	Auto parts logistics	Brazil	100 0
	MBK Commercial Vehicles Inc	Investment in full-service truck leasing, rental and logistics business	U S A	100 0
	MBK USA Commercial Vehicles Inc	Investment in full-service truck leasing, rental and logistics business	U S A	100 0
	Mitsui Bussan Automotive (Thailand) Co , Ltd	Sales, leasing and service of automobiles	Thailand	100 0
	BAF (Thailand) Co , Ltd	Motorcycle retail finance	Thailand	100 0
	PT Bussan Auto Finance	Motorcycle retail finance	Indonesia	70 0
	Mitsui Automotive CIS Investment B V	Investment in automotive-related companies in Russia	Netherlands	100 0
	Bussan Automotive Singapore Pte Ltd	Investment in two-wheeled vehicle related companies in India	Singapore	100 0
	Komatsu-Mitsui Maquinarias Peru S A	Sales of construction and mining equipment	Peru	60 0
	Road Machinery, LLC	Sales of construction and mining equipment	U S A	100 0
	MITSUI BUSSAN MACHINE TEC CO , LTD	Sale of machine tools and peripheral equipment	Japan	100 0
	Orient Marine Co , Ltd	Shipping business	Japan	100 0
	OMC SHIPPING PTE LTD	Shipping business	Singapore	100 0
	Mitsui Bussan Aerospace Co , Ltd	Import and sales of helicopters and defense and aerospace products	Japan	100 0
	Mitsui Rail Capital Holdings, Inc	Freightcar leasing and management in North America	U S A	100 0
	Mitsui Rail Capital Europe B V	Locomotive leasing and management in Europe	Netherlands	100 0
	Mitsui Rail Capital Participacoes Ltda	Freightcar leasing and management in Brazil	Brazil	100 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Chemicals	DAIICHI TANKER CO , LTD	Operation of chemical tankers	Japan	100 0
	Japan-Arabia Methanol Company Ltd	Investments in methanol producing business in Saudi Arabia and sales of products	Japan	55 0
	MMTX Inc	Investment in methanol producing business in U S and sale of products	U S A	100 0
	Shark Bay Salt Pty Ltd	Production of salt	Australia	100 0
	Mitsui & Co Texas Chlor-Alkali, Inc	Investments in chlor-alkali producing business in U S	U S A	100 0
	Mitsui Bussan Chemicals Co , Ltd	Sales and trading of solvents and coating materials	Japan	100 0
	MITSUI & CO PLASTICS LTD	Sales of plastics and chemicals	Japan	100 0
	Daito Chemical Co , Ltd	Manufacture and sales of industrial chemicals	Japan	70 0
	Mitsui AgriScience International SA/NV	Investments in crop protection businesses in Europe	Belgium	100 0
	Mitsui AgriScience International Inc	Investments in crop protection businesses in Americas	U S A	100 0
	Mitsui Bussan Agro Business Co , Ltd	Development and sales of fertilizers and agricultural products	Japan	100 0
	Mitsui Bussan Fertilizer Resources B V	Investment in phosphorus ore mining in Peru and global marketing business	Netherlands	100 0
Energy	Mitsui Oil Exploration Co , Ltd	Exploration, development and production of oil and natural gas	Japan	74 3
	Mitsui E&P Middle East B V	Exploration, development and production of oil and natural gas	Netherlands	100 0
	Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas	Australia	100 0
	Mitsui E&P UK Limited	Exploration, development and production of oil and natural gas in Europe & Africa	United Kingdom	100 0
	Mitsui E&P USA LLC	Exploration, development and production of oil and gas	U S A	100 0
	MEP Texas Holdings LLC	Investment in oil and gas in Americas	U S A	100 0
	Mitsui & Co Energy Trading Singapore Pte Ltd	International trading of petroleum products and crude oil	Singapore	100 0
	Mitsui Sakhalin Holdings B V	Investments in Sakhalin Energy Investment Company Ltd	Netherlands	100 0
	Mitsui & Co LNG Investment USA, Inc	Investment in natural gas liquefaction business in U S and sales of LNG	U S A	100 0
	MITSUI & CO LNG INVESTMENT LIMITED	Investment in LNG projects	United Kingdom	100 0
	Mitsui Gas Development Qatar B V	Exploration, development and production of oil and natural gas	Netherlands	100 0
	Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of oil and natural gas in Mozambique	United Kingdom	50 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Lifestyle	PRIFOODS CO , LTD	Production, processing and sales of broilers	Japan	46 4
	TOHO BUSSAN KAISHA, LTD	Import and sales of agricultural and marine products	Japan	100 0
	WILSEY FOODS, INC	Investments in processed oil food company	U S A	90 0
	XINGU AGRI AG	Production and merchandising of agriproducts	Switzerland	100 0
	Multigrain Trading AG	Origination and merchandising of agricultural products	Switzerland	100 0
	San-ei Sucrochemical Co , Ltd	Manufacture and sales of saccharified products, pharmaceuticals, feedstuffs and other products	Japan	70 0
	Mitsui Norin Co , Ltd	Manufacture and sales of food products	Japan	100 0
	MITSUI ALIMENTOS LTDA	Export of coffee beans and domestic sales of roasted coffee	Brazil	100 0
	MITSUI FOODS CO , LTD	Wholesale of foods and beverages	Japan	100 0
	Bussan Logistics Solutions Co , Ltd	Operation and management of logistics centers	Japan	100 0
	VENDOR SERVICE CO , LTD	Sales and distribution of food and packaging materials	Japan	100 0
	RETAIL SYSTEM SERVICE CO , LTD	Sales of foods and groceries, services for retailers	Japan	100 0
	Mitsui & Co Facilities Ltd	Property management	Japan	100 0
	UHS Partners, Inc	Investment in healthcare staffing business	U S A	100 0
	Mitsui Bussan Woodchip Oceania Pty Ltd	Plantation, processing and sales of woodchip	Australia	100 0
	BUSSAN REAL ESTATE CO , LTD	Real estate sales, leasing and management	Japan	100 0
	MBK Healthcare Partners Limited	Investment in IHH Healthcare Bhd	United Kingdom	100 0
	MicroBiopharm Japan Co , Ltd	Manufacture and sales of medicines and chemicals	Japan	80 0
	MITSUI BUSSAN INTER-FASHION LTD	Planning and management for production and procurement of apparel	Japan	100 0
	Paul Stuart, Inc	Luxury clothing retailer	U S A	100 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Innovation & Corporate Development	MITSUI KNOWLEDGE INDUSTRY CO , LTD	Planning, development and sales of information and communication systems	Japan	100 0
	Mitsui Electronics Inc	Sales of electronics device and equipment	Japan	100 0
	Asia Pacific Mobile Pte Ltd	Investment in high-speed mobile service business in Indonesia	Singapore	100 0
	Mitsuibussan Insurance Co , Ltd	Non life and life insurance agency services	Japan	100 0
	Mitsui & Co Global Investment Ltd	Investment in venture businesses	Japan	100 0
	Mitsui & Co , Principal Investments Ltd	Investment in private equity	Japan	100 0
	Mitsui Bussan Commodities Ltd	Trading of non-ferrous metals	United Kingdom	100 0
	Mitsui & Co Precious Metals, Inc	Trading of precious metals	U S A	100 0
	Mitsui & Co Commodity Risk Management Ltd	Trading of energy derivatives	United Kingdom	100 0
	TRI-NET (JAPAN) INC	International integrated transportation services	Japan	100 0
	Trinet Logistics Co , Ltd	Domestic warehousing business	Japan	100 0
Americas	Mitsui Foods, Inc	Trading canned foods, chilled foods, juice ingredient and coffee	U S A	100 0
	United Grain Corporation of Oregon	Grain merchandising	U S A	100 0
	Champions Pipe & Supply, Inc	Sales of oil and gas well tubular products	U S A	100 0
	MBK Real Estate LLC	Real estate-related business	U S A	100 0
	MITSUI PLASTICS INC	Sales of chemicals	U S A	100 0
	Novus International, Inc	Manufacturing and sales of feed additives	U S A	65 0
	Hydro Capital Corporation	Investment in water treatment plants in Mexico	U S A	100 0
	Mit Wind Power Inc	Investment in wind power generation company	U S A	100 0
	Intercontinental Terminals Company LLC	Chemical tank leasing	U S A	100 0
	Ellison Technologies Inc	Sales of machine tools	U S A	88 8
	Game Changer Holdings Inc	Investment in steel processing company	U S A	100 0
	Cinco Pipe and Supply, LLC	Sales of oil and gas well tubular products	U S A	100 0
	Mitsui & Co (U S A), Inc	Trading	U S A	100 0
	Mitsui & Co (Canada) Ltd	Trading	Canada	100 0
	MITSUI & CO (BRASIL) S A	Trading	Brazil	100 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Europe, the Middle East and Africa	EURO-MIT STAAL B V	Steel processing	Netherlands	90 0
	Mitsui & Co Europe PLC	Trading	United Kingdom	100 0
	Mitsui & Co Deutschland GmbH	Trading	Germany	100 0
	Mitsui & Co Benelux S A /N V	Trading	Belgium	100 0
	Mitsui & Co Italia S p A	Trading	Italy	100 0
	Mitsui & Co , Middle East Ltd	Trading	United Arab Emirates	100 0
Asia Pacific	Mitsui Water Holdings (Thailand) Ltd	Investment in water supply business	Thailand	100 0
	MIT POWER AUSTRALIA PTY LTD	Wind power generation	Australia	100 0
	Mitsui & Co (Asia Pacific) Pte Ltd	Trading	Singapore	100 0
	Mitsui & Co (Thailand) Ltd	Trading	Thailand	100 0
	Mitsiam International Ltd	Trading	Thailand	55 0
	Mitsui & Co (Australia) Ltd	Trading	Australia	100 0
All Other	Mitsui & Co (Hong Kong) Ltd	Trading	China	100 0
	Mitsui & Co (China) Ltd	Trading	China	100 0
	Mitsui & Co (Shanghai) Ltd	Trading	China	100 0
	Mitsui & Co (Taiwan) Ltd	Trading	Taiwan	100 0
	Mitsui & Co Korea Ltd	Trading	Korea	100 0
	Mitsui & Co Financial Services Ltd	Financing services within the Group	Japan	100 0
	Mitsui & Co Financial Services (Asia) Ltd	Financing services within the Group	Singapore	100 0
	Mitsui & Co Financial Services (U S A) Inc	Financing services within the Group	U S A	100 0
	Mitsui & Co Financial Services (Europe) Plc	Financing services within the Group	United Kingdom	100 0
	MITSUI BUSSAN BUSINESS PARTNERS CO , LTD	Provision of HR & GA services to Mitsui and its subsidiaries	Japan	100 0
	Mitsui Bussan Trade Services Ltd	Provision of logistics-related services to Mitsui and its subsidiaries	Japan	100 0
	Mitsui & Co Financial Management, Ltd	Provision of accounting and treasury-related services to Mitsui	Japan	100 0

* Mitsui Bussan Copper Investment & Co , Ltd , Mitsui Raw Materials Development Pty Limited, Tokyo International Air Cargo Terminal Ltd and Mitsui & Co Mineral Resources Development (Latin America) Ltd were in a financial condition with liabilities in excess of assets The amount of negative net worth as of March 31, 2015 were ¥32,691 million, ¥29,284 million, ¥25,932 million and ¥23,164 million, respectively

(3) Major Equity Accounted Investees

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Iron & Steel Products	*Shanghai Bao-Mit Steel Distribution Co , Ltd	Processing and sales of steel products	China	35 0
	*Gestamp North America, Inc	Manufacture of automotive components	U S A	30 0
	*Gestamp Holding Mexico, S L	Manufacture of automotive components	Spain	30 0
	*Gestamp Brasil Industria De Autopecas S A	Manufacture of automotive components	Brazil	30 0
	*Gestamp Holding Argentina, S L	Manufacture of automotive components	Spain	30 0
Mineral & Metal Resources	Valepar S A	Holding Company of Vale S A	Brazil	18 2
	Inner Mongolia Erdos Electric Power & Metallurgical Co , Ltd	Coal mining, power generation, ferrous alloy and chemical production and water pumping	China	25 0
	NIPPON AMAZON ALUMINIUM CO , LTD	Investments in aluminum smelting business in Brazil	Japan	20 9
	SUMIC Nickel Netherlands B V	Investments in nickel smelting and refining business in New Caledonia and sales of products	Netherlands	47 6
	BHP Billiton Mitsui Coal Pty Ltd	Mining and sales of Australian coal	Australia	16 8
Machinery & Infrastructure	Toyo Engineering Corporation	Engineering and construction for industrial facilities	Japan	22 9
	*MYANMAR POWER PTE LTD	Investment in power generation business in Myanmar	Singapore	44 0
	*Galaxy Newspring Pte Ltd	Investments in water business in China	Singapore	50 0
	*JM ENERGY CO , LIMITED	Investment in power generation business in China	Hong Kong	50 0
	P T PAITON ENERGY	Power generation in Indonesia	Indonesia	40 5
	*Compania de Generacion Valladolid, S de R L de C V	Power generation in Mexico	Mexico	50 0
	*IPM Eagle LLP	Investments in power generation business	United Kingdom	30 0
	*IPM Holdings (UK) Limited	Power plant business in the United Kingdom	United Kingdom	26 3
	MT Falcon Holdings Company, S A P I de C V	Investment in power generation business in Mexico	Mexico	40 0
	VLI S A	Integrated freight transportation business	Brazil	20 0
	Penske Automotive Group, Inc	Automotive retailer	U S A	17 2
	Toyota Canada Inc	Import and sales of Toyota automobiles and parts	Canada	49 0
	*TOYOTA MANILA BAY CORPORATION	Retail sales of Toyota cars	Philippines	40 0
	*PT Yamaha Indonesia Motor Manufacturing	Manufacture and sales of motorcycles	Indonesia	15 0
	TAIYOKENKI RENTAL CO , LTD	Rental of construction machinery	Japan	25 9
	KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD	Sales of construction and mining equipment	Australia	40 0
	*NATIONAL PLANT AND EQUIPMENT PTY LIMITED	Rental of mining equipment	Australia	49 9
Chemicals	*Santa Vitoria Acucar e Alcool Ltda	Production and sales of bio-ethanol	Brazil	50 0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Energy	*ENEOS GLOBE Corporation	LPG imports and marketing, fuel cell and photovoltaic systems marketing	Japan	30 0
	*Japan Australia LNG (MIMI) Pty Ltd	Exploration, development and sales of crude oil and natural gas	Australia	50 0
Lifestyle	FEED ONE HOLDINGS CO , LTD	Investments in compound feed manufacturing and sales companies	Japan	25 0
	Mitsui Sugar Co , Ltd	Manufacture of refined sugar	Japan	32 5
	The Kumphawapi Sugar Co , Ltd	Production and sales of sugar	Thailand	44 7
	*AIM SERVICES CO , LTD	Contract food services	Japan	50 0
	*ARAMARK Uniform Services Japan Corporation	Rental and sales of uniforms	Japan	39 2
	*Sumisho & Mitsuibussan Kenzai Co , Ltd	Sales of building materials, contract of construction work and import of various building materials	Japan	50 0
	SOGO MEDICAL CO , LTD	Dispensary pharmacy business, total solutions for medical institution management	Japan	21 5
	Fuji Pharma Co , Ltd	Manufacture and sale of pharmaceutical products	Japan	22 9
	QVC JAPAN INC	Multimedia retail business based on TV shopping	Japan	40 0
	CCTV Shopping Co , Ltd	Service for TV shopping business in China	China	25 0
Innovation & Corporate Development	Moshi Moshi Hotline, Inc	Comprehensive telemarketing and direct marketing operations	Japan	34 4
	JA Mitsui Leasing, Ltd	Leasing and financing business	Japan	31 4
Europe, the Middle East and Africa	*ITC RUBIS TERMINAL ANTWERP NV	Chemical tank leasing	Belgium	50 0
	GEG (Holdings) Limited	Fabrication, upgrading, inspection and maintenance of welded structures	United Kingdom	25 0

(*1) SUMIC Nickel Netherlands B V was in a financial condition with liabilities in excess of assets Amount of negative net worth as of March 31, 2015 was ¥30,742 million

(*2) The companies with an asterisk, accounted for using the equity method, are joint ventures in accordance with IFRS 11 "Joint Arrangements " For more information, see Note 2, "BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, V SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES "

(*3) FEED ONE HOLDINGS CO , LTD was established as a result of the merger of Nippon Formula Feed Manufacturing Co , Ltd and Kyodo Shiryo Co , Ltd as of October 1, 2014

(4) Other Affiliated Companies

Not applicable

5 Employees

(1) Mitsui & Co , Ltd and Subsidiaries

As of March 31, 2015

Operating Segment	Number of Employees	
Iron & Steel Products	1,624	(133)
Mineral & Metal Resources	446	(10)
Machinery & Infrastructure	18,868	(4,520)
Chemicals	2,343	(201)
Energy	784	(58)
Lifestyle	9,781	(4,489)
Innovation & Corporate Development	3,466	(1,429)
Americas	4,315	(53)
Europe, the Middle East and Africa	862	(13)
Asia Pacific	1,441	(61)
All Other	3,188	(172)
Total	47,118	(11,139)

(Notes) 1 The figures in parentheses in the number of employees column indicate the annual average number of temporary employees
2 The number of employees at trading subsidiaries and their consolidated subsidiaries in China, Taiwan, Korea and CIS are included in "All Other "

(2) Mitsui & Co , Ltd

As of March 31, 2015

Number of Employees	Average Age	Average Years of Service	Average Yearly Salary (Thousands of Yen)
6,085	42 4	18 years 11 months	13,613

Operating Segment	Number of Employees
Iron & Steel Products	333
Mineral & Metal Resources	252
Machinery & Infrastructure	780
Chemicals	596
Energy	434
Lifestyle	851
Innovation & Corporate Development	361
Americas	216
Europe, the Middle East and Africa	147
Asia Pacific	227
All Other	1,888
Total	6,085

(Notes) 1 The number of employees includes 1,233 seconded employees, 78 extended employment staff and 1 contract administrative staff However, 305 contract workers (including 169 workers seconded to Mitsui from outside Mitsui) and 163 employees hired in overseas offices are not included
2 The average yearly salary includes bonuses and overtime pay
3 The number of headquarters employees working in China, Taiwan, Korea and CIS is included in "All Other "

(3) Trade Union

No material items to report

2. Operating and Financial Review and Prospects

1 Overview of Business Results

(1) Operating Results

See "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (3) Discussion and Analysis of Operating Results for the Years Ended March 31, 2015 and 2014, 3) Operating Results by Operating Segment "

(2) Cash Flows

See "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources, 6) Cash Flows "

2 Purchases, Sales Contracts and Trading Transactions

(1) Purchases

In all operating segments, as the difference between the amount of purchases and the amount of total trading transactions is minimal compared to the amount of total trading transactions, this item is omitted

(2) Sales Contracts

In all operating segments, as the difference between the amount of contracts and the amount of total trading transactions is minimal, this item is omitted

(3) Trading Transactions

See "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (3) Discussion and Analysis of Operating Results for the Years Ended March 31, 2015 and 2014," and Note 7, "SEGMENT INFORMATION "

3 Management Issues

This Management Issues section contains forward-looking statements about Mitsui and its consolidated subsidiaries These forward-looking statements involve assumptions, risks, uncertainties and other factors, including, but not limited to, those described in "4 Risk Factors " Such risks, uncertainties and other factors may cause Mitsui's actual results to be materially different from any future results expressed or implied by these forward-looking statements

(1) New Medium-term Management Plan "Challenge & Innovation for 2020 -Demonstrating Mitsui Premium-"

Note The following describes a part of the contents of the New Medium-term Management Plan "Challenge & Innovation for 2020 -Demonstrating Mitsui Premium-" announced in May 2014

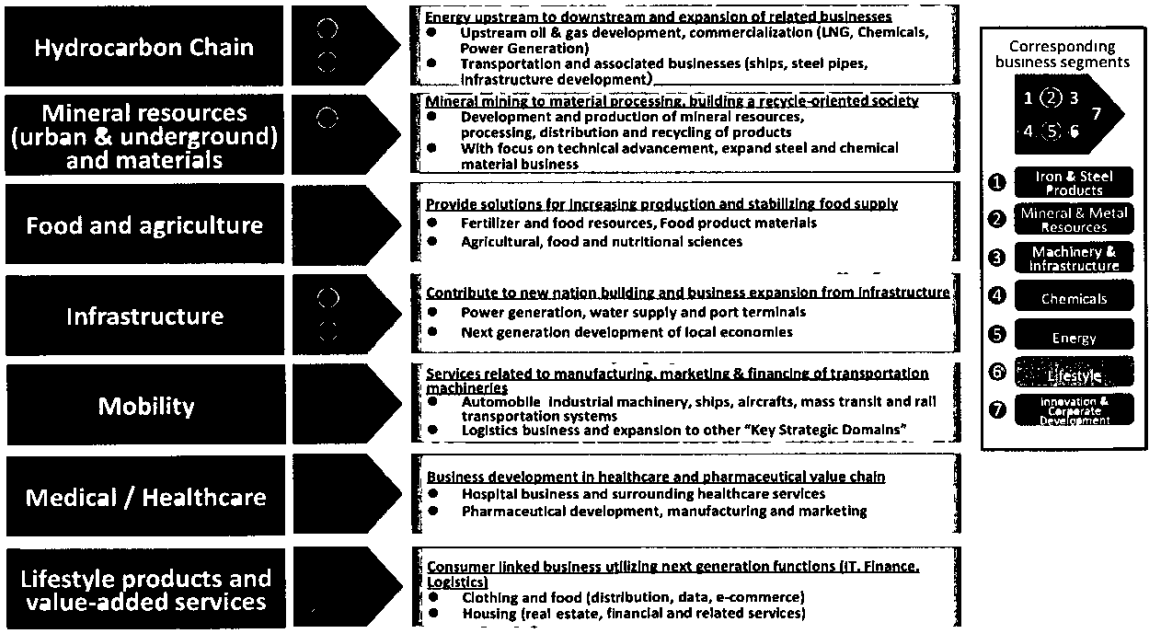
Basic policies of the New Medium-term Management Plan

Basic Policy

① Provide industrial solutions to our customers' needs through higher level of competitiveness, managerial excellence and successful business development
⇒ Establishing "Key Strategic Domains" in line with our core strengths
② Enhance earnings base of "Existing Business" and fully execute "Projects in the pipeline" *
③ Pursue both "New Investments" and "Shareholder Return" backed by strong cash generation capabilities

*In 2009 we announced our Long Term Management Vision outlining our vision for the coming ten years

Seven Key Strategic Domains



(2) Progress with the New Medium-term Management Plan

Progress with the first year, the year ended March 31, 2015, of the New Medium-term Management Plan is outlined below

1) Establishing "Key Strategic Domains" in line with our core strengths
In the first year, we had significant accomplishments in four "Key Strategic Domains "

＜Accomplishments in the First Year＞
Hydrocarbon Chain
- Made progress in establishing "Key Strategic Domains" through Existing Business and Projects in the pipeline centering on US (steady output from shale business, FID on Cameron, etc)
  US MMA monomer production and sales (basic agreement)

Mineral resources (urban & underground) and materials
  Mozambique coal mine and rail & port infrastructure (agreed to participate)
- US chloroprene rubber production and sales (agreed to acquisition)
  China oleochemicals production and sales (agreed to participate)

Infrastructure
  Thailand cogeneration (agreed to participate)
- Indonesia new container terminal (participated)

Mobility
- US truck leasing (participated)
- Brazil passenger railway transportation (agreed to participate)

2) Enhance earnings base of "Existing Business" and fully execute "Projects in the pipeline"
In the first year, progress with enhancing the earnings base of "Existing Business" and fully executing "Projects in the pipeline" is shown below

＜Accomplishments in the first year＞

◆ **Enhanced earnings base of "Existing Business"**

❷ Strengthen cost-competitiveness (iron ore, coal)
❸ Expanded and diversified IPP business
❸ Expanded gas distribution business in Brazil
❸ Capital raising with the aim of doubling the size of railcar leasing business in North America
❹ Completed expansion of chemical tank terminal in US

◆ **Executed or achieved major milestones in "Projects in the pipeline"**

❷ Reached Jimblebar iron ore mine capacity to 35M ton/year in Australia
❹ Commenced full production of chlor-alkali in US throughout the year
❺ Final investment decision on Cameron LNG project in US

Business assets expanded during the Year Ended Mar/15

Iron ore business	Equity production 51M ton/year → 55M ton/year
Oil and gas upstream assets	Equity production 243kboe/day → 254kboe/day
IPP business	Net generation capacity 8 5GW → 9 6GW
Grain production and origination business	Handling volume 15M ton/year → 17 5M ton/year
IHH Healthcare hospital business	Number of beds approx 5,000 → approx 7,000

3) Pursue both "New Investments" and "Shareholder Return" backed by strong cash generation capabilities
For further information regarding investments and asset recycling, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources, 4) Investments and Loans, Financial Policies "

For further information regarding shareholder return policy, see "4 Corporate Information, 3 Shareholder Return Policy "

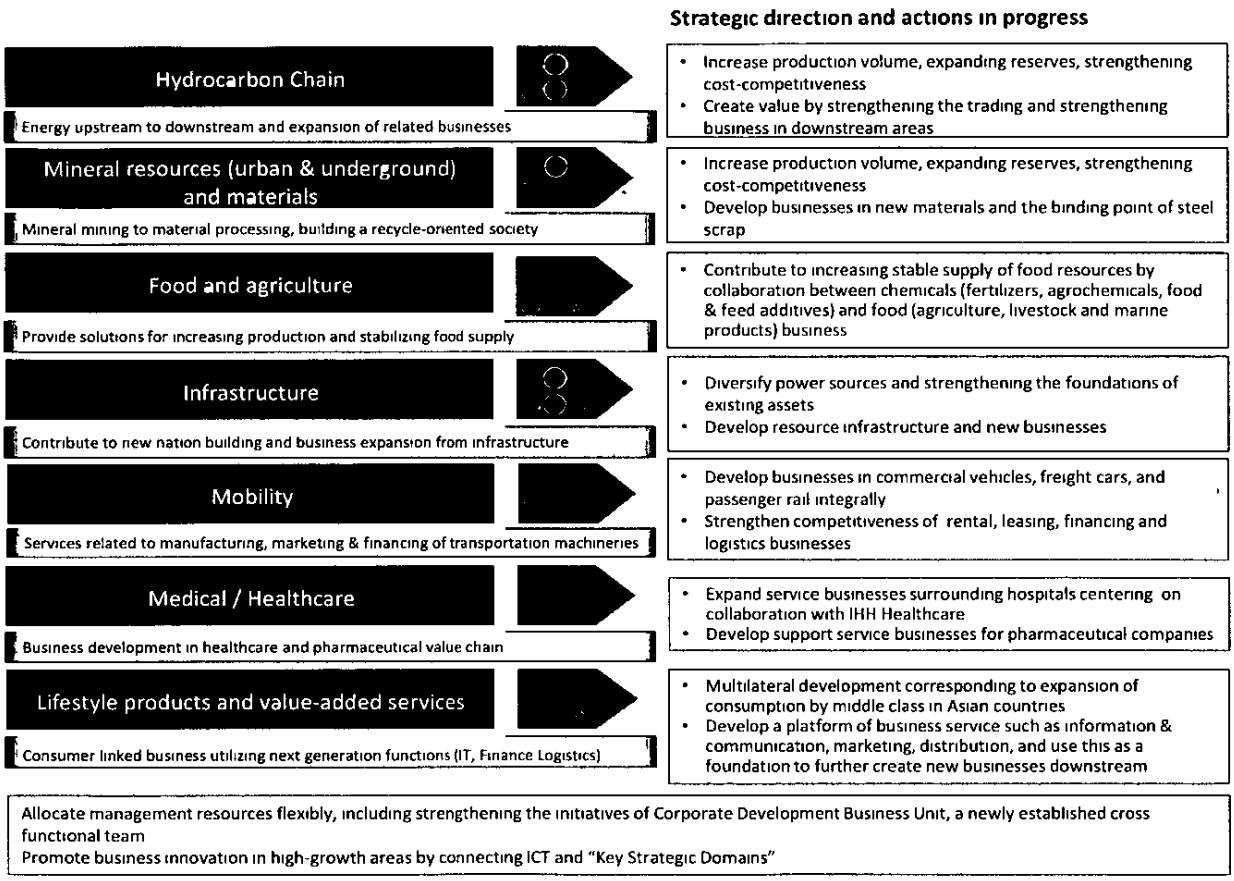
(3) Business approach for the year ending March 31, 2016

Business approach for the second year, the year ending March 31, 2016, of the New Medium-term Management Plan is outlined below

1) Establishing "Key Strategic Domains" in line with our core strengths and 2) Enhance earnings base of "Existing Business" and fully execute "Projects in the pipeline"
As the diagram below shows, the Company will strengthen its initiatives in each "Key Strategic Domain" as it looks to establish seven "Key Strategic Domains "
We will fully execute an abundance of Projects in the pipeline in the "Hydrocarbon Chain," "Mineral resources and materials," "Infrastructure," and "Mobility," and further strengthen "Key Strategic Domains "

Also, in the year ending March 31, 2016, we will further focus on the three "Key Strategic Domains" of "Food and agriculture," "Medical/Healthcare," and "Lifestyle products and value-added services" in particular

In order to accelerate initiatives toward the establishment of "Key Strategic Domains," in addition to proactive initiatives by existing corresponding product segments, we will make flexible use of the Corporate Development Business Unit, which was newly established in the Innovation & Corporate Development Segment in April 2015 We will assign personnel experienced in various business investments across the Company, and, while collaborating with product segments, will proactively work on deal sourcing, screening and execution of investment opportunities to establish "Key Strategic Domains " Also, in order to accelerate reform in the Company's business model in the information and communication technology (ICT) area, where business chances are expanding in areas such as the internet, media, and IT services, we newly established the IT & Communication Business Unit in the Innovation & Corporate Development Segment in April 2015, aiming to connect each "Key Strategic Domain," thus promoting innovation in high-growth areas



3) Pursue both "New Investments" and "Shareholder Return" backed by strong cash generation capabilities
For further information regarding investments and asset recycling, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources, 4) Investments and Loans, Financial Policies "

For further information regarding shareholder return policy, see "4 Corporate Information, 3 Shareholder Return Policy "

(4) Forecasts for the year ending March 31, 2016

1) Forecasts for the year ending March 31, 2016

[Assumption]

Exchange rate (JPY/USD)	120 00	110 62
Crude oil price (JCC)	$63/bbl	$91/bbl
Consolidated oil price	$63/bbl	$103/bbl

(Billions of yen)	March 31, 2016 Forecast	March 31, 2015 Result	Change	Description
Gross profit	740 0	845 8	(105 8)	Decline in crude oil and iron ore prices
Selling, general and administrative expenses	(600 0)	(584 6)	(15 4)	
Gain (loss) on investments, fixed assets and other	30 0	(71 0)	101 0	Reversal effects of impairment losses in the Energy Segment
Interest expenses	(30 0)	(17 1)	(12 9)	
Dividend income	60 0	114 1	(54 1)	Decline in dividend from LNG projects
Profit of equity method investments	190 0	144 6	45 4	Reversal effects of one-time negative impacts and decline in earnings from equity method investments of resources and energy
Profit before income taxes	390 0	431 8	(41 8)	
Income taxes	(130 0)	(104 9)	(25 1)	Reversal effects of one-time positive impact due to reduction of Japanese corporate income tax rate
Non-controlling interests	(20 0)	(20 4)	0 4	
Profit for the year attributable to owners of the parent	240 0	306 5	(66 5)	

EBITDA (*)	660 0	788 3	(128 3)

(*) We use EBITDA as a measure of underlying earning power
EBITDA = Gross profit – Selling, general and administrative expenses + Dividend income + Equity earnings + Depreciation/Amortization

Foreign exchange rates assumed for the year ending March 31, 2016 are ¥120/US$, ¥95/AU$ and ¥40/BRL, while average foreign exchange rates for the year ended March 31, 2015 were ¥110 62/US$, ¥95 51/AU$ and ¥44 58/BRL Also, the average crude oil price applicable to our financial results for the year ending March 31, 2016 is assumed to be US$63/barrel, down US$40 from US$103/barrel applied for the year ended March 31, 2015, based on the assumption that the crude oil price (JCC) will average US$63/barrel during the year ending March 31, 2016

Gross profit for the year ending March 31, 2016 is expected to be ¥740 0 billion, reflecting the decline in crude oil and iron ore prices

For gain on investments, fixed assets and other, the reversal effects of impairment losses on fixed assets of Eagle Ford shale oil and gas producing operations as well as oil and gas fields in the North Sea are expected

- Dividend income for the year ending March 31, 2016 is expected to be ¥60 0 billion, reflecting the decline in dividend from LNG projects

Profit of equity method investments is expected to be ¥190 0 billion, reflecting reverse effects of the one-time negative impact and decline in earnings from equity method investments of resource and energy

For income taxes, reversal effects of the one-time positive impact due to reduction of the Japanese corporate income tax rate are forecasted

As a result, EBITDA and profit for the year attributable to owners of the parent for the year ending March 31, 2016 are expected to be ¥660 0 billion and ¥240 0 billion, respectively

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

- Effective April 1, 2015, the media business, included in the Lifestyle Segment until March 31, 2015, was transferred to the Innovation & Corporate Development Segment
In accordance with the aforementioned change, the operating segment information for the year ended March 31, 2015 has been restated to conform to the operating segment as of April 2015

(Billions of yen)	Year ending March 31, 2016	Year ended March 31, 2015	Change
Iron & Steel Products	12 0	8 5	3 5
Mineral & Metal Resources	38 0	60 9	(22 9)
Machinery & Infrastructure	53 0	45 7	7 3
Chemicals	8 0	3 7	4 3
Energy	56 0	119 7	(63 7)
Lifestyle	19 0	(5 9)	24 9
Innovation & Corporate Development	3 0	9 9	(6 9)
Americas	23 0	25 8	(2 8)
Europe, the Middle East and Africa	2 0	3 4	(1 4)
Asia Pacific	22 0	30 5	(8 5)
All Other/Adjustments and Eliminations	4 0	4 3	(0 3)
Consolidated total	240 0	306 5	(66 5)

- The forecast for the Iron & Steel Products Segment is ¥12 0 billion, an increase of ¥3 5 billion from the year ended March 31, 2015 An increase in transactions of line pipes and oil well pipes are expected

- The forecast for the Mineral & Metal Resources Segment is ¥38 0 billion, a decline of ¥22 9 billion from the year ended March 31, 2015 Decline in iron ore prices is expected, while reversal effects are projected in relation to foreign exchange valuation losses on debt of Valepar S A and recognition of a deferred tax liability of Inversiones Mineras Acrux SpA, a copper mining company in Chile, reflecting the tax system revision in the year ended March 31, 2015

- The forecast for the Machinery & Infrastructure Segment is ¥53 0 billion, an increase of ¥7 3 billion from the year ended March 31, 2015 An increase is expected mainly due to reversal effects of one-time negative effects and contribution from businesses newly acquired, while the reversal effect of the one-time positive effect due to the reduction of the Japanese corporate income tax rate in the year ended March 31, 2015 is projected

- The forecast for the Chemicals Segment is ¥8 0 billion, an increase of ¥4 3 billion from the year ended March 31, 2015, reflecting recovery of market conditions in the chlor-alkali producing business and

contribution from methanol producing business in the United States

- The forecast for the Energy Segment is ¥56 0 billion, a decline of ¥63 7 billion from the year ended March 31, 2015 A decline in profits from oil and gas producing operations and a decline in dividends from LNG projects are expected, while reversal effects are projected in relation to the impairment losses on fixed assets of Eagle Ford shale oil and gas producing operations and oil and gas fields in the North Sea in the year ended March 31, 2015

- The forecast for the Lifestyle Segment is ¥19 0 billion, an increase of ¥24 9 billion from the year ended March 31, 2015, reflecting gain on sale of building by Bussan Real Estate Co , Ltd and recovery of origination and merchandising of agricultural products

- The forecast for the Innovation & Corporate Development Segment is ¥3 0 billion, a decline of ¥6 9 billion from the year ended March 31, 2015, reflecting the reversal effect of the one-time positive impact on the partial sale of shares in TPV Technology Limited

- The forecast for the Americas Segment is ¥23 0 billion, a decline of ¥2 8 billion from the year ended March 31, 2015, reflecting the reversal effects of the sales of a stake in senior living business and Silver Bell Mining, LLC in the year ended March 31, 2015 The forecast for the Europe, the Middle East and Africa Segment is ¥2 0 billion, a decline of ¥1 4 billion from the year ended March 31, 2015, due to the reversal effect of the one-time positive impact The forecast for the Asia Pacific Segment is ¥22 0 billion, a decline of ¥8 5 billion from the year ended March 31, 2015, due to lower profit from the segment's minority interest in iron ore mining operations in Australia

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 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 below

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2016			March 2016 Assumption	March 2015 Result
Commodity	Crude Oil/JCC	¥2 7 bn (US$1/bbl)	63	91
	Consolidated Oil Price (*1)		63	103
	U S Natural Gas (*2)	¥0 8 bn (US$0 1/mmBtu)	3 65 (*3)	4 28 (*4)
	Iron Ore	¥3 0 bn (US$1/ton)	(*5)	83 (*6)
	Copper	¥1 0 bn (US$100/ton)	6,000	6,860 (*7)
Forex (*8)	USD	¥1 8 bn (¥1/USD)	120	110 62
	AUD	¥0 8 bn (¥1/AUD)	95	95 51
	BRL	¥0 3 bn (¥1/BRL)	40	44 58

(*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 March 31, 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) U S shale gas is not all sold at Henry Hub (HH) linked prices Therefore the sensitivity does not represent the direct impact of HH movement, but rather the impact from the movement of weighted average gas sales price
(*3) For natural gas sold in the US on HH linked prices, the assumed price used is US$3 65/mmBtu
(*4) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2014 to December 2014
(*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 2014 to March 2015
(*7) Average of LME cash settlement price during January 2014 to December 2014

(*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 currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included

Note Impact of Foreign Currency Exchange Fluctuation on Operating Results

The total sums for profit for the year attributable to owners of the parent for the years ended March 31, 2014 and 2015 reported by overseas subsidiaries and associated companies were ¥394 2 billion and ¥291 7 billion, respectively These companies principally use the U S dollar, the Australian dollar and the Brazilian real as functional currencies in their reporting

We conducted a simplified estimation for the effect of foreign currency exchange fluctuations on profit for the year attributable to owners of the parent for the year ending March 2016

i) We aggregated a total projected profit for the year attributable to owners of the parent in the business plans of these companies covering the year ending March 31, 2016, according to their functional currencies Firstly, we aggregated Australian dollar- and Brazilian real-denominated projected profit for the year attributable to owners of the parent of those companies using two currencies as functional currencies Secondly, we aggregated the rest of the projected profit for the year attributable to owners of the parent from overseas subsidiaries and associated companies as a US dollar-equivalent amount We conducted a sensitivity analysis on foreign currency fluctuation for three categories of aggregated profit for the year attributable to owners of the parent
For example, yen appreciation of ¥1 against US$1 would have the net effect of reducing profit for the year attributable to owners of the parent by approximately ¥1 8 billion Specifically, for the profit for the year attributable to owners of the parent from those companies using Australian dollar and Brazilian real as functional currencies, appreciation of ¥1 against AUD1 and BRL1 would have the net effect of reducing profit for the year attributable to owners of the parent by approximately ¥0 8 billion and ¥0 3 billion, respectively

ii) Profit for the year attributable to owners of the parent from those mineral resources and energy producing companies are affected by the currency fluctuation between the US dollar as a contractual currency of sales contracts and the two currencies as functional currency, affecting their Australian dollar or Brazilian real denominated revenues Attention should be paid to this, in addition to the impact that is discussed in i) above

iii) Furthermore, some subsidiaries and associated companies, including the mineral resources- and energy-related production companies, carry out hedging on the exchange rates between their functional currencies and the US dollar, which is the contract currency for sales contracts There are also cases that they carry out exchange rate hedging for yen equivalence valuation of profit for the year attributable to owners of the parent that is denominated in foreign currencies It is necessary to take the impact of these factors into consideration separately from the sensitivity resulting from the yen equivalence valuation of profit for the year attributable to owners of the parent in each of the three currencies mentioned in i) above

4 Risk Factors

(1) Declines in volume of trade and the flow of goods and materials resulting from worldwide or specific region's economic downturns may adversely affect our business, operating results and financial condition

Our global business activities are affected by economic conditions both globally and regionally Among other locations, we are particularly vulnerable to downward economic trends in Europe, Japan, China, the United States and emerging countries An economic downturn may cause a reduction in the flow of goods and materials, a decline in consumer spending and capital investment, and subsequently a decline in demand from our customers for our products and services, which may have an adverse impact on our business, operating results and financial condition

(2) Fluctuations in commodity prices, especially crude oil, iron ore, coal and copper, may adversely affect our business, operating results and financial condition

We are engaged in trades in and, as the case may be, production of a variety of commodities in the global commodities market including mineral resources and energy products Among others, operating results from our mineral resources and energy producing activities account for significant portion in our overall operating results These commodity markets can be volatile in a short period or seasonally fluctuate by various factors such as imbalance of supply and demand, economic fluctuation, inventory adjustment, and exchange rate fluctuations These factors are beyond our control The unexpected market fluctuations may adversely affect our business, operating results and financial condition, as follows

- At businesses such as mineral resources and/or energy development projects, in which large amounts of investment has been made, it may occur that the invested amount is not recoverable through sales of the produced products due to a fall in price or we may have difficulty in divesting our proprietary equity at a reasonable price
- A decline in the value of our investments in LNG projects which are recognized to designate as at fair value through other comprehensive income ("FVTOCI"), could adversely affect our operating results and financial condition due to the decline of other comprehensive income
- In trading of commodities or derivative instruments losses may occur as a result of unexpected fluctuations
- Fluctuations in a commodity market may cause a reduction of trading transactions in which we act as a principal or an agent

For further information about the impact of commodity price fluctuations on our operating results for the year ended March 31, 2015 and possible effects in the future, see "3 Management Issues, (4) Forecasts for the year ending March 31, 2016" and "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (3) Discussion and Analysis of Operating Results for the Years Ended March 31, 2015 and 2014 "

(3) Exchange rate fluctuations may adversely affect our operating results

We are exposed to risk of exchange rate fluctuations and exchange rate fluctuations may have an adverse effect on our operating results Although our reporting currency is the Japanese yen, a significant portion of our business operations, consolidated revenues and operating expenses is denominated in currencies other than the Japanese yen As a result, appreciation or depreciation in the value of other currencies as compared to the Japanese yen could result in material transactional gains or losses As most of revenues, costs of revenues, and selling, general and administrative expenses incurred from regular business activities at overseas subsidiaries and associated companies are quoted in the U S dollar, the Australian dollar, the Brazilian real, or other currencies, our profit for the year may be affected by the fluctuations of these currencies and we are exposed to translation risk in our assets and liabilities denominated in foreign currencies In addition, exchange rate fluctuations may reduce the value of investments in overseas subsidiaries and associated companies as well as in FVTOCI, and adversely affect our accumulated other comprehensive income

For further information about the impact of exchange rate fluctuations on our operating results for the year ended March 31, 2015 and in the future, see "3 Management Issues, (4) Forecasts for the year ending March 31, 2016" and "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources "

(4) We are subject to substantial amount of counterparty credit risks from diversified clients with which we have business transactions or financial dealings and/or credit risks from various projects

We are exposed to large-scale counterparty credit risks, including the following

- While many of our customers purchase products and services from us on credit, we may also provide financing programs or debt guarantees for customers associated with sales contracts At March 31, 2015, our current trade receivables (less allowance for doubtful receivables—current) were ¥1,949 8 billion, representing 16 0% of our total assets The balance of the allowance for doubtful receivables—current for the year ended March 31, 2015 was ¥17 0 billion
- We engage in significant project financing activities as a lender or guarantor whereby we assume repayment risk
- We have counterparty payment risk from various derivative transactions we enter into as part of our hedging activities

It is not possible for our credit risk management policy to eliminate risks completely relating to the deterioration of the financial positions of our counterparties Furthermore, factors such as insolvencies among our customers caused by liquidity crises, sudden falls in real estate market or stock market prices, or increases in company bankruptcies may make it difficult for us to collect receivables

(5) Changes in interest rates could have an adverse effect on our operating results

We are exposed to risks associated with interest rate fluctuations, which may affect our overall operational costs and the value of our financial assets and liabilities, particularly our debt obligations from the capital markets and borrowings from financial institutions, including ¥290 6 billion short-term debt and ¥4,503 3 billion long-term debt as of March 31, 2015 An increase in interest rates, especially in Japan and the United States, may adversely affect our operating results

For information on the status of our funding, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources" and Note 9, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS"

(6) If the value of assets for our own use and/or rental to third parties, such as equipment and fixtures, land and buildings declines, we may record impairment losses

Assets for our own use and/or rental to third parties, such as equipment and fixtures, land and buildings are exposed to potential significant impairment losses due to the decline in the value of these assets The total of the carrying amounts of property, plant and equipment, investment property and intangible assets was ¥2,458 9 billion, as of March 31, 2015 The carrying amounts of assets for our own use and/or rental to third parties are affected by certain factors, which are beyond our control such as changes in price, sales volume, production volume and cost based on global or local supply and demand When impairment losses on these assets occur, impairment losses may have an adverse effect on our operating results and financial condition

For information on our accounting policies and estimates with respect to impairment on non-financial assets, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Critical Accounting Policies and Estimates "

(7) Declines in the market value of domestic and foreign equity and/or debt securities may decrease the value of our pension plan assets which in turn may increase our defined benefit cost

Declines in the market value of domestic and foreign government bonds, other debt securities and marketable equity securities would reduce the value of our pension plan assets A decline in the value of our pension plan assets or an increase in our unfunded defined benefit obligation could adversely affect our operating results and financial condition due to the decline of other comprehensive income and retained earnings

For information on our defined benefit cost, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Critical Accounting Policies and Estimates" and Note 19, "EMPLOYEE BENEFITS "

(8) Our liquidity could be adversely affected by turmoil in financial markets, a downgrade in our credit ratings, significant changes in the lending or investment policies of our lenders or institutional investors

Turmoil in financial markets, a downgrade in our credit ratings or significant changes in the lending or investment policies of our lenders or institutional investors could result in constraints on our fund procurement and an increase in funding costs, and could have an adverse effect on our financial position and liquidity

For information on our funding sources and credit ratings, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources "

(9) Due to our significant investments in marketable equity financial assets, a substantial decline in the stock market could negatively affect our investment portfolio

A significant portion of our investment portfolio consists of marketable equity financial assets At March 31, 2015, our marketable equity financial assets recognized to designate as FVTOCI were carried at a fair value of ¥633 4 billion, representing 5 2% of our total assets While we periodically review our investment portfolio, a decline in the equity securities market could negatively impact the value of our investment portfolio and operating results and financial condition due to the decline of other comprehensive income

(10) Decrease in deferred tax assets due to the changes in the assessment for recoverability of deferred tax assets may adversely affect our operating results and financial condition

We determine the recoverability of deferred tax assets based on all currently available information, including tax deductibility of accounting losses, their timing as well as future taxable income at Mitsui and the subsidiaries Deferred tax assets are recognized except for cases where such deferred tax assets are not recoverable, while the amount of recoverable net deferred tax assets may change if estimates of future taxable income are changed or if tax laws and regulations including statutory tax rates are revised

A worsening of our operating environment could negatively affect our ability to achieve the goals set in our business plan, and future taxable income may decrease compared to the amount anticipated in the current tax planning strategies In such cases, decrease in deferred tax assets due to the changes in assessment for recoverability of deferred tax assets may adversely affect our operating results and financial conditions

For information on our accounting policies and estimates with respect to deferred tax asset valuation, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (5) Critical Accounting Policies and Estimates "

(11) Some of our operations are concentrated in a limited number of regions or countries, which could harm our business, operating results and financial condition if activity levels in these regions or countries decline

Various types of businesses worldwide sometimes expose us to risks associated with regional political and economic instabilities, in addition to aspects of the global economic environment such as commodity market conditions, demand and supply for commodities, currency exchange rates and interest rates Furthermore, some of our business activities may be exposed to concentration risk in particular industries located in specific regions or countries For example

- In Brazil, Chile and Russia, we have significant interests in the exploration, development and production of mineral resources and energy
- In Indonesia, we actively participate in infrastructure projects, including the operation of power plants, and maintain a nationwide motorcycle retail finance business

As a result, declining levels of trading activities or asset volumes in specific sectors or in certain regions or countries, or unexpected political or economic instabilities could have a disproportionately negative effect on our business, operating results and financial condition

(12) We may not be able to successfully restructure or eliminate unprofitable or underperforming subsidiaries or associated companies in a timely manner

As of March 31, 2015, we had 279 consolidated subsidiaries and 166 equity accounted investees We have been continuously restructuring underperforming businesses of our consolidated subsidiaries and associated companies using a process we have introduced to assess their profitability If we fail to successfully restructure or eliminate our underperforming subsidiaries and associated companies in a timely manner, or if these efforts fail to improve our business operations as contemplated, our business operations may become less efficient and our operating results and financial condition may be adversely affected

(13) Our alliances by forming joint ventures with third parties and strategic investments in third parties may not necessarily result in successful operations

We participate in various businesses directly or indirectly through joint ventures or by making strategic investments in other companies and business enterprises The outcome of these joint ventures and strategic investments is unpredictable because

- operational success is critically dependent on factors that are beyond our control such as the financial condition and performance of the partner companies or the strategic investees, or
- with respect to certain associated companies, we may be unable to exercise adequate control over the management, operations and assets of the companies in which we invested or may be unable to make major decisions without the consent of other shareholders or participants due to lack of common business goals and strategic objectives with our alliance partners

Any occurrence of these events could have an adverse effect on our operating results and financial condition

(14) Our businesses in exploration, development and production of mineral resources and oil and gas may not develop in line with assumed costs and schedules, and are subject to the risks associated with estimating reserves and the operating performance of third party operators

Reflecting the rising prices of mineral resources and oil and gas as well as increased production in recent years, exploration, development and production of mineral resources and oil and gas are becoming more significant to our operating results and financial condition Mining and oil and gas projects involve risks, such as the following

- development of projects may face schedule delays or cost overruns than originally planned, due to difficulties in technical conditions, procurement of materials, financial conditions and government regulations including environmental aspect,
- reserves are estimated based on available geological, technical, contractual and economic information, and thus actual development and production may significantly differ from originally estimated reserves, and
- exploration activities may not produce successful results and thus it is possible that reserve replacement cannot be achieved based on the assumed cost and time schedule

We participate as a non-operator in many of these projects Under these circumstances, we carefully consider the business potential and profitability of projects based on the information and data provided by operators, who substantially control operations of such projects, including decision-making in the course of development and production In addition to the above-mentioned risks, an operator's failure in managing those projects may adversely affect our operating results and financial condition

(15) Intense competition from other Japanese general trading companies and others could have an adverse effect on our operating results and financial condition

Products and services we provide are generally under competition Other Japanese general trading companies as well as other competitors which engage in similar business activities in various fields may have stronger business associations and relationships with our customers, suppliers and business partners in both domestic and global markets, or stronger global network and regional expertise, diversified global customer bases, greater financial engineering skills and market insights

Unless we can successfully continue to meet the changing needs of our customers by providing them with innovative and integrated services in a cost effective manner, we may lose our market share or relationships with our existing customers, and we may have an adverse effect on our operating results and financial condition

(16) We may lose opportunities for entry into new business areas because of the limitation of resources on business, particularly required human resources

In new businesses, we are investing human resources that are capable of planning and evaluating business, executing projects and managing and supervising workforce However, in certain business areas, we may have a shortage of required human resources, which could cause a loss of opportunities to start new businesses, which in turn may adversely affect our future business, operating results and financial condition

(17) Restrictions under environmental laws and regulations may have a significant impact on our business, operating results and financial condition

Various projects and business transactions worldwide we are involved in are subject to extensive environmental laws and regulations In particular, the Mineral & Metal Resources Segment and Energy Segment may be adversely affected by present or future environmental regulations or enforcement in connection with our exploration, development and production activities For example, we are subject to complex sets of environmental regulations in Australia, Brazil, Chile, Russia, and the Middle East These laws and regulations may require us to perform site clean-ups, require us to curtail or cease certain operations, impose fines and payments for significant environmental damage, require us to install costly pollution control equipment, and require us to modify our operations Newly enacted environmental laws and regulations or changes therein and protests by environmental groups may materially impact the progress of these projects

Once an environmental accident occurs, as the owner of mineral resource and energy interests, regardless of the degree of our contribution to such accidents or acts of negligence, we may be imposed to bear fines or payments for compensation from environmental authorities or other concerned parties, even in situations where we have no involvement at all in actual operations as a non-operator These fines and/or compensation payments may include clean-up costs, compensation for environmental damages, compensation for health hazard and/or property damage to those affected by the accident, compensation for absence from work and/or for loss of earnings

As a result of an oil spill incident at an exploration project in the Gulf of Mexico for which BP Exploration & Production Inc (BP) was the operator, civil lawsuits including those seeking recovery for alleged economic loss, property damages, the costs of and caused by the clean up and personal injuries as well as those seeking penalties were brought against subsidiaries of Mitsui Among the plaintiffs were private parties, the United States government, and state and local governmental entities
In connection with this incident, subsidiaries of Mitsui entered into a settlement with BP and its parent companies (BP Settlement), under which Mitsui and its subsidiaries are to be fully indemnified by BP and its parent companies as to all claims arising from the incident except for punitive damages, but solely to the extent arising from the conduct of the Mitsui subsidiaries, and fines, penalties and sanctions However, there is a risk that the indemnity payments required by the BP Settlement may not be made
The civil penalty claims filed by the United States and rights asserted by some of the Gulf Coast state governments to claim for civil penalties were resolved by an agreement reached between subsidiaries of Mitsui and the United States (DOJ Settlement)
Except for the punitive damage claims of individuals in connection with the personal injury claims, all asserted claims that are not covered by the BP Settlement or the DOJ Settlement have been dismissed by court orders However, many of these court orders are not final and can be appealed

Mitsui and its United States subsidiary, Mitsui & Co (U S A), Inc are shareholders of Coronet Industries Inc ("Coronet"), a former manufacturer of animal feed supplements, each with 18% and 12% share interest, respectively Coronet has been working with the U S Environmental Protection Agency and the State of Florida in an investigation on environmental conditions related to its prior operations at its facility in the state of Florida Currently deliberations continue with the environmental authorities in relation to appropriate environmental measures and concrete clean-up methods, as well as their implementation

(18) We are subject to extensive laws and regulations in Japan and other countries throughout the world as well as various concession contracts Changes in these laws and regulations or unilateral change of contractual terms by a government could adversely affect our business, operating results and financial condition

Our business operations are subject to extensive laws and regulations in Japan and other countries throughout the world Our operations are subject to laws and regulations governing, among other things, commodities, consumer protection, business and investment approvals, environmental protection, currency exchange control, import and export (including restrictions from the viewpoint of national and international security), taxation, and antitrust For instance, many of our infrastructure projects in developing countries are subject to less developed legal systems As a result, our costs may increase due to factors such as the lack of a comprehensive set of laws and regulations, an unpredictable judicial system based on inconsistent application and interpretation of laws and regulations, and changing practices of regulatory and administrative bodies For example, we are subject to sudden and unpredictable changes to tariffs for products and services that we provide, technical specifications with respect to environmental regulations, income tax and duty rates, and foreign currency exchange controls with respect to repatriation of investments and dividends

Furthermore, while we are involved in the exploration, development and production activities through various contractual arrangements for concessions, the contracts may not be honored or extended when they expire Moreover, the regulatory bodies of these areas may unilaterally intervene or even alter the contractual terms of our oil and gas as well as mineral resource producing operations involving production rates, pricing formulas, royalties, environmental protection cost, land tenure or otherwise If these regulatory bodies unilaterally alter such contractual terms, or if the cost of complying with revised or newly established laws and regulations increases, our business, operating results and financial condition could be adversely affected In order to comply with laws and regulations, we may bear considerable additional costs

(19) Employee misconduct could adversely affect our operating results and reputation

Due to our size, as well as the operational and geographic breadth of our activities, our day-to-day operations are necessarily de-centralized As a result, we cannot fully ensure that our employees comply with all applicable laws and regulations as well as our internal policies For example, our employees may engage in unauthorized trading activities and exceed the allotted market risk exposure for various commodities or extend an unauthorized amount of credit to a client, which, in either case, may result in unknown losses or unmanageable risks Moreover, our employees could engage in various unauthorized activities prohibited under the laws of Japan or other jurisdictions to which we are subject, including export regulations, anticorruption laws, antitrust laws and tax regulations The efforts we undertake to ensure employees' compliance with applicable laws and regulations as well as our internal policies may not succeed in preventing misconduct by our employees Depending on its nature, employees' misconduct could have negative effects on our operating results and reputation

(20) Failure to maintain adequate internal control over financial reporting could negatively affect our reputation

We are engaged in business activities in a variety of products and services worldwide and thus our internal control over financial reporting needs to be established for numerous transaction patterns We may be unable to maintain adequate internal control over financial reporting, and thus not be able to assert that our internal control over financial reporting is effective This could adversely affect the capital market's perception of us and may cause negative market reactions

(21) Climate change and natural disaster may adversely affect our operating results

Among extreme weather conditions which have been increasing recently due to climate change, intense storms, especially hurricanes and cyclones, which are strong tropical depressions in the Atlantic and South Pacific oceans, respectively, may have an adverse impact on production and shipments of our mineral resources, oil and gas, and salt production operations, leading to increased costs and/or decreased revenues In the case that production sites, production facilities, and infrastructure used for shipments such as roads, railways and ports, are seriously damaged by extreme weather conditions, operations and shipments could stop for indeterminate periods until restoration work is completed Extreme weather conditions such as drought could also adversely affect foods raw material producing activities in which we have investments
Initiatives to reduce greenhouse gases, which are said to be the root cause of climate change and global warming, are undertaken globally, such as the Kyoto Protocol, which came into effect for that objective Introduction of government-imposed greenhouse gas emission restrictions including environmental tax, and cap and trade schemes of emission credit could adversely affect the operating results of our businesses that use fossil fuel and emit a large amount of greenhouse gasses, such as overseas power producing businesses where we have minority share holdings

Furthermore, natural disaster, such as earthquake, heavy rain or flood, that affects our employees and damages our offices or facilities, may adversely hinder our business We have implemented measures such as developing a disaster contingency manual, creating a Business Continuity Plan (BCP), introducing a safety confirmation system for employees, reinforcing earthquake resistance, and conducting emergency drills However, despite these measures, there is no assurance that damage from disasters can be completely avoided

(22) Information security incidents caused by unexpected information system malfunctions or unauthorized access or attacks from internal or external sources may adversely affect our business, operating results and financial condition

We are working to strengthen the security of information systems used by us and our consolidated subsidiaries and to thwart external attacks through various measures, including the development of related regulations and response systems, and monitoring of our group's IT networks However, we cannot totally eliminate the possibility that unforeseeable information system malfunctions or security issues could cause serious problems in our IT system infrastructure or communications networks, or that confidential business information could be destroyed or stolen Such situations could seriously reduce our operational efficiency or jeopardize our ability to maintain or expand our business activities, with negative consequences, which may have an adverse impact on our business, operating results and financial condition

(23) The actual amount of dividend payment our shareholders of record receive may differ from the forecasts announced prior to the record date

The customary dividend payout practice of publicly listed companies in Japan may significantly differ from the practice widely followed in other markets Our dividend payout practice is no exception

We ordinarily announce a certain dividend payout policy at the beginning of each fiscal year and also provide guidance for annual dividends based on the forecast of our financial results including profit for the year Interim dividends are paid to shareholders of record on September 30 of each fiscal year after reviewing our financial results during the first six months of each fiscal year as well as our forecast of our financial results during the last six months of the same fiscal year The decision of declaration and payment is solely a matter of discretion of our Board of Directors, and such a decision may be made after the September 30 record date, and thus may differ from our guidance provided prior to such record date

The amount and payment of the year-end dividend are determined by our Board of Directors based on the actual financial results including profit for the year It also requires the approval of shareholders at the annual general meeting held in June of each year, if we propose to declare the year-end dividend Our Board of Directors decides and submits a proposal for the year-end dividend declaration a few weeks before the annual general meeting If the shareholders' approval is given, dividend payments are made to shareholders of record

The shareholders of record may sell shares after the March 31 record date with the anticipation of receiving a certain dividend payment However, the declaration of year-end dividends is approved by our shareholders only in June, usually based upon a proposal submitted by our Board of Directors As such, we may have announced dividend-related forecasts prior to the record date, but, in making a decision on the year-end dividend

declaration, neither our shareholders nor our Board of Directors is legally bound by such forecast Moreover, where our profit for the year turns out to be lower than we originally forecast, we may not submit any year-end dividend proposal to the annual general meeting of shareholders

(24) Because of daily price range limitations under Japanese stock exchange rules, you may not be able to sell your shares of our common stock at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers These exchanges are order-driven markets without specialists or market makers to guide price formation To prevent excessive volatility, these exchanges set daily upward and downward price range limitations for each stock, based on the previous day's closing price Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits on these exchanges Consequently, an investor wishing to sell at a price above or below the relevant daily limit on these exchanges may not be able to effect a sale at such price on a particular trading day, or at all

(25) As holders of ADSs, you will have fewer rights than a direct shareholder and you will have to act through the depositary to exercise those rights

The rights of shareholders under Japanese law to take actions, including exercising voting rights, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders recorded on our register of shareholders Because the depositary, through its custodian agents, is the recorded holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares The depositary will make efforts to vote the shares underlying your ADSs as instructed by you and will pay to you the dividends and distributions collected from us However, as ADS holders, you will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights except through and with the consent of the depositary

5 Material Contracts

For the year ended March 31, 2015, we have not been a party to any sales contract, license of franchise contract, or business tie-up contract that on its own has a significant effect on our operating results, and there has not been any assignment or transfer of business that on its own has a significant effect on our total assets There are no contracts or other items which are significant in terms of our operations

For major business combinations that occurred in the year ended March 31, 2015 and the previous fiscal year, see Note 3, "BUSINESS COMBINATIONS " Also, for the major acquisitions and sales of assets in the year ended March 31, 2015, see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources, and 5) Assets, Liabilities and Shareholders' Equity "

6 Research & Development

For the year ended March 31, 2015, research and development ("R&D") expenses totaled ¥6 0 billion Management recognizes that individual R&D activity will not have a significant effect on our future operating results

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

Please take note that our management's discussion and analysis of financial position, operating results and cash flow contains forward-looking statements that involve risks, uncertainties and assumptions Our actual results may differ significantly from those anticipated in these forward-looking statements as a result of the items mentioned in "4 Risk Factors" or other factors

As used in this "2 Operating and Financial Review and Prospects," "Mitsui" is used to refer to Mitsui & Co , Ltd (Mitsui Bussan Kabushiki Kaisha), and "we," "us," and "our" are used to indicate Mitsui & Co , Ltd and its subsidiaries, unless otherwise indicated

In the Consolidated Financial Statements and accompanying Notes to Consolidated Financial Statements, the "Company" is used to refer to Mitsui & Co , Ltd , and the "companies" is used to refer to Mitsui & Co , Ltd and its subsidiaries, unless otherwise indicated

All references to "Note" throughout "2 Operating and Financial Review and Prospects" relate to the Notes to Consolidated Financial Statements contained elsewhere in this report

(1) Key Performance Measures under Management's Discussion

Although our operating results and financial position are affected by various factors including the items stated in "4 Risk Factors," management believes that as of the end of the fiscal year under review, the following indicators can be usefully employed to discuss trends in our performance and financial condition

1) Gross Profit, Share of Profit of Investments Accounted for Using the Equity Method, EBITDA (*1) and Profit for the Year Attributable to Owners of the Parent

We undertake world-wide business activities, involving diversified risk-return profiles, ranging from intermediary services as agent to development and production activities of mineral resources and energy In this context, changes in the amounts of gross profit, share of profit of investments accounted for using the equity method, EBITDA and profit for the year attributable to owners of the parent by operating segment reflect the overall progress of our operating results and our businesses From the year ended March 31, 2015, we introduced EBITDA as a measure of underlying earnings power in addition to profit for the year attributable to owners of the parent as a base index to measure performance

(*1) 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

2) Trends in the Price of and Supply-Demand for Mineral Resources and Energy

Due to the significance to our operating results of the portion that comes from our mineral resources and energy-related businesses, the condition of the market and the production amount for mineral resources and energy has become a significant variable in operating results

For further information regarding trends and prospects in this field, see the sections relating to the Mineral & Metal Resources Segment and the Energy Segment in "(3) Discussion and Analysis of Operating Results for the Years Ended March 31, 2015 and 2014, 3) Operating Results by Operating Segment "

3) Cash Flows, Capital Efficiency, and Financial Leverage

Under the New Medium-term Management Plan (announced in May 2014) started from the year ended March 31, 2015, we are pursuing an improvement of capital efficiency and a balanced allocation of generated cash to growth investments and returns to shareholders From the year ended March 31, 2015, we introduced core operating cash flow (*2) as a measure of cash flow generation capabilities and source of cash reallocation

Mitsui decides the policies on levels of shareholders' equity (*3), and also debt and equity balances, and examines the status of execution in terms of stability for capital efficiency as well as financing Mitsui also examines the scale of shareholders' equity in terms of risk buffer to maximum exposure to potential losses due to a deterioration of the respective business and is monitoring and managing group-wide financial leverage seeking to secure an efficient return on equity as well as maintaining and improving credit ratings and financial stability in order to refinance our interest-bearing debt For further information regarding our capital management, see Note 9, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6) Risk-related matters " For further information regarding our financial policy, see "(4) Liquidity and Capital Resources "

(*2) Core operating cash flow is cash flows from operating activities without the net cash outflow from an increase in working capital

(*3) Shareholders' equity is total equity attributable to owners of the parent in the Consolidated Statements of Financial Position

(2) Operating Environment

Note The following describes the understanding of the economic environments as of May 2015 Descriptions included herein may differ from our current understanding

Overall, the global economy recovered moderately, driven by firm economic growth in the United States In the United States economy, well-balanced growth was observed owing to steadily improving employment, gradual recovery in the housing market, wealth effect generated by higher stock and land prices, and strong corporate earnings In the Japanese economy, in spite of two consecutive quarters of negative growth owing to the prolonged impact of the consumption tax hike, the economy recovered, though moderately, thanks to improvement in the export sector due to a weaker yen, a steady improvement in the employment and income environments, and other factors

In the European economy, despite flat growth owing partly to a harsh employment environment, there were positive trends supporting the economy going forward, as quantitative easing by the European Central Bank led to lower interest rates, a weaker euro, and higher stock prices

In the Chinese economy, despite the support of monetary easing and other policies, a restraint over excess production capacity and a softer real estate market have led to a slowdown in the economic growth rate In other emerging economies, in resource importing countries such as India, purchasing power is increasing with the fall in commodity markets, and lower interest rates caused by moderating inflationary pressure is creating a virtuous cycle in the economy In resource exporting countries, where there are delays in improving fundamentals such as current account deficits and fiscal deficits, the fall in commodities markets has led to a considerable dampening of growth

The spot reference price for iron ore CFR North China (Fe 62%) continued to show a downward trend, falling near the US$50-per-ton level, due to lower growth rates in the Chinese economy With OPEC showing no signs of curbing production despite a slowdown in the growth of global oil demand, the Dubai Crude spot price sharpened its downward trend from October onward, and plunged below US$50-per-barrel

Looking forward, the global economy faces risk factors including the Chinese economy slowing more than expected, capital outflowing from emerging countries triggered by an interest rate hike in the United States and a further sharp fall in resource prices, and the debt crisis in Greece becoming more severe Despite these risk factors, the global economy is expected to continue to recover moderately, supported by the economic recovery in the United States spreading to other countries, the purchasing power of resource importing countries increasing due to the fall in commodities markets, and a continuing relaxed financial environment in developed countries, even considering an interest rate hike in the United States

(3) Discussion and Analysis of Operating Results for the Years Ended March 31, 2015 and 2014

1) Analysis by Income Statement Account

Revenue

Under IFRS, revenue is reported based on the gross amount billed to a customer or on the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) in accordance with degree of risk against reward in the following manner

- Revenue is reported based on gross amounts for transactions where we have the related risks and rewards of ownership such as transactions mainly where we are the primary obligor in the arrangement and/or assume general inventory risk without any significant mitigation of our risk level

- Revenue is reported based on net amounts where we assume a low degree of related risks and rewards, effectively acting as an agent for the applicable products or services A typical example of reporting revenue based on net amounts is a transaction where we receive a commission or fee at a fixed rate based on transaction volume or amount

Mitsui & Co , Ltd ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥5,404 9 billion for the year ended March 31, 2015 ("current year"), a decline of ¥327 0 billion, or 5 7%, from ¥5,731 9 billion for the year ended March 31, 2014 ("previous year")

We classified our revenue into sale of products, rendering of services and other revenue with the corresponding costs of revenue

The table below provides these three categories of revenue by operating segment

	Billions of Yen											
	Current Year				Previous Year				Change			
	Sale of Products	Rendering of Services	Other Revenue	Total	Sale of Products	Rendering of Services	Other Revenue	Total	Sale of Products	Rendering of Services	Other Revenue	Total
Iron & Steel Products	¥ 126 6	¥ 24 5	¥ 0 3	¥ 151 4	¥ 183 3	¥ 36 5	¥ 0 3	¥ 220 1	¥ (56 7)	¥ (12 0)	¥ 0 0	¥ (68 7)
Mineral & Metal Resources	784 3	6 9	0 0	791 2	785 1	6 1	0 0	791 2	(0 8)	0 8	0 0	0 0
Machinery & Infrastructure	227 9	131 3	84 7	443 9	219 8	118 9	71 5	410 2	8 1	12 4	13 2	33 7
Chemicals	848 9	37 4	1 9	888 2	901 2	40 3	1 7	943 2	(52 3)	(2 9)	0 2	(55 0)
Energy	970 2	4 4	16 6	991 2	1 448 6	7 5	(1 8)	1 454 3	(478 4)	(3 1)	18 4	(463 1)
Lifestyle	843 1	124 3	8 6	976 0	768 5	111 9	10 2	890 6	74 6	12 4	(1 6)	85 4
Innovation & Corporate Development	32 0	65 3	22 9	120 2	34 7	62 3	6 2	103 2	(2 7)	3 0	16 7	17 0
Americas	795 6	11 7	21 2	828 5	671 7	7 8	20 1	699 6	123 9	3 9	1 1	128 9
Europe the Middle East and Africa	94 0	16 2	0 0	110 2	94 3	14 4	0 0	108 7	(0 3)	1 8	0 0	1 5
Asia Pacific	92 5	9 7	0 0	102 2	99 4	9 7	0 0	109 1	(6 9)	0 0	0 0	(6 9)
Total	4 815 1	431 7	156 2	5 403 0	5 206 6	415 4	108 2	5 730 2	(391 5)	16 3	48 0	(327 2)
All Other	0 1	0 2	1 5	1 8	0 1	0 2	1 6	1 9	0 0	0 0	(0 1)	(0 1)
Adjustments and Eliminations	0 0	0 2	(0 1)	0 1	0 1	(0 2)	(0 1)	(0 2)	(0 1)	0 4	0 0	0 3
Consolidated Total	¥ 4 815 2	¥ 432 1	¥ 157 6	¥ 5 404 9	¥ 5 206 8	¥ 415 4	¥ 109 7	¥ 5 731 9	¥ (391 6)	¥ 16 7	¥ 47 9	¥ (327 0)

Sale of products

Sale of products is revenue from sales transactions of products and mainly include the following four types of transactions

- the sale of products as a principal in the various transactions,
- the sale of manufactured products in the wide range of industries such as metals, chemicals, foods and machinery,
- the sale of natural resources from iron ore, copper, and coal mining activities and oil and gas producing activities, and
- the development and sale of real estate

Revenue from sales of products for the current year was ¥4,815 2 billion, a decline of ¥391 6 billion, or 7 5%, from ¥5,206 8 billion for the previous year, as a result of the following

- The Energy Segment reported a decline of ¥478 4 billion Petroleum trading operations recorded a decline of ¥305 1 billion due to a decrease in trading volume and the sale of Mitsui Oil Co , Ltd resulted in a decline of ¥227 9 billion Meanwhile, oil and gas producing operations recorded an increase of ¥41 8 billion reflecting higher production volume MMGS Inc , a gas distribution subsidiary in the United States, also reported an increase of ¥27 0 billion due to an increase in sales volume
- The Iron & Steel Products Segment reported a decline of ¥56 7 billion Shipments of line pipe to LNG projects had been almost completed by the end of the previous year, and trading volume of other steel products also decreased
- The Americas Segment reported an increase of ¥123 9 billion due to an increase in trading volume of soybean

Rendering of services

Rendering of services includes the revenue from trading margins and commissions related to various trading transactions in which we act as a principal or an agent For example

- We provide various services such as logistics and warehouse services, information and communication services and technical support In these cases, the billed amounts for these services are recognized as revenue
- We facilitate arrangement of the contracts between manufacturers and customers and deliveries of the products between suppliers, and also enter into back-to-back sales and purchase transactions of products In these cases, the net amounts of sale and purchase prices (namely, margins for our intermediary services) are recognized as revenue

Revenue from rendering of services for the current year was ¥432 1 billion, an increase of ¥16 7 billion, or 4 0%, from ¥415 4 billion for the previous year

Other revenue

Other revenue principally includes the revenue from

- derivative commodity instruments and derivative financial instruments held for trading purposes,
- the revenue from leasing activities of real estate, rolling stock, aircraft, ships and machinery equipment, and
- the revenue from external consumer financing

Other revenue for the current year was ¥157 6 billion, an increase of ¥47 9 billion, or 43 7%, from ¥109 7 billion for the previous year Petroleum trading operations in the Energy Segment recorded an increase of ¥18 9 billion due to valuation of derivatives related to market fluctuations, and the commodity derivatives trading business at Mitsui recorded an increase in other revenue corresponding to a deterioration of ¥9 5 billion in the foreign exchange gains and losses posted in other expenses

Gross Profit

Gross profit for the current year was ¥845 8 billion, a decline of ¥34 3 billion, or 3 9%, from ¥880 1 billion for the previous year

- The Mineral & Metal Resources Segment reported a decline of ¥54 8 billion Iron ore mining operations in Australia reported a decline of ¥53 1 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, higher sales volume, an increase in income from infrastructure usage and cost reductions
- The Iron & Steel Products Segment reported a decline of ¥13 1 billion Shipments of line pipe to LNG projects had been almost completed by the end of the previous year, and trading volume of other steel products also decreased
- The Chemicals Segment reported a decline of ¥10 4 billion P T Kaltim Pasifik Amoniak, an ammonia producer in Indonesia, reported a decline of ¥10 4 billion due to completion of business at the end of the previous year as a result of an asset transfer under the build-operate-transfer (BOT) contract
- The Machinery & Infrastructure Segment reported an increase of ¥15 4 billion, attributable to an increase in trading volume of newly built and second-hand ships as well as recognition of commission relevant to overseas plant projects
- The Innovation & Corporate Development Segment reported an increase of ¥14 8 billion The commodity derivatives trading business at Mitsui recorded an increase in gross profit corresponding to a deterioration of ¥9 5 billion in the foreign exchange gains and losses posted in other expense Furthermore, Mitsui & Co Commodity Risk Management Ltd reported an increase of ¥6 1 billion due to the recovery of underperforming trading of derivatives for the previous year
- The Americas Segment reported an increase of ¥13 9 billion Novus International, Inc reported an increase of ¥12 5 billion reflecting higher sales prices of methionine

For more details of the discussion and analysis, see "3) Operating Results by Operating Segment "

Other Income (Expenses)

Selling, general and administrative expenses

Selling, general and administrative expenses for the current year were ¥584 6 billion, an increase of ¥9 7 billion, or 1 7%, from ¥574 9 billion for the previous year The table below provides a breakdown of selling, general and administrative expenses used in accordance with our internal control

	Billions of Yen		
	Current Year	Previous Year	Change
Personnel	¥ 295 5	¥ 290 7	¥ +4 8
Welfare	14 7	14 3	+0 4
Travel	34 5	33 5	+1 0
Entertainment	8 4	8 2	+0 2
Communication	48 8	51 2	(2 4)
Rent	24 1	20 1	+4 0
Depreciation	15 0	14 5	0 5
Fees and Taxes	10 6	9 3	+1 3
Provision for Doubtful Receivables	17 0	10 2	+6 8
Others	116 0	122 9	(6 9)
Total	¥ 584 6	¥ 574 9	¥ +9 7

The table below provides selling, general and administrative expenses broken down by operating segment

	Billions of Yen		
	Current Year	Previous Year	Change
Iron & Steel Products	¥ 35 8	¥ 37 6	¥ (1 8)
Mineral & Metal Resources	40 5	41 8	(1 3)
Machinery & Infrastructure	131 8	124 2	+7 6
Chemicals	71 6	69 8	+1 8
Energy	59 8	57 9	+1 9
Lifestyle	139 2	129 4	+9 8
Innovation & Corporate Development	58 6	59 7	(1 1)
Americas	67 8	64 9	+2 9
Europe, the Middle East and Africa	21 2	21 0	+0 2
Asia Pacific	20 8	19 4	+1 4
Total	647 1	625 7	+21 4
All Other	12 3	8 2	+4 1
Adjustments and Eliminations	(74 8)	(59 0)	(15 8)
Consolidated Total	¥ 584 6	¥ 574 9	¥ +9 7

Gain on securities and other investments—net

Gain on securities and other investments for the current year was ¥42 5 billion, an increase of ¥11 7 billion, or 38 0%, from ¥30 8 billion for the previous year

- For the current year, a ¥12 0 billion gain on sale of a stake in relation to aviation business was recorded Also, ¥9 1 billion and ¥6 5 billion gains on the sales of the stakes in Silver Bell Mining, LLC and Shanghai Senmao International Real Estate Co , Ltd were recorded, respectively Furthermore, due to the partial sale of shares in TPV Technology Limited, a ¥6 2 billion gain on the sale of shares and valuation on retained shares was recorded in total MBK Real Estate LLC recorded a ¥4 9 billion gain on sales of a stake related to senior living business
- For the previous year, a gain on the sale of shares in Mitsui Oil Co , Ltd for ¥11 3 billion and a ¥4 1 billion gain on sale of shares in a port terminal company in Brazil by Multigrain Trading AG were recorded Also, a ¥5 4 billion valuation gain on the investment in Nippon Steel Trading Co , Ltd due to discontinuance of applying the equity method of accounting resulting from the merger with Sumikin Bussan Corporation was recorded Furthermore, an ¥8 4 billion gain due to a reversal of impairment loss on shares in Penske Automotive Group, Inc , reflecting a rise in the share price, and a ¥4 4 billion impairment loss on shares in TPV Technology Limited reflecting a decline in the share price were recorded An impairment loss of ¥2 6 billion was recorded on the investment in SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine

Impairment loss of fixed assets

Impairment loss of fixed assets for the current year was ¥79 9 billion, a deterioration of ¥19 9 billion, or 33 2%, from ¥60 0 billion for the previous year

- Reflecting the decline in oil prices, Mitsui E&P Texas LP recorded an impairment loss of ¥58 9 billion related to Eagle Ford shale oil and gas producing operations and Mitsui E&P UK Limited recorded an impairment loss of ¥13 8 billion related to oil and gas fields in the North Sea for the current year
- For the previous year, Mitsui Coal Holdings Pty Ltd recorded an impairment loss of ¥39 3 billion related to coal mines mainly attributable to a decline in coal price Furthermore, Mitsui E&P Texas LP recorded an impairment loss of ¥14 2 billion related to Eagle Ford shale oil and gas producing operations mainly attributable to a review of the production estimates

For more information on impairment losses on property, plant and equipment, see Note 12, "PROPERTY, PLANT AND EQUIPMENT"

Gain on disposal or sales of fixed assets—net

Gain on disposal or sales of fixed assets for the current year was ¥1 4 billion, a decline of ¥15 0 billion, or 91 5%, from ¥16 4 billion for the previous year

- There were miscellaneous small transactions for the current year
- For the previous year, Mitsui E&P Middle East B V and Mitsui E&P Australia Pty Limited recorded a gain on sales of interests in oil fields in Egypt and New Zealand, respectively, totaling ¥6 2 billion Furthermore, Bussan Real Estate Co , Ltd recorded a ¥4 3 billion gain on sales of office buildings in Japan and MBK Real Estate LLC recorded a ¥4 3 billion gain on sale of senior living facilities

Other expense—net

Other expense for the current year was ¥34 9 billion, an increase of ¥13 2 billion, or 60 8%, from the expense of ¥21 7 billion for the previous year

- For the current year, exploration expenses totaled ¥34 9 billion, including those recorded at oil and gas producing businesses The Lifestyle Segment recorded foreign exchange losses of ¥5 7 billion in the coffee trading business at Mitsui, which corresponded to related gross profit in the same segment Mitsui E&P UK Limited recorded an impairment loss of ¥4 8 billion on goodwill related to oil and gas fields in the North Sea Furthermore, the Lifestyle Segment recorded a one-time negative impact due to reorganization among affiliated companies Meanwhile, Mitsui Oil Exploration Co , Ltd recorded a foreign exchange translation gain of ¥6 7 billion related to foreign currency deposits The Innovation & Corporate Development Segment recorded foreign exchange gains of ¥4 9 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment

- For the previous year, exploration expenses totaled ¥20 2 billion, including those recorded at oil and gas producing businesses Mitsui Raw Materials Development Pty Ltd recorded a ¥3 6 billion foreign exchange loss related to borrowings denominated in U S dollars, and Mitsui recorded a ¥3 1 billion loss in relation to the sale of shares in Mitsui Oil Co , Ltd Furthermore, the Lifestyle Segment recorded foreign exchange losses of ¥0 3 billion in the coffee trading business at Mitsui, which corresponded to related gross profit in the same segment Meanwhile, the Innovation & Corporate Development Segment recorded foreign exchange gains of ¥14 4 billion in the commodity derivatives trading business at Mitsui, which corresponded to related gross profit in the same segment Mitsui Oil Exploration Co , Ltd recorded a foreign exchange translation gain of ¥4 6 billion related to foreign currency deposits

Finance Income (Costs)

Interest income

Interest income for the current year was ¥33 1 billion, a decline of ¥0 5 billion, or 1 5%, from ¥33 6 billion for the previous year

Dividend income

Dividend income for the current year was ¥114 1 billion, a decline of ¥9 9 billion, or 8 0%, from ¥124 0 billion for the previous year Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥87 1 billion in total, a decline of ¥9 1 billion from ¥96 2 billion for the previous year Dividends received from the Sakhalin II project declined, while those from the Abu Dhabi project increased

Interest expense

Interest expense for the current year was ¥50 2 billion, an increase of ¥1 0 billion, or 2 0%, from ¥49 2 billion for the previous year The following table provides the simple average of the rates at the end of each month of three-month Tibor for the Japanese yen and three-month Libor for the U S dollar for both years

Month-end average of three-month rate (% p.a.)

	Current Year	Previous Year
Japanese yen	0 19	0 22
U S dollar	0 24	0 25

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 year was ¥144 6 billion, a decline of ¥26 6 billion, or 15 5%, from ¥171 2 billion for the previous year

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported a decline of ¥19 2 billion due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile, and lower copper prices
- Valepar S A reported a decline of ¥15 4 billion The main factor behind the decline was lower iron ore prices and foreign exchange valuation losses on debt at Vale S A , which was partially offset by a reversal of loss due to Vale S A 's participation in the federal tax settlement (REFIS) relating to Brazilian corporate income tax and social contribution of its non-Brazilian subsidiaries and affiliates for the previous year
- Robe River Mining Co Pty Ltd , an iron ore mining company in Australia, reported a decline of ¥8 3 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction
- A decline was anticipated for Toyo Engineering Corporation Furthermore, IPP businesses recorded a decline of ¥7 5 billion
- ENEOS GLOBE Corporation, a liquefied petroleum gas sales company in Japan, reported a decline of ¥5 7 billion due to inventory valuation losses reflecting a decline in LPG prices

- SCM Minera Lumina Copper Chile, a project company for the Caserones Copper Mine, reported an improvement of ¥5 4 billion due to a reversal effect of a ¥16 8 billion impairment loss on fixed assets posted in the previous year, which was partially offset by a ¥12 3 billion impairment loss on fixed assets for the current year
- For the previous year, a ¥4 8 billion impairment loss on fixed assets was recorded in the renewable energy business in Europe A ¥3 8 billion impairment loss on fixed assets was recorded in the infrastructure business other than IPP business Furthermore, Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4 2 billion impairment loss on fixed assets and other assets

For more details of the discussion and analysis, see "3) Operating Results by Operating Segment "

Income Taxes

Income taxes for the current year were ¥104 9 billion, a decline of ¥71 8 billion, or 40 6%, from ¥176 7 billion for the previous year

- Profit before income taxes for the current year was ¥431 8 billion, a decline of ¥118 7 billion, or 21 6%, from ¥550 5 billion for the previous year In response, applicable income taxes also declined
- For the current year, a ¥20 1 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies
- For the current year, there was a ¥12 0 billion decline in tax burden in relation to income taxes recognized as other comprehensive income corresponding to sales of financial assets measured at FVTOCI, including the share of Recruit Holdings Co , Ltd
- There was an increase in tax burden in Australian resource-related taxes due to a reversal of declined production at Mitsui E&P Australia Pty Limited associated with the refurbishment of its oil production facility for the previous year

The effective tax rate for the current year was 24 3%, a decline of 7 8% from 32 1% for the previous year The main increasing factor was the tax burden in Australian resource-related taxes of Mitsui E&P Australia Pty Limited Meanwhile, the major factors for the decline were the decline in tax burden in relation to the reduction of the Japanese corporate income tax rate and sales of financial assets measured at FVTOCI

Profit for the Year

As a result of the above factors, profit for the year was ¥326 9 billion, a decline of ¥47 0 billion, or 12 6%, from ¥373 9 billion for the previous year

Profit for the Year Attributable to Owners of the Parent

Profit for the year attributable to owners of the parent was ¥306 5 billion, a decline of ¥43 6 billion, or 12 5%, from ¥350 1 billion for the previous year

2) EBITDA

We have begun to use EBITDA as a measure of underlying earning power from the current year 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 Year	Previous Year	Change
EBITDA (a+b+c+d+e) (*1)		788 3	819 6	(31 3)
Gross profit	a	845 8	880 1	(34 3)
Selling, general and administrative expenses	b	(584 6)	(574 9)	(9 7)
Dividend income	c	114 1	124 0	(9 9)
Profit of equity method investments (*2)	d	144 6	171 2	(26 6)
Depreciation and amortization	e	268 4	219 1	+49 3

*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

Our operating segment information for EBITDA for the current year and the previous year is as follows

EBITDA

	Billions of Yen		
	Current Year	Previous Year	Change
Iron & Steel Products	¥ 12 9	¥ 21 8	¥ (8 9)
Mineral & Metal Resources	155 5	241 8	(86 3)
Machinery & Infrastructure	55 0	35 6	+19 4
Chemicals	18 1	28 5	(10 4)
Energy	439 8	416 1	+23 7
Lifestyle	16 2	20 2	(4 0)
Innovation & Corporate Development	(5 0)	(23 6)	+18 6
Americas	41 3	26 3	+15 0
Europe, the Middle East and Africa	(0 5)	0 5	(1 0)
Asia Pacific	(2 5)	0 3	(2 2)
Total	730 8	766 9	(36 1)
All Other	3 2	7 8	(4 6)
Adjustments and Eliminations	54 3	44 9	+9 4
Consolidated Total	¥ 788 3	¥ 819 6	¥ (31 3)

Discussion and analysis regarding the operating results of each operating segment is as follows

Iron & Steel Products Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	12 9	21 8	(8 9)
Gross profit	38 0	51 1	(13 1)
Selling, general and administrative expenses	(35 8)	(37 6)	+1 8
Dividend income	1 9	1 5	+0 4
Profit of equity method investments	7 6	5 4	+2 2
Depreciation and amortization	1 2	1 4	(0 2)
Profit for the year attributable to owners of the parent	8 5	14 6	(6 1)

EBITDA declined by ¥8 9 billion, mainly due to the following factors
Gross profit declined by ¥13 1 billion Shipments of line pipe to LNG projects had been mostly completed by the end of the previous year and trading volume of other steel products also decreased
Profit of equity method investments increased by ¥2 2 billion

Profit for the year attributable to owners of the parent declined by ¥6 1 billion In addition to the factors mentioned above, the following factors also affected results

- For the previous year, a ¥5 4 billion valuation gain on the investment in Nippon Steel Trading Co , Ltd due to discontinuance of applying the equity method of accounting resulting from the merger with Sumikin Bussan Corporation was recorded
- Foreign exchange gains and losses corresponding to transactions of line pipe improved by ¥2 1 billion

Mineral & Metal Resources Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	155 5	241 8	(86 3)
Gross profit	146 1	200 9	(54 8)
Selling, general and administrative expenses	(40 5)	(41 8)	+1 3
Dividend income	1 8	1 7	+0 1
Profit of equity method investments	0 9	38 0	(37 1)
Depreciation and amortization	47 2	42 9	+4 3
Profit for the year attributable to owners of the parent	60 9	88 1	(27 2)

EBITDA declined by ¥86 3 billion, mainly due to the following factors
Gross profit declined by ¥54 8 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 year were based on pricing that more closely reflects current spot reference prices as in the previous year, 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 ¥42 8 billion in gross profit reflecting lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction Mitsui-Itochu Iron Pty Ltd reported a decline of ¥10 4 billion in gross profit reflecting lower iron ore prices, which was offset by higher sales volume, cost reduction and positive impact of exchange rate fluctuations

Profit of equity method investments decreased by ¥37 1 billion

- Inversiones Mineras Acrux SpA, a copper mining company in Chile, recorded a decline of ¥19 2 billion to a loss of ¥15 0 billion from a profit of ¥4 2 billion for the previous year, due to additional recognition of a deferred tax liability reflecting the tax system revision in Chile and lower copper prices
- Valepar S A posted a loss of ¥25 3 billion, a decline of ¥15 4 billion from a loss of ¥9 9 billion for the previous year The main factor behind the decline was lower iron ore prices and foreign exchange valuation losses on debt at Vale S A , which was partially offset by a reversal of loss due to Vale S A 's participation in the federal tax settlement (REFIS) relating to Brazilian corporate income tax and social contribution of its non-Brazilian subsidiaries and affiliates for the previous year
- Profit from Robe River Mining Co Pty Ltd was ¥34 6 billion, a decline of ¥8 3 billion from ¥42 9 billion due to lower iron ore prices, which was partially offset by the positive impact of exchange rate fluctuations, income from infrastructure usage and cost reduction
- SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported a loss of ¥11 2 billion, an improvement of ¥5 4 billion from a ¥16 6 billion loss for the previous year, due to a reversal effect of a ¥16 8 billion impairment loss on fixed assets posted in the previous year, which was partially offset by a ¥12 3 billion impairment loss on fixed assets for the current year

Depreciation and amortization increased by ¥4 3 billion
Profit for the year attributable to owners of the parent declined by ¥27 2 billion In addition to the above, the following factors also affected results

- For the previous year, Mitsui Coal Holdings Pty recorded an impairment loss of ¥39 3 billion on coal mines reflecting the decline in coal prices
- For the current year, a ¥7 1 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies
- A ¥4 5 billion gain on the sale of the stake in Silver Bell Mining, LLC was recorded for the current year
- For the previous year, Mitsui Raw Materials Development Pty Ltd recorded a ¥3 6 billion foreign exchange loss related to borrowings denominated in U S dollars
- For the previous year, an impairment loss of ¥2 6 billion was recorded on the investment in SCM Minera Lumina Copper Chile

Short- and Long-Term Outlook on Prices and Supply-Demand Balance for Iron Ore, and Our Equity Share of Production

- Short-Term Pricing and Supply-Demand Balance

Reflecting the expansion of the spot market, iron ore pricing has been shifted to more diversified contract pricing methods While some sales were carried out using quarterly spot reference price, the majority of contracts have been set by pricing that reflects current spot reference prices, such as a daily average of spot reference price for the shipment month

Chinese crude steel production in 2014 has moderately increased to 823 million tons from 815 million tons in 2013 The growth rate of crude steel production in China is expected to slow down on a year on year basis After the spot price (Fe 62% CFR China) reached a peak of US$150/ton in early 2013 followed by a correction in the market during the year, the spot price started dropping from early 2014 and bottomed out at US$47 5/ton in April 2015 as a result of lower growth rates in the Chinese economy Lately, the spot price has recovered to US$64/ton as of June 15, 2015 due to an increase of appetite for commodities and growing expectations for economic stimulus by the Chinese government, etc

Fluctuations in iron ore prices directly affect revenues from the equity share of production at our iron ore subsidiaries and equity accounted investees For the year ending March 31, 2016, we estimate that the impact on profit for the year attributable to owners of the parent of a change of US$1 per ton in the iron ore price would be approximately ¥3 0 billion

For the year ended March 31, 2015, the equity share of shipments of our overseas subsidiaries and equity accounted investees amounted to 54 9 million tons of iron ore The above-mentioned effect of a change of US$1 per ton is calculated based on the assumptions of an estimated increase or decrease in production in the year ending March 31, 2016, in line with our holdings after the year ended March 31, 2015, and a specific range of foreign exchange rates for the U S dollar and other related currencies As the value of natural resource producing countries' currencies, such as the Australian dollar and Brazilian real, generally trends to be highly correlated to the market prices of those countries' products, the change in the currencies may impact the local currency denominated revenues of our overseas subsidiaries and equity accounted investees

- Medium- and Long-Term Price Outlook and Supply-Demand Balance and Trends in Our Equity Share of Production

Despite the fact that China saw some slowdown in its crude steel production from the end of 2011, iron ore demand is expected to be stable in the medium- and long-term, led by strong steel demand in developing countries In order to respond to such stable demand, we are investing with the aim of expanding iron ore production capacity For a summary of investments to expand capacity, see "3 Equipment and Facilities, 1 Overview of Capital Expenditures "

As there are many uncertainties including demand from China and other emerging countries, it is difficult for our management to set definitive forecasts on supply-demand balance and prices for iron ore

Short- and Long-Term Outlook on Prices and Supply-Demand Balance for Coal, and Our Equity Share of Production

- Short-Term Pricing and Supply-Demand Balance

As is the case with the iron ore business, coal (metallurgical coal) producing joint venture businesses in Australia in which we participate together with major foreign mineral resources companies conclude long term sales contracts with Japanese steel manufacturers and other major clients in other countries The diversification of methods to determine price, such as quarterly and monthly pricing mechanism, has progressed

In 2013, due to an increase in the market's perception of an oversupply in the coal market, the quarterly prices for coking coal have remained in a declining trend and prices for coking coal for the three-month period ended June 30, 2013 were reportedly settled with some Japanese iron and steel manufacturers at around US$172/MT Since then, the representative quarterly prices continued to fall and the prices for the three-month period ended June 30, 2014 and 2015 were reportedly settled with some Japanese iron and steel manufacturers at around US$120/MT and US$110/MT, respectively

The annual contract price for thermal coal for the year ended March 31, 2014, the year ended March 31, 2015 and the year ending March 31, 2016 was settled at around US$95/MT, US$82/MT and $68/MT respectively reflecting a continued oversupply trend similar to the trend for metallurgical coal

Fluctuations in coal prices directly affect revenues from the equity share of production at our coal subsidiaries and equity accounted investees For the year ended March 31, 2015, the equity share of production of our overseas subsidiaries and equity accounted investees companies amounted to 12 9 million tons of coal As the value of natural resource producing countries' currencies, such as the Australian dollar, generally trends to be highly correlated to the market prices of those countries' products, the change in the currencies may impact the local currency denominated revenues of our overseas subsidiaries and equity accounted investees

- Medium- and Long-Term Price Outlook and Supply-Demand Balance and Trends in Our Equity Share of Production

Despite the recent oversupply condition, supply and demand in the medium- and long-term is expected to tighten as a result of the suspension of new development and expansion projects resulting from weak coal prices, and increased demand for metallurgical coal in line with economic growth of developing countries including China, Brazil, and India, as well as rising demand for thermal coal for coal fired power plants, especially in China and India

As there are many uncertainties, including demand from China and other emerging countries, it is difficult for our management to set definitive medium- and long-term forecasts for coal

Machinery & Infrastructure Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	55 0	35 6	+19 4
Gross profit	130 1	114 7	+15 4
Selling, general and administrative expenses	(131 8)	(124 2)	(7 6)
Dividend income	4 1	3 5	+0 6
Profit of equity method investments	33 0	24 4	+8 6
Depreciation and amortization	19 6	17 2	+2 4
Profit for the year attributable to owners of the parent	45 7	17 1	+28 6

EBITDA increased by ¥19 4 billion, mainly due to the following factors
Gross profit increased by ¥15 4 billion

- The Infrastructure Projects Business Unit reported an increase of ¥4 8 billion
- The Integrated Transportation Systems Business Unit reported an increase of ¥10 6 billion The main factor behind the increase was an increase in trading volume of newly built and second-hand ships

Selling, general and administrative expenses increased by ¥7 6 billion
Profit of equity method investments increased by ¥8 6 billion

- The Infrastructure Projects Business Unit reported an increase of ¥1 8 billion
  For the previous year, a ¥4 8 billion impairment loss was recorded in the renewable energy business in Europe Furthermore, a ¥3 8 billion impairment loss was recorded for infrastructure businesses other than IPP business
  Gas distribution business in Brazil and water treatment business in Mexico reported increases Meanwhile, a decline was anticipated for Toyo Engineering Corporation
  IPP businesses posted a profit of ¥12 4 billion in total, a decline of ¥7 1 billion from ¥19 5 billion for the previous year
  - In the current year, impairment losses on obsolete thermal power plants in the UK were recognized
  - Mark-to-market valuation gains and losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, declined by ¥1 4 billion to a gain of ¥0 5 billion from ¥1 9 billion for the previous year
- The Integrated Transportation Systems Business Unit reported an increase of ¥6 8 billion
  Automotive-related business in North America achieved a solid performance Meanwhile, there was a new contribution from VLI S A , an integrated freight transportation company in Brazil, in which Mitsui invested in the current year

Profit for the year attributable to owners of the parent increased by ¥28 6 billion In addition to the above, the following factors also affected results

- For the current year, this segment recorded a ¥12 0 billion gain on sale of a stake in relation to aviation business
- For the current year, a ¥5 2 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate The main cause of the positive impact was the reversal of deferred tax liabilities on undistributed retained earnings of associated companies
- For the previous year, this segment recorded a ¥6 7 billion gain against past impairment losses on shares in Penske Automotive Group, Inc , reflecting a recovery in the share price

Chemicals Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	18 1	28 5	(10 4)
Gross profit	70 1	80 5	(10 4)
Selling, general and administrative expenses	(71 6)	(69 8)	(1 8)
Dividend income	1 2	1 8	(0 6)
Profit of equity method investments	7 2	8 6	(1 4)
Depreciation and amortization	11 1	7 4	+3 7
Profit for the year attributable to owners of the parent	3 7	8 4	(4 7)

EBITDA declined by ¥10 4 billion, mainly due to the following factors
Gross profit declined by ¥10 4 billion

- The Basic Chemicals Business Unit reported a decline of ¥3 5 billion Mitsui & Co Texas Chlor-Alkali, Inc , a chlor-alkali producer in the United States, reported a decline of ¥6 0 billion due to unfavorable market conditions
- The Performance Chemicals Business Unit reported a decline of ¥6 9 billion P T Kaltim Pasifik Amoniak, an ammonia producer in Indonesia, reported a decline of ¥10 4 billion due to completion of business at the end of the previous year as a result of an asset transfer under the build-operate-transfer (BOT) contract Meanwhile, sales of agricultural chemicals showed good performance

Profit of equity method investments declined by ¥1 4 billion
Depreciation and amortization increased by ¥3 7 billion Mitsui & Co Texas Chlor-Alkali, Inc , recorded an increase of ¥4 5 billion

Profit for the year attributable to owners of the parent declined by ¥4 7 billion In addition to the above, a loss of ¥3 0 billion due to the cancellation of a feasibility study on alpha olefins production in the United States was recorded for the previous year

Energy Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	439 8	416 1	+23 7
Gross profit	202 7	199 8	+2 9
Selling, general and administrative expenses	(59 8)	(57 9)	(1 9)
Dividend income	92 8	102 3	(9 5)
Profit of equity method investments	56 6	60 1	(3 5)
Depreciation and amortization	147 5	111 8	+35 7
Profit for the year attributable to owners of the parent	119 7	188 4	(68 7)

EBITDA increased by ¥23 7 billion, mainly due to the following factors
The weighted average crude oil prices applied to our operating results for the current year and the previous year were estimated to be US$103 and US$110 per barrel, respectively

Gross profit increased by ¥2 9 billion, primarily due to the following factors

- Mitsui E&P Australia Pty Limited reported an increase of ¥24 4 billion due to a reversal of declined production during the previous year associated with the refurbishment of its oil production facility
- Mitsui E&P Texas LP reported an increase of ¥8 1 billion from increased production

- Mitsui E&P USA LLC reported an increase of ¥4 5 billion from lower costs and higher production
- Mitsui E&P Middle East B V reported a decline of ¥12 4 billion due to an increase in production cost as well as the sales of interests in oil fields in Egypt in the previous year, despite a depreciation of the Japanese yen
- A decline of ¥8 5 billion was recorded from the sale of Mitsui Oil Co , Ltd in the previous year

Dividend income declined by ¥9 5 billion Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥87 1 billion in total, a decline of ¥9 1 billion from ¥96 2 billion for the previous year Dividends received from the Sakhalin II project declined, while those from the Abu Dhabi project increased

Profit of equity method investments declined by ¥3 5 billion ENEOS GLOBE Corporation reported a decline of ¥5 7 billion from ¥2 6 billion for the previous year due to inventory valuation losses reflecting a drop in LPG prices

Depreciation and amortization increased by ¥35 7 billion Oil and gas producing operations recorded an increase of ¥37 8 billion, including an increase of ¥4 2 billion at Marcellus and Eagle Ford shale gas and oil operations in the United States

Profit for the year attributable to owners of the parent decreased by ¥68 7 billion In addition to the above, the following factors also affected results

- For the current year, reflecting the decline in oil prices, Mitsui E&P Texas LP recorded an impairment loss of ¥58 9 billion on fixed assets related to Eagle Ford shale oil and gas producing operations and Mitsui E&P UK Limited recorded impairment losses related to oil and gas fields in the North Sea for ¥13 8 billion on fixed assets and ¥4 8 billion on goodwill
- For the current year, exploration expenses of ¥33 3 billion in total were recorded, including those recorded by Mitsui E&P Mozambique Area 1 Limited and Mitsui E&P USA LLC For the previous year, exploration expenses of ¥18 6 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Limited and Mitsui E&P Mozambique Area 1 Limited
- For the current year, Mitsui E&P UK Limited recorded a ¥4 7 billion reversal of deferred tax liability due to revisions in forecasted future tax liability in Italy, and also recorded a ¥5 8 billion reversal of deferred tax assets in relation to its oil and gas business in the North Sea reflecting the decline in oil prices
- For the previous year, Mitsui E&P Texas LP recorded an impairment loss of ¥14 2 billion related to Eagle Ford shale oil and gas producing operations mainly attributable to a review of the production estimates
- For the previous year, Mitsui E&P Middle East B V and Mitsui E&P Australia Pty Limited recorded a gain on sales of interests in oil fields in Egypt and New Zealand, respectively, totaling ¥6 2 billion
- For the current year, a ¥3 1 billion one-time positive impact was recorded in income taxes due to the reduction of the Japanese corporate income tax rate The main cause of the positive impact was included in the reversal of deferred tax liabilities on undistributed retained earnings of associated companies

Short- and Long-Term Outlook on Prices and Supply-Demand Balance for Oil and Gas, and Our Equity Share of Production

- Short-Term Pricing and Supply-Demand Balance

A report by the International Energy Agency (published May 2015) indicated that world crude oil demand in the 2014 calendar year was 92 5 million barrels per day, with an estimated demand for the 2015 calendar year of 93 6 million barrels per day As of May 2015, general observations on short-term supply-demand balance of crude oil by agencies and corporations in this industry suggest that

- After hitting bottom in April to June 2009 world crude oil demand has maintained steady growth, but in 2014 demand growth slowed due to slowing growth mainly in Europe and China On the other hand, global crude oil supply growth strengthened as a result of increased production of US shale oil and by OPEC, and even with improved demand growth forecast for 2015, the growth in supply is expected to continue to outpace demand growth in the short term

- The price of crude oil (Brent), after touching US$126 per barrel in February 2012 due to concerns over geopolitical risks, fell below US$90 per barrel in June of that year due to the financial situation in Europe as well as concerns over a slowdown in growth rates in the emerging economies such as China Since then, on the back of factors such as rising geopolitical risks, expectations towards improving economic conditions in Europe and additional quantitative easing in the United States, the crude oil (Brent) price shifted upwards again and has traded in the range of about US$100 – 120 per barrel until September 2014, and fell down to about US$46 per barrel in January 2015 due to sustained strong supply from the US and OPEC in the midst of slowing demand growth As of June 15, 2015, the price of crude oil (Brent) traded at around US$63 per barrel
- The price of crude oil (WTI) is affected by, in addition to factors mentioned above, supply and demand balance in the United States, and inventory levels and transportation facilities at Cushing, Oklahoma At the beginning of 2013 the price of WTI had traded at US$20 per barrel below Brent, but recently the differential has shrunk to about US$3 per barrel, and as of June 15, 2015, the price of WTI was traded at around US$60 per barrel
- In regards to LNG, amid steadily rising trend in LNG demand mainly in newly emerging economies, although LNG demand has maintained its high level since the operational shutdown of nuclear power plants due to the Great East Japan Earthquake in March 2011, the spot price of LNG to Asia as of mid-June 2015 has fallen, hovering around US$7 per mmBtu due to falling crude oil price since the previous year

According to the U S Securities and Exchange Commission standards, our equity share of production amount of oil and gas for the year ended March 31, 2014 was 75 million barrels (gas is converted to barrels of oil at the ratio of 5,800 cubic feet of natural gas to 1 barrel of crude oil, includes 10 million barrels for Mitsui Oil Exploration Co , Ltd 's non-controlling interest portion), and the equity share of production for the year ended March 31, 2015 was 76 million barrels (including 11 million barrels of Mitsui Oil Exploration Co , Ltd 's non-controlling interest portion)

For the year ending March 31, 2016, a change of US$1 per barrel in crude oil prices is estimated to have an effect of ¥2 7 billion on profit for the year attributable to owners of the parent as a result of changes in revenues of our oil and gas related subsidiaries and associated companies

Similar to the discussion regarding iron and steel raw materials, actual results of operations are also influenced by production costs, trends in foreign exchange rates and other factors surrounding those subsidiaries and associated companies

- Medium- and Long-Term Price Outlook and Supply-Demand Balance and Trends in Our Equity Share of Production

The medium- and long-term trends in supply, demand and prices of crude oil are subject to far greater levels of uncertainty than recent trends, and it is therefore difficult for the management to make a definitive forecast On the other hand, with respect to LNG and North American shale gas, we are focusing on the changes in market structure that are currently taking place, and acting accordingly as follows

- In the past, the LNG market growth has been driven primarily by long-term purchase contracts by power and gas companies operating in Japan and the Far East Expansion of incumbent projects and greenfield projects coming on stream will increase the volume of supply to the market, while demand, traditionally centered around the Far East, is likely to increase by growing demand from Europe and Latin America, and especially from huge markets in China, India and South East Asian countries Therefore, globalization in terms of both supply and demand is expected to continue In addition, as the frequency of supply-demand adjustments in these markets increases, LNG is expected to become a more marketable commodity
- In evaluating the opportunities for the expansion of incumbent projects or pursuit of new development projects, we put emphasis on securing stable supply as well as diversifying our source of supply to enhance flexibility

- While shale gas, which is an unconventional source of gas that has been increasingly developed in the United States, is recognized to have vast global reserves, it is not expected to be rapidly developed in areas outside the United States due to restrictions such as the requirement for a large supply of water for development and a pipeline near the gas fields for transportation Development of unconventional gas including shale gas will impact the supply and demand balance of natural gas in the United States, and due to its abundant supply, part of the production is expected to be exported in the form of LNG Amid rising demand for natural gas as clean energy, LNG is expected to grow along with natural gas from a medium- and long-term perspective
- Henry Hub prices, which form the basis of natural gas prices in the United States, has remained low as a result of the development progress of unconventional gas It is predicted that, going forward, natural gas will continue to be traded at a lower price on a caloric conversion basis compared to crude oil, but in the long term it is likely that demand for replacement of fuels, particularly coal, used in the production of electricity, as well as demand for LNG and chemical production will emerge, and the price will gradually rise

Lifestyle Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	16 2	20 2	(4 0)
Gross profit	116 2	114 0	+2 2
Selling, general and administrative expenses	(139 2)	(129 4)	(9 8)
Dividend income	4 8	5 4	(0 6)
Profit of equity method investments	21 6	19 3	+2 3
Depreciation and amortization	12 6	10 9	+1 7
Profit for the year attributable to owners of the parent	(2 7)	12 1	(14 8)

EBITDA declined by ¥4 0 billion, mainly due to the following factors
Gross profit increased by ¥2 2 billion

- The Food Resources Business Unit reported a decline of ¥1 8 billion Multigrain Trading AG recorded a decline of ¥8 1 billion due to underperforming origination and merchandising
- The Food Products & Services Business Unit recorded an increase of ¥7 1 billion There was an increase in gross profit corresponding to a ¥5 4 billion deterioration of foreign exchange losses related to the coffee trading business at Mitsui posted in other expense for the current year and for the previous year In addition, food-related subsidiaries in Japan recorded an increase due to higher volume
- The Consumer Service Business Unit reported a decline of ¥3 0 billion, mainly attributable to deconsolidation of ShopNet Co , Ltd , a TV shopping company in Taiwan, resulting from the sale of its shares in the current year

Selling, general and administrative expenses increased by ¥9 8 billion Multigrain Trading AG reported an increase of ¥3 1 billion due to an increase in provision for doubtful receivables Food-related subsidiaries in Japan also recorded increases
Profit of equity method investments increased by ¥2 3 billion

- The Food Resources Business Unit reported a decline of ¥0 8 billion
- The Food Products & Services Business Unit reported a decline of ¥0 2 billion
- The Consumer Service Business Unit reported an increase of ¥3 4 billion Arch Pharmalabs Limited, a pharmaceutical contract manufacturer in India, posted a ¥4 2 billion impairment loss on fixed assets and other assets for the previous year

Profit for the year attributable to owners of the parent declined by ¥14 8 billion In addition to the above, the following factors also affected results

- A ¥6 5 billion gain on the sales of the stake in Shanghai Senmao International Real Estate Co , Ltd was

recorded for the current year

- For the current year and for the previous year, foreign exchange losses of ¥5 7 billion and ¥0 3 billion, respectively, were posted in other expense in relation to the coffee trading business at Mitsui
- For the previous year, Bussan Real Estate Co , Ltd recorded a ¥4 3 billion gain on sales of office buildings in Japan, and a ¥4 1billion gain on sale of shares in a port terminal company in Brazil by Multigrain Trading AG was recorded
- For the current year, a one-time negative impact was recorded due to reorganization among affiliated companies

Innovation & Corporate Development Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(5 0)	(23 6)	+18 6
Gross profit	37 4	22 6	+14 8
Selling, general and administrative expenses	(58 6)	(59 7)	+1 1
Dividend income	5 1	3 4	+1 7
Profit of equity method investments	5 7	4 9	+0 8
Depreciation and amortization	5 3	5 2	+0 1
Loss for the year attributable to owners of the parent	6 0	(12 3)	+18 3

EBITDA increased by ¥18 6 billion, mainly due to the following factors
Gross profit increased by ¥14 8 billion

- There was an increase in gross profit corresponding to a ¥9 5 billion deterioration of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current year and for the previous year
- Mitsui & Co Commodity Risk Management Ltd reported an increase of ¥6 1 billion due to the recovery of underperforming trading of derivatives for the previous year

Profit of equity method investments increased by ¥0 8 billion

Profit for the year attributable to owners of the parent improved by ¥18 3 billion In addition to the factors mentioned above, the following factors also affected results

- For the current year and for the previous year, foreign exchange gains of ¥4 9 billion and ¥14 4 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business at Mitsui
- For the current year, due to the partial sale of shares in TPV Technology Limited, a ¥6 2 billion gain on the sale of shares and valuation on retained shares was recorded in total For the previous year, an impairment loss of ¥4 4 billion on shares in TPV Technology Limited was recorded reflecting the decline in share price
- For the current year, a decline of ¥5 9 billion of income tax was recorded reflecting tax deduction of previously recognized impairment losses on shares in TPV Technology Limited

Americas Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	41 3	26 3	+15 0
Gross profit	92 6	78 7	+13 9
Selling, general and administrative expenses	(67 8)	(64 9)	(2 9)
Dividend income	0 1	0 4	(0 3)
Profit of equity method investments	7 5	4 0	+3 5
Depreciation and amortization	9 0	8 1	+0 9
Profit for the year attributable to owners of the parent	25 8	13 7	+12 1

EBITDA increased by ¥15 0 billion, mainly due to the following factors
Gross profit increased by ¥13 9 billion Novus International, Inc reported an increase of ¥12 5 billion due to higher methionine prices
Profit of equity method investments increased by ¥3 5 billion
Profit for the year attributable to owners of the parent increased by ¥12 1 billion In addition to the factors mentioned above, the following factors also affected results

- For the current year, MBK Real Estate LLC recorded a ¥4 9 billion gain on sales of a stake related to senior living business Furthermore, this segment recorded a ¥4 5 billion gain on the sale of the stake in Silver Bell Mining, LLC
- For the previous year, MBK Real Estate LLC recorded a ¥4 3 billion gain on sales of senior living facilities

Europe, the Middle East & Africa Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(0 5)	0 5	(1 0)
Gross profit	19 3	18 8	+0 5
Selling, general and administrative expenses	(21 2)	(21 0)	(0 2)
Dividend income	0 3	0 7	(0 4)
Profit of equity method investments	0 6	1 4	(0 8)
Depreciation and amortization	0 5	0 7	(0 2)
Profit for the year attributable to owners of the parent	3 4	0 4	+3 0

EBITDA declined by ¥1 0 billion, mainly due to the following factors
Gross profit increased by ¥0 5 billion
Profit of equity method investments decreased by ¥0 8 billion
Profit for the year attributable to owners of the parent increased by ¥3 0 billion

Asia Pacific Segment

(Billions of Yen)	Current Year	Previous Year	Change
EBITDA	(2 5)	(0 3)	(2 2)
Gross profit	12 2	12 5	(0 3)
Selling, general and administrative expenses	(20 8)	(19 4)	(1 4)
Dividend income	0 9	1 5	(0 6)
Profit of equity method investments	4 5	4 5	0
Depreciation and amortization	0 7	0 5	+0 2
Profit for the year attributable to owners of the parent	30 5	30 7	(0 2)

EBITDA declined by ¥2 2 billion, mainly due to the following factors
Gross profit declined by ¥0 3 billion
Profit of equity method investments was ¥4 5 billion which was the same amount for the previous year
Profit for the year attributable to owners of the parent declined by ¥0 2 billion In addition to the above, this segment recorded profit from the segment's minority interest in iron ore mining and coal mining operations in Australia, which declined due to the fall in prices of iron ore and coal

(4) Liquidity and Capital Resources

Use of Non-GAAP Financial Measures

Net Debt-to-Equity Ratio

We refer to "Net Debt-to-Equity Ratio" ("Net DER") in this "Liquidity and Capital Resources" and elsewhere in this report Net DER is comprised of "net interest-bearing debt" divided by total equity attributable to owners of the parent

We define "net interest-bearing debt" as follows

- calculate interest-bearing debt by adding up short-term debt and long-term debt
- calculate net interest-bearing debt by subtracting cash and cash equivalents and time deposits with maturities within one year after three months from interest-bearing debt

Our management considers that Net DER is a useful measure for investors to review the balance between interest-bearing debt and total equity attributable to owners of the parent for the purpose of improving our capacity to meet debt repayment and leverage to improve return on equity in our capital structure

"Net interest-bearing debt" and "Net DER" are presented in the table below

	As of March 31, 2015	As of March 31, 2014
	(Billions of Yen)	(Billions of Yen)
Short-term debt	¥ 290 6	¥ 436 9
Long-term debt	4,503 3	3,974 2
Interest bearing debt	4,793 9	4,411 1
Less cash and cash equivalents and time deposits	(1,411 7)	(1,232 3)
Net interest bearing debt	3,382 2	3,178 8
Total equity attributable to owners of the parent	¥ 4,099 8	¥ 3,815 8
Net DER (times)	0 82	0 83

Free Cash Flow

We define "free cash flow" as the sum of net cash provided by/(used in) operating activities and net cash provided by/(used in) investing activities Our management believes that such indicator is useful for investors to measure available net cash for strategic investments and/or for debt repayments, or the extent of reliance on borrowings from outside sources to procure funds

The following table shows how we calculated free cash flow

	Year ended March 31, 2015 (Billions of Yen)	Year ended March 31, 2014 (Billions of Yen)	Increase/(Decrease) (Billions of Yen)
Cash flows from operating activities	¥ 640 0	¥ 449 2	¥ 190 8
Cash flows from investing activities	(386 4)	(659 8)	273 4
Free cash flow	¥ (253 6)	¥ (210 6)	¥ 464 2

1) Funding and Treasury Policies

Our basic funding policy as set forth by our management is to secure liquidity required for our smooth operations and to maintain the strength and soundness of our balance sheet Thus, our principal strategy is to obtain long-term funds (those with maturities of around 10 years) from financial institutions, including domestic life-insurance companies and banks, and through the issuance of corporate bonds At the same time, we minimize our refinance risk by deconcentrating the amount of long-term debt to be repaid each fiscal year In cases of projects where large amounts of financing are required, we utilize financing

programs provided by government financing agencies and/or project financing We also hold sufficient cash and cash equivalents in order to maintain liquidity to flexibly meet capital requirements and to minimize the harmful effects of a deteriorated financial market on future debt-service requirements While there is no particular target amount of cash and cash equivalents to be held, considering the current financial market conditions, cash and cash equivalents are invested mainly in highly liquid and highly rated short-term financial instruments, or deposited

In principle, a domestic financing subsidiary provides a cash management service to wholly owned domestic subsidiaries, which results in the centralization of funding sources, efficient use of excess funds and securement of liquidity for domestic subsidiaries

The same policy and practices have been extended to wholly owned overseas subsidiaries through our regional financing subsidiaries As a result, approximately three fourths of total interest-bearing debt on a consolidated basis as of March 31, 2015 was raised by Mitsui and the above-mentioned financing subsidiaries

2) Funding Sources

In accordance with our basic funding policy above, we choose funding sources from various forms of direct and indirect financing in order to secure long-term and stable sources of funds, and procure financing by suitable means considering the financial condition at that point of time

We procure necessary funds, mainly long-term, based on our longstanding and wide-ranging relations with financial institutions in Japan and overseas In addition, we borrow from government financing agencies such as Japan Bank for International Cooperation, and also utilize project financing

In addition to these funding sources, Mitsui maintains various means of procuring direct financing, such as a ¥300 billion debt shelf-registration and a ¥2,400 billion commercial paper program in Japan, and utilizes a suitable one among these facilities on the favorable financial situation Furthermore, Mitsui & Co Financial Services (Asia) Ltd and Mitsui & Co , Ltd have arranged a joint Euro medium-term note ("MTN") program of US$5 billion Mitsui guarantees notes issued by Mitsui & Co Financial Services (Asia) Ltd under this program Outstanding domestic bonds under shelf-registration and notes under MTN program as of March 31, 2015 were ¥325 billion and ¥27 7 billion, respectively For raising short-term funds overseas, Mitsui & Co (U S A), Inc has a US$1 5 billion U S domestic commercial paper program, and there are similar commercial paper programs in certain other overseas markets and these programs are utilized where appropriate We maintain the principal strategy of carrying out long-term and stable fund procurement, and we do not rely on fund procurement means such as commercial paper or short-term loans As a result, the proportion of short-term debt to total interest-bearing debt on a consolidated basis was 6 1% as of March 31, 2015

Certain subsidiaries set lines of credit by paying commitment fees to financial institutions, but the amount of the fee paid was not material in the previous fiscal year and in the current fiscal year For unused lines of credit for short-term borrowing, including these lines of credit with fees, see Note 16, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES "

A vast majority of interest-bearing debt is denominated in Japanese yen and U S dollars Considering the type of interest and currency of the asset-side, we employ certain derivative financial instruments, which include interest rate swaps, currency swaps and foreign currency exchange forward contracts to convert the interest or currency of our liabilities We consider that the proportion of interest-bearing debt with fixed interest rate after taking into account interest rate swaps is appropriate considering the condition of our current financial position See Note 9, "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS" for further description of our derivative financial instruments Additionally, regarding liquidity analysis related to derivative instruments, see Note 16, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES "

Credit Ratings

To facilitate smooth fund raising from capital markets, Mitsui has obtained ratings from Rating and Investment Information, Inc ("R&I"), Moody's Japan K K ("Moody's") and Standard & Poor's Ratings Japan K K ("S&P") The ratings as of March 31, 2015 were as follows

	R&I	Moody's	S&P
Short-term rating	a-1+	P-1	A-1(**)
(Long-term) Issuer rating	AA-	—	A+
Long-term issue rating	AA-	A2(*)	—
Medium-term note rating	AA-	A2	A+
Outlook	Stable	Stable	Stable

(*) The terminology used at Moody's is "Long-Term Obligation Ratings (senior unsecured) "
(**) The terminology used at S&P is "Short-Term Issuer Credit Ratings "

Mitsui intends to maintain sound financial foundations and will strive to maintain and improve its credit rating

Credit ratings are assessments by the rating agencies of the credit risks associated with us and are based on information provided by us and other sources that the rating agencies consider reliable Credit ratings do not constitute a recommendation to buy, sell or hold securities and are subject to change or withdrawal by each of the rating agencies at any time Each rating agency has different criteria in evaluating the risk associated with a company

3) Liquidity Management

Cash and cash equivalents were ¥1,400 8 billion as of March 31, 2015 A vast majority of cash and cash equivalents are denominated in Japanese yen and our management recognizes that cash and cash equivalents as of March 31, 2015 satisfy the liquidity requirements for the repayment of short-term debt (¥290 6 billion) and current maturities of long-term debt (¥472 7 billion)

During the year ended March 31, 2015, the global economy recovered moderately overall, driven by firm economic growth in the United States Although the Federal Reserve ended its quantitative easing measures, the financial environment in developed countries such as Japan and Europe continued to be relaxed, while we steadily procured necessary funds in accordance with our basic funding policy by utilizing our good long-term relationship with financial institutions and various measures implemented by public financing agencies On the other hand, the global economy faces risk factors including the negative effect of future U S interest rate hike, a greater-than-expected economic slowdown in emerging countries, especially in China, and a further sharp fall in resource prices, so it is undeniable that there remains uncertainty in global financial conditions, and we consider it necessary to continue to closely monitor the prospects for liquidity

As a result, our interest-bearing debt outstanding as of March 31, 2015, totaled ¥4,793 9 billion, an increase of ¥382 8 billion from the previous fiscal year-end, and the proportion of long-term debt to total interest-bearing debt on a consolidated basis was 93 9% The maturity profile of our outstanding debt as of March 31, 2015 was as follows For the details of the long-term debt and interest rate structure of our outstanding debt as of March 31, 2015, see Note 16, "DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES "

Year ending March 31	2016	2017	2018	2019	2020	Thereafter	Total
Billions of Yen	472 7	505 7	476 8	494 4	474 8	2,078 9	4,503 3

Total equity attributable to owners of the parent as of March 31, 2015 was ¥4,099 8 billion, an increase of ¥284 0 billion from March 31, 2014 On the other hand, net interest-bearing debt was ¥3,382 2 billion, an increase of ¥203 4 billion, and as a result, the Net DER decreased to 0 82 times as of March 31, 2015 from 0 83 times as of March 31, 2014

The ratio of current assets to current liabilities, which was 149 6% as of March 31, 2014, was 166 5% as of March 31, 2015

Judging by the numbers above and current market conditions, the financial strength of our balance sheet is maintained, and at this stage we are not aware of any significant financial difficulties that would affect our operations including investments and loans in accordance with our New Medium-term Management Plan

Although we provide payment guarantees to third parties and related parties, these guarantees do not include those that have substantial impacts on our liquidity For details on guarantees issued by us and future obligations, see Note 28, "CONTINGENT LIABILITIES "

With the exception of non-recourse financing for individual projects, it is our policy not to conclude agreements for important financial transactions with financial institutions that contain additional debt restriction clauses that may cause acceleration of our obligations, including debt incurrence restrictions, negative pledges, restrictions on dividend payments and various financial ratio limits, and there are no material financial covenants in the agreements undertaken

Our management believes that our liquidity will not be affected by dividends from our foreign consolidated subsidiaries and equity accounted investees Assuming that such companies have sufficient distributable net assets or retained earnings as provided under the local laws of the relevant jurisdictions, there are no material contractual or legal restrictions on the ability of our consolidated subsidiaries and equity accounted investees to transfer funds to us in the form of dividends and other distributions There are no material economic restrictions on payments of dividends and other distributions by them other than general withholding or other taxes calculated at the rates determined by the local tax laws of the relevant jurisdictions

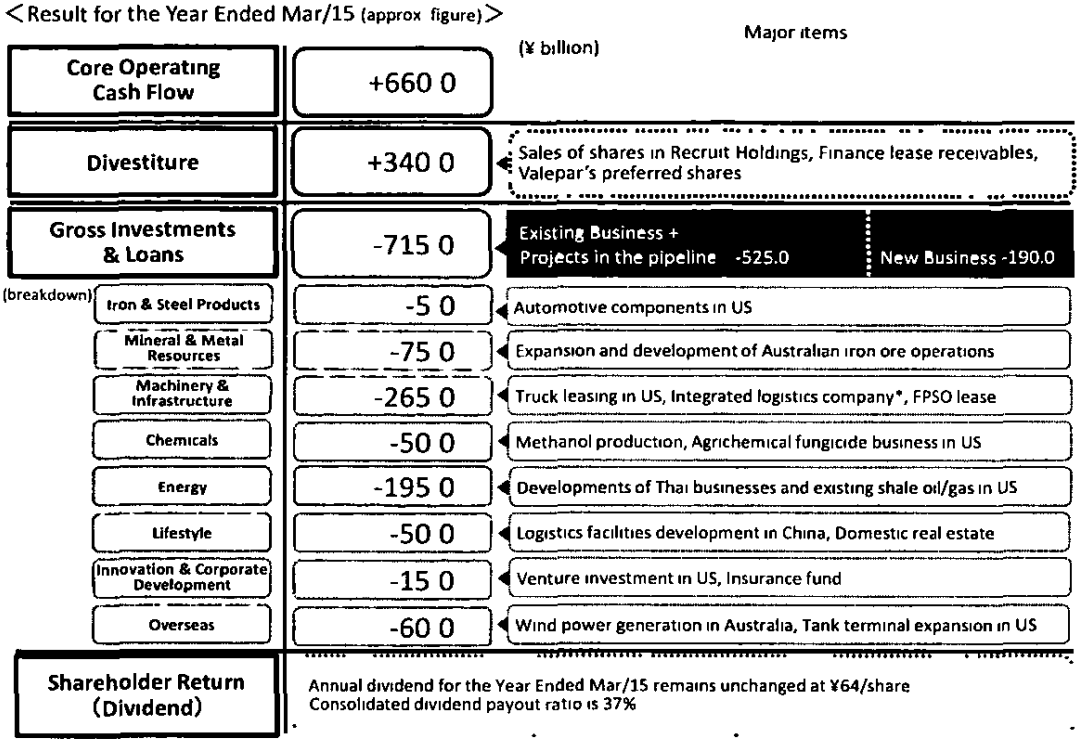
We plan to contribute ¥11 3 billion to our defined-benefit pension plans for the year ending March 31, 2016

4) Investments and Loans, Financial Policies

Our core operating cash flow for the year ended March 31, 2015 amounted to approximately ¥660 0 billion Divestitures generated cash flow of approximately ¥340 0 billion, which combined with core operating cash flow amounted to a total of approximately ¥1 trillion Meanwhile, gross investments and loans totaled approximately ¥715 0 billion (*) Of this amount, gross investments and loans in Existing Business and Projects in the pipeline totaled approximately ¥525 0 billion, and gross investments and loans in new business totaled approximately ¥190 0 billion Amid strong demand for new investments for further growth, we implemented diligent assessment and screening process before the final investment decision See "6) Cash Flows," for further description of cash flows for the year ended March 31, 2015

(*) We define investments and loans with the combined total of investing cash flows of operating segments other than All Other and Adjustments and Eliminations Financial services from and to us referred to in "1) Funding and Treasury Policies" and "3) Liquidity Management" above are provided by the All Other segment Cash flows from investing activities at the All Other segment included an increase or decrease of time deposits as well as purchases of and proceeds from sales of other securities for the purpose of fund management For details of cash flows by operating segment, see "6) Cash Flows "

<Result for the Year Ended Mar/15 (approx figure)>



*The planned investment of VLI in the Year Ended Mar/2014 was deferred into the Year Ended Mar/2015 Therefore, this figure was not included in the New Medium term Management Plan

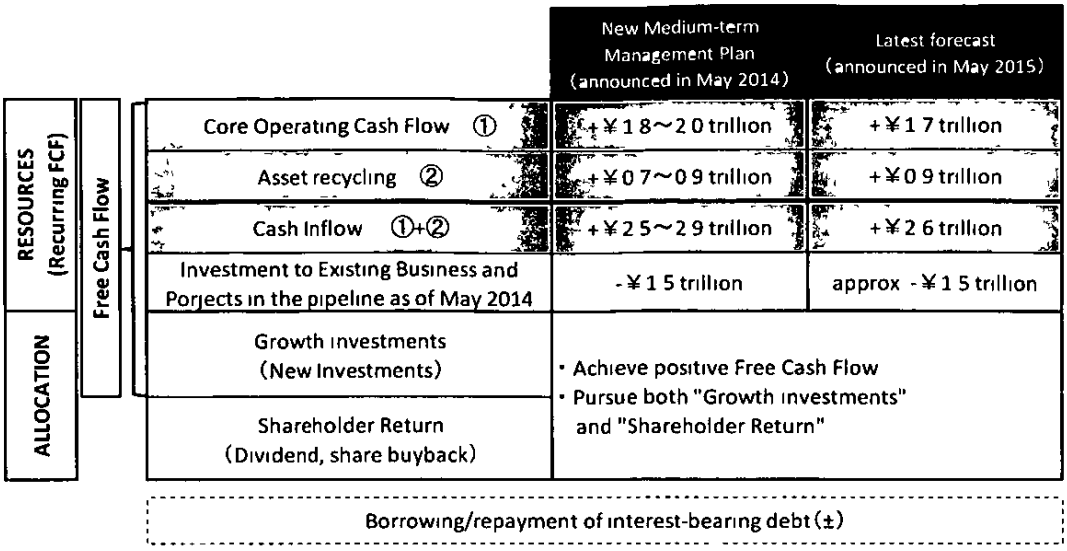
Based on our cash flow results in the first year of the New Medium-term Management Plan and the latest outlook for core operating cash flow and asset recycling and other factors, we have revised our outlook for core cumulative cash flow over the three years

As a result, as shown in the diagram below, we expect cumulative core operating cash flow amounting to ¥1,700 0 billion level over the three years We expect asset recycling activities to generate cash flow at the higher end of the originally forecasted range in the New Medium-term Management Plan, which is at ¥900 0 billion, and, adding the core operating cash flow to this amount, we expect a total cash inflow over the three years of ¥2,600 0 billion, within the range of the New Medium-term Management Plan

Regarding investments and loans in Existing Business and Projects in the pipeline, the investment plans for most of these have already been decided, therefore, there is no significant change in the figure of ¥1,500 0 billion shown in the New Medium-term Management Plan

Though the current fall in commodity prices will have a certain impact on our operating cash flow, there is no change in our plan to generate recurring free cash flow at the level shown in the New Medium-term Management Plan, by enhancing our cash-generating ability in Existing Business as well as promoting asset recycling We will aim to achieve positive free cash flow by fully following-through on our investment discipline, and pursue both "growth investments" and "shareholder returns "

＜Latest forecast of Cash Flow Allocation (FY Mar/15 - Mar/17 cumulative) ＞



For the details of the New Medium-term Management Plan, see "3 Management Issues (1) New Medium-term Management Plan "Challenge & Innovation for 2020 -Demonstrating Mitsui Premium-"" and for the details of refinancing, see "1) Funding and Treasury Policies" and "2) Funding Sources "

Final investment decisions on many of the projects in the Latest Forecast of Cash Flow Allocation (FY Mar/15 – Mar/17 cumulative) have not been made and the progress of such projects will have an effect on our actual cash flows and financial condition

5) Assets, Liabilities and Shareholders' Equity

Total assets as of March 31, 2015 was ¥12,202 9 billion, an increase of ¥711 6 billion from ¥11,491 3 billion as of March 31, 2014

Total current assets as of March 31, 2015 was ¥4,730 5 billion, an increase of ¥265 1 billion from ¥4,465 4 billion as of March 31, 2014 Other financial assets increased by ¥112 9 billion, mainly due to price fluctuations of the commodity derivatives trading business in the Innovation & Corporate Development Segment and oil trading business in the Energy Segment
Total current liabilities as of March 31, 2015 was ¥2,841 1 billion, a decline of ¥143 6 billion from ¥2,984 7 billion as of March 31, 2014 Corresponding to the increase in other financial assets as mentioned above, other financial liabilities increased by ¥113 0 billion Meanwhile, short-term debt and current portion of long-term debt declined by ¥146 3 billion and ¥33 2 billion, respectively, due to repayment of debt

As a result, working capital, or current assets less current liabilities, as of March 31, 2015, totaled ¥1,889 4 billion, an increase of ¥408 7 billion from ¥1,480 7 billion as of March 31, 2014

Total non-current assets as of March 31, 2015 totaled ¥7,472 4 billion, an increase of ¥446 5 billion from ¥7,025 9 billion as of March 31, 2014, mainly due to the following factors (Operating Segments are shown in parentheses)

- Investments accounted for using the equity method as of March 31, 2015 were ¥2,791.3 billion, an increase of ¥342 5 billion from ¥2,448 8 billion as of March 31, 2014, mainly due to the following factors
  - An increase of ¥101 4 billion resulting from foreign currency exchange fluctuations,
  - An increase of ¥91 4 billion due to an acquisition of a 20% stake in Penske Truck Leasing Co , L P , which is engaged in truck leasing and rental business in North America (Machinery & Infrastructure),

- An increase of ¥70 1 billion due to an acquisition of a 20% stake in VLI S A , which is engaged in integrated freight transportation in Brazil (Machinery & Infrastructure),
- An increase of ¥13 6 billion due to an investment in Cameron LNG Holdings, LLC, which is engaged in construction and operation of natural gas liquefaction facilities in the United States (Energy),
- An increase due to additional investments in ESBR Participações S A , which runs the Jirau hydropower project in Brazil (Machinery & Infrastructure),
- An increase of ¥10 0 billion due to an acquisition of a 15% stake in a passenger railway transportation business in Brazil with Odebrecht TransPort S A (Machinery & Infrastructure), and
- A decline of ¥184 0 billion due to dividends received from equity accounted investees, despite an increase of ¥144 6 billion corresponding to the profit of equity method for the current year

The following table shows the details of investments accounted for using the equity method as of March 31, 2015 and 2014 by operating segment

	Billions of Yen		
	As of March 31,		
	2015	2014	Change
Iron & Steel Products	¥ 91 6	¥ 71 4	¥ +20 2
Mineral & Metal Resources	816 2	869 6	(53 4)
Machinery & Infrastructure	781 2	564 9	+216 3
Chemicals	92 6	77 3	+15 3
Energy	338 2	286 6	+51 6
Lifestyle	296 1	262 7	+33 4
Innovation & Corporate Development	88 6	71 5	+17 1
Americas	78 5	57 8	+20 7
Europe, the Middle East and Africa	11 5	14 0	(2 5)
Asia Pacific	211 0	192 5	+18 5
Total	**2,805.5**	**2,468.3**	**337 2**
All Other	(0 7)	0 6	(1 3)
Adjustments and Eliminations	(13 5)	(20 1)	+6 6
Consolidated Total	**¥ 2,791.3**	**¥ 2,448.8**	**¥ +342.5**

- Other investments as of March 31, 2015 were ¥1,529 8 billion, a decline of ¥24 9 billion from ¥1,554 7 billion as of March 31, 2014, mainly due to the following factors
  - A ¥102 6 billion net decline due to valuation on financial assets measured at FVTOCI, despite the increase of fair value in listed securities due to higher share prices, and
  - A ¥109 5 billion net increase due to foreign currency exchange fluctuations

- Trade and other receivables as of March 31, 2015 totaled ¥425 1 billion, a decline of ¥45 8 billion from ¥470 9 billion as of March 31, 2014, mainly due to the following factors
  - A decline of ¥21 7 billion due to the sales of aircraft and locomotive finance lease receivables at Mitsui & Co (U S A), Inc (Americas), and
  - A decline of ¥11 7 billion due to the collection of long-term loan receivables at a private equity-sponsored loans business with GE Capital (Innovation & Corporate Development)

- Property, plant and equipment as of March 31, 2015 totaled ¥2,148 1 billion, an increase of ¥140 6 billion from ¥2,007 5 billion as of March 31, 2014, mainly due to the following factors
  - An increase of ¥57 7 billion (including a foreign exchange translation gain of ¥47 7 billion and a decrease by ¥13 8 billion due to the recognition of an impairment loss related to oil and gas fields in the North Sea) at oil and gas operations other than U S shale gas and oil producing operations (Energy),

- An increase of ¥28 0 billion (including a foreign exchange translation gain of ¥3 5 billion) at the methanol manufacturing joint venture in the United States (Chemicals),
- An increase of ¥21 4 billion (including a foreign exchange translation gain of ¥9 5 billion) at the tank operation in the United States (Americas),
- An increase of ¥14 1 billion (including a foreign exchange translation loss of ¥0 8 billion) at the wind power generation business in Australia (Asia Pacific),
- An increase of ¥10 6 billion (including a foreign exchange translation loss of ¥14 0 billion) at iron ore mining operations in Australia (Mineral & Metal Resources),
- An increase of ¥6 8 billion (including a foreign exchange translation gain of ¥44 4 billion and a decrease by ¥58 9 billion due to the recognition of impairment loss) at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States (Energy), and
- A decline of ¥22 3 billion due to the reclassification of freight car leasing and management business in the United States to an investment accounted for using the equity method (Machinery & Infrastructure)

- Intangible assets as of March 31, 2015 totaled ¥163 0 billion, an increase of ¥18 8 billion from ¥144 2 billion as of March 31, 2014 There was an increase of ¥13 2 billion due to the acquisition of an agrichemical fungicide business (Chemicals)

The following table shows the details of property, plant and equipment as of March 31, 2015 and 2014 by operating segment

	Billions of Yen		
	As of March 31,		
	2015	2014	Change
Iron & Steel Products	¥ 9 8	¥ 13 7	¥ (3 9)
Mineral & Metal Resources	514 2	510 9	+3 3
Machinery & Infrastructure	213 9	231 5	(17 6)
Chemicals	140 7	109 9	+30 8
Energy	815 2	752 7	+62 5
Lifestyle	143 5	89 6	+53 9
Innovation & Corporate Development	39 8	46 8	(7 0)
Americas	136 6	111 6	+25 0
Europe, the Middle East and Africa	3 2	4 2	(1 0)
Asia Pacific	25 2	11 0	+14 2
Total	**2,042 1**	**1,881 9**	**+160.2**
All Other	55 8	53 5	+2 3
Adjustments and Eliminations	50 2	72 1	(21 9)
Consolidated Total	**¥ 2,148.1**	**¥ 2,007.5**	**¥ +140.6**

The following table shows the details for the categories of property, plant and equipment leased to others as of March 31, 2015 and 2014

	Billions of Yen	
	As of March 31,	
	2015	2014
Real estate	¥ 82 4	¥ 69 9
Ships and aircraft	86 1	68 5
Rolling stock, equipment and others	68 2	105 1
Consolidated Total	**¥ 236.7**	**¥ 243.5**

Total non-current liabilities as of March 31, 2015 totaled ¥4,964 4 billion, an increase of ¥558 0 billion from ¥4,406 4 billion as of March 31, 2014 Long-term debt, less current portion as of March 31, 2015 was ¥4,030 6 billion, an increase of ¥562 3 billion from ¥3,468 3 billion as of March 31, 2014, due to the impact of depreciation of the Japanese yen as well as an increase in long-term borrowings at the Marcellus and Eagle Ford shale gas and oil producing operations in the United States

Total equity attributable to owners of the parent as of March 31, 2015 was ¥4,099 8 billion, an increase of ¥284 0 billion from ¥3,815 8 billion as of March 31, 2014 Major components included

- Retained earnings increased by ¥192 0 billion In addition to the ¥306 5 billion profit for the year attributable to owners of the parent, there were the following factors
  - An increase of ¥54 0 billion was recorded due to a transfer from other components of equity The major component was a transfer from financial assets measured at FVTOCI for ¥38 8 billion, including a ¥23 7 billion increase due to a sale of shares in Recruit Holdings Co , Ltd and
  - Decline factors were a dividend payment for ¥118 3 billion and a cancellation of treasury stock for ¥50 2 billion
- Other components of equity as of March 31, 2015 increased by ¥48 0 billion to ¥814 6 billion from ¥766 6 billion as of March 31, 2014, mainly due to the following factors
  - Foreign currency translation adjustments increased by ¥124 8 billion, reflecting the appreciation of the U S dollar against the Japanese yen despite the depreciation of the Brazilian Real and
  - Financial assets measured at FVTOCI declined by ¥50 5 billion Fair value in investments in LNG projects declined reflecting the drop in oil prices, while fair value in listed securities increased due to higher share prices In addition, there was a decline of ¥38 8 billion due to the transfer to retained earnings
- Treasury stock declined by ¥50 2 billion, due to cancellation

6) Cash Flows

(Billions of Yen)	Current Year	Previous Year	Change
Cash flows from operating activities	¥ 640 0	¥ 449 2	¥ +190 8
Cash flows from investing activities	(386 4)	(659 8)	+273 4
Cash flows from financing activities	(126 2)	(13 2)	(113 0)
Effect of exchange rate changes on cash and cash equivalents	47 1	17 6	+29 5
Change in cash and cash equivalents	¥ +174 5	¥ (206 2)	¥ +380 7

Cash Flows from Operating Activities

(Billions of Yen)		Current Year	Previous Year	Change
Cash flows from operating activities	a	640 0	449 2	+190 8
Cash flows from change in working capital	b	(21 6)	(159 7)	+138 1
Core operating cash flow	a-b	661 6	608 9	+52 7

Net cash provided by operating activities for the current year was ¥640 0 billion, an increase of ¥190 8 billion from ¥449 2 billion for the previous year
Net cash outflow from an increase in working capital, or changes in operating assets and liabilities for the current year, was ¥21 6 billion, a decline of ¥138 1 billion from ¥159 7 billion for the previous year
Core operating cash flow, cash flows from operating activities without the net cash outflow from an increase in working capital, for the current year amounted to ¥661 6 billion, an increase of ¥52 7 billion from ¥608 9 billion for the previous year

- Depreciation and amortization for the current year was ¥268 4 billion, an increase of ¥49 3 billion from ¥219 1 billion for the previous year
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current year totaled ¥291 6 billion, an increase of ¥14 3 billion from ¥277 3 billion for the previous year

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

(Billions of Yen)	Current Year	Previous Year	Change
Iron & Steel Products	7 1	11 3	(4 2)
Mineral & Metal Resources	159 9	182 2	(22 3)
Machinery & Infrastructure	69 6	39 3	+30 3
Chemicals	13 5	20 2	(6 7)
Energy	348 0	318 3	+29 7
Lifestyle	4 0	15 5	(11 5)
Innovation & Corporate Development	6 1	(2 3)	+8 4
Americas	25 2	15 7	+9 5
Europe, the Middle East and Africa	2 5	1 9	+0 6
Asia Pacific	6 6	5 1	+1 5
Total	**642.5**	**607 2**	**+35 3**
All Other and Adjustments and Eliminations	19 1	1 7	+17 4
Consolidated Total	**661.6**	**608.9**	**+52 7**

Cash Flows from Investing Activities

Net cash used in investing activities for the current year was ¥386 4 billion, a decline of ¥273 4 billion from ¥659 8 billion for the previous year The net cash used in investing activities consisted of (Operating Segments are shown in parentheses)

- Net cash outflow that corresponded to investments in and advances to equity accounted investees (net of sales of investments and collection of advances) was ¥155 4 billion The major cash outflows were an acquisition of a 20% stake in Penske Truck Leasing Co , L P for ¥73 1 billion (Machinery & Infrastructure), an acquisition of a 20% stake in VLI S A for ¥70 1 billion (Machinery & Infrastructure), a loan to the FPSO leasing business for oil and gas production in Ghana and Brazil for ¥30 6 billion (Machinery & Infrastructure), an investment in Cameron LNG Holdings, LLC for ¥13 6 billion (Energy), additional investments in ESBR Participações S A (Machinery & Infrastructure), and an acquisition of a 15% stake in a passenger railway transportation business in Brazil for ¥10 0 billion (Machinery & Infrastructure) The major cash inflows included a loan to the FPSO leasing business for oil and gas production in Ghana and Brazil for ¥25 6 billion (Machinery & Infrastructure), redemption of preferred shares in Valepar S A for ¥20 1 billion (Mineral & Metal Resources), the sale of the stake in Silver Bell Mining, LLC (Mineral & Metal Resources and Americas), and a sale of a stake in relation to aviation business for ¥12 0 billion (Machinery & Infrastructure)

- Net cash inflow that corresponded to other investments (net of sales and maturities of other investments) was ¥60 1 billion The major cash inflows were a sale of shares in Recruit Holdings Co , Ltd and Burberry Group plc for ¥53 3 billion (Lifestyle) and ¥11 8 billion (Lifestyle), respectively, and capital redemption from a private equity-sponsored loans business with GE Capital for ¥11 4 billion (Innovation & Corporate Development) The major cash outflows included the acquisition of agrichemical fungicide business for ¥13 2 billion (Chemicals)

- Net cash inflow that corresponded to long-term loan receivables (net of collection) was ¥60 0 billion The major cash inflows included sales of aircraft and locomotive finance lease receivables for ¥20 9 billion at Mitsui & Co (U S A), Inc (Americas)

- Net cash outflow that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) was ¥346 4 billion Major expenditures included

  - Oil and gas projects other than the U S shale gas and oil projects for a total of ¥127 7 billion (Energy),
  - Iron ore mining projects in Australia for ¥56 3 billion (Mineral & Metal Resources),
  - Marcellus and Eagle Ford shale gas and oil projects in the United States for ¥50 7 billion (Energy),
  - A methanol manufacturing joint venture in the United States for ¥24 1 billion (Chemicals),
  - Tank terminals in the United States for ¥ 14 5 billion (Americas)
  - A wind power generation business in Australia for ¥14 3 billion (Asia Pacific), and
  - Coal mining operations in Australia for ¥ 12 6 billion (Energy)

  The major cash inflows included the sale of an ammonia plant by P T Kaltim Pasifik Amoniak for ¥9 9 billion (Chemicals)

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current year was a net inflow of ¥253 6 billion

The following table shows net cash provided by (used in) investing activities by operating segment

	Billions of Yen	
	Current Year	**Previous Year**
Iron & Steel Products	¥ (6 1)	¥ (33 5)
Mineral & Metal Resources	(31 7)	(187 7)
Machinery & Infrastructure	(173 8)	(128 9)
Chemicals	(37 0)	(18 3)
Energy	(184 7)	(300 0)
Lifestyle	45 7	(19 3)
Innovation & Corporate Development	12 7	28 1
Americas	13 5	(6 3)
Europe, the Middle East and Africa	(1 3)	17 2
Asia Pacific	(16 7)	(11 0)
Total	**(379.4)**	**(659.7)**
All Other and Adjustments and Eliminations	(7 0)	(0 1)
Consolidated Total	**¥ (386 4)**	**¥ (659 8)**

Cash Flows from Financing Activities

For the current year, net cash used by financing activities was ¥126 2 billion, an increase of ¥113 0 billion from ¥13 2 billion of net cash used for the previous year The cash outflow from payments of cash dividends was ¥118 3 billion The net cash outflow from the borrowing of short-term debt was ¥181 8 billion Meanwhile, the net cash inflow from the borrowing of long-term debt was ¥197 2 billion

See "2) Funding Sources" for funding during the year ended March 31, 2015

(5) Critical Accounting Policies and Estimates

Accounting policies and estimates are considered to be critical if they are important to our financial condition and results of operations and involve estimates that require management's subjective or significant judgment about the effect of matters that are inherently uncertain

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period

The following items require significant management judgments and estimates

Impairment of Non-financial Assets and Investments in Equity Accounted Investee

Impairment losses of tangible fixed assets and intangible assets other than goodwill and intangible assets with infinite estimated useful lives, for the years ended March 31, 2015 and 2014, were ¥79 9 billion and ¥60 0 billion, respectively The carrying amounts of these assets, net of accumulated depreciation and amortization, as of March 31, 2015 and 2014, were ¥2,380 9 billion and ¥2,212 2 billion, respectively

Impairment losses of investments in equity accounted investees for the years ended March 31, 2015 and 2014, were ¥4 1 billion and ¥8 8 billion, respectively The carrying amounts of corresponding investments in equity accounted investees as of March 31, 2015 and 2014, were ¥7 0 billion and ¥48 0 billion, respectively

Impairment losses of non-financial assets and investments in equity accounted investees may have a material impact on our profit for the year

These losses were mainly due to the declining profitability resulting from deterioration of business environment and the reorganization of business structure of our consolidated subsidiaries and the fall in the market value of investments in equity accounted investees

Non-financial assets and investments in equity accounted investees are assessed to determine whether there is any indication of impairment If any such indication exists, the recoverable amounts of the non-financial assets or asset groups and the investment are estimated Where the carrying amount exceeds its recoverable amount, the difference is recognized as impairment loss
The recoverable amount is the higher of fair value less costs of disposal and value in use
Fair value is assessed as the price in an orderly transaction between market participants, such as the market price of marketable investments in equity accounted investees and the price on the appraisal report by the independent third party
Cash flow projections used in calculations of value in use are based on the business plan authorized by our management or, if this is not available, on the operating plan reflecting the most recent condition of the non-financial asset In these plans, for example, we assume

- that the level of most recent selling prices and rents of real estate in the surrounding areas will remain unchanged for a reasonable period in the future,

- that the estimate of the sales prices of the products from facilities and equipment for the certain future period is based on the average price of the equivalent length of period in the past or on the analysts' reports,

- that for the development equipment and mining rights involved in resource businesses such as coal and oil, the most updated reserve will be produced in accordance with a production plan by using the non-financial assets, and that such materials to be produced will be sold on the assumption of prices based on futures prices as of the time of the review for impairment, prices estimated by third parties, or sales prices under long-term sales contracts, and

- that the estimate of the revenues from an operation derived from customer relationship for the certain future period is based on the degree of contribution to revenues in the past, on the past ratio of cancellation of contracts, and on analysts' market forecasts

A profit margin which is deemed to be the market average and the risks inherent in the cash-generating unit is used as discount rate to calculate value in use

Factors to be considered when estimating future cash flows and determining discount rates vary for each non-financial asset because of the difference in nature of the assets and in operating circumstances, such as location, owner, operator, profitability and other factors

An assessment is made at each reporting date as to whether there is any indication of impairment that previously recognized impairment losses may no longer exist or may have decreased A previously recognized impairment loss is reversed as income in consolidated statements of income only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized

Impairment of Goodwill

Impairment losses on goodwill for the year ended March 31, 2015 and 2014 were ¥5 8 billion and ¥4 3 billion, respectively The carrying amounts as of March 31, 2015 and 2014 were ¥73 5 billion and ¥71 6 billion, respectively

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the combination, and it is tested for impairment annually regardless of any indication of impairment, and when there is an indication that the cash-generating unit may be impaired

Impairment testing is performed by comparing the carrying amount of the cash-generating unit or groups of cash-generating units, including the goodwill, with the recoverable amount If the carrying amount exceeds the recoverable amount, the excess amount is recognized as the impairment loss The recoverable amount is estimated by the same method as impairment testing of non-financial assets

Non-marketable equity financial assets measured at fair value

Non-marketable equity securities measured at fair value are generally elected to be designated as FVTOCI The carrying amount of non-marketable securities which are the fair value as of the year ended March 31, 2015 and 2014 were ¥850 9 billion and ¥990 6 billion, respectively
The company performs internal valuation analyses using the discounted cash flow method or by utilizing external valuation performed by independent external experts when management believes the amounts are material
Similar to impairment of non-financial assets and investments in equity accounted investee, cash flow projections used in the fair value calculations are based on business plans authorized by investee's management Estimates and assumptions for fair value calculations could significantly impact other comprehensive income

Tax Asset Valuation

Decrease in deferred tax assets due to the changes in assessment for recoverability has had a significant impact on our profit for the year The deferred tax assets as of March 31, 2015 and 2014 are ¥250 0 billion and ¥214 5 billion, respectively

We determine the recoverability of deferred tax assets based on all available evidence, both positive and negative, including all currently available information regarding tax deductibility on future years and ability to generate sufficient taxable income at Mitsui and subsidiaries prior to the expiration of the loss carryforward pursuant to the relevant tax laws and regulations Deferred tax assets are recognized except for cases where such deferred tax assets are not recoverable However, the amount of recoverable deferred tax assets may change in the near term if estimates of future taxable income during the carryforward period are changed or if statutory tax rates are changed Some of the examples we factored in to assess the recoverability of deferred tax assets were as follows,

- On the occurrence of future deductible temporary difference, we establish a deferred tax asset, and, at the same time we evaluate when those deferred tax assets will be realized in future Particularly, when we establish a deferred tax asset in relation to a write-down loss of securities or impairment loss on long-lived assets which are not subject to depreciation for tax purposes and we have no specific schedule of sale or disposal of those assets, we decrease the deferred tax asset because we view the deferred tax amount as not recoverable

- We evaluate recoverability of deferred tax assets on the future deductible temporary difference and tax loss carryforwards at subsidiaries and associated companies If those subsidiaries and associated companies recorded a significant amount of tax loss carryforwards in recent years and are expected to record a significant tax loss in the current fiscal year as well, we judge the recoverability of deferred tax assets considering the probability of the generation of future taxable income due to the nature of the taxable entities' operation and the expiration dates of operating loss in the countries in which they operate, etc

- Mitsui and its wholly owned domestic subsidiaries started to file a consolidated corporate income tax return to the National Tax Agency as a consolidated group in the year ended March 31, 2010 We separately evaluate recoverability of national income tax portion of deferred tax assets based on the estimate of our consolidated tax group's future taxable income coupled with feasible tax planning strategies, and determined to decrease deferred tax assets which we judged could not utilized Since the consolidated tax return system is not applicable to local income taxes, we evaluate their recoverability of deferred tax assets based on future taxable income of each company, and determined to decrease deferred tax assets which we judged could not utilized

- In March 2012, the Expansion of the Petroleum Resource Rent Tax (hereinafter, PRRT) was enacted in Australia Under the PRRT, companies are allowed electing to use market value as a starting base for existing transitional projects at May 1, 2010 A company electing to use market value approach can obtain deduction for the amortization of the market value of the project As our subsidiaries and equity accounted investees apply the market value approach, these companies recorded deferred tax assets for the operating assets subject to PRRT based on the difference between book values for accounting purpose and those for tax purpose (the market value as of May 1, 2010) except for the portion that is deemed not to be recoverable in consideration of assumptions regarding commodity prices and the augmentation which will be incurred on tax loss carryforwards in the PRRT

Reserve estimates for oil and gas producing and mining activities

Reserves are estimates of the amount of product that can be economically and legally extracted from interests in our properties In order to calculate reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates Because the economic assumptions used to estimate reserves change from period to period, and because additional geological data is generated during the course of operations, estimates of reserves may change from period to period Changes in reported reserves may affect our financial results and financial position in a number of ways, including the following

- Asset carrying values may be impaired due to changes in estimated future cash flows

- Depreciation and amortization charged in the income statement may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change

- Decommissioning, site restoration and environmental provisions may change where changes in estimated reserves affect expectations about the timing or cost of these activities

Defined benefit costs and obligations

Employee defined benefit costs and obligations are dependent on various assumptions, including discount, retirement, and mortality rates, which are based on current statistical data, and other factors In accordance with IFRS, the difference between actual results and the assumptions is recognized immediately in other components of equity in equity and are transferred to retained earnings on recognition, and, therefore, generally affects comprehensive income and retained earnings Management believes that the assumptions used are appropriate, however, differences in actual experience or changes in assumptions may affect our future defined benefit costs and obligations

We determine the discount rates each year as of the measurement date, based on a review of interest rates associated with high-quality fixed-income corporate bonds or long-term Japanese government bonds The discount rates determined on each measurement date are used to calculate the defined benefit obligations as of that date, and are also used to calculate the net periodic pension costs for the upcoming plan year

See Note 19, "EMPLOYEE BENEFITS," for further discussion about the estimates and assumptions on the defined benefit costs and obligations

3. Equipment and Facilities

1 Overview of Capital Expenditures

For a breakdown of the amounts of capital expenditures for property and equipment in the year ended March 31, 2015 see "7 Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows, (4) Liquidity and Capital Resources, 5) Assets, Liabilities and Shareholders' Equity and 6) Cash Flows " Also see Note 7, "SEGMENT INFORMATION " Among our major property and equipment expenditures, we are making focused efforts towards new development and investment for expansion in property and equipment for production in mineral resources and energy resources The table below shows major mineral resources and energy production operations that were completed by the year ended March 31, 2015, as well as those which are being newly constructed or expanded at present

Operating segment	Mineral & Metal Resources	
Commodity	Iron ore	
Company name	Mitsui Iron Ore Development Pty Ltd	
Project (or name of joint venture)	Robe River Joint Venture	
Country/Region	Australia/Western Australia	
Participating operators	Rio Tinto, etc	
Ratio of Mitsui's capital investment contribution	33%	
Details of capital expenditure in property and equipment, period of becoming operational (completion date), production capacity, etc	Investment decided in September 2012 Iron ore export capacity at Cape Lambert, a shipping port for iron ore, will be expanded from its nameplate capacity of 139 million tons to 206 million tons per annum by the end of the first half of 2015	Investment decided in February 2014 for development of Deposit B in West Angelas mine and expansion of its production capacity The Deposit B started production from November 2014 Upon completion, total production capacity at West Angelas, from the Deposit B together with existing deposits, will be expanded to 35 million tons per annum from 29 million tons
Total budget at time of deciding capital expenditure (Amounts in parentheses show amounts provided by Mitsui, not including costs of acquiring interests) (*)	4 4 billion Australian dollars (1 5 billion Australian dollars)	0 64 billion Australian dollars (0 21 billion Australian dollars)

Operating segment	Mineral & Metal Resources
Commodity	Iron ore
Company name	Mitsui Iron Ore Development Pty Ltd and Mitsui-Itochu Iron Pty Ltd
Project (or name of joint venture)	Joint venture of each of Mt Newman, Yandi, Goldsworthy Ownership of interests in BHP Iron Ore (Jimblebar) Pty Ltd
Country/Region	Australia/Western Australia
Participating operators	BHP Billiton, etc
Ratio of Mitsui's capital investment contribution	7%
Details of capital expenditure in property and equipment, period of becoming operational (completion date), production capacity, etc	Annual loading capacity will be expanded to 220 million tons per annum due to an increase of port loading facilities and an installation of port blending facilities in addition to development work at the Jimblebar mine
Total budget at time of deciding capital expenditure (Amounts in parentheses show amounts provided by Mitsui, not including costs of acquiring interests) (*)	9 97 billion U S dollars (0 46 billion U S dollars)

Operating segment	Energy	
Commodity	Shale gas	Shale oil/gas
Company name	Mitsui E&P USA LLC	MEP Texas Holdings LLC
Project (or name of joint venture)	Marcellus Shale	Eagle Ford Shale
Country/Region	United States/Pennsylvania	United States/Texas
Participating operators	Anadarko Petroleum Corporation Chesapeake Energy, etc	Anadarko Petroleum Corporation, SM Energy Company, etc
Net acreage	100,000 acres (Mitsui 60% / Mitsui Oil Exploration Co , Ltd 40%)	47,000 acres (Mitsui 60% / Mitsui Oil Exploration Co , Ltd 40%)
Details of capital expenditure in property and equipment, period of becoming operational (completion date), production capacity, etc	Participated in the development and production of Anadarko Petroleum's Marcellus Shale gas project in 2010 The partners of this project will be drilling a few thousand wells during a span of more than ten years and capital expenditure will be made regularly Peak production volume (Mitsui E&P USA's share) will be between 360 MMcfd and 460 MMcfd (equivalent to crude oil approximately 60-77 thousand barrels per day)	Participated in the development and production of SM Energy Company's Eagle Ford Shale oil/gas project in 2011 Additional Investment decided in November 2012 to increase the total production by increasing the number of wells and expansion of the gathering and processing facilities Additional accelerated expansion investment decided in September 2013 to increase the total production The partners of this project will be drilling a few thousand wells during a span of ten years and capital expenditure will be made regularly Peak production volume (MEP Texas Holdings' share) will be approximately 26-32 thousand barrels per day
Total budget at time of deciding capital expenditure (Amounts in parentheses show amounts provided by Mitsui, not including costs of acquiring interests) (*)	(Between 3 0 and 4 0 billion U S dollars)	(2 2 billion U S dollars including the additional investment)

(*) This is the amount estimated at the time of decision of the capital expenditure, and the actual amount of expenditure may exceed the above amounts in the process of development construction

2 Major Equipment and Facilities

(1) Mitsui & Co , Ltd

Operating Segment	Office Name	Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (m^2)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Other	Head Office	Office building	Chiyoda-ku Tokyo	3 671	—	—	3,601	—	295	Rent ¥6 799 mil/year
		Multi-purpose office complex	Chiyoda ku Tokyo	—	14 095	53 582	—	—	—	(Note)
	Kansai Office	Office building	Kita-ku Osaka shi	123	3 038	2 161	6 861	—	15	Partially leased
	Chubu Office	Office building	Nakamura ku, Nagoya-shi	55	1 525	548	1 070	—	1	Partially leased
		Human Resource Development Center	Atami shi Shizuoka	—	15,655	2 045	1 124	—	14	
		Global Human Resource Development Center	Tsuzuki-ku Yokohama-shi, Kanagawa	—	15,000	2 417	1 012	—	102	

(Note) For the head office building and Ohtemachi PAL Building, which were presented as major facilities as of March 31, 2014, the carrying amounts of the buildings are written off in relation to the integrated development scheme in the Ohtemachi 1-Chome 2-Banchi district, and the type of facilities as of March 31, 2015 is changed to a multi-purpose office complex

(2) Domestic Subsidiaries

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (m^2)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Iron & Steel Products	Mitsui & Co Steel Ltd	Kita Kanto Branch, MITSUI BUSSAN KOZAI HANBAI CO LTD and others	Ota-shi Gunma and others	674	48 776	1 520	629	220	19	
Chemicals	DAIICHI TANKER CO , LTD	Ships	Chuo-ku Tokyo	72	—	—	8	14	9 847	
Energy	Mitsui Oil Exploration Co Ltd	Crude oil / gas manufacturing facility and others	Thailand, Gulf of Thailand and others	170	—	—	4,771	162,580	59,833	Including mineral rights
Lifestyle	MITSUI FOODS CO LTD	Tokyo Branch / Shinkiba Logistic Center	Koto-ku Tokyo	1,314	17,103	12,075	7 679	1 395	3 651	Including investment property
	PRIFOODS CO , LTD	Hosoya Factory and others	Misawa-shi Aomori and others	1,834	28,383	3,197	6 148	3,930	1 076	
	Mitsui Norin Co Ltd	Fujieda Plant and others	Fujieda-shi, Shizuoka and others	543	25 773	1,975	5,084	1,798	9	
	Bussan Logistics Solutions Co , Ltd	CB Nagoya Center / Fukushima Sales Office and others	Nagoya shi, Aichi and others	579	9,496	564	7,585	2,003	90	
	BUSSAN REAL ESTATE CO , LTD	Hibiya Central Building and others	Minato-ku, Tokyo	132	—	—	15	40	46,323	Including investment property
Innovation & Corporate Development	Trinet Logistics Co , Ltd	Higashihama Logistic Center and others	Ichikawa-shi, Chiba	400	60,364	16,246	12,678	860	4,699	

(Note) For those companies who own more than one type of equipment or facility, only the information of the most notable one is presented
For the number of employees and the carrying amount, the total number and amount in each company are presented
For movables such as ships and aircraft, the location of each company's head office is presented
The carrying amounts of mineral rights as of March 31, 2015 are presented in other

(3) Overseas Subsidiaries

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (m^2)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Mineral & Metal Resources	Mitsui Iron Ore Development Pty Ltd	Mining equipment for iron ore	Pilbara, Western Australia Australia	14	—	—	125 519	89 626	39,738	Including mineral rights
	Mitsui-Itochu Iron Pty Ltd	Mining equipment for iron ore	Pilbara Western Australia Australia	2	—	—	25,938	96,490	22,312	
	Mitsui Coal Holdings Pty Ltd	Mining equipment for coal	Emerald, Queensland Australia and others	14	—	—	8,106	92,982	13,484	
Machinery & Infrastructure	Mitsui Rail Capital Europe B V	Rolling stock	Amsterdam, Netherlands	89	—	—	—	73,246	3,140	Including property leased to others
	ME Serviços de Energia do Brasil Participações Ltda	Equipment for energy services	Sao Paulo Brazil	199	—	—	—	10 635	639	
	Portek International Pte Limited	Port terminal facility and others	Singapore and others	1 266	—	11	3 148	4 586	39	
	Komatsu-Mitsui Maquinarias Peru S A	Construction equipment	Lima Peru	1 831	38,000	2 651	2 559	9 629	445	Including property leased to others
	M&T Aviation Finance (Ireland) Limited	Aircraft	Dublin Ireland	—	—	—	—	—	15,189	Including property leased to others
	OMC SHIPPING PTE LTD	Ships	Singapore	11	—	—	15	19	49 777	Including property leased to others
	Road Machinery, LLC	Construction equipment	Phoenix, Arizona U S A	878	17,500	322	967	6 333	1,316	Including property leased to others
	Mitsui Automotriz S A	Automobiles	Lima, Peru	672	28,090	896	1,573	2,491	790	Including property leased to others
	CM Pacific Maritime Corporation	Ships	Liberia	—	—	—	—	—	8,523	Including property leased to others
Chemicals	Shark Bay Salt Pty Ltd	Salt manufacturing facility	Shark Bay, Western Australia, Australia and others	169	—	537	19 286	9,669	2 199	
	Mitsui & Co Texas Chlor-Alkali Inc	Electrolysis apparatus	Houston Texas, U S A	—	—	—	1,010	47,926	21	
	MMTX Inc	Methanol production facility	Houston, Texas U S A	—	—	—	—	—	36,944	
Energy	Mitsui E&P Australia Pty Limited	Crude oil / gas manufacturing facility and others	Indian Ocean, Australia and others	17	—	—	—	24 572	34 084	Including mineral rights
	Mitsui E&P Middle East B V	Crude oil / gas manufacturing facility and others	Oman and others	23	—	—	60	61 378	4 270	Including mineral rights
	Mitsui E&P USA LLC	Gas manufacturing plant and others	Pennsylvania U S A	30	—	—	—	159 453	18,645	Including mineral rights

Operating Segment	Company Name	Office Name and Type of Equipment and Facilities	Location	Number of Employees (Persons)	Land, Land Improvements and Timberlands		Buildings	Equipment and Fixtures	Other (Millions of Yen)	Use of Property
					Acreage (m^2)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)	Carrying Amount (Millions of Yen)		
Energy	MEP Texas Holdings LLC	Crude oil / gas manufacturing facility and others	Texas U S A	—	—	—	—	78,097	2,911	Including mineral rights
	Mitsui E&P Mozambique Area 1 Limited	Crude oil / gas exploration facility and others	Northern offshore, Mozambique	3	—	—	—	21	33,640	
	Mitsui E&P UK Limited	Crude oil / gas manufacturing facility and others	British North Sea	15	—	—	—	6 813	161 384	Including mineral rights
Lifestyle	Multigrain Trading AG	Grain silo and others	Bahia, Brazil and others	407	290,000	846	3 315	1 621	313	
	Xingu Agri AG	Tabuleiro farm	Bahia Brazil	492	970 740 (thousand m^2)	49,901	2 666	4 683	21 466	Including investment property
Americas	Inter-continental Terminals Company LLC	Chemical tank terminal	Houston, Texas U S A	285	1,067,953	3,567	56 024	143	11,843	Including property leased to others
	MBK Real Estate LL C	Senior living properties	Tucson Arizona U S A and others	1 270	—	2,195	19 142	512	10,524	Including investment property
	Novus International Inc	Feed additive manufacturing plant	Alvin Texas U S A and others	752	—	776	3,170	8 388	327	
	United Grain Corporation of Oregon	Grain exporting facility	Vancouver, Washington, U S A	73	5,398,698	333	13,580	5,231	608	
Asia Pacific	MIT Power Australia Pty Ltd	Wind power generation facility	Melbourne, Australia	—	—	—	—	4	20,584	

(Note) For those companies who own more than one type of equipment or facility, only the information of the most notable one is presented
For the number of employees and the carrying amount, the total number and amount in each company are presented
For movables such as ships and aircraft, the location of each company's head office is presented
The carrying amounts of mineral rights as of March 31, 2015 are presented in other

3 Plans for New Additions or Disposals

As indicated in "1 Overview of Capital Expenditures," plans for new construction and expansion of material equipment and facilities are focused on new development and investment for expansion in property and equipment for production in mineral resources and energy resources

4 Corporate Information

1 Status on the Mitsui's Shares

(1) Total Number of Shares and Other Related Information

1) Total Number of Shares

Class	Total number of shares authorized to be issued
Common stock	2,500,000,000
Total	2,500,000,000

2) Number of Shares Issued

Class	Number of shares outstanding (as of March 31, 2015)	Number of shares outstanding as of issuance date of this report (June 19, 2015)	Names of stock exchanges on which Mitsui is listed or names of authorized financial instruments firms association	Description
Common stock	1,796,514,127	1,796,514,127	Securities Exchanges in Tokyo, Nagoya, (both listed on the first section), Sapporo, Fukuoka	The number of shares constituting a unit is 100
Total	1,796,514,127	1,796,514,127	—	—

(2) Status of the Share Subscription Rights

Share Subscription Rights issued based on the Companies Act of Japan are as follows

1) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2015	As of May 31, 2015
Number of subscription rights to shares	2,574	2,574
Number of own subscription rights to shares	—	—
Class of shares to be issued upon exercise of subscription rights to shares	Common stock The number of shares constituting a unit is 100	Same as on the left
Number of shares to be issued upon exercise of subscription rights to shares	257,400 (Note 1)	257,400 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	¥1	Same as on the left
Exercise period of subscription rights to shares	From July 28, 2017 to July 27, 2044	Same as on the left
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	Price of issuing shares ¥1 Amount of capitalization shall be one half of the upper limit of an increase in capital stock, etc , to be increased calculated in accordance with the Corporate Accounting Regulations of Japan, and a fraction of less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1	Same as on the left
Conditions for exercise of subscription rights to shares	(Notes 2, 3)	Same as on the left
Matters regarding acquisition of subscription rights to shares through transfer	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors	Same as on the left
Matters regarding substitute payment	—	—
Matters regarding the grant of subscription rights to shares upon organizational restructuring	(Note 4)	Same as on the left

(Notes) 1 The class of shares to be issued upon exercise of subscription rights to shares shall be common shares of Mitsui, and the number of shares to be issued upon exercise of one subscription right to shares (hereinafter referred to as the "number of shares granted") will be 100 shares After the day of allotment, however, if Mitsui undertakes a share split (including gratis allotment of common shares of Mitsui The same shall apply to the description of the share split hereinafter), or a share consolidation with respect to common shares of Mitsui, an adjustment to the number of shares granted will be made according to the following formula, and any fractional portion of less than one share resulting from the foregoing adjustment shall be disregarded

Number of shares granted after adjustment = Number of shares granted before adjustment × Ratio of share split or share consolidation

2 Exercise of right by an heir
In the case that inheritance from a holder of subscription rights to shares commenced for reasons such as the death of the holder, only one of the heirs-at-law of the holder of subscription rights to shares (hereinafter referred to as the "heir-at-law") may exercise the offered subscription rights to shares It is not permitted to inherit subscription rights to shares again in the case that the heir-at-law dies

3 Conditions for exercise of subscription rights to shares
(1) A holder of subscription rights to shares may no longer exercise the subscription rights to

shares after a period of 10 years has elapsed from the day following the day on which the holder of subscription rights to shares loses his/her position as Director, and/or Executive Officer, and/or Corporate Auditor of Mitsui

(2) A holder of subscription rights to shares may exercise all of the subscription rights to shares only when, as the stock price conditions, Mitsui's stock price growth rate for the period of three years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate When Mitsui's stock price growth rate does not exceed the TOPIX growth rate, reflecting that degree, the holder of subscription rights to shares may exercise only part of such subscription rights to shares allotted (please refer to the below for details)

(3) Notwithstanding the exercise period of subscription rights to shares prescribed above, if a proposal for approval of a merger agreement under which Mitsui is to be dissolved, or a proposal for approval of a share exchange agreement or a share transfer plan, under which Mitsui will become a wholly-owned subsidiary is approved at an ordinary general meeting of shareholders of Mitsui, holders of subscription rights to shares may exercise offered subscription rights to shares within 15 days from the following day of the day on which such proposal for approval is approved, except where subscription rights to shares of a restructured company are to be issued to the holders of subscription rights to shares in accordance with Note 4 below

(4) In the event that Mitsui recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of a holder of subscription rights to shares during the period in which he/she serves as Mitsui's Director, and/or Executive Officer, and/or Corporate Auditor, Mitsui may limit, subject to a resolution by the Board of Directors of Mitsui, the number of subscription rights to shares that may be exercised by such holder of subscription rights to shares In this event, such holder of subscription rights to shares may not exercise the subscription rights to shares more than the said limit

4 If Mitsui is to engage in a merger (limited to cases where Mitsui is to be dissolved as a result of the merger), an absorption-type company split or an incorporation-type company split (both limited to cases where Mitsui is to be a split company), or a share exchange or a share transfer (both limited to cases where Mitsui is to be a wholly-owned subsidiary) (all of which are collectively referred to as a "restructuring transaction"), subscription rights to shares in the entity specified under Article 236, Paragraph 1, Item 8 (a) through (e) of the Companies Act of Japan (such entity hereinafter referred to as the "restructured company") shall be issued, in accordance with the following conditions, to holders of subscription rights to shares who hold subscription rights to shares remaining in effect immediately prior to the effective date of the restructuring transaction (hereinafter respectively referring to the effective date of an absorption-type merger in case of an absorption-type merger, the date of formation of a new company incorporated by the merger in case of a consolidation-type merger, the effective date of an absorption-type company split in case of an absorption-type company split, the date of formation of a new company in case of an incorporation-type company split, the effective date of a share exchange in the case of a share exchange, and the date of formation of a wholly-owning parent company in case of a share transfer) (such rights hereinafter referred to as "remaining subscription rights to shares") In this event, the remaining subscription rights to shares shall become extinct, and the restructured company shall newly issue subscription rights to shares However, such rights may be granted only if provisions for issuing the subscription rights to shares of the restructured company in accordance with the following conditions are included in an absorption-merger agreement, a consolidation-type merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement, or a share transfer plan

(1) The number of subscription rights to shares of the restructured company to be issued
The same number of subscription rights to shares as the number of remaining subscription rights to shares owned by respective holders of subscription rights to shares shall be issued

(2) The class of shares of the restructured company to be issued upon exercise of the subscription rights to shares
The class of shares of the restructured company to be issued upon exercise of the subscription rights to shares shall be common shares of the restructured company

(3) The number of shares of the restructured company to be issued upon exercise of subscription rights to shares
The number of shares of the restructured company to be issued upon exercise of subscription rights to shares shall be determined in accordance with the provisions in Note

1 above, taking into consideration the conditions and other factors concerning the restructuring transactions

(4) The amount of assets to be contributed upon exercise of subscription rights to shares
The amount of assets to be contributed upon exercise of each subscription right to shares to be issued shall be the amount obtained by multiplying the amount to be paid in after restructuring as prescribed below by the number of shares of the restructured company to be issued upon exercise of each subscription right to shares that will be determined in accordance with (3) above The amount to be paid in after restructuring shall be ¥1 per share of the restructured company to be issued upon exercise of each subscription right to shares to be issued

(5) Exercise period of subscription rights to shares
The exercise period of subscription rights to shares shall begin on the date of commencement of the exercise period or the effective date of the restructuring transaction, whichever is later, and end on the closing date of the exercise of such subscription rights to shares

(6) Matters concerning capital stock and capital reserve to be increased in the event of issuance of shares upon exercise of subscription rights to shares
It shall be determined in accordance with the memorandum for offering

(7) Restriction on acquisition of subscription rights to shares through transfer
Acquisition of subscription rights to shares through transfer requires the approval of the restructured company

(8) Terms and conditions of acquisition of subscription rights to shares
It shall be determined in accordance with the memorandum for offering

(9) Other conditions for exercise of subscription rights to shares
It shall be determined in accordance with the memorandum for offering

Details of stock price conditions

1 When Mitsui's stock price growth rate*1 is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate*2
All of the subscription rights to shares granted may be exercised

2 When Mitsui's stock price growth rate does not exceed the TOPIX growth rate
Only part of the subscription rights to shares granted*3 may be exercised

*1 Mitsui's stock price growth rate shall be calculated by the formula below based on Mitsui's stock price growth rate for the period of three years from the allotment date to the first date of the exercise period
A The average closing price for Mitsui's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls
B The total amount of dividends per common share of Mitsui for the period from the allotment date to the first date of the exercise period of the subscription rights to shares
C The average closing price for Mitsui's common stock on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls
Mitsui's stock price growth rate = (A + B) / C

*2 The TOPIX growth rate shall be calculated by the formula below based on the TOPIX growth rate for the period of three years from the allotment date to the first date of the exercise period
D The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls
E The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls
TOPIX growth rate = D / E

*3 **Number of exercisable subscription rights to shares = Number of subscription rights to shares granted × (Mitsui's stock price growth rate / TOPIX growth rate)**

2) Stock Option based on the resolution of the Board of Directors on May 8, 2015 (Stock option scheme as stock-based compensation with stock price conditions)

	As of March 31, 2015	As of May 31, 2015
Number of subscription rights to share	—	68
Number of own subscription right to shares	—	—
Class of shares to be issued upon exercise of subscription rights to shares	—	Common stock The number of shares constituting a unit is 100
Number of shares to be issued upon exercise of subscription rights to shares	—	6,800 (Note 1)
Amount to be paid in upon exercise of subscription rights to shares (Exercise price)	—	¥1
Exercise period of subscription rights to shares	—	From May 28, 2018 to May 27, 2045
Price of issuing shares and amount of capitalization upon exercise of subscription rights to shares	—	Price of issuing shares ¥1 Amount of capitalization shall be one half of the upper limit of an increase in capital stock, etc , to be increased calculated in accordance with the Corporate Accounting Regulations of Japan, and a fraction of less than ¥1 arising as a result of the calculation shall be rounded up to the nearest ¥1
Conditions for the exercise of subscription rights to shares	—	(Notes 2, 3)
Matters regarding acquisition of subscription rights to shares through transfer	—	Acquisition of subscription rights to shares through transfer shall be subject to approval by resolution of the Board of Directors
Matters regarding substitute payment	—	—
Matters regarding the grant of subscription rights to shares upon organizational restructuring	—	(Note 4)

(Notes) Notes 1 to 4 are the same as Notes 1 to 4 in 1) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (stock option scheme with stock price conditions)

(3) Exercise Status of Bonds with Share Subscription Rights Containing a Clause for Exercise Price Adjustment

Not applicable

(4) Right Plans

Not applicable

(5) Trends in the Number of Shares Issued, Amount of Common Stock, and Others

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of Yen)	Balance of common stock (Millions of Yen)	Changes in additional paid-in capital (Millions of Yen)	Balance of additional paid-in capital (Millions of Yen)
From April 1, 2010 to March 31, 2011	—	1,829,153	—	341,481	—	367,758
From April 1, 2011 to March 31, 2012	—	1,829,153	—	341,481	—	367,758
From April 1, 2012 to March 31, 2013	—	1,829,153	—	341,481	—	367,758
From April 1, 2013 to March 31, 2014	—	1,829,153	—	341,481	—	367,758
From April 1, 2014 to March 31, 2015 (Note)	(32,639)	1,796,514	—	341,481	—	367,758

(Note) The number of shares issued was decreased by 32,639,400 dated April 18, 2014 due to cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on March 26, 2014

(6) Status of Shareholders

As of March 31, 2015

Classification	Status of shares (1 unit = 100 shares)								Shares under one unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and other	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders (persons)	—	291	134	2,671	763	271	307,202	311,332	—
Number of shares held (units)	—	6,483,021	736,535	924,422	5,487,634	5,802	4,314,514	17,951,928	1,321,327
Ratio (%)	—	36 12	4 10	5 15	30 57	0 03	24 03	100	—

(Notes) 1 Of treasury stock of 3,745,706 shares, 37,457 units (3,745,700 shares) are included in "Individuals and other," and 6 shares are included in "Shares under one unit "

2 Of 1,715 shares registered in the name of Japan Securities Depositary Center, Inc , 17 units (1,700 shares) are included in "Other corporations," and 15 shares are included in "Shares under one unit "

(7) Status of Major Shareholders

As of March 31, 2015

Name of shareholders	Location	Number of shares held (Thousands)	Percentage of common stock issued (%)
The Master Trust Bank of Japan, Ltd (trust account)	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	122,273	6 80
Japan Trustee Services Bank, Ltd (trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	86,283	4 80
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo	38,500	2 14
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	35,070	1 95
Barclays Securities Japan Limited	10-1, Roppongi 6-chome, Minato-ku, Tokyo	25,000	1 39
Mitsui Sumitomo Insurance Company, Limited	3-9 Kandasurugadai, Chiyoda-ku, Tokyo	24,726	1 37
THE BANK OF NEW YORK MELLON SA/NV 10 (Standing agent The Bank of Tokyo-Mitsubishi UFJ, Ltd)	RUE MONTOYERSTRAAT 46, 1000, BRUSSELS, BELGIUM (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	24,479	1 36
STATE STREET BANK AND TRUST COMPANY 505223 (Standing agent Mizuho Bank, Ltd)	P O BOX 351 BOSTON, MASSACHUSETTS 02101, U S A (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	24,207	1 34
STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing agent Mizuho Bank, Ltd)	1776, HERITAGE DRIVE, NORTH QUINCY, MA 02171, U S A (16-13, Tsukishima 4-chome, Chuo-ku, Tokyo)	22,805	1 26
The Dai-ichi Life Insurance Company, Limited (Standing agent Trust & Custody Services Bank, Ltd)	13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	20,444	1 13
Total		423,790	23 58

(Notes) 1 The number of shares is rounded down to the nearest thousand
2 Percentage of common stock issued is rounded down to two decimal places
3 The status of major shareholders shown above does not include the following reports on possession of large volume and change reports pertaining to reports on possession of large volume that were filed with the Director-General of the Kanto Local Finance Bureau in the past three fiscal years, as it is not possible for us to confirm the actual status of the shareholding ratio as of March 31, 2015, which is the end of our fiscal year Reports by large volume shareholders include portions held by joint holders

Name of shareholders	Ownership as of	Number of shares owned	Holding ratio (%)
Sumitomo Mitsui Trust Bank, Limited	November 29, 2013	86,992,500	4 76
BlackRock Japan Co , Ltd	March 31, 2014	113,908,731	6 23

(8) Status of Voting Rights

1) Shares Issued

As of March 31, 2015

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury stock, etc)	—	—	—
Shares with restricted voting rights (Others)	—	—	—
Shares with full voting rights (Treasury stock, etc)	(Treasury stock) Common stock 3,745,700	—	—
Shares with full voting rights (Others)	Common stock 1,791,447,100	17,914,471	—
Shares under one unit	Common stock 1,321,327	—	Shares under one unit (100 shares)
Total shares issued	1,796,514,127	—	—
Total voting rights held by all shareholders	—	17,914,471	—

(Notes) 1 In the column "Shares with full voting rights (Others)," "1,791,447,100 shares in common stock" and "17,914,471 units of voting rights" include 17 units (1,700 shares) and 17 units of voting rights within those shares, all of which are registered in the name of Japan Securities Depositary Center, Inc

2 In the column "Shares under one unit," "1,321,327 shares in common stock" include 6 shares of treasury stock (under one unit) held by Mitsui and 15 shares (under one unit) that are registered in the name of Japan Securities Depositary Center, Inc

2) Treasury Stock, etc

As of March 31, 2015

Name of shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the name of others	Total	Percentage of interest (%)
Treasury stock					
Mitsui & Co , Ltd	1-3, Marunouchi, 1-chome, Chiyoda-ku	3,745,700	—	3,745,700	0 20
Total	—	3,745,700	—	3,745,700	0 20

(9) Stock Option Plans

Details of Mitsui's stock option plan are as follows

1) Stock Option based on the resolution of the Board of Directors on July 4, 2014 (Stock option scheme as stock-based compensation with stock price conditions)

Date of resolution	July 4, 2014
Class and number of person for subscription rights to shares	9 Directors (excluding External Directors) 24 Executive Officers who are not serving concurrently as Mitsui's Directors (excluding Executive Officers residing outside Japan)
Class of shares to be issued upon exercise of subscription rights to shares	See (2) Status of the Share Subscription Rights
Number of shares to be issued upon exercise of subscription rights to shares	same as above
Amount to be paid in upon exercise of subscription rights to shares	same as above
Exercise period of subscription rights to shares	same as above
Conditions for exercise of subscription rights to shares	same as above
Matters regarding acquisition of subscription rights to shares through transfer	same as above
Matters regarding substitute payment	—
Matters regarding the grant of subscription rights to shares upon organizational restructuring	See (2) Status of the Share Subscription Rights

2) Stock Option based on the resolution of the Board of Directors on May 8, 2015 (Stock option scheme as stock-based compensation with stock price conditions)

Date of resolution	May 8, 2015
Class and number of person for subscription rights to shares	1 Executive Officer who is not serving concurrently as a Mitsui's Director
Class of shares to be issued upon exercise of subscription rights to shares	See (2) Status of the Share Subscription Rights
Number of shares to be issued upon exercise of subscription rights to shares	same as above
Amount to be paid in upon exercise of subscription rights to shares	same as above
Exercise period of subscription rights to shares	same as above
Conditions for exercise of subscription rights to shares	same as above
Matters regarding acquisition of subscription rights to shares through transfer	same as above
Matters regarding substitute payment	—
Matters regarding the grant of subscription rights to shares upon organizational restructuring	See (2) Status of the Share Subscription Rights

2 Acquisition of Treasury Stock and Other Related Status

[Class of shares]Acquisition of shares of common stock under Article 155, Item 7, of the Companies Act of Japan

(1) Acquisition of Treasury Stock Based on a Resolution Approved at the Ordinary General Meeting of Shareholders

Not applicable

(2) Acquisition of Treasury Stock Based on a Resolution Approved by the Board of Directors

Not applicable

(3) Acquisition of Treasury Stock not Based on a Resolution Approved at the Ordinary General Meeting of Shareholders or a Resolution Approved by the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the current fiscal year	15,675	25,392,641
Treasury stock acquired during the current period for acquisition (Note)	1,626	2,682,263

(Note) "Treasury stock acquired during the current period for acquisition" does not include shares constituting less than one full unit purchased during the period from June 1, 2015, to the issuance date of this report

(4) Current Status of the Disposition and Holding of Acquired Treasury Stock

Classification	Current fiscal year		Current period for acquisition	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	32,639,400	49,999,377,886	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/corporate separation	—	—	—	—
Other (Sold due to demand for sale of shares constituting less than one full unit) (Note 1)	1,165	1,863,233	58	99,586
Number of shares of treasury stock held (Note 2)	3,745,706	—	3,747,274	—

(Notes) 1 Treasury stock disposed of during the current period for acquisition does not include shares constituting less than one full unit sold during the period from June 1, 2015, to the issuance date of this report

2 Number of shares of treasury stock held during the current period for acquisition does not include shares constituting less than one full unit purchased or sold during the period from June 1, 2015, to the issuance date of this report

3 Shareholder Return 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

Our basic policy is to pay dividends from retained earnings twice a year as interim dividend and year-end dividend The Articles of Incorporation stipulate that Mitsui may pay interim dividends, by a resolution of the Board of Directors, where September 30th of each year is set as the record date Meanwhile, our year-end dividend shall be resolved by General Meeting of Shareholders

It was resolved that the year-end dividend for the year ended March 31, 2015 was ¥32 per share The annual dividend for the year ended March 31, 2015 was ¥64, including the interim dividend of ¥32 per share

For the year ending March 31, 2016, as a second year of the New Medium-term Management Plan, we currently envisage an annual dividend of ¥64 per share, 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 profit attributable to owners of the parent for the year ending March 31, 2016 We will review our actual results and other business environment before finally deciding the amount to be paid out

Dividends for the year ended March 31, 2015 were as follows
(a) The interim dividend which the Board of Directors resolved on November 6, 2014
Total dividend amount of ¥57,369 million, ¥32 per share
(b) The year-end dividend which Ordinary General Meeting of Shareholders resolved on June 19, 2015
Total dividend amount of ¥57,369 million, ¥32 per share

4 Trends in the Market Price of Mitsui's Shares

(1) Highest and Lowest Prices by Fiscal Year during the Past Five Years

Fiscal year	96th	95th	94th	93rd	92nd
Year-end	March 2015	March 2014	March 2013	March 2012	March 2011
Highest (Yen)	1,820	1,636	1,463	1,487	1,665
Lowest (Yen)	1,402	1,193	1,041	1,005	995

(Note) The above prices are quoted on the first section of the Tokyo Stock Exchange

(2) Highest and Lowest Prices by Month during the Past Six Months

Month	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015
Highest (Yen)	1,724 0	1,739 0	1,639 0	1,619 5	1,665 5	1,708 0
Lowest (Yen)	1,514 5	1,610 0	1,480 0	1,462 0	1,502 0	1,605 0

(Note) The above prices are quoted on the first section of the Tokyo Stock Exchange

5 Members of the Board of Directors and Corporate Auditors
16 male Directors and Corporate Auditors and 3 female Directors and a Corporate Auditor (percentage of female 15 8%)

Directors

Name	***Masami Iijima (1)***
Date of Birth	September 23, 1950
Shareholdings as of March 31, 2015	72,717

Prior Positions
- 1974/4 Joined Mitsui & Co , Ltd
- 2006/4 Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit
- 2007/4 Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit
- 2008/4 Executive Managing Officer
- 2008/6 Representative Director, Executive Managing Officer
- 2008/10 Representative Director, Senior Executive Managing Officer
- 2009/4 Representative Director, President and Chief Executive Officer
- 2015/4 Representative Director, Chairman of the Board of Directors (current position)

Name	***Tatsuo Yasunaga (1)***
Date of Birth	December 13, 1960
Shareholdings as of March 31, 2015	13,579

Prior Positions
- 1983/4 Joined Mitsui & Co , Ltd
- 2013/4 Managing Officer, Chief Operating Officer of Integrated Transportation Systems Business Unit
- 2015/4 President and Chief Executive Officer
- 2015/6 Representative Director, President and Chief Executive Officer (current position)

Name	***Daisuke Saiga (1)***
Date of Birth	March 16, 1955
Shareholdings as of March 31, 2015	27,678

Prior Positions
- 1977/4 Joined Mitsui & Co , Ltd
- 2008/4 Managing Officer, General Manager of Human Resources & General Affairs Division
- 2010/4 Executive Managing Officer, Chief Compliance Officer
- 2010/6 Representative Director, Executive Managing Officer, Chief Compliance Officer
- 2012/4 Representative Director, Senior Executive Managing Officer
- 2014/4 Representative Director, Executive Vice President (current position)

Name ***Masayuki Kinoshita (1)***

Date of Birth April 11, 1954

Shareholdings as of March 31, 2015 31,374

Prior Positions
- 1978/4 Joined Mitsui & Co , Ltd
- 2008/4 Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit
- 2010/4 Executive Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit
- 2011/4 Executive Managing Officer, Chief Information Officer, Chief Privacy Officer
- 2011/6 Representative Director, Executive Managing Officer, Chief Information Officer, Chief Privacy Officer
- 2012/4 Representative Director, Senior Executive Managing Officer, Chief Information Officer, Chief Privacy Officer
- 2014/4 Representative Director, Executive Vice President, Chief Information Officer, Chief Privacy Officer (current position)

Name ***Shintaro Ambe (1)***

Date of Birth August 31, 1952

Shareholdings as of March 31, 2015 24,083

Prior Positions
- 1977/4 Joined Mitsui & Co , Ltd
- 2009/4 Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit
- 2011/4 Executive Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit
- 2012/4 Executive Managing Officer
- 2012/6 Representative Director, Executive Managing Officer
- 2013/4 Representative Director, Senior Executive Managing Officer
- 2014/4 Representative Director, Executive Vice President (current position)

Name ***Hiroyuki Kato (1)***

Date of Birth April 28, 1956

Shareholdings as of March 31, 2015 27,049

Prior Positions
- 1979/4 Joined Mitsui & Co , Ltd
- 2010/4 Managing Officer, Chief Operating Officer of Energy Business Unit 1
- 2012/4 Executive Managing Officer, Chief Operating Officer of Energy Business Unit 1
- 2014/4 Senior Executive Managing Officer
- 2014/6 Representative Director, Senior Executive Managing Officer (current position)

Name ***Yoshihiro Hombo (1)***

Date of Birth March 19, 1957

Shareholdings as of March 31, 2015 19,986

Prior Positions
- 1979/4 Joined Mitsui & Co , Ltd
- 2010/4 Managing Officer, Chief Operating Officer of Basic Chemicals Business Unit
- 2012/4 Executive Managing Officer, General Manager of Investment Administration Division
- 2014/4 Senior Executive Managing Officer
- 2014/6 Representative Director, Senior Executive Managing Officer (current position)

Name ***Makoto Suzuki (1)***

Date of Birth April 13, 1958

Shareholdings as of March 31, 2015 37,553

Prior Positions
- 1981/4 Joined Mitsui & Co , Ltd
- 2011/4 Managing Officer, Chief Representative of Mitsui & Co , Ltd in South West Asia
- 2013/4 Executive Managing Officer, Chief Representative of Mitsui & Co , Ltd in South West Asia
- 2015/4 Senior Executive Managing Officer, Chief Compliance Officer
- 2015/6 Representative Director, Senior Executive Managing Officer, Chief Compliance Officer (current position)

Name ***Keigo Matsubara (1)***

Date of Birth December 10, 1955

Shareholdings as of March 31, 2015 7,558

Prior Positions
- 1979/4 Joined Mitsui & Co , Ltd
- 2012/4 Managing Officer, Deputy Chief Financial Officer, Global Controller
- 2015/4 Executive Managing Officer, Chief Financial Officer
- 2015/6 Representative Director, Executive Managing Officer, Chief Financial Officer (current position)

Name ***Ikujiro Nonaka (1)***

Date of Birth May 10, 1935

Shareholdings as of March 31, 2015 18,739

Prior Positions
- 1958/4 Joined Fuji Electric Co , Ltd
- 1977/4 Professor, Management Faculty, Nanzan University
- 1979/1 Professor, National Defense Academy of Japan
- 1982/4 Professor, Institute of Business Research, Hitotsubashi University
- 1995/4 Professor, Graduate School of Knowledge Science, JAIST
- 1997/5 Xerox Distinguished Professor in Knowledge, Walter A Haas School of Business, University of California, Berkeley (current position)
- 2000/4 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
- 2006/4 Professor Emeritus, Hitotsubashi University (current position)
- 2007/1 First Distinguished Drucker Scholar in Residence, Drucker School of Claremont Graduate University (current position)
- 2007/6 External Director, Mitsui & Co , Ltd (current position)
- 2012/4 Specially Appointed Professor, Waseda University (current position)

Name ***Hiroshi Hirabayashi (1)***

Date of Birth May 5, 1940

Shareholdings as of March 31, 2015 13,354

Prior Positions
- 1963/4 Entered the Ministry of Foreign Affairs
- 1993/8 Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs
- 1998/1 Ambassador Extraordinary and Plenipotentiary to India and to Bhutan
- 2002/9 Ambassador Extraordinary and Plenipotentiary to France and to Andorra
- 2003/1 Ambassador Extraordinary and Plenipotentiary to Djibouti
- 2006/6 Ambassador in charge of Inspection, Ministry of Foreign Affairs
- 2007/6 External Director, Mitsui & Co , Ltd (current position)
  President, The Japan-India Association
- 2009/6 Vice President, The Japan Forum on International Relations, Inc
- 2015/5 Chairman, Japan Forum for Strategic Studies (current position)

Name ***Toshiro Muto (1)***

Date of Birth July 2, 1943

Shareholdings as of March 31, 2015 8,256

Prior Positions
- 1966/4 Entered the Ministry of Finance
- 1999/7 Director-General of the Budget Bureau, Ministry of Finance
- 2000/6 Administrative Vice Minister, Ministry of Finance
- 2003/1 Special Advisor, Ministry of Finance
- 2003/3 Deputy Governor, Bank of Japan
- 2008/7 Chairman, Daiwa Institute of Research Ltd (current position)
- 2009/4 Director, Principal, The Kaisei Academy
- 2010/6 External Director, Mitsui & Co , Ltd (current position)

Name ***Izumi Kobayashi (1)***

Date of Birth January 18, 1959

Shareholdings as of March 31, 2015 481

Prior Positions
- 1981/4 Joined Mitsubishi Chemical Industries, Ltd (currently Mitsubishi Chemical Corporation)
- 1985/6 Joined Merrill Lynch Futures Japan Inc
- 2001/12 President, Merrill Lynch Japan Securities Co , Ltd
- 2002/7 External Director, Osaka Securities Exchange Co , Ltd
- 2008/11 Executive Vice President, Multilateral Investment Guarantee Agency, World Bank Group
- 2014/6 External Director, Mitsui & Co , Ltd (current position)
- 2015/4 Vice Chairperson, Japan Association of Corporate Executives (current position)

Name ***Jenifer Rogers (1)***

Date of Birth June 22, 1963

Shareholdings as of March 31, 2015 0

Prior Positions
- 1989/9 Joined Haight Gardner Poor & Havens (currently Holland & Knight LLP)
- 1990/12 Registered as Attorney at Law admitted in New York
- 1991/2 Joined Industrial Bank of Japan Limited, New York Branch (currently Mizuho Bank)
- 1994/12 Joined Merrill Lynch Japan Securities Co , Ltd
- 2000/11 Merrill Lynch Europe Plc
- 2006/7 Bank of America Merrill Lynch (Hong Kong)
- 2012/11 General Counsel, NEW Asurion Asia Pacific Japan LLC (current position)
- 2015/6 External Director, Mitsui & Co , Ltd (current position)

Corporate Auditors

Name ***Joji Okada (2)***

Date of Birth October 10, 1951

Shareholdings as of March 31, 2015 40,771

Prior Positions
- 1974/4 Joined Mitsui & Co , Ltd
- 2008/4 Managing Officer, General Manager of Accounting Division
- 2009/4 Managing Officer, Deputy Chief Financial Officer, General Manager of Global Controller Division
- 2010/4 Executive Managing Officer, Deputy Chief Financial Officer, General Manager of Global Controller Division
- 2011/4 Executive Managing Officer, Chief Financial Officer
- 2011/6 Representative Director, Executive Managing Officer, Chief Financial Officer
- 2012/4 Representative Director, Senior Executive Managing Officer, Chief Financial Officer
- 2014/4 Representative Director, Executive Vice President, Chief Financial Officer
- 2015/4 Director
- 2015/6 Full-time Corporate Auditor (current position)

Name ***Takashi Yamauchi (2)***

Date of Birth May 3, 1951

Shareholdings as of March 31, 2015 39,033

Prior Positions
- 1976/4 Joined Mitsui & Co , Ltd
- 2008/4 Managing Officer, Chief Operating Officer of Iron & Steel Products Business Unit
- 2010/4 Executive Managing Officer, Chief Operating Officer of Transportation Logistics Business Unit
- 2011/4 Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit
- 2013/4 Senior Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit
- 2014/4 Executive Vice President, Chief Operating Officer of Asia Pacific Business Unit
- 2015/4 Executive Vice President
- 2015/6 Full-time Corporate Auditor (current position)

Name ***Hiroyasu Watanabe (3)***

Date of Birth April 11, 1945

Shareholdings as of March 31, 2015 2,537

Prior Positions
- 1969/7 Entered the Ministry of Finance
- 1997/7 Director-General, Tokyo Taxation Bureau, National Tax Agency
- 1998/7 Director-General, Customs and Tariff Bureau, Ministry of Finance
- 2000/6 President, Policy Research Institute, Ministry of Finance
- 2002/7 Commissioner, National Tax Agency
- 2004/4 Professor, Graduate School of Finance, Accounting and Law, Waseda University (current position)
- 2009/6 External Corporate Auditor, Mitsui & Co , Ltd (current position)

Name	***Haruka Matsuyama (4)***
Date of Birth	August 22, 1967
Shareholdings as of March 31, 2015	41

Prior Positions
- 1995/4 Appointed assistant judge at Tokyo District Court
- 2000/7 Registered as Attorney at Law
- 2000/7 Joined Hibiya Park Law Offices
- 2002/1 Partner of Hibiya Park Law Offices (current position)
- 2014/6 External Corporate Auditor, Mitsui & Co , Ltd (current position)

Name	***Hiroshi Ozu (2)***
Date of Birth	July 21, 1949
Shareholdings as of March 31, 2015	0

Prior Positions
- 1974/4 Appointment as Public Prosecutor
- 2007/7 Vice Minister of Justice
- 2012/7 Attorney General
- 2014/9 Registered as Attorney at Law
- 2015/6 External Corporate Auditor, Mitsui & Co , Ltd (current position)

(1) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders in June 2016
(2) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders in June 2019
(3) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders in June 2017
(4) Current term of office will expire at the close of the Ordinary General Meeting of Shareholders in June 2018
(5) Mr Ikujiro Nonaka, Mr Hiroshi Hirabayashi, Mr Toshiro Muto, Ms Izumi Kobayashi and Ms Jenifer Rogers are External Directors
Mr Hiroyasu Watanabe, Ms Haruka Matsuyama and Mr Hiroshi Ozu are External Corporate Auditors
Mr Joji Okada and Mr Takashi Yamauchi are full-time Corporate Auditors
(6) Ms Matsuyama's name as it appears in her family registry is Haruka Kato

Mitsui introduced the Managing Officer System in April 2002 Managing Officers as of June 19, 2015 are as follows (* Serves concurrently as Director)

Managing Officers

Name	Title and Principal Positions
Tatsuo Yasunaga*	President and Chief Executive Officer, Chairman, Internal Controls Committee, Head of Crisis Management Headquarters
Daisuke Saiga*	Executive Vice President, Iron & Steel Products Business Unit, Consumer Service Business Unit, Chairman, Portfolio Management Committee
Masayuki Kinoshita*	Executive Vice President, Chief Information Officer, Chief Privacy Officer, Corporate Staff Unit (Corporate Planning & Strategy Division, Information Technology Promotion Division, Environmental · Social Contribution Division, Corporate Communications Division, Investment Administrative Division, Business Supporting Unit (Each Planning & Administrative Division)), Business Innovation & Incubation, Environmental Matters, Chairman, Information Strategy Committee, Chairman, CSR Promotion Committee, Chairman, Business Innovation Committee
Shintaro Ambe*	Executive Vice President, Infrastructure Projects Business Unit, Integrated Transportation Systems Business Unit, IT & Communication Business Unit, Corporate Development Business Unit, Chairman, Power & Energy Strategy Committee
Motomu Takahashi	Executive Vice President, Chief Operating Officer of Americas Business Unit

Name	Title and Principal Positions
Hiroyuki Kato*	Senior Executive Managing Officer, Mineral & Metal Resources Business Unit, Energy Business Unit I, Energy Business Unit II, Domestic Offices and Branches
Yoshihiro Hombo*	Senior Executive Managing Officer, Basic Chemicals Business Unit, Performance Chemicals Business Unit, Food Resources Business Unit, Food Products & Services Business Unit
Makoto Suzuki*	Senior Executive Managing Officer, Chief Compliance Officer, Corporate Staff Unit (Secretariat, Corporate Auditor Division, Human Resources & General Affairs Division, Legal Division, Trade & Logistics Control Division, Corporate Logistics Development Division), Business Continuity Management, Rebuilding of Head Office, Chairman, Compliance Committee, Chairman, Diversity Promotion Committee, Head of Emergency Response Division
Hironobu Ishikawa	Senior Executive Managing Officer, Chief Operating Officer of EMEA (Europe, the Middle East and Africa) Business Unit
Atsushi Kume	Senior Executive Managing Officer, General Manager of Osaka Office
Satoshi Tanaka	Senior Executive Managing Officer, Chief Operating Officer of Asia Pacific Business Unit
Keigo Matsubara*	Executive Managing Officer, Chief Financial Officer, Corporate Staff Unit (CFO Planning & Administrative Division, Global Controller Division, Finance Division, Risk Management Division, Investor Relations Division, Business Supporting Unit (Financial Management & Advisory Division I, II, III, IV)), Chairman, Disclosure Committee, Chairman, J-SOX Committee
Takeshi Kanamori	Executive Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit
Katsunori Aikyo	Executive Managing Officer, General Manager of Nagoya Office
Yasushi Takahashi	Executive Managing Officer, Chairman & Managing Director of Mitsui & Co (Australia) Ltd
Toru Suzuki	Executive Managing Officer, Chief Representative of Mitsui & Co , Ltd in South West Asia, Managing Director, Mitsui & Co , India Pvt Ltd
Yasushi Yoshikai	Executive Managing Officer
Shinjiro Sawada	Executive Managing Officer, Chief Representative of Mitsui & Co , Ltd in China
Shinsuke Fujii	Executive Managing Officer, General Manager of Investment Administrative Division
Akira Nakaminato	Managing Officer, President & CEO, Mitsui Global Strategic Studies Institute
Yasuyuki Fujitani	Managing Officer, Chief Operating Officer of Corporate Development Business Unit
Taku Morimoto	Managing Officer, Chief Operating Officer of Performance Chemicals Business Unit
Nobuaki Kitamori	Managing Officer, Chief Operating Officer of IT & Communication Business Unit
Shingo Sato	Managing Officer, President of Mitsui & Co (Thailand) Ltd
Motoo Ono	Managing Officer, General Manager of Human Resources & General Affairs Division
Yukio Takebe	Managing Officer, President & Chief Executive Officer of P T Mitsui Indonesia
Noboru Katsu	Managing Officer, Chief Operating Officer of Iron & Steel Products Business Unit
Katsurao Yoshimori	Managing Officer, Chief Operating Officer of Basic Chemicals Business Unit
Osamu Toriumi	Managing Officer, General Manager of Legal Division
Takakazu Uchida	Managing Officer, General Manager of Finance Division
Hiromichi Yagi	Managing Officer, Chief Operating Officer of Integrated Transportation Systems Business Unit
Shinichiro Omachi	Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit

Name	Title and Principal Positions
Hiroyuki Tsurugi	Managing Officer, Chief Operating Officer of Energy Business Unit I
Hirotatsu Fujiwara	Managing Officer, Chief Operating Officer of Energy Business Unit II
Kenichi Hori	Managing Officer, General Manager of Corporate Planning & Strategy Division
Itaru Nishimura	Managing Officer, Chief Operating Officer of Consumer Service Business Unit
Masazumi Takahashi	Managing Officer, General Manager of Internal Auditing Division
Shin Hatori	Managing Officer, Chief Operating Officer of Food Products & Services Business Unit
Shinji Tsuchiya	Managing Officer, President of Mitsui & Co (Brasil) S A
Hiroshi Meguro	Managing Officer, Chief Representative of Mitsui & Co , Ltd in CIS, General Director of Mitsui & Co Moscow LLC
Kimiro Shiotani	Managing Officer, Global Controller
Miki Yoshikawa	Managing Officer, Chief Operating Officer of Food Resources Business Unit
Yoshio Kometani	Managing Officer, Deputy Chief Operating Officer of Asia Pacific Business Unit

6 Corporate Governance

(1) Corporate Governance

1) Basic Corporate Governance Policy

In structuring the corporate governance framework, Mitsui places emphasis on "improved transparency and accountability" and "clarification of the division of roles between management oversight and execution " For the "improved transparency and accountability," Mitsui ensures sound supervision and monitoring of management with the view point of External Directors and External Corporate Auditors Mitsui has also established an internal control system for disclosure so that all executives and employees fulfill their accountability to stakeholders under the principle of fair disclosure For "clarification of the division of roles between management oversight and execution," Mitsui delegates execution of business to Managing Officers substantially while the Board of Directors retains a supervisory role over Managing Officers' business activities Chief Operating Officers of 13 business units within headquarters and 3 regional business units serve concurrently as Managing Officers and engage in business operation for the consolidated group in a responsive and flexible manner
While increasing the effectiveness of supervisory functions by having Corporate Auditors, Mitsui implements corporate governance by maintaining a board of corporate auditors system because it believes that having internal Directors who are familiar with our business practices and operations is essential to the business of a general trading company By adopting a Committee System in which External Directors and External Corporate Auditors participate, Mitsui achieves highly effective corporate governance to secure "improved transparency and accountability" and "clarification of the division of roles between management oversight and execution " In order to realize effective corporate governance for shareholders and other stakeholders, Mitsui has established, and maintains, the following structures

i) The Board of Directors is the highest authority for execution of business and supervision, and in order to secure this function, Mitsui has set the number of Directors to the maximum number that permits substantial discussions As advisory committees to the Board of Directors, Mitsui also has in place the Governance Committee, the Nomination Committee and the Remuneration Committee, in which External Directors and/or External Corporate Auditors participate as members

ii) The Corporate Auditors supervise the Directors' execution of duties as an independent institution with the mandate of the shareholders For this purpose, Corporate Auditors carry out multi-faceted, effective audit activities such as attending important internal meetings, verifying reports and investigating our business, and take necessary measures in a timely manner

2) Corporate Governance Structure of Mitsui

i) Status of the Board of Directors
- Upon the introduction of the Managing Officer System in April 2002, the number of Directors was reduced from 38 to 11 in June 2002 In June 2003, the first External Director was appointed, and since the Ordinary General Meeting of Shareholders held in June 2015, five External Directors have been appointed The Chairman is a director and is authorized to call for a meeting of the Board of Directors and to serve as a chairman of the meeting As of the date of the issuance of this report, 14 Directors (including 2 female External Directors, and the percentage of female Directors is 14 3%) are appointed, 8 of whom also serve as Managing Officers
Mitsui has limited the number of Directors to the maximum to enable substantial discussions and gives priority to the appointment of new External Directors in the case of increasing the number of board members in order to enhance the division of roles between management oversight and execution The tenure of Directors is one year, and Directors can be reappointed

In accordance with the Rules of the Board of Directors Regarding Resolutions and Matters to be Reported, the Board of Directors passes resolutions of fundamental policies on management of Mitsui, matters of important business operation, matters mandated by a resolution of the General Meeting of Shareholders and issues prescribed in laws and regulations and in the Articles of Incorporation The Board of Directors also receives reports on issues prescribed in laws and regulations and the status of important business operations

- A regular meeting of the Board of Directors is held once every month, and extraordinary meetings are held from time to time, whenever necessary During the year ended March 31, 2015, 16 meetings, including 1 extraordinary meeting, were held

- Mitsui has established the three committees shown below as advisory bodies to the Board of Directors Mitsui has reviewed the composition of members in order to strengthen the corporate governance structure of Mitsui in June, 2015 As a result, External Directors and Auditor compose a majority of the Governance Committee, and an External Director serves as the committee chair of the Nomination Committee as well as the Remuneration Committee The compositions of members as of the date of issuance of this report are as follows

  - Governance Committee

Composition	Chairman of the Board of Directors (the committee chair), President and Chief Executive Officer, three External Directors, one Internal Director, one External Corporate Auditor
Role	To study the state and future vision of Mitsui's corporate governance with the viewpoints of External Directors and External Corporate Auditor

  - Nomination Committee

Composition	Two External Directors (one of them is the committee chair), President and Chief Executive Officer, two Internal Directors
Role	To discuss the selection standards and processes to be applied in nominating Directors and Managing Officers as well as to evaluate the proposal of Director nomination

  - Remuneration Committee

Composition	Two External Directors (one of them is the committee chair), President and Chief Executive Officer, two Internal Directors
Role	To study the system and decision-making process related to remuneration and bonuses for Directors and Managing Officers as well as to evaluate the remuneration proposals for the Directors

ii) Status of auditing by the Corporate Auditors, Internal Auditors and Independent Auditors

(a) Auditing by the Corporate Auditors

- As of the issuance of this report, there are five Corporate Auditors, including two Full-time Corporate Auditors and three External Corporate Auditors (including one female External Corporate Auditor, and the percentage of female Corporate Auditor is 20%) A meeting of the Corporate Auditors is regularly held prior to a meeting of the Board of Directors and whenever necessary In the year ended March 31, 2015, 19 meetings were held Corporate Auditors attend the meeting of the Board of Directors and audit the procedure of the meeting and the contents of resolutions as well as other issues, and proactively express their opinions

- The Guidelines of auditing by Corporate Auditors define the responsibility of Corporate Auditors, the frame of mind necessary for auditors, the framework of audits, audit standards, and codes of conduct Pursuant to laws and regulations, the Articles of Incorporation and the provision of the rules of the Board of Corporate Auditors, the Board of Corporate Auditors receives reports, deliberates and/or makes resolutions as to important matters in auditing

- Each Corporate Auditor has a duty to audit the following issues In the area of business auditing, execution of duties by Directors, decision-making processes at the Board of Directors and others, and the status of construction and operation of the internal control systems In the area of financial audit, the independence of the Independent Auditors, effectiveness of the internal control systems, system of financial reporting, accounting policies and processing of financial information, audit of financial statements, reports from the Independent Auditors, and the system of disclosure

- The Board of Corporate Auditors establishes audit policies and makes audit plans taking into consideration materiality, timeliness and other necessary elements To conduct effective and efficient audits, the Board of Corporate Auditors coordinates closely with the Independent Auditors and Internal Auditing Division

- Full-time Corporate Auditors attend important internal meetings and committees, including the Corporate Management Committee All Corporate Auditors have discussions with the Chairman of the Board of Directors and the President and Chief Executive Officer, respectively, on a periodic basis Full-time Corporate Auditors receive reports and exchange opinions at individual meetings with Directors and Managing Officers, as well as regular meetings with the Directors in charge of Corporate Staff Units and general managers in Corporate Staff Units

- In accordance with the auditing plan established at the start of the year, the Corporate Auditors conduct auditing on the management status of Mitsui's subsidiaries through visits to domestic and overseas branch offices and major subsidiaries as well as through cooperation with corporate auditors at subsidiaries

- The Board of Corporate Auditors has designated Mr Joji Okada and Mr Hiroyasu Watanabe as Corporate Auditors who have considerable expertise in finance and accounting

  Mr Joji Okada joined Mitsui in 1974 Before being elected as one of our Corporate Auditors in 2015, he had worked in the field of accounting and was appointed as Managing Officer, General Manager of Accounting Division in 2008, as Executive Managing Officer, Chief Financial Officer in 2011, and as Vice President, Chief Financial Officer in 2014

  Mr Hiroyasu Watanabe had been working for the Ministry of Finance and National Tax Agency, and his final position in such field was Commissioner of the National Tax Agency He is currently working as a professor at Waseda University, Graduate School of Finance, Accounting and Law

- We set up the Corporate Auditor Division to assist in the performance of the duties of the Corporate Auditors, and assign to the Division at least three full-time employees with the appropriate knowledge and abilities necessary for this work

(b) Internal auditing

- Based on the order or approval of the President and Chief Executive Officer, for the purpose of contributing to the effective achievement of management goals, the Internal Auditing Division evaluates how internal control is maintained and exercised with emphasis on the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, as well as safeguarding of Company assets The adequacy and effectiveness of each process in risk management, control (any action taken by the management toward the achievement of the established goals) and governance (processes and structures implemented by the management to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives) within each organizational unit shall also be evaluated, and suggestions and proposals shall be made for their improvement

- In order to ensure the independence and objectivity of internal audits, we have the Internal Auditing Division directly under the rule of the President and Chief Executive Officer The composition of the personnel in the division as of March 31, 2015, is as follows of a total of 76 people, which includes one General Manager, 29 internal auditors, 26 members in charge of audits, and 20 staff members, 63 people are stationed in the Internal Auditing Division in the Head Office, 8 people are stationed in Internal Auditing Offices overseas, and 5 people are stationed in the Internal Auditing Department within Business Supporting Units

- In the regular audits which cover Mitsui, Overseas Offices, Overseas Trading Subsidiaries, and other subsidiaries, internal auditors carry out independent and objective evaluations, pursuant to the rules on internal audits, etc , with an emphasis on risk management, effectiveness of management and operations, compliance, and appropriate financial reporting In addition, the following audits are implemented as internal audits cross-organizational and cross-functional audits by target and item, such as issues involving multiple organizations and business processes or security trade control systems, and extraordinary examinations to get a whole picture of such events that caused or could cause irregular economic losses or that jeopardized or could jeopardize the corporate trust, in order to identify the responsibility and recommend measures to clarify causes as well as to prevent recurrence The Internal Auditing Division as an independent department compiles and checks the assessment of the entity-wide internal control regarding the credibility of financial reports, pursuant to the Financial

Instruments and Exchange Act of Japan The final results are reported to the below-mentioned J-SOX Committee

- For each fiscal year, the internal auditing policy and the internal auditing plan go through the approval process by the President and Chief Executive Officer Internal audits are implemented either with or without advance notice to the target organization The internal auditors provide feedback on the results of the internal audit to the organization before preparing the internal audit report and carry out a full exchange of opinions on their suggestions The audit results are reported to the President and Chief Executive Officer The reports from the organization on the implementation status of improvements regarding the issues identified are requested and are reevaluated

(c) Auditing of financial statements

- For the year ended March 31, 2015, the certified public accountants executing audits on our financial statements are the following four people, who all belong to Deloitte Touche Tohmatsu LLC Yoshio Sato, Nobuaki Fuse, Hidehito Goda, and Michiyuki Yamamoto The number of assistants involved in auditing work is 94 people as of March 31, 2015, and this number is comprised of 32 certified public accountants, 17 members of the Japanese Institute of Junior Accountants, and 45 others

- In order to secure prompt financial closing and reliability, the auditing work of Mitsui and its consolidated subsidiaries are in principle entrusted solely to Deloitte Touche Tohmatsu Mitsui's Independent Auditors implement auditing under the Companies Act of Japan and the Financial Instruments and Exchange Act of Japan as well as auditing of the consolidated financial statements in English

(d) Coordination among auditing by Corporate Auditors, auditing by Internal Auditing Division and auditing by the Independent Auditors

- At the end of the fiscal year, the Independent Auditors report to the Board of Corporate Auditors the audit procedures and results of audits on accounting and internal controls, and exchange opinions on these During a fiscal year, the Corporate Auditors hold monthly meetings with the Independent Auditors and receive reports from the Independent Auditors about their auditing plans, the items of focus in audits, the status of audits and other matters In the meetings, the participants exchange information and have discussions on the execution of effective and efficient accounting audits and internal control audits

- In addition to the exchange of information with the Internal Auditing Division for implementing efficient audits, Full-time Corporate Auditors in principle attend all of the feedback sessions on regular internal audits by the Internal Auditing Division The General Manager of the Internal Auditing Division periodically reports on the plans and results of internal audits to the Board of Corporate Auditors The Corporate Auditors, as necessary, request reports on the internal control system, risk evaluation and other matters from the Internal Auditing Division and other divisions responsible for internal controls, and also ask for their cooperation on a wide range of matters in audits

(e) Coordination between supervision by the External Directors or auditing by External Corporate Auditors and the internal audits, auditing by Corporate Auditors and Independent Auditors, and relationship with divisions involved in internal control

- The External Directors and External Corporate Auditors, through the Board of Directors and the Board of Corporate Auditors, mutually coordinate with internal audits, auditing by Corporate Auditors and accounting audits as well as supervise and audit the internal control system Specifically, they periodically receive reports on the following at the meeting of the Board of Directors and the Board of Corporate Auditors, respectively results of the internal audits and internal audit plans, results of auditing by the Board of Corporate Auditors and audit implementation plans, summary of management letters by Independent Auditors, assessment results with regard to the internal control system in accordance with the Financial Instruments and Exchange Act of Japan, the operational status of compliance programs, and other matters regarding the structure and management of internal controls

iii) Framework for internal control and execution of business activities

- Ultimate responsibility for execution of business operations lies with the President and Chief Executive Officer The President and Chief Executive Officer delegates authority to the Chief Operating Officers of the business units and regional business units, who, in turn, report to the President and Chief Executive Officer The Corporate Management Committee is organized for deliberating the basic policies and important matters for execution of group-wide business operations The Committee consists of the Chairman of the Board of Directors, President and Chief Executive Officer (the committee chair), the Directors in charge of Corporate Staff Units, and Representative Directors or Managing Officers nominated by the President and Chief Executive Officer The Corporate Management Committee is held weekly in principle

- As mentioned above, the Internal Auditing Division, the division positioned directly under the President and Chief Executive Officer, examines the status of development and implementation of the internal control of Mitsui With the delisting from NASDAQ in April 2011 and the termination of SEC registration in July 2011, Mitsui implements the internal control framework based on Japanese regulation from the year ended March 31, 2012 Even after the transition, Mitsui maintains its internal control system by positioning the internal control as the structure by which the management controls the executive body, aiming for (1) "Improvement of effectiveness and efficiency of operations," (2) "Compliance with accounting standards and securing reliability of financial reporting," (3) "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and (4) "The safeguarding of company assets," and consists of "control environment," "risk assessment," "control activities," "information and communication," "monitoring," and "response to IT" These objectives and components are as stated in the basic framework designated in "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting," issued by the advisory board to the Commissioner of the Financial Services Agency

- Mitsui has established major committees pertaining to the execution of business and implementation of internal control as follows, and is taking measures to respond to a wide range of risks and forms of businesses, which continue to increase and diversify

- Internal Controls Committee
  Chaired by the President and Chief Executive Officer, as an organization under the Corporate Management Committee, the Internal Controls Committee establishes a basic policy related to the internal control system while developing, maintaining, and improving the effectiveness of the integrated management system

- Compliance Committee
  As an organization under the Internal Controls Committee, this committee, with an attorney at law from outside Mitsui participating as an observer, develops, maintains, and improves the effectiveness of the compliance structure

- Disclosure Committee
  As an organization under the Internal Controls Committee, this committee develops principles and basic policy for statutory disclosure and timely disclosure as well as the internal structure, and discusses and determines the materiality and appropriateness of information to be disclosed

- J-SOX Committee
  As an organization under the Internal Controls Committee, this committee develops, maintains, and improves the effectiveness of the system for ensuring the reliability of our consolidated financial reporting During the year ended March 31, 2012, due to the termination of the registration with SEC, the SOA Sec 404 Committee was renamed as the J-SOX Committee

- Portfolio Management Committee
  As an advisory body to the Corporate Management Committee, this committee establishes the corporate portfolio strategy as well as investment and loan plans, monitors our corporate portfolios, and examines important individual proposals

- Information Strategy Committee
  As an advisory body to the Corporate Management Committee, this committee plans company-wide

information strategy and determines and monitors essential policies concerning establishment of a management platform and promotion of the structure of the information strategy

- CSR Promotion Committee
As an organization under the Corporate Management Committee, this committee provides advice to the management with regard to "Corporate Social Responsibility (CSR), " raises awareness among the employees and sends out messages with respect to CSR-oriented management

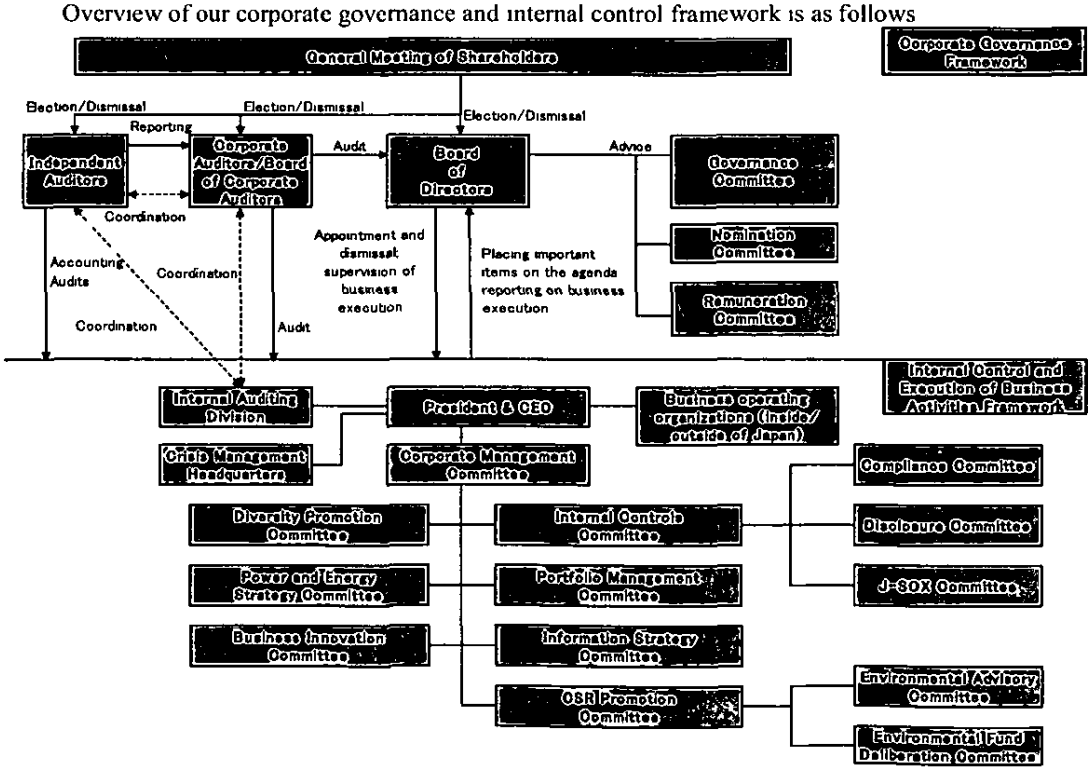
- Diversity Promotion Committee
As an advisory body to the Corporate Management Committee, this committee makes proposals regarding basic policy and the plan for diversity promotion, and formulates and implements targets set along with the plan

- Power and Energy Strategy Committee
As an advisory body to the Corporate Management Committee, this committee analyzes the external business environment, monitors and evaluates our current activities, specifies our priorities and focuses, and recommends relevant measures in power and energy business

- Crisis Management Headquarters
As an extraordinary and non-permanent organization under the direct rule of the President and Chief Executive Officer, the Crisis Management Headquarters exercises necessary decision making in place of normal in-house decision mechanisms relating to all conceivable matters requiring an extraordinary response The President and Chief Executive Officer serves as head of this Headquarters

- Business Innovation Committee
As an organization under the Corporate Management Committee, this committee monitors and analyzes new technology trends and potential business innovations, specifies our priorities and focuses, and provides advice to the management, as well as examines specific measures to support business units in implementing potential new businesses, aiming for the next generation

Overview of our corporate governance and internal control framework is as follows



3) The Relationship with External Directors and External Corporate Auditors and Their Activities

1) Relationship with External Directors and reasons for their appointments, policy regarding their independence

- The prospective person's extensive business experience and knowledge is required to deliberate on such board meeting proposals as investments and loans, and knowledge of his or her particular area of business should be used

- Mitsui puts great value on ensuring independence of the External Directors from Mitsui in the pursuit of their management oversight functions Also, with a view to overseeing business operations in a way that reflects the standpoint of our diverse stakeholders, in selecting External Directors, Mitsui shall take into consideration the fields from which candidates originate, along with their gender

- Given that Mitsui is a general trading company with extensive business dealings, it has been decided to make appropriate efforts by the Board of Directors to handle likely conflicts of interest involving the prospective External Directors in individual transactions with external parties

The five External Directors that were appointed at the Ordinary General Meeting of Shareholders held on June 19, 2015, their relationships with Mitsui, and the reasons for their appointment are as follows Mitsui has entered into agreements with these External Directors respectively limiting their liability as External Directors to legally designated limits pursuant to Article 427, Paragraph 1 of the Companies Act of Japan

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Ikujiro Nonaka (Since June 2007)	There is no personal, capital, business or other relationship between Mr Nonaka and Mitsui, therefore, Mr Nonaka is deemed to appropriately carry out his duties as the independent and neutral External Director	Mr Nonaka is appointed as an External Director so that the management may benefit from his deep insight and supervisory capabilities related to management gained over the years as an expert in international corporate strategy, as well as for his independent oversight
Hiroshi Hirabayashi (Since June 2007)	Mr Hirabayashi has been serving as the President of The Japan-India Association Mitsui, as a member of the Association, paid a membership fee during the year ended March 31, 2015 However, since the amount is small and would not affect the independence of Mr Hirabayashi Mr Hirabayashi's eldest daughter is an employee of Mitsui However, since she is in a non-managerial position, and would not affect the independence of Mr Hirabayashi, Mr Hirabayashi is deemed to appropriately carry out his duties as the independent and neutral External Director	Mr Hirabayashi is appointed as an External Director so that the management may benefit from his wealth of international experience and knowledge gained over the years as a diplomat, as well as for his independent oversight
Toshiro Muto (Since June 2010)	There is no personal, capital, business or other relationship between Mr Muto and Mitsui, therefore, Mr Muto is deemed to appropriately carry out his duties as the independent and neutral External Director	Mr Muto is appointed as an External Director so that the management may benefit from his deep insight into fiscal and monetary affairs, also in economics in general, gained over the years at the Ministry of Finance and the Bank of Japan, as well as for his independent oversight

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Director at Mitsui
Izumi Kobayashi (Since June 2014)	Ms Kobayashi served as Vice Chairperson at the Japan Association of Corporate Executives from May 2007 to April 2009, and has served in the same position since April 2015 Mitsui, as a member of the Association, paid a membership fee and made financial contributions during the year ended March 31, 2015 However, since the amount is small and would not affect the independence of Ms Kobayashi, Ms Kobayashi is deemed to appropriately carry out her duties as the independent and neutral External Director	Ms Kobayashi is appointed as an External Director so that the management may benefit from her wide-ranging knowledge and experience gained over the years both in Japan and overseas as a representative of private sector financial institutions and a multilateral development bank, as well as for her independent oversight
Jenifer Rogers (Since June 2015)	There is no personal, capital, business or other relationship between Ms Rogers and Mitsui, therefore, Ms Rogers is deemed to appropriately carry out her duties as the independent and neutral External Director	Ms Rogers is appointed as an External Director so that management may benefit from her global perspective gained over the years at international financial institutions and her knowledge and experience gained over the years through her work experiences, etc , in Japanese companies, as well as for her independent oversight

(*) As of the time of issuance of this report, concurrent positions (external director/corporate auditor) in other organizations held by External Directors are mainly as follows

Name	Concurrent positions in other organizations held by External Directors	
Ikujiro Nonaka	Trend Micro Incorporated	External Director
Hiroshi Hirabayashi	DAIICHI SANKYO COMPANY, LIMITED	External Director
Izumi Kobayashi	ANA HOLDINGS INC Suntory Holdings Limited	External Director External Director

ii) Activities of External Directors in the year ended March 31, 2015

The activities of External Directors in the year ended March 31, 2015 were as follows

Name	Major activities
Ikujiro Nonaka	Mr Nonaka participated in all 16 Board of Directors meetings held during the year ended March 31, 2015, and offered advice mainly from the perspective of his deep insight related to management gained as an expert in international corporate strategy Mr Nonaka was also a member of the Governance Committee and the Nomination Committee, both advisory committees to the Board of Directors
Hiroshi Hirabayashi	Mr Hirabayashi participated in all 16 Board of Directors meetings held during the year ended March 31, 2015, and offered advice mainly from the perspective of his wealth and knowledge gained as a foreign diplomat for Japan Mr Hirabayashi was also a member of the Nomination Committee, an advisory committee to the Board of Directors
Toshiro Muto	Mr Muto participated in 12 of the 16 Board of Directors meetings held during the year ended March 31, 2015, and offered advice mainly from the perspective of his deep insight into fiscal and monetary affairs, as well as in economics in general, gained at the Ministry of Finance and the Bank of Japan Mr Muto was also Chairman of the Remuneration Committee, an advisory committee to the Board of Directors
Izumi Kobayashi	Ms Kobayashi participated in all 12 Board of Directors meetings held since she became a Director in June 2014, and offered advice from the perspective of her wide-ranging knowledge and experience gained as a representative of private sector financial institutions and a multilateral development bank Ms Kobayashi was also a member of the Governance Committee, an advisory committee to the Board of Directors

iii) Relationship with External Corporate Auditors and reasons for their appointments, policy regarding their independence

The External Corporate Auditors shall be selected with the objective of further heightening the neutrality and independence of the auditing system, and, in particular, it is expected that the External Corporate Auditors will give an objective voice to their auditing opinions from the standpoint of neutrality, building on such factors as independence When selecting candidates for External Corporate Auditors, the Board of Corporate Auditors shall confirm that no issues with independence arise by taking into consideration such factors as relations with the company, management and important staff members

As to the three External Corporate Auditors as of the issuance of this report, the reasons for their appointment are as follows Mitsui has entered into agreements with these External Corporate Auditors respectively limiting their liability as External Corporate Auditors to legally designated limits pursuant to Article 427, Paragraph 1 of the Companies Act of Japan

Name (Date of assumption of office)	Relationship with Mitsui	Reasons for appointment as External Corporate Auditor at Mitsui
Hiroyasu Watanabe (Since June 2009)	There is no personal, capital, business or other relationship between Mr Watanabe and Mitsui, therefore, Mr Watanabe is deemed to appropriately carry out his duties as the independent and neutral External Corporate Auditor	Mr Watanabe is appointed as an External Corporate Auditor in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, from the experience and perspective he has gained, mainly at the Ministry of Finance and also as a graduate school professor
Haruka Matsuyama (Since June 2014)	There is no personal, capital, business or other relationship between Ms Matsuyama and Mitsui, therefore, Ms Matsuyama is deemed to appropriately carry out her duties as the independent and neutral External Corporate Auditor	Ms Matsuyama is appointed as an External Corporate Auditor in expectation of the expression of her objective audit opinions from an independent and neutral standpoint, from the many years of experience and perspective she has gained, mainly as an attorney at law
Hiroshi Ozu (Since June 2015)	There is no personal, capital, business or other relationship between Mr Ozu and Mitsui, therefore, Mr Ozu is deemed to appropriately carry out his duties as the independent and neutral External Corporate Auditor	Mr Ozu is appointed as an External Corporate Auditor in expectation of the expression of his objective audit opinions from an independent and neutral standpoint, from the many years of experience and perspective he has gained, mainly as a prosecutor

(*) As of the time of issuance of this report, concurrent positions (external director/corporate auditor) held by External Corporate Auditors in other organizations, etc are mainly as follows

Name	Concurrent positions held in other organizations	
Hiroyasu Watanabe	NOMURA Co , Ltd	External Corporate Auditor
Haruka Matsuyama	T&D Holdings, Inc	External Director
	Mitsubishi UFJ Financial Group, Inc	External Director
	Vitec Co , Ltd	External Corporate Auditor
Hiroshi Ozu	TOYOTA MOTOR CORPORATION	External Corporate Auditor

iv) Activities of External Corporate Auditors in the year ended March 31, 2015

The activities of External Corporate Auditors in the year ended March 31, 2015 were as follows

Name	Major activities
Kunihiro Matsuo	Mr Matsuo participated in 13 of the 16 Board of Directors meetings and 16 of the 19 Board of Corporate Auditors meetings, held during the year ended March 31, 2015, and offered advice mainly from his many years of experience and perspective he has gained working as a prosecutor and an attorney at law Mr Matsuo was also a member of the Governance Committee, an advisory body to the Board of Directors
Hiroyasu Watanabe	Mr Watanabe participated in 15 of the 16 Board of Directors meetings and 18 of the 19 Board of Corporate Auditors meetings, held during the year ended March 31, 2015, and offered advice mainly from the perspective of his high degree of knowledge and varied experience obtained working at the Ministry of Finance and as a graduate school professor
Haruka Matsuyama	Ms Matsuyama participated in all 12 Board of Directors meetings and all 14 Board of Corporate Auditors meetings, held since she became a Corporate Auditor in June 2014, and offered advice from the perspective of her knowledge and experience obtained as an attorney at law

Mr Matsuo retired at the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 19, 2015

v) The External Directors and External Corporate Auditors are given the following support

For External Directors, before regular and extraordinary meetings of the Board of Directors, the Board of Directors Secretariat (Legal Division and Secretariat) provides material on the proposals and gives advance explanations

For External Corporate Auditors, in addition to timely provision of company information by the Full-time Corporate Auditors and staff in the Corporate Auditor Division, summaries of meetings between Full-time Corporate Auditors and staff in the Corporate Auditor Division are provided to External Corporate Auditors periodically When necessary, advance distribution of materials and advance explanations are conducted regarding regular and extraordinary meetings of the Board of Corporate Auditors and of the Board of Directors

4) Status of Internal Control System

In the construction of internal control processes, aiming to achieve the above mentioned objective of the internal control process – "Improvement of effectiveness and efficiency of operations," "Compliance with accounting standards and securing reliability of financial reporting," "Compliance with laws, rules that are equivalent to the laws, and observance of management philosophy and company rules including all codes of conduct which reflect this philosophy," and "The conservation of company assets" – the following systems are implemented

i) Risk management system

As a general trading company engaging in a wide variety of businesses, risks arising from business activities are monitored and managed by Chief Operating Officers of business units and regional business units within their authorization delegated from the management Risks associated with our business include quantitative risks such as credit risk, market risk, business risk arising from subsidiaries' businesses, and country risk, as well as qualitative risks such as compliance risk and operational risk Measures taken by each business unit to manage quantitative risks include setting of position limits and loss-cut limits as well as monitoring of positions by divisions with relevant expertise For the management of qualitative risks, the business units are obligated to observe related internal regulations When a business unit or a regional business unit takes risks greater than the scope of authority granted to the Chief Operating Officers, it is necessary to obtain approval of the Corporate Management Committee or a Representative Director in charge, or a Senior Managing Officer in charge, depending on the importance of the case, in accordance with the standards of the internal approval system
Furthermore, as stated in "2) Corporate Governance Structure of Mitsui," as committees responsible for business execution and the internal control system, organizations such as the Portfolio Management Committee, the Internal Controls Committee, the CSR Promotion Committee, and the Crisis Management Headquarters establish and develop the risk management structures and handle significant risks These committees consist of Managing Officers and the General Managers of Corporate Staff Units With respect to the risks in the fields they are in charge of, each division of the Corporate Staff Units is responsible for surveillance of the whole Company's positions, control within the prescribed range of their authority, and supporting the relevant Directors and Managing Officers

ii) Internal control over financial reporting

As a result of the termination of the SEC registration, Mitsui implements the internal control framework as stipulated in the Financial Instruments and Exchange Act of Japan from the year ended March 2012 In addition to the Company-wide discipline, Mitsui has been conducting self-assessment by units subject to evaluation and testing by an independent division concerning the effectiveness of accounting and financial closing controls, IT controls, and business process level controls After comprehensively assessing the above, Mitsui management confirmed that internal control over financial reporting is effective for the year ended March 31, 2015

iii) Internal controls regarding construction and management of information systems and information security

The important principles for our global group information strategy are formulated in line with the corporate management policy through the discussions at the Information Strategy Committee established pursuant to the "Rules of Information Strategy Committee " Under the system centered around the Information Strategy Committee, we are enhancing the system of internal control including management of various possible risks such as information leakage risks through maintenance of the following rules, necessary in light of development and operation of information systems and information security
"Information System Rules" rules on the process of procurement, introduction and operation of information assets

"Rules on IT Security" code of conduct for the system supervisory divisions regarding IT security
"Rules on Information Management" basic policies in terms of information risk management system and information management
"Rules on Protection of Personal Information" rules for the handling of personal information required for business execution (Applied only in Japan)

iv) Compliance structure

In addition to the Compliance Committee (see "2) Corporate Governance Structure of Mitsui"), chaired by the Chief Compliance Officer, Mitsui implements a compliance management system within the regular line of management at business division and department level Further, Compliance Supervising Officers are designated at domestic and overseas units, branch offices and others

Mitsui has set forth the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co , Ltd " ("Guidelines") and has equivalent business conduct guidelines in place at its subsidiaries Mitsui is striving to improve observance of the Guidelines through continuous monitoring and review See Mitsui's website for the "Business Conduct Guidelines for Employees and Officers of Mitsui & Co , Ltd "

Mitsui has a total of eight whistle-blowing avenues in place, including those involving an external attorney at law and a third-party providing hotline services Pursuant to the Whistleblower Protection Act, Mitsui made it clear that a whistle-blower would not be subject to any recrimination or detrimental treatment by Mitsui as a result of whistle-blowing Additionally, Mitsui makes sure that its domestic affiliated companies are also able to use the whistle-blowing avenues (external attorneys at law and a third-party providing hotline services) designated by Mitsui in order to (i) maintain a high standard of confidentiality and (ii) enable their employees to use these avenue without uneasiness Mitsui's overseas offices and overseas affiliate companies also have whistle-blowing systems that were put in place considering applicable local laws and regional characteristics Furthermore, Mitsui prohibits treating a whistleblower disadvantageously due to the reason of the whistleblowing itself, and will thoroughly make this a known internal fact Any cases of violation of compliance are handled strictly, including disciplinary actions in accordance with the Employment Regulations of Mitsui & Co , Ltd

v) Specially Designated Business Management System

In response to the DPF Incident, Mitsui established the "Specially Designated Business Management System" in April 2005 Under this system, internal review of four business domains which are "Environment-related business," "Medical, Healthcare and Bioethics-related businesses," "Businesses with subsidy," and "Businesses with a high public profile" is strengthened When examining these matters, reports from the CSR Promotion Committee or the Environmental Advisory Committee in which external experts participate as members, or opinions from other external experts will be obtained, as necessary In addition, Mitsui appoints consultants with insights into environmental and social risk, and utilize their advice for new and existing environment-related businesses as necessary

vi) Systems to secure appropriateness of operations within the corporate group

In March 2006, Mitsui established the "Mitsui & Co , Ltd Corporate Governance and Internal Control Principles" ("Principles") In light of other laws and regulations and to the extent reasonable, Mitsui requires its subsidiaries to develop and operate internal controls based on these Principles, and for its equity accounted investees, Mitsui coordinates with other equity participants and encourages the equity accounted investees to develop and operate similar internal controls For internal controls to secure reliability in financial reporting, see "internal control over financial reporting" above In addition, from its officers and employees, Mitsui appoints supervising officers for its affiliated companies and has them engage in their duties based on the "Rules on Delegation of Authority for Supervising Officers for Affiliated Companies " Also, when Mitsui deploys full-time corporate auditors in major affiliated companies, Mitsui selects personnel from the Internal Auditing Division rather than from related Business Units to enhance the independence of auditing

5) Enhancements of Corporate Governance in the year ended March 31, 2015

i) Implementation for strengthening corporate governance
The status of meetings held in the year ended March 31, 2015 by the three Committees that are advisory bodies to the Board of Directors is as follows

- The Governance Committee was held twice in the year ended March 31, 2015 and carried out reviews of matters such as the corporate governance structure of Mitsui, in relation to the newly established Corporate Governance Code of Japan and the amended Companies Act of Japan The Committee reported to the Board of Directors the amendment to Mitsui Corporate Governance and Internal Control Principles

- The Nomination Committee was held twice in the year ended March 31, 2015 and carried out a review of the standards and the process for nominating Directors and Managing Officers The Committee reported that the candidates met the selection criteria of the Directors

- The Remuneration Committee was held in May 2014 and carried out a review of the remuneration structure for Directors and Managing Officers Based on the review, the Committee reported to the Board of Directors the revision of basic remuneration of External Directors

ii) Measures for strengthening internal controls

The efforts made by the committees regarding execution of business activities and internal controls in the year ended March 31, 2015 are as follows

- The Internal Controls Committee held two meetings The three sub-committees to the Internal Controls Committee, which are the Compliance Committee, the Disclosure Committee and the J-SOX Committee, each made reports to the Internal Controls Committee regarding matters including the discussions they held

- The Compliance Committee met in March 2015, and carried out a review of Mitsui's responses to compliance issues and the compliance plans for the purpose of maintaining and improving the effectiveness of the compliance structure In order to improve the awareness and knowledge of its officers and employees regarding compliance issues, Mitsui fully renewed the Compliance Handbook, distributed the Handbook to all the employees, and implemented various compliance e-learning and compliance training sessions The compliance awareness survey was also conducted at Mitsui group in order to see the awareness level of our global group Mitsui also worked on building a consolidated group-wide compliance structure by developing a compliance program at affiliated companies, through provision of assistance to compliance officers of such companies, for example, by individual visits to important affiliated companies

- The Disclosure Committee held three meetings and established a disclosure policy for various disclosure materials and carried out evaluations of the appropriateness of the contents of such materials

- The J-SOX Committee held two meetings The Committee prepared Mitsui's policy on compliance with the requirements of Article 24-4-4 and Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act of Japan In addition, the Committee understood the company-wide status of internal control over financial reporting for the year ended March 31, 2015 and studied company-wide measures to keep and improve the effectiveness of internal control

- The Portfolio Management Committee met 33 times The Committee reported to the Corporate Management Committee regarding the results of examinations into key strategic domains, business portfolio strategy, investments, loans and recycling plans, and individual large-scale investments, and carried out monitoring and analysis of important indices such as cash flows and risk assets

- The Information Strategy Committee met eight times The Committee made decisions on policies such as the construction of the next-generation management platform on a global and group basis, IT governance and various measures on IT portfolio management, management of IT investments, IT security and R&D activity on information technology, training of human resources literate in IT management, and changing mindsets company-wide

-The CSR Promotion Committee held two meetings The Committee conducted progress reporting on CSR promotion activities, social contribution activities and the Mitsui & Co , Ltd Environment Fund, etc , and prepared the 2015 activity policy In addition, the Committee identified CSR material items and confirmed the identification process

- The Power and Energy Strategy Committee met four times The Committee carried out medium- and long-term macro analysis of the environment, electricity, and energy segments based upon data and information provided by governmental agencies, etc , and discussed strategic approach and necessary measures in those segments

- The Business Innovation Committee met seven times The Committee promoted efforts towards new generation business, collected information through networks outside the Company and shared such information internally, conducted internal task forces and campaigns and considered potential new business opportunities

- The Diversity Promotion Committee met in June, 2014 The Committee discussed and analyzed current issues to promote excellence in our diverse workforce and made decisions regarding action plans to resolve these issues

6) Other regulations in Mitsui's Articles of Incorporation

i) Resolution requirements for appointment of Directors

Regarding resolutions for the appointment of Directors, our Articles of Incorporation set forth that attendance of shareholders who hold one-third or more of the voting rights of the shareholders who can exercise voting rights is necessary The Articles of Incorporation also set forth that that resolutions for the appointment of Directors may not be made with cumulative voting

ii) Decision-making body for buying back Company's own shares

In order to enable the execution of a flexible and swift capital policy, the Articles of Incorporation set forth that Mitsui may acquire its own shares by means of a market transaction upon a resolution of the Board of Directors

iii) Requirements for special resolutions of the General Meeting of Shareholders

For smooth management of the General Meeting of the Shareholders, the Articles of Incorporation set forth that a resolution of the General Meeting of Shareholders as specified by Article 309, Paragraph 2 of the Companies Act of Japan is valid if the shareholders who have at least one-third of the total voting rights attend the meeting and of which two-thirds of the votes support such resolution

iv) Interim dividend

In order to enable profits to be returned to shareholders in a flexible and swift manner, the Articles of Incorporation set forth that Mitsui may pay interim dividends, upon a resolution by the Board of Directors, with September 30 set as the record date each year

v) Limitation of liability of Directors and Corporate Auditors

In order to enable Directors and Corporate Auditors to fully carry out the role that is expected of them in the execution of their duties, the Articles of Incorporation set forth that, upon a resolution of the Board of Directors, the liability of Directors and Corporate Auditors may be limited to the extent determined by the applicable laws and regulations

7) Remuneration of Directors and Corporate Auditors

i) The remuneration of Directors and Corporate Auditors for the year ended March 31, 2015 was as follows

Category of position	Number of recipients	Basic remuneration	Bonus	Stock option	Total remuneration
Directors (Excluding External Directors)	11	¥737 million	¥307 million	¥120 million	¥1,164 million
Corporate Auditors (Excluding External Corporate Auditors)	2	¥113 million	—	—	¥113 million
External Directors and External Corporate Auditors	9	¥93 million	—	—	¥93 million
Total	22	¥943 million	¥307 million	¥120 million	¥1,370 million

(Notes) 1 Limits on the remuneration of Directors and Corporate Auditors have been determined by resolutions passed at a General Meeting of Shareholders The details are as follows total amount of basic remuneration to be paid to the Directors should not exceed ¥70 million per month (by its resolution on June 22, 2007), total amount of basic remuneration to be paid to the Corporate Auditors should not exceed ¥20 million per month (by its resolution on June 22, 2007), total amount of bonus to be paid to the Directors (not including External Directors) should not exceed ¥500 million per year (by its resolution on June 22, 2007) , and total amount of stock option with stock price conditions to be paid to the Directors (not including External Directors) should not exceed ¥500 million per year (by its resolution on June 20, 2014) This stock option with stock price conditions is granted to the Company's Directors (excluding External Directors) to purchase up to 500,000 shares of the Company's common stock per year The exercise period of subscription rights to shares shall be 27 years from the day following the date on which 3 years have elapsed after the allotment date of subscription rights to shares, with payment due upon the exercise of the subscription right to shares being ¥1 per share

2 The bonus shown above is the planned amount

3 In addition to the amounts shown above, Mitsui paid pensions (resolution for payments made prior to the abolition of such program) of ¥604 million to 132 retired Directors, and a total of ¥62 million to 19 retired Corporate Auditors in the year ended March 31, 2015

ii) The following table contains information about remuneration earned by the named directors who earned more than a total of ¥100 million for the year ended March 31, 2015

Name	Category of position	Payer	Basic remuneration	Bonus	Stock option	Total remuneration
Shoei Utsuda	Director	Mitsui	¥111 million	¥46 million	¥30 million	¥187 million
Masami Iijima	Director	Mitsui	¥131 million	¥46 million	¥36 million	¥213 million
Daisuke Saiga	Director	Mitsui	¥75 million	¥33 million	¥8 million	¥116 million
Joji Okada	Director	Mitsui	¥75 million	¥33 million	¥8 million	¥116 million
Masayuki Kinoshita	Director	Mitsui	¥75 million	¥33 million	¥8 million	¥116 million
Shintaro Ambe	Director	Mitsui	¥75 million	¥33 million	¥8 million	¥116 million

iii) Taking into consideration the result of the deliberation at the Remuneration Committee, which is chaired by an External Director, the remuneration of Directors (excluding External Directors) is determined as a sum of fixed basic remuneration, performance-related bonuses based on the profit for the year attributable to owners of the parent and stock-based compensation stock options with stock price conditions as medium- and long-term incentive compensation The following formula applies in calculating the performance-related bonuses, which is advised as being appropriate by the Remuneration Committee and subsequently resolved at the Board of Directors meeting

Directors are not paid retirement compensation, with the exception of those payments that were approved prior to the abolition of the program

(a) Total amount paid in bonuses for Directors

Total bonuses are calculated as the lesser of profit attributable to owners of the parent x 0 1% and ¥500 million (if the profit attributable to owners of the parent is minus, i e , net loss, this item is set as 0 for the calculation)

(b) Amount paid as individual bonuses

The total amount calculated by the method shown in (a) above is distributed to each Director in proportion to the following points, which are assigned for each position Amounts less than ¥10,000 will be rounded off
(Amount individually paid = total amount paid × position points / sum of position points)

(c) Conditions for exercise of subscription rights to shares
See "1 Status on the Mitsui's Shares, (2) Status of the Share Subscription Rights"

Points by position

Chairman/President	Executive Vice President	Senior Executive Managing Officer	Executive Managing Officer
10	7	6	5

Based on the composition of the Directors and Corporate Auditors as of the date of the issuance of this report, the maximum amounts that may be paid for each position (in the case of profit attributable to owners of the parent of ¥500 billion for the fiscal year) are as follows

Chairman/President	= ¥500 million × 10 points / (10 points × 2 persons + 7 points × 3 persons + 6 points × 3 persons + 5 points × 1 person = 64 points)	= ¥78 13 million
Executive Vice President	= ¥500 million × 7 / 64 points	= ¥54 69 million
Senior Executive Managing Officer	= ¥500 million × 6 / 64 points	= ¥46 88 million
Executive Managing Officer	= ¥500 million × 5 / 64 points	= ¥39 06 million

iv) Each Director (excluding External Directors) is required to purchase Mitsui's shares in an amount equivalent to at least 10% of his or her monthly remuneration but less than ¥1 million through the Mitsui Executives' Shareholding Association

v) Corporate Auditors receive only monthly remuneration which does not include a performance-related portion The monthly remuneration for each Corporate Auditor is determined by discussions among the Corporate Auditors The total amount shall not exceed the amount shown in Note 1 in i) above Retirement compensation is not paid to the Corporate Auditors

8) Status of Stocks Held

i) Stocks for investment held for purposes other than pure investment purposes stood at 459 issues and total of the amount recorded in the balance sheet is ¥605,932 million as of March 31, 2015

ii) Stocks for investment held for purposes other than pure investment purposes (excluding unlisted stocks), of which amount recorded on the balance sheet as of March 31, 2014 exceeded 1% of the common stock of Mitsui are as follows

Specified Investment Shares (33 issues)

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Purpose of holding
Seven & i Holdings Co , Ltd	16,222,480	63,981	Seek operating revenue and improvement in corporate value by strengthening relationship with issuer of stocks or making various proposals, etc to issuer of stocks
TonenGeneral Sekiyu K K	36,000,000	32,796	same as above
MODEC, INC	6,957,500	18,172	same as above
Yamato Kogyo Co , Ltd	4,573,000	14,793	same as above
Yamaha Motor Co , Ltd	8,586,000	14,123	same as above
Coca-Cola East Japan Co , Ltd	5,237,383	13,564	same as above
Burberry Group plc	4,771,739	11,403	same as above
NIPPON STEEL & SUMIKIN BUSSAN CORPORATION	33,831,000	11,198	same as above
Nihon Unisys, Ltd	9,798,509	9,886	same as above
Mitsui Fudosan Co , Ltd	3,000,000	9,447	same as above
Toray Industries, Inc	13,776,000	9,395	same as above
Mitsui Engineering & Shipbuilding Co , Ltd	42,944,000	9,361	same as above
TOKYO BROADCASTING SYSTEM HOLDINGS, INC	7,691,000	9,175	same as above
TOYOTA MOTOR CORPORATION	1,500,000	8,739	same as above
POSCO	254,696	7,290	same as above
Nippon Steel & Sumitomo Metal Corporation	24,599,544	6,937	same as above

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Purpose of holding
KATO SANGYO Co , Ltd	3,153,000	6,920	same as above
QIWI plc	1,715,403	6,117	same as above
A10 NETWORKS, Inc	3,724,477	5,765	same as above
J-OIL MILLS, INC	20,877,110	5,741	same as above
FORMOSA EPITAXY INCORPORATION	74,693,000	4,804	same as above
The Dai-ichi Life Insurance Company, Limited	3,163,900	4,745	same as above
Mitsui Chemicals, Inc	17,370,390	4,394	same as above
DUSKIN CO , LTD	2,100,000	4,155	same as above
IHI Corporation	9,395,000	4,077	same as above
NSK Ltd	3,838,000	4,075	same as above
Japan Airlines Co , Ltd	791,500	4,020	same as above
Mitsubishi UFJ Financial Group, Inc	6,978,000	3,956	same as above
Sumitomo Mitsui Financial Group, Inc	889,100	3,920	same as above
Fuji Pharma Co , Ltd	1,930,600	3,905	same as above
Nippon Flour Mills Co , Ltd	6,698,221	3,784	same as above
Sumitomo Metal Mining Co , Ltd	2,908,000	3,768	same as above
Kaneka Corporation	5,543,459	3,470	same as above

Deemed Stockholdings (8 issues)

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Rights held by Mitsui
TOYOTA MOTOR CORPORATION	2,246,200	13,086	Voting rights
Mitsui Fudosan Co , Ltd	2,801,000	8,820	same as above
SKY Perfect JSAT Holdings Inc	13,405,200	7,399	same as above
MS & AD Insurance Group Holdings, Inc	2,846,100	6,728	same as above
Katakura Industries Co , Ltd	3,600,000	4,719	same as above
Mitsui Chemicals, Inc	17,370,000	4,394	same as above
TOSHIBA CORPORATION	8,621,000	3,767	same as above
Toyo Suisan Kaisha, Ltd	994,000	3,424	same as above

(Note) In selection of high ranking issues in terms of the amount recorded on the balance sheet, Specified Investment Shares and Deemed Stockholdings are not combined

Stocks for investment held for purposes other than pure investment purposes (excluding unlisted stocks), of which amount recorded on the balance sheet as of March 31, 2015 exceeded 1% of the common stock of Mitsui are as follows

Specified Investment Shares (39 issues)

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Purpose of holding
Seven & i Holdings Co , Ltd	16,222,480	81,972	Seek operating revenue and improvement in corporate value by strengthening relationship with issuer of stocks or making various proposals, etc to issuer of stocks
Recruit Holdings Co ,Ltd	12,000,000	45,000	same as above
TonenGeneral Sekiyu K K	36,000,000	37,332	same as above
Yamaha Motor Co , Ltd	8,586,000	24,916	same as above
MODEC, INC	8,387,300	15,843	same as above
NIPPON STEEL & SUMIKIN BUSSAN CORPORATION	33,831,000	14,039	same as above
Toray Industries, Inc	13,776,000	13,872	same as above
Yamato Kogyo Co , Ltd	4,573,000	13,279	same as above
Coca-Cola East Japan Co , Ltd	5,237,383	12,831	same as above
TOYOTA MOTOR CORPORATION	1,500,000	12,574	same as above
TPV Technology Limited	426,802,590	11,709	same as above
TOKYO BROADCASTING SYSTEM HOLDINGS, INC	7,691,000	11,659	same as above
Nihon Unisys, Ltd	9,798,509	11,170	same as above
Mitsui Fudosan Co , Ltd	3,000,000	10,588	same as above
J-OIL MILLS, INC	20,877,110	8,726	same as above
KATO SANGYO Co , Ltd	3,153,000	7,860	same as above
Nippon Steel & Sumitomo Metal Corporation	24,599,544	7,441	same as above
POSCO	254,696	6,769	same as above

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Purpose of holding
NSK Ltd	3,838,000	6,747	same as above
Mitsui Chemicals, Inc	17,370,390	6,704	same as above
Japan Airlines Co , Ltd	1,583,000	5,920	same as above
The Dai-ichi Life Insurance Company, Limited	3,163,900	5,522	same as above
IHI Corporation	9,395,000	5,289	same as above
Mitsui Engineering & Shipbuilding Co , Ltd	25,500,000	5,227	same as above
Mitsubishi UFJ Financial Group, Inc	6,978,000	5,189	same as above
Sumitomo Metal Mining Co , Ltd	2,908,000	5,113	same as above
QIWI plc	1,715,403	4,951	same as above
MS & AD Insurance Group Holdings, Inc	1,422,900	4,795	same as above
Kaneka Corporation	5,543,459	4,689	same as above
GOLDWIN INC	5,459,381	4,454	same as above
DUSKIN CO , LTD	2,100,000	4,368	same as above
Sumitomo Mitsui Financial Group, Inc	889,100	4,091	same as above
EPISTAR corporation	20,730,779	4,010	same as above
Nippon Flour Mills Co , Ltd	6,698,221	3,978	same as above
AIR WATER INC	1,754,000	3,767	same as above
Mizuho Financial Group, Inc	17,674,090	3,731	same as above
JFE Holdings, Inc	1,354,360	3,594	same as above
Showa Sangyo Co , Ltd	7,700,000	3,557	same as above
Nippon Soda Co , Ltd	5,075,000	3,542	same as above

Deemed Stockholdings (8 issues)

Issue	Number of shares (Shares)	Amount on balance sheet (Millions of Yen)	Rights held by Mitsui
TOYOTA MOTOR CORPORATION	2,246,200	18,829	Voting rights
SKY Perfect JSAT Holdings Inc	13,405,200	10,000	same as above
Mitsui Fudosan Co , Ltd	2,801,000	9,886	same as above
MS & AD Insurance Group Holdings, Inc	2,846,100	9,591	same as above
Mitsui Chemicals, Inc	17,370,000	6,704	same as above
Katakura Industries Co , Ltd	3,600,000	4,424	same as above
TOSHIBA CORPORATION	8,621,000	4,346	same as above
Toyo Suisan Kaisha, Ltd	994,000	4,204	same as above

(Note) In selection of high ranking issues in terms of the amount recorded on the balance sheet, Specified Investment Shares and Deemed Stockholdings are not combined

iii) There are no stocks held solely for investment purposes

(2) Details of Audit Fees and Other Matters

1) Details of fees paid to the certified public accountant auditor

Mitsui's certified public accountant auditor is Deloitte Touche Tohmatsu LLC

The table below shows the amount of fees paid to Deloitte Touche Tohmatsu LLC by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2015 and 2014

Classification	Year ended March 31, 2015		Year ended March 31, 2014	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	701	8	942	6
Consolidated subsidiaries	760	4	867	1
Total	1,461	12	1,809	7

(Note) Audit fees are fees for auditing pursuant to the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and auditing the consolidated financial statements prepared in English The audit fees include services performed as part of the audit, directly relating to the audit, and which are required by laws to be performed by the auditor, and can only be reasonably performed by the auditor

2) Details of other significant fees

We entrust auditing work and non-auditing work to member firms of Deloitte Touche Tohmatsu Limited, which belong to the same network to which Deloitte Touche Tohmatsu LLC belongs

The table below shows the amount of fees paid to member firms of Deloitte Touche Tohmatsu Limited (excluding Deloitte Touche Tohmatsu LLC) by Mitsui and its consolidated subsidiaries, for the years ended March 31, 2015 and 2014

Classification	Year ended March 31, 2015		Year ended March 31, 2014	
	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)	Audit Fees (Millions of Yen)	Non Audit Fees (Millions of Yen)
Mitsui	3	11	5	9
Consolidated subsidiaries	2,529	364	2,491	370
Total	2,532	375	2,496	379

3) Details of non-auditing work performed by the certified public accountant auditor of Mitsui

The non-auditing work for which Mitsui pays a fee to Deloitte Touche Tohmatsu LLC includes works related to overseas tax returns and so on

4) Policy for determining audit fees

In determination of audit fees, factors such as past records and the volume of work accompanying audit work are taken into account The approval of the Board of Corporate Auditors is obtained when decisions on fees for auditing work are made

5. Financial Information

1 Consolidated Financial Statements

Consolidated Statements of Financial Position

Mitsui & Co., Ltd. and subsidiaries
March 31, 2015 and 2014

	Millions of Yen		Millions of U.S. Dollars (Note 2)
	2015	2014	2015
ASSETS			
Current Assets			
Cash and cash equivalents (Note 2)	¥ 1,400,770	¥ 1,226,317	$ 11,673
Trade and other receivables (Notes 2, 4, 8, 9, 10, 17 and 23)	1,949,837	2,040,855	16,249
Other financial assets (Notes 2, 9 and 27)	384,156	271,288	3,201
Inventories (Notes 2, 9, 11 and 27)	671,164	625,328	5,593
Advance payments to suppliers	188,545	183,576	1,571
Other current assets	136,051	118,049	1,134
Total current assets	4,730,523	4,465,413	39,421
Non-current Assets			
Investments accounted for using the equity method (Notes 2, 4, 6, 7 and 17)	2,791,341	2,448,848	23,261
Other investments (Notes 2, 9, 17 and 27)	1,529,767	1,554,673	12,748
Trade and other receivables (Notes 2, 4, 8, 9, 10 and 17)	425,136	470,880	3,543
Other financial assets (Notes 2, 9 and 27)	130,974	116,298	1,091
Property, plant and equipment (Notes 2, 10, 12, 15 and 17)	2,148,142	2,007,452	17,901
Investment property (Notes 2, 10 and 13)	147,757	139,334	1,231
Intangible assets (Notes 2 and 14)	162,951	144,153	1,358
Deferred tax assets (Notes 2 and 26)	78,746	74,419	656
Other non-current assets	57,584	69,849	481
Total non-current assets	7,472,398	7,025,906	62,270
Total assets	¥12,202,921	¥11,491,319	$ 101,691

See notes to consolidated financial statements

Consolidated Statements of Financial Position—(Continued)

Mitsui & Co., Ltd. and subsidiaries
March 31, 2015 and 2014

	Millions of Yen		Millions of US Dollars (Note 2)
	2015	2014	2015
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term debt (Notes 16 and 17)	¥ 290,641	¥ 436,869	$ 2,422
Current portion of long-term debt (Notes 9, 10, 16 and 17)	472,718	505,946	3,939
Trade and other payables (Notes 2, 4, 10, 16 and 23)	1,384,039	1,473,834	11,534
Other financial liabilities (Notes 2, 9, 16, 27 and 28)	414,011	301,047	3,450
Income tax payables (Notes 2 and 26)	41,877	42,857	349
Advances from customers	177,432	165,124	1,479
Provisions (Notes 2 and 18)	25,523	17,491	213
Other current liabilities	34,900	41,486	290
Total current liabilities	2,841,141	2,984,654	23,676
Non-current Liabilities:			
Long-term debt, less current portion (Notes 9, 10, 16 and 17)	4,030,598	3,468,301	33,588
Other financial liabilities (Notes 2, 9, 16, 27 and 28)	147,289	95,541	1,227
Retirement benefit liabilities (Notes 2 and 19)	46,211	69,558	385
Provisions (Notes 2 and 18)	228,540	174,855	1,905
Deferred tax liabilities (Notes 2 and 26)	482,141	567,281	4,018
Other non-current liabilities	29,627	30,825	247
Total non-current liabilities	4,964,406	4,406,361	41,370
Total liabilities	7,805,547	7,391,015	65,046
Equity: (Note 20)			
Common stock	341,482	341,482	2,846
Capital surplus (Note 21)	411,881	418,004	3,432
Retained earnings	2,537,815	2,345,790	21,148
Other components of equity (Notes 2 and 9)	814,563	766,631	6,789
Treasury stock	(5,946)	(56,140)	(50)
Total equity attributable to owners of the parent	4,099,795	3,815,767	34,165
Non-controlling interests (Note 2)	297,579	284,537	2,480
Total equity	4,397,374	4,100,304	36,645
Total liabilities and equity	¥12,202,921	¥11,491,319	$ 101,691

See notes to consolidated financial statements

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of Yen		Millions of U S Dollars (Note 2)
	2015	2014	2015
Revenue (Notes 2, 6, 7 9 and 23)			
Sale of products	¥ 4,815,162	¥ 5,206,772	$ 40,126
Rendering of services	432,112	415 395	3 601
Other revenue	157,656	109,751	1,314
Total revenue	5,404,930	5,731,918	45,041
Cost (Notes 2, 6, 9 and 23)			
Cost of products sold	(4,310 657)	(4,627,572)	(35,922)
Cost of services rendered	(181,528)	(162,690)	(1,513)
Cost of other revenue	(66,905)	(61,550)	(557)
Total cost	(4,559,090)	(4 851,812)	(37,992)
Gross Profit	845,840	880,106	7,049
Other Income (Expenses)			
Selling, general and administrative expenses (Notes 2, 14, 19, 21 and 24)	(584,608)	(574,871)	(4,872)
Gain (loss) on securities and other investments—net (Notes 2, 5, 6, 9 and 27)	42,458	30,816	354
Impairment loss of fixed assets (Notes 2 12 and 14)	(79,948)	(59,966)	(666)
Gain (loss) on disposal or sales of fixed assets—net (Notes 12 and 14)	1 446	16,419	12
Other income (expense)—net (Notes 2, 14, 15 and 25)	(34,918)	(21,720)	(291)
Total other income (expenses)	(655,570)	(609,322)	(5,463)
Finance Income (Costs) (Notes 2 and 9)			
Interest income	33,120	33 644	276
Dividend income	114,070	124 026	951
Interest expense (Note 18)	(50,229)	(49,176)	(419)
Total finance income (costs)	96 961	108,494	808
Share of Profit of Investments Accounted for Using the Equity Method (Notes 2, 6 and 7)	144,596	171,239	1,205
Profit before Income Taxes	431,827	550,517	3,599
Income Taxes (Notes 2 and 26)	(104,903)	(176,654)	(875)
Profit for the Year	¥ 326,924	¥ 373,863	$ 2,724
Profit for the Year Attributable to			
Owners of the parent	¥ 306,490	¥ 350,093	$ 2,554
Non-controlling interests	20,434	23,770	170

	Yen		U S Dollars (Note 2)
Earnings per Share Attributable to Owners of the Parent (Notes 2 and 22)			
Basic	¥ 170.98	¥ 192.22	$ 1.42
Diluted	¥ 170.95	¥ 192.21	$ 1.42

See notes to consolidated financial statements

Consolidated Statements of Comprehensive Income
Mitsui & Co , Ltd and subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of Yen		Millions of U S Dollars (Note 2)
	2015	2014	2015
Comprehensive Income			
Profit for the year	¥ 326,924	¥ 373,863	$ 2,724
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at FVTOCI (Notes 2 and 9)	(57,039)	76,202	(475)
Remeasurements of defined benefit pension plans (Notes 2 and 19)	20,045	(9,676)	167
Share of other comprehensive income of investments accounted for using the equity method (Note 6)	(3,612)	622	(30)
Income tax relating to items not reclassified (Note 20)	42,045	(12 915)	350
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation adjustments (Notes 2 and 9)	38,078	20,022	317
Cash flow hedges (Notes 2 and 9)	(11,871)	6,699	(99)
Share of other comprehensive income of investments accounted for using the equity method (Note 6)	83,900	112 522	699
Reclassification adjustments	(19,372)	(6,477)	(161)
Income tax relating to items that may be reclassified (Note 20)	20,174	(3,889)	168
Total other comprehensive income	112 348	183,110	936
Comprehensive Income for the Year	¥ 439,272	¥ 556,973	$ 3,660
Comprehensive Income for the Year Attributable to			
Owners of the parent	¥ 406,583	¥ 521,457	$ 3,388
Non-controlling interests (Note 20)	32,689	35,516	272

See notes to consolidated financial statements

Consolidated Statements of Changes in Equity
Mitsui & Co , Ltd. and subsidiaries
Years Ended March 31, 2015 and 2014

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, 2013	¥ 341,482	¥ 428,552	¥ 2,060,298	¥ 614,783	¥ (5,974)	¥ 3,439,141	¥ 245,848	¥ 3,684,989
Profit for the year			350,093			350,093	23,770	373,863
Other comprehensive income for the year (Notes 2, 9 and 20)				171,364		171,364	11,746	183,110
Comprehensive income for the year						521,457	35,516	556,973
Transaction with owners								
Dividends paid to the owners of the parent (per share ¥46)			(83,957)			(83,957)		(83,957)
Dividends paid to non-controlling interest shareholders							(18,981)	(18,981)
Acquisition of treasury stock					(50,217)	(50,217)		(50,217)
Sale of treasury stock			0		51	51		51
Equity transactions with non-controlling interest shareholders (Notes 2 and 20)		(10,548)		(160)		(10,708)	22,154	11,446
Transfer to retained earnings (Notes 2 and 20)			19,356	(19,356)		–		–
Balance as at March 31, 2014	¥ 341,482	¥ 418,004	¥ 2,345,790	¥ 766,631	¥ (56,140)	¥ 3,815,767	¥ 284,537	¥ 4,100,304
Profit for the year			306,490			306,490	20,434	326,924
Other comprehensive income for the year (Notes 2, 9 and 20)				100,093		100,093	12,255	112,348
Comprehensive income for the year						406,583	32,689	439,272
Transaction with owners								
Dividends paid to the owners of the parent (per share ¥66)			(118,305)			(118,305)		(118,305)
Dividends paid to non-controlling interest shareholders							(13,900)	(13,900)
Acquisition of treasury stock					(25)	(25)		(25)
Sale of treasury stock			0		28	28		28
Cancellation of treasury stock (Note 20)			(50,191)		50,191	–		–
Compensation costs related to stock options (Note 21)		215				215		215
Equity transactions with non-controlling interest shareholders (Notes 2 and 20)		(6,338)		1,870		(4,468)	(5,747)	(10,215)
Transfer to retained earnings (Notes 2 and 20)			54,031	(54,031)		–		–
Balance as at March 31, 2015	¥ 341,482	¥ 411,881	¥ 2,537,815	¥ 814,563	¥ (5,946)	¥ 4,099,795	¥ 297,579	¥ 4,397,374

Millions of U S Dollars (Note 2)	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 March 31, 2014	$ 2,846	$ 3,483	$ 19,548	$ 6,389	$ (468)	$ 31,798	$ 2,371	$ 34,169
Profit for the year			2,554			2,554	170	2,724
Other comprehensive income for the year (Notes 2, 9 and 20)				834		834	102	936
Comprehensive income for the year						3,388	272	3,660
Transaction with owners								
Dividends paid to the owners of the parent (per share $0 55)			(986)			(986)		(986)
Dividends paid to non-controlling interest shareholders							(115)	(115)
Acquisition of treasury stock					(0)	(0)		(0)
Sale of treasury stock			0		0	0		0
Cancellation of treasury stock (Note 20)			(418)		418	–		–
Compensation costs related to stock options (Note 21)		2				2		2
Equity transactions with non-controlling interest shareholders (Notes 2 and 20)		(53)		16		(37)	(48)	(85)
Transfer to retained earnings (Notes 2 and 20)			450	(450)		–		–
Balance as at March 31, 2015	$ 2,846	$ 3,432	$ 21,148	$ 6,789	$ (50)	$ 34,165	$ 2,480	$ 36,645

See notes to consolidated financial statements

Consolidated Statements of Cash Flows
Mitsui & Co., Ltd. and subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of Yen		Millions of U S Dollars (Note 2)
	2015	2014	2015
Operating Activities (Note 29)			
Profit for the Year	¥ 326 924	¥ 373,863	$ 2,724
Adjustments to reconcile profit for the year to cash flows from operating activities			
Depreciation and amortization	268 367	219 147	2,236
Change in retirement benefit liabilities	(3 787)	1,121	(32)
Provision for doubtful receivables	17 041	10 215	142
(Gain)/loss on securities and other investments—net	(42 458)	(30,816)	(354)
Impairment loss of fixed assets	79,948	59,966	666
(Gain)/loss on disposal or sales of fixed assets—net	(1 446)	(16,419)	(12)
Finance (income)/costs—net	(86,694)	(101,451)	(722)
Income taxes	104,903	176,654	874
Share of profit of investments accounted for using equity method	(144,596)	(171 239)	(1 205)
Changes in operating assets and liabilities			
Change in trade and other receivables	159 674	(44 457)	1,331
Change in inventories	(161)	(13 508)	(1)
Change in trade and other payables	(52,092)	(51 883)	(434)
Change in derivative assets and liabilities	(95,596)	(58 856)	(796)
Other—net	(33,477)	9 025	(279)
Interest received	38,291	26 817	319
Interest paid	(49,906)	(51 283)	(416)
Dividends received	291 593	277,305	2 430
Income taxes paid	(136 561)	(164 958)	(1,138)
Cash flows from operating activities	639,967	449 243	5 333
Investing Activities (Note 29)			
Change in time deposits	(4,736)	707	(40)
Investments in and advances to equity accounted investees	(278,977)	(268 298)	(2 325)
Proceeds from sales of investments in and collection of advances from equity accounted investees	123,622	63 541	1 030
Purchases of other investments	(68 157)	(165 784)	(568)
Proceeds from sales and maturities of other investments	128 232	158 604	1,069
Increase in long-term loan receivables	(1,963)	(34 281)	(16)
Collections of long-term loan receivables	62 009	32,318	517
Purchases of property, plant, equipment and investment property	(378,374)	(406 516)	(3,153)
Proceeds from sales of property plant, equipment and investment property	31,947	49 629	266
Acquisitions of subsidiaries or other businesses	-	(98,321)	-
Sales of subsidiaries or other businesses	-	8,583	-
Cash flows from investing activities	(386,397)	(659 818)	(3 220)
Financing Activities (Note 29)			
Change in short-term debt	(181,841)	(85 141)	(1 515)
Proceeds from long-term debt	752,182	746 792	6 268
Repayments of long-term debt	(554 949)	(537 806)	(4 624)
Purchases and sales of treasury stock	(23)	(50 216)	(0)
Dividends paid	(118,323)	(83,970)	(986)
Transactions with non-controlling interests shareholders	(23 239)	(2 896)	(194)
Cash flows from financing activities	(126,193)	(13,237)	(1,051)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	47 076	17 595	392
Change in Cash and Cash Equivalents	174 453	(206 217)	1 454
Cash and Cash Equivalents at Beginning of Year	1,226,317	1 432,534	10,219
Cash and Cash Equivalents at End of Year	¥ 1,400,770	¥ 1,226 317	$ 11,673

See notes to consolidated financial statements

1 REPORTING ENTITY

Mitsui & Co , Ltd (the "Company") is a company incorporated in Japan The consolidated financial statements of the Company have an annual closing date as of March 31 and comprises the financial statements of the Company, its subsidiaries, and the interests in associated companies and joint ventures (collectively, the "equity accounted investees")

The Company and its subsidiaries, as sogo shosha or general trading companies, are engaged in business activities, such as trading in various commodities, financing for customers and suppliers relating to such trading activities worldwide, and organizing and coordinating industrial projects through their worldwide business networks

The Company and its subsidiaries conduct sales, export, import, offshore trades and manufacture of products in the areas of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle," and "Innovation & Corporate Development," while providing general services for retailing, information and communications, technical support, transportation, and logistics and financing

In addition to the above, the Company and its subsidiaries are also engaged in the development of natural resources such as oil and gas, and iron and steel raw materials and in strategic business investments in new areas such as information technology, renewable energy, and environmental solution business

2. BASIS OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

II. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Japanese yen, which is the functional currency of the Company, and all financial information presented in Japanese yen has been rounded to the nearest million

The translation of Japanese yen amounts into U S dollar amounts for the year ended March 31, 2015 is included solely for the convenience of readers outside Japan and has been made at the rate of ¥120=U S $1, the approximate rate of exchange at March 31, 2015 The translation should not be construed as a representation that the Japanese yen amounts could be converted into U S dollars at the above or any other rate

III. BASIS OF MEASUREMENT

The consolidated financial statements have been prepared under the historical cost basis except for the items such as financial instruments, asset and liability related to definite benefit pension plans, and a part of inventories as explained in V SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IV. USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements requires management to make judgments based on assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses Actual results could differ from these judgments and estimates The judgments based on assumptions and estimates are reviewed on an ongoing basis
Main assumptions and estimates that affect consolidated financial statements significantly are as follows

- Revaluation for financial instruments (See Note 9 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS," and Note 27 "FAIR VALUE MEASUREMENT")

- Impairment and its reversal of assets (See Note 6 "INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD," Note 12 "PROPERTY, PLANT AND EQUIPMENT," and Note 14 "INTANGIBLE ASSETS")
- Provisions (See Note 18 "PROVISIONS")
- Measurement in defined benefit obligation (See Note 19 "EMPLOYEE BENEFITS")
- Recoverability of deferred tax assets (See Note 26 "INCOME TAXES")

The change of judgments based on assumptions and estimates which could affect the accompanying consolidated financial statements is mainly as the following

- Measurement of the recoverable amount of fixed assets (See Note 12 "PROPERTY, PLANT AND EQUIPMENT")

Main information about the judgments taken for the application of the accounting policies which have an impact on consolidated financial statements, are as follows

- Scope of consolidated subsidiaries, associated companies, and joint ventures (See Note 5 "CONSOLIDATED SUBSIDIARIES" and Note 6 "INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD")
- Accounting for leases businesses (See Note 10 "LEASES")

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements include the accounts of the Company, its subsidiaries (which were controlled directly or indirectly through voting or similar rights), and structured entities ("SEs"), collectively the "companies," where the Company or one of its subsidiaries have control SEs are entities controlled through other means than voting or similar rights The word "control" is used per its definition in IFRS 10 "Consolidated Financial Statements," so that the companies consider all facts and circumstances including the existing rights and substantive rights included within the agreements with the investees

The consolidated financial statements include financial statements of certain subsidiaries with different fiscal year-ends from that of the Company, as the company considers it impracticable to unify the fiscal year-ends of such subsidiaries with that of the Company

Major consolidated subsidiaries with different fiscal year-ends include subsidiaries that operate exploration, development and production of oil and gas As the Company is a non-operator in such operations and the financial information is prepared by the operators, the Company is unable to obtain necessary information from the operators in time for the preparation of the Company's consolidated financial statements as of March-end For the same reasons, it is also impracticable to prepare additional financial statements for these subsidiaries as of the same date as the Company's year-end date Therefore, financial information for such subsidiaries as of their fiscal year-end of December 31 is included in the Company's consolidated results

There are other consolidated subsidiaries for which it is also considered impracticable to unify their fiscal year-ends with that of the Company's due to certain facts and circumstances such as the requirement of local laws and regulations, the local business practices, the environment surrounding the accounting system The fiscal year-ends of such consolidated subsidiaries are mainly the end of December

Adjustments are made for the effects of significant transactions or events that occur between the ends of the fiscal years of such consolidated subsidiaries and that of the Company

Changes in the companies' ownership interests that are made while retaining their controlling financial interests in their subsidiaries are accounted for as equity transactions When the companies cease to have their controlling financial interests, any retained investments are measured at their fair value at that date, and the difference between the fair value and the carrying amount of the retained non-controlling investments is recognized as gain (loss) on securities and other investments—net

Investments in associated companies and joint arrangements

Associated companies are the entities over which the Company and its subsidiaries own 20% or more of the voting rights and cannot be clearly demonstrated to be unable to exercise significant influence over the financial and operating policy decisions of the investees, or those whereby the companies have the ability to exercise significant influence despite holding less than 20% ownership Investments in associated companies are accounted for using the equity method

Joint arrangements are arrangements in which decisions about the relevant activities require the unanimous consent of the parties sharing control When the parties that have joint control of the arrangement substantially have rights to the assets and obligations for the liabilities, relating to the arrangement, the arrangement is a joint operation, and when an arrangement is structured through a separate vehicle and the parties that have joint control of the arrangement have rights to the net assets of the arrangement, the arrangement is classified as a joint venture A joint operation is accounted for by recognizing the assets, liabilities, revenues and expenses relating to its interest in a joint operation A joint venture is accounted for using the equity method

Robe River Iron Associates (Mitsui's percentage of ownership 33%), which conducts iron ore mining activity in Australia, is a major joint operation

The consolidated financial statements include some associated companies, joint ventures and joint operations with different fiscal year-ends from that of the Company because it is impracticable to unify the fiscal year-ends due to the requirement of local laws and regulations and relationships with other shareholders, and it is also impracticable to prepare additional financial statements as of the same date as the financial statements of the companies due to certain factors such as the local business practices and the environment surrounding the accounting system The fiscal year-ends of associated companies, joint ventures and joint operations are generally December 31
Adjustments are made for the effects of significant transactions or events that occur due to differences of fiscal year-ends

The companies discontinue the use of the equity method from the date when the investment ceases to be an associated company or a joint venture Any retained investments are measured at their fair value at that date, and the difference between the fair value and the carrying amount of the retained investments is recognized as gain (loss) on securities and other investments—net Regarding impairment of investments in equity accounted investees, please refer to "*Impairment of non-financial assets and investments accounted for using the equity method*"

Business combinations

In accordance with IFRS 3 "Business Combinations," all business combinations on or after April 1, 2012, the date of translation to IFRS, are accounted for using the acquisition method, where all assets and liabilities of an acquired company, including non-controlling interests, are measured at fair value The differences between consideration transferred and the net fair value of identifiable assets and liabilities are recognized as goodwill when the consideration transferred is in excess of the net fair value of identifiable assets and liabilities If the net fair value of identifiable assets and liabilities exceed the consideration transferred, the excess is recognized immediately in profit for the year

Foreign currency translation

The assets and liabilities of foreign subsidiaries and equity accounted investees are translated into Japanese yen using the spot exchange rate at the respective reporting date All income and expense accounts are translated into Japanese yen using average rates of exchange for the respective reporting period The resulting translation adjustments are recognized in other components of equity

Foreign currency transactions are translated into functional currencies of individual companies using the spot exchange rate at the date of transactions At the end of each reporting period, monetary assets and liabilities, and non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated into functional currencies using the spot exchange rate at the reporting date and exchange differences arising from translation are recognized in profit for the year

Non-monetary items measured at historical cost denominated in foreign currencies are translated using the spot exchange rate at the date of transaction

Cash equivalents

Cash equivalents are defined as short-term (original maturities of three months or less), highly liquid investments which are readily convertible into cash and have no significant risk of change in value, including certificates of deposit, time deposits, financing bills and commercial papers with original maturities of three months or less

Inventories

Inventories, consisting mainly of commodities and materials for sale, are measured at the lower of cost and net realizable value The cost of inventory of items that are not ordinarily interchangeable are assigned by using specific identification of their individual costs For those items which are interchangeable, the costs are mainly assigned by using the weighted average cost formula Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value less costs to sell, and changes in fair value less costs to sell are recognized in profit for the year

Financial instruments

The companies early adopted IFRS 9 "Financial Instruments" (amended in October 2010) prior to April 1, 2014 and early adopt IFRS 9 "Financial Instruments" (amended in November 2013) from April 1, 2014 Accordingly, the companies have accounted for all hedging relationships designated on or after April 1, 2014 based on the requirements of IFRS 9 "Financial Instruments" (amended in November 2013)

Non-derivative financial assets

Trade and other receivables are recognized at fair value on initial recognition and regular purchases of other financial assets are recognized on the trade date These financial assets are derecognized if they satisfy any of the following conditions

-the contractual rights to the cash flows from the financial asset have expired, or

-the contractual rights to receive the cash flows of the financial asset have been transferred and substantially all risks and rewards of the ownership of the financial asset have been transferred

Non-derivative financial assets are classified and measured as follows

Non-derivative financial assets that are debt instruments are measured at amortized cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding Amortized cost is calculated by using the effective interest rate method For financial assets measured at amortized cost, the companies consider if impairment occurred Please see *Impairment of financial assets* regarding impairment

Equity financial instruments and non-derivative financial assets that do not satisfy the requirements to be measured at amortized cost are measured at fair value through profit or loss ("FVTPL") However, for certain equity financial instruments held primarily for the purpose of enhancing the revenue base by maintaining or strengthening the trade relationship with the investees, the companies elect at initial recognition to designate these instruments as at fair value through other comprehensive income ("FVTOCI")

When financial assets measured at FVTOCI are derecognized, the accumulated other components of equity are directly reclassified to retained earnings without being recognized in profit for the year Dividend income received on financial assets measured at FVTOCI is mainly recognized in profit for the year

Non-derivative financial liabilities

The companies have non-derivative financial liabilities including corporate bonds and loans payable, trade and other payables, and other financial liabilities Corporate bonds issued by the companies are

recognized at fair value on the issue date and all other non-derivative financial liabilities are recognized at fair value on the trade date Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost
The companies derecognize a non-derivative financial liability only when it is extinguished, that is, the underlying obligation specified in the contract is discharged, cancelled or expires

Impairment of financial assets

For financial assets measured at amortized cost, the companies recognize allowance for doubtful receivables on an individual basis for certain receivables if there is an objective evidence of a loss event based on the latest information or events such as in the case where the debtor is under legal reorganization and in financial failure or has a serious problem in repaying debts due to financial difficulty, although it is not yet in financial failure Impairment losses are measured by using the present value of expected future cash flows, discounted at the effective interest rate based on the original terms of the contract, or, at fair value of the collateral if their value depends on the collateral and comparing the resulting value to the carrying value of the financial asset with the difference between recognized in profit for the year

Similarly, debt securities measured at amortized cost are assessed for impairment, and impairment losses are directly deducted from the carrying amount Impairment losses are recognized in profit for the year After an impairment loss is recognized, interest income continues to be recognized on the reduced carrying amount using the same discount rate used to discount the expected future cash flows when the impairment loss was measured

If the fair value of previously impaired receivables or debt securities measured at amortized cost subsequently recovers due to factors occurring after the recognition of impairment, a reversal of impairment loss is recognized in profit for the year The reversal amount is directly added to the carrying amount for debt securities, or deducted from related provision for receivables The carrying amount after a reversal of impairment loss cannot exceed the carrying amount that would have been, had the impairment loss not been recognized in prior years

Other than the cases above, as for the corporate businesses, an allowance for doubtful receivables is measured collectively based primarily upon the companies' historical credit loss experiences and an evaluation of the potential losses for all receivables As for the retail finance business, some subsidiaries engaged in the business of providing financial services for the purchase of automobiles and motorcycles have credit risks relating to retail customers Those subsidiaries record an allowance for doubtful receivables collectively based on each subsidiaries' historical credit loss ratio based on dates past due of the receivables considering the current economic situation

Loans and trade receivables are written off when certain conditions are met The following are examples of when loans and trade receivables are charged-off cutoff of loans and receivables by legal liquidation, obtainment of evident facts that suggest that it is impossible for the debtors to repay their debts from their perceived solvency and/or asset situation, and arrearage of payment after a certain period of time after a suspension of business operations

Finance income and costs

Finance income and costs consist of items such as interest income, interest expense, dividends received and gain or loss on hedging instruments recognized in profit for the year Interest income and interest expense are recognized using the effective interest method Dividend income is recognized on the date when the rights of the companies to received dividends vest See "*Derivative instruments and hedging activities*" for the accounting for gains or losses arising from hedging instruments

Derivative instruments and hedging activities

The companies are exposed to market risks related to foreign currency exchange rates, interest rates and commodity prices in the ordinary course of business In order to mitigate or reduce these risks, the companies use derivative instruments, such as foreign exchange forward contracts, currency swap agreements, interest rate swap agreements, commodity futures, forwards, options and swap contracts, to hedge the exposure to changes in the fair value or expected future cash flows of recognized assets and liabilities, unrecognized firm commitments or forecasted transactions The companies also use derivative instruments and non-derivative financial instruments, such as foreign-currency-

denominated debt, to hedge the foreign currency exposure in the net investments in foreign operations

The companies recognize all derivative instruments as an asset or a liability at fair value as at the date on which they become party to the relevant agreement Subsequent to initial recognition, derivative instruments are measured at fair value with any changes in fair value accounted for as follows

- Fair value hedges
  Derivative instruments held for the purpose of eliminating the risk of changes in the fair value of hedged items are designated as fair value hedges and subject to the assessment of hedge effectiveness To the extent that they satisfy the requirements for hedge accounting, the companies include the gain or loss on the hedged items in the same line item as the offsetting loss or gain on the derivative instruments designated as hedging instruments mainly as interest expense

- Cash flow hedges
  Derivative instruments held for the purpose of offsetting the variability in cash flows of the hedged items are designated as cash flow hedges To the extent that they are effective, any changes in fair value are recognized in other comprehensive income until cash flows of the hedged item affect gain or loss The amounts previously recognized in other comprehensive income are reclassified into profit for the year mainly as interest expense and other income (expense)–net when earnings are affected by the hedged items

- Hedges of net investments in foreign operations
  The foreign currency transaction gain or loss on the derivative instrument and the non-derivative financial instrument that are designated as, and are effective as, hedging instruments to reduce the foreign currency exposure of a net investment in a foreign operation are recorded as foreign currency translation adjustments within other comprehensive income to the extent they are effective as a hedge The amounts in other components of equity are reclassified into profit for the year mainly as gain (loss) on securities and other investments—net when the related investment is sold completely or partially, or the liquidation of the investment is completed The ineffective portion of the hedging instruments' gain or loss and the component of the derivative instruments' gain or loss excluded from the assessment of hedge effectiveness are recorded in profit for the year mainly as other income (expenses)-net immediately

- Derivative instruments for trading purposes
  The Company and certain subsidiaries use derivative instruments for trading purposes within certain position and loss limits Derivative instruments for trading purposes are measured at fair value and changes in fair value are recorded in profit for the year as other revenue

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts and intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously

Leasing

The companies are engaged in finance and operating leases businesses For finance leases, unearned income is amortized to income over the lease term at a constant periodic rate of return on the net investment Operating lease income is recognized as revenue over the term of underlying leases on a straight-line method

The companies are also lessees of various assets Lease expenses on operating leases are recognized over the respective lease terms using the straight-line method

Property, plant and equipment

Property, plant and equipment are measured based on the cost model and are stated at cost less accumulated depreciation and impairment losses

Depreciation of property, plant and equipment, except for land and projects in progress, is computed principally under the straight-line method, using rates based on the estimated useful lives of the related assets The estimated useful lives for buildings, equipment and fixtures, vessels and aircrafts are primarily 2 to 52 years, 3 to 30 years, and 8 to 20 years, respectively Mineral rights are primarily amortized using the unit-of-production method

Investment property

Investment property is measured by using the cost model and is stated at cost less accumulated depreciation and impairment losses Depreciation of investment property is computed principally under the straight-line method, using rates based upon the estimated useful lives of the related investment property The estimated useful lives for investment properties are primarily 2 to 50 years

Intangible assets

Intangible assets include goodwill arising from the acquisition of subsidiaries
Intangible assets are measured based on the cost model and intangible assets with finite estimated useful lives are stated at cost less accumulated amortization and impairment losses Goodwill and intangible assets with indefinite estimated useful lives are not amortized and are presented at cost less accumulated impairment losses
The software is primarily amortized over 5 years using the straight-line method

Impairment of non-financial assets and investments accounted for using the equity method

Non-financial assets and investments accounted for using the equity method are assessed to determine whether there is any indication of impairment at respective reporting date If any such indication exists, the recoverable amounts of the non-financial asset and the investment are estimated Goodwill and intangible assets with indefinite useful lives are tested for impairment annually For investments accounted for using the equity method, the entire carrying amount of the investment is tested for impairment as a single asset
The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, when the asset generates cash inflows that are largely independent of those from other assets or groups of assets
Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and the carrying amount is written down to its recoverable amount with impairment loss recognized in profit or loss For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication of impairment that previously recognized impairment losses may no longer exist or may have decreased A previously recognized impairment loss is reversed as income in profit and loss to the extent that the increased carrying amount of an asset does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss recognized for the asset in prior years only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized An impairment loss recognized for goodwill is not reversed

Oil and gas producing activities

Oil and gas exploration and development costs are accounted for using the successful effort method of accounting The costs of acquiring properties, costs of drilling and equipping exploratory wells, and costs of development wells and related plant and equipment are capitalized, and amortized using the unit-of-production method Exploratory well costs are expensed if economically recoverable reserves are not found Other exploration costs, such as geological and geophysical costs, are expensed as incurred

Proved properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable If the proved properties are determined to be impaired, an impairment loss is recognized based on the recoverable amount Unproved properties are assessed whenever there is an indication of impairment, and if the unproved properties are determined to be impaired, impairment losses are charged to expense The companies make a comprehensive evaluation and record impairment of unproved property based on various factors, such as remaining mining rights periods, examples of sales and purchases in neighboring areas, drilling results and seismic interpretations

Mining operations

Mining exploration costs are expensed as incurred until the mining project has been established as commercially viable by a final feasibility study Once established as commercially viable, costs are capitalized as development costs and are amortized using either the unit-of-production method or straight-line method based on the proven and probable reserves
In surface mining operations, it is necessary to remove overburden and other waste materials to access mineral deposits The costs of removing waste materials are referred to as "stripping costs " During the development of a mine, before production commences, such costs are generally capitalized as part of the development costs Removal of waste materials continues during the production stage of the mine Such post-production stripping costs in relation to mineral produced during the fiscal year are variable production costs to be considered as a component of mineral inventory costs and are recognized as a component of costs in the same period as the related revenues from the sales of the minerals On the other hand, post-production stripping costs incurred that relate to mineral to be produced in the subsequent fiscal year are capitalized, and are amortized using either the unit-of-production method or straight-line method based on the proved and probable reserves

Provisions

Provisions are recognized when the companies have a present obligation (legal or constructive) as a result of a past event, it is probable that outflows of resources embodying economic benefits will be required to settle the obligation, and the reliable estimates of the amount of the obligations can be made Provisions are measured as the best estimate of the amount of expenditure required to settle the present obligation at the end of the reporting period If the effect of the time value of money is material, provisions are discounted to their present value using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability The unwinding of the discount is recognized as finance costs

Asset retirement obligations

The companies recognize costs of dismantling and removing assets mainly related to mining and oil and gas production facilities, and the companies record the provision for an asset retirement obligation in the period in which it is incurred When the liability is initially recorded, the companies capitalize the related cost by increasing the carrying amount of the asset Over time, the liability is increased to its present value to reflect the passage of time by unwinding the discount each period, and the capitalized cost is depreciated over the useful life of the related asset

Employee benefits

The Company and certain subsidiaries have defined benefit pension plans and severance indemnity plans The costs of defined benefit pension plans and severance indemnity plans are accrued based on amounts determined using actuarial procedures based on the projected unit credit method The Company and certain subsidiaries recognize the overfunded or underfunded status of a defined benefit plan as an asset or a liability in the consolidated statements of financial position The remeasurements of defined benefit pension plans are recognized immediately in other components of equity in equity and are transferred to retained earnings on recognition

The Company and certain subsidiaries also have defined contribution pension plans Payments to defined contribution pension plans are recognized as an expense when employees have rendered service

Revenue recognition

Revenue is recognized as follows

<u>*Sales of products*</u>

Revenues from sale of products include those arising from the sale of various products as a principal in the transactions, the manufacture and sale of a wide variety of products such as metals, chemicals, foods and general consumer merchandise, the development of natural resources such as coal, iron ore, oil and gas, and the development and sale of real estate The companies recognize those revenues at the time the delivery and when conditions agreed upon with customers are satisfied These conditions

are usually considered to have been met when the goods are received by the customer, the title to the warehouse receipts is transferred, or the implementation testing is duly completed

For long-term construction contracts such as railroad projects, depending on the nature of the contract, revenue is accounted for by the percentage-of-completion method if the outcome of a construction contract can be estimated reliably, otherwise the companies recognize revenues only to the extent that contract costs incurred are probable to be recovered Under the percentage-of-completion method, the stage of completion of a construction contract is determined based on the proportion of costs incurred for the contract works to date to the total estimated contract costs

The Company and certain subsidiaries enter into buy/sell arrangements, mainly relating to transactions of crude oil and petroleum products Under buy/sell arrangements, which are entered into primarily to optimize supply or demand requirements, the Company and certain subsidiaries agree to buy (sell) a specific quality and quantity of commodities to be delivered at a specific location and/or time while agreeing to sell (buy) the same quality and quantity of the commodities to be delivered at a different location and/or time to the same counterparty The buy/sell arrangements are reported on a net basis in the consolidated statement of income

Rendering of services

Revenues from rendering of services include those arising from trading margins and commissions related to various trading transactions in which the companies act as a principal or an agent Specifically, the companies charge a commission for the performance of various services such as logistic and warehouse services, information and communication services, and technical support For some back-to-back sales and purchase transactions of products, the companies act as a principal and record the net amount of sales and purchase prices as revenues The companies also facilitate conclusion of the contracts between manufacturers and customers and deliveries for the products between suppliers and customers Revenues from service related businesses are recorded as revenue when the contracted services are rendered to third-party customers pursuant to the agreements

Other revenue

Other revenues principally include the revenues from leasing activities of real estate, rolling stock, ocean transport vessels, aircraft, equipment and others, the revenues from derivative commodity instruments and derivative financial instruments held for trading purposes, and the revenues from financing See accounting policies for "*Leasing*" and "*Derivative instruments and hedging activities*" for the revenue recognition policies regarding leasing and derivative transactions, respectively

Income taxes

Income taxes comprise current taxes and deferred taxes Income tax expense is calculated based on profit before income taxes Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and their tax bases, tax loss carryforwards and tax credit carryforwards These deferred income taxes are measured using the currently enacted or substantively enacted tax rates in effect for the year in which the temporary differences, tax loss carryforwards or tax credit carryforwards are expected to reverse Deferred tax assets are recognized except for cases where such deferred tax assets are not recoverable

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and equity accounted investees, unless the companies are able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future Deferred tax assets and liabilities are measured at the tax rates that are applicable to the expected manner of recovery or settlement by the management

Upon the introduction of the Expansion of the Petroleum Resource Rent Tax Act in Australia, companies are allowed to elect to use market value as a starting base for existing transitional projects at May 1, 2010 A company electing to use the market value approach can obtain a deduction for the amortization of the market value of the project The Company's Australian subsidiaries and equity accounted investees apply the market value approach The Petroleum Resource Rent Tax is regarded as an income tax subject to tax effect accounting in accordance with IAS 12 "Income Taxes," and deferred tax assets have been recognized for the operating assets based on the difference in the book values for financial reporting purposes and their tax bases except for the portion that are deemed not to be

recoverable In judgment of recoverability, several tax deductible items such as royalties and the impact of future augmentation, which will be incurred on tax losses carried forward in the Petroleum Resource Rent Tax, has been considered

The Australian Mineral Resource Rent Tax Act was regarded as an income tax subject to tax effect accounting in accordance with IAS 12 "Income Taxes," and deferred tax assets were recognized for the difference between the book values of the operating assets for financial reporting purposes and their tax bases based on the market value approach except for the portion that was deemed not to be recoverable Such difference subject to tax effect accounting has been reversed upon the abolition of the Mineral Resource Rent Tax Act at September 5, 2014

The companies recognize uncertain tax positions in income taxes in the consolidated financial statements when it is probable that an economic outflow would occur if the tax positions were examined and challenged by tax authorities

Earnings per share

Basic earnings per share attributable to owners of the parent is computed by dividing profit attributable to owners of the parent by the weighted-average number of common stock outstanding during the reporting period, adjusted for the number of treasury stock acquired Diluted earnings per share attributable to owners of the parent reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock

VI. STANDARDS AND INTERPRETATIONS NEWLY APPLIED

Effective April 1, 2014, the companies applied the following new standards and interpretation for consolidated financial statements Potential impacts on consolidated financial statements of application of these are immaterial

IFRS	Title	Summaries
IFRIC 21	Levies	Clarification of accounting for levies
IAS 36	Impairment of Assets	Clarification of recoverable amount disclosures for non-financial assets
IFRS 9	Financial Instruments Hedge Accounting	Comprehensive amendments of requirements for hedge accounting

VII NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The new standards, interpretations, and amendments that have been issued as of the date of the approval for the consolidated financial statements which the companies have not yet applied as of March 31, 2015, are mainly as follows Potential impacts that application of these will have on the consolidated financial statements cannot be reasonably estimated

IFRS	Title	Reporting periods beginning on or after which the applications are required	Reporting periods of the application by the companies (The reporting period ended)	Summaries of new IFRS and amendments
IFRS11	Joint Arrangements	January 1, 2016	March 31, 2017	Clarification of accounting for acquisitions of interests in joint operations
IAS16	Property, Plant and Equipment	January 1, 2016	March 31, 2017	Clarification that revenues cannot be the basis of depreciation and amortization
IAS38	Intangible Assets	January 1, 2016	March 31, 2017	
IFRS15	Revenue from Contracts with Customers	January 1, 2017	March 31, 2018	Accounting for recognizing revenue from contracts with customers
IFRS9	Financial Instruments	January 1 2018	March 31, 2019	Implementation of expected credit loss model for the recognition of impairment losses of financial instruments

VIII. RECLASSIFICATION

Certain reclassifications and format changes have been made to prior year amounts to conform to the current year presentation

3 BUSINESS COMBINATIONS

For the year ended March 31, 2015

No material business combinations were completed during the year ended March 31, 2015

For the year ended March 31, 2014

Total E&P Energia Italia S.r.l

On March 18, 2013, Mitsui E&P Italia A S r l, an 89 34% owned subsidiary of the Company, entered into a definitive agreement with Total E&P Italia S p A, to acquire all shares of Total E&P Energia Italia S r l which owns a 25% participating interest in the Tempa Rossa onshore oil field in the Gorgoglione concession in Italy, for the purpose of establishing a well-balanced business portfolio and to contribute to the stable supply of energy resources in the region This acquisition for ¥98,321 million (€757 million) was closed on June 21, 2013

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date

	Millions of Yen	
Current assets	¥	4,491
Property, plant and equipment		101,556
Intangible assets		19,141
Total assets acquired		125,188
Current liabilities		(409)
Non-current liabilities		(26,458)
Total liabilities assumed		(26,867)
Net assets acquired	¥	98,321

Intangible assets are goodwill arising from the above business combination The goodwill mainly derives from a deferred tax liability based on the difference in the net fair value of assets acquired and liabilities assumed by the above business combination and their book value for tax purpose The goodwill is non-deductible for tax purpose and has been assigned to the Energy Segment

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 ¥98,321 million arising from the above business combination is included in acquisitions of subsidiaries or other businesses in the Consolidated Statements of Cash Flows for the year ended March 31, 2014

4 ASSETS HELD FOR SALE

Mitsui & Co Steel Ltd ("Mitsui Steel"), Metal One Corporation and Metal One Structural Steel & Resource Corporation reached an agreement to integrate its domestic construction steel and metal scrap business to Metal One Structural Steel & Resource Corporation for the purpose of responding to changes in the business environment Therefore, as of September 30, 2014, a part of the assets and liabilities of Mitsui Steel were presented as single line items in the assets held for sale and liabilities directly associated with assets held for sale account, with amounts ¥111,373 million and ¥58,167 million, respectively These accounts mostly consist of "Trade and other receivables" and "Trade and other payables " This integration was closed on November 1, 2014, and the integrated company became a 50% owned joint venture of Mitsui Steel Therefore, as of March 31, 2015, these accounts are reclassified to the investments accounted for using the equity method This transaction is included in the Iron & Steel Products Segment

5. CONSOLIDATED SUBSIDIARIES

Consolidated subsidiaries

Major consolidated subsidiaries as of March 31, 2015 were as follows

Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of voting shares (%)
Mitsui Oil Exploration Co , Ltd	Exploration, development and production of oil and natural gas	Japan Tokyo	74 3
Mitsui Iron Ore Development Pty Ltd	Mining and sales of Australian iron ore	Australia Perth	100 0
Mitsui-Itochu Iron Pty Ltd	Mining and sales of Australian iron ore	Australia Perth	70 0
Mitsui E&P Middle East B V	Exploration, development and production of oil and natural gas	Netherlands Amsterdam	100 0
Mitsui Iron Ore Corporation Pty Ltd	Mining and sales of Australian iron ore	Australia Perth	100 0
MITSUI & CO LNG INVESTMENT LIMITED	Investment in LNG projects	United Kingdom London	100 0
Mitsui Sakhalin Holdings B V	Investment in Sakhalin Energy Investment Company Ltd	Netherlands Amsterdam	100 0
Mitsui & Co (U S A), Inc	Trading	U S A New York	100 0
Mitsui & Co Financial Services Ltd	Financing services within the Group	Japan Tokyo	100 0
Oriente Copper Netherlands B V	Investment in and loan to copper business in Chile through Inversiones Mineras Acrux SpA	Netherlands Amsterdam	100 0

Restrictions on transferring cash or others within consolidated group

There are no significant restrictions on transferring cash or other assets in the form of dividends or loans and settling liabilities within the company, consolidated subsidiaries and equity accounted investees

Changes in owners of parent's ownership interests due to the deconsolidation of subsidiaries

During the year ended March 31, 2014, the companies deconsolidated certain subsidiaries mainly due to the sale of the interests in the subsidiaries to third parties Through these transactions the companies recognized a net pre-tax gain of ¥16,117 million This net gain was included in gain (loss) on securities and other investments—net in the Consolidated Statement of Income
There is no significant gain or loss arising from changes in owners of parent's ownership interests due to the deconsolidation of subsidiaries during the year ended March 31, 2015

Unconsolidated Structured Entities (Unconsolidated SEs)

The companies are involved with SEs, established for the purpose of financing projects such as oil and gas, by providing guarantees or loans to the SEs Those SEs provide financing for customers located principally in Latin America in the form of leases and loans Those entities are financed mainly by bank borrowings and issuance of stock

The total assets of the SEs, the carrying amounts of assets and liabilities in the Consolidated Statements of Financial Position that relate to the companies' interests in the SEs, and the companies' maximum exposure to loss as a result of the companies' involvement with the SEs as of March 31, 2015 and 2014 were as follows

March 31, 2015

Millions of Yen			
	Assets and liabilities that relate to interests in SEs		
Total assets of SEs	Carrying amounts of assets	Carrying amounts of liabilities	Maximum exposure to loss
¥ 296,209	¥ 19,365	–	¥ 21,738

March 31, 2014

Millions of Yen			
	Assets and liabilities that relate to interests in SEs		
Total assets of SEs	Carrying amounts of assets	Carrying amounts of liabilities	Maximum exposure to loss
¥ 359,001	¥ 17,833	–	¥ 22,932

Note The assets that relate to the companies' interests in the SEs are mainly "Other investments" and "Trade and other receivables"

The amount of maximum exposure to loss represents a loss that the companies could incur from financial difficulties of the customers The amount bears no relation to the loss anticipated to be incurred from the companies' involvement with the SEs and is considered to greatly exceed the anticipated loss

The maximum exposure to loss that relates to the companies' interests in the SEs represents the amounts of investments, loans and guarantees provided by the companies to the SEs as of March 31, 2015 and 2014 respectively

The companies did not provide any financial support to the SEs for the years ended March 31, 2015 and 2014

Consolidated Structured Entities (Consolidated SEs)

There is no consolidated SE as of March 31, 2015 and 2014

6. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Primary investees over which the companies have the ability to exercise significant influence despite ownership percentage of less than 20% are as follows

The investment in Valepar S A (18 24%) is accounted for under the equity method because of the Company's ability to exercise significant influence over operating and financial policies primarily through the board representation and veto power over significant operating and financial decisions through the board of directors As the sole operating company among the shareholders, which consist primarily of pension funds and financial institutions, the Company utilizes its experience and expertise in operating businesses and substantively participates in the decision-making processes

The investment in Sims Metal Management Limited (17 65%) is accounted for under the equity method because the companies are the largest and sole shareholder to have a board designation right and the top up right, which enable the companies to increase their share in the event of dilution so that the companies are able to retain proportionate share after the dilutive event, and the companies have the ability to exercise significant influence over operating and financial policies primarily through board representation and membership in various advisory committees to the board, such as the Finance and Investment Committee

The companies are the second largest shareholder group of Penske Automotive Group, Inc ("PAG", 17 23%) and entered into a shareholders agreement with the largest shareholder group owning approximately 35% of its voting shares Based on a reciprocal voting provision set forth in the agreement for any shareholder election of the directors of PAG, the companies and the largest shareholder group constitute a "group" within the meaning of Section 13(d) of the Securities Exchange Act of 1934 and jointly participate in the management of PAG The investment in PAG is accounted for under the equity method because of the companies' ability to exercise significant influence over operating and financial policies primarily through board representation by a director and senior vice president dispatched from the companies PAG is utilizing the companies' global network to develop its business activities outside the United States and, as part of the process, the companies substantively participate in the decision-making processes

The carrying amount of the investments accounted for using the equity method for the years ended March 31, 2015 and 2014, consisted of the following

	Millions of Yen	
	2015	2014
Associated companies	¥ 1,663,073	¥ 1,433,407
Joint ventures	1,128,268	1,015,441
Total	¥ 2,791,341	¥ 2,448,848

Share of profit and other comprehensive income (before income tax effect) of the equity accounted investees for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Profit for the year		
Associated companies	¥ 78,162	¥ 77,902
Joint ventures	66,434	93,337
Total	¥ 144,596	¥ 171,239
Other comprehensive income		
Associated companies	¥ (22,989)	¥ 39,943
Joint ventures	33,573	63,861
Total	¥ 10,584	¥ 103,804
Total comprehensive income	¥ 155,180	¥ 275,043

Dividends received from the equity accounted investees for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Associated companies	¥ 83,834	¥ 74,866
Joint ventures	92,294	77,615
Total	¥ 176,128	¥ 152,481

The carrying value of the investments accounted for using the equity method exceeded the companies' equity in the underlying net assets of those companies The amounts of such excess value for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Associated companies	¥ 143,828	¥ 75,751
Joint ventures	74,298	79,224
Total	¥ 218,216	¥ 154,975

The excess is attributed first to certain fair value adjustments on a net-of-tax basis at the time of the initial and subsequent investments in those companies with the remaining portion considered as equity method goodwill The fair value adjustments mainly relate to property, plant and equipment which

consist primarily of mineral rights amortized over their respective estimated useful lives, principally 3 to 47 years, using either the straight-line or the unit-of-production method

Investments in common stock of publicly traded associated companies include marketable equity securities carried at ¥290,231 million and ¥274,833 million at March 31, 2015 and 2014, respectively Corresponding aggregate quoted market values were ¥601,803 million and ¥426,843 million, respectively There is no investment in common stock of publicly traded joint venture

For the year ended March 31, 2014, the companies reversed an impairment loss of ¥8,407 million of an investment accounted for using the equity method in the Machinery & Infrastructure Segment due to recovery of market price and recognized in profit on securities and other investments in consolidated statements of income The amount that reversed an impairment loss is calculated on basis of its recoverable amount measured at fair value less costs to sell, based on the market price at the measurement date

For the years ended March 31, 2015 and 2014, the companies recognized impairment losses of investment accounted for using the equity method of ¥4,144 million and ¥8,849 million, respectively, in loss on securities and other investments in consolidated statements of income due to decline of market price

The amounts of outstanding balances of receivables and payables in the equity accounted investees for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen			
	2015		2014	
	Receivables	Payables	Receivables	Payables
Associated companies	¥ 303,042	¥ 96,276	¥ 297,106	¥ 93,959
Joint ventures	100,006	73,185	54,191	41,447
Total	¥ 403,048	¥ 169,461	¥ 351,297	¥ 135,406

In relation to the Company's liquefaction business in the United States, a wholly owned subsidiary of the Company has secured four million tons per annum of LNG tolling capacity for 20 years following the inception of production of LNG scheduled for 2018, for which it will pay a tolling service fee, under a natural gas tolling liquefaction agreement with Cameron LNG LLC, a subsidiary of Cameron LNG Holdings LLC, an associate of the Company
The Company has completed the procurement of seven LNG ships intended to be used for the delivery of LNG mainly to its customers in Japan by the end of March, 2015 In addition, on May 11, 2015, the Company has entered into a time charter contract for the eighth LNG ship with ship-owning company in which the Company has investments accounted for as joint ventures, for a total maximum charter period of 25 years starting from 2020
Among the time charter contracts for the seven LNG ships already concluded by the end of March, 2015, the five LNG ships including contracts for two ships with ship-owning companies in which the Company has investments accounted for as joint ventures, have a total maximum charter period of 25 years starting from 2017 or 2018, and the remaining two ships have a total maximum charter period of 25 years starting from 2018 or 2019
As a result, the total maximum hire amount for the eight ships is approximately ¥700 billion
Corresponding to the costs from the above tolling and transportation contracts, the Company also entered into long term LNG sales contracts with customers mainly in Japan

The companies' revenues and purchases in cost of revenues from the equity accounted investees for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Revenues		
Associated companies	¥ 33,621	¥ 46,651
Joint ventures	4,713	2,537
Total	¥ 38,334	¥ 49,188
Purchases		
Associated companies	¥ 58,591	¥ 58,828
Joint ventures	51,027	59,384
Total	¥ 109,618	¥ 118,212

7 SEGMENT INFORMATION

IFRS 8 "Operating Segments" requires disclosure of financial and descriptive information regarding operating segments, which are components of an entity whose operating results are regularly reviewed by the entity's chief operating decision maker in deciding about resources to be allocated to the segment and assessing its performance

The Company is operated through business units, determined based on their products and services, which plan overall and worldwide strategies for their products and services and conduct their worldwide operations The business units also collaborate with the regional business units in planning and executing their strategies for products and regions The regional business units are delegated the business of their regions as the centers of each particular regional strategy and operate diversified business together with their affiliated companies in collaboration with the business units

Therefore, the companies' operating segments consist of product-focused operating segments comprised of the business units of the Head Office and region-focused operating segments comprised of the regional business units The companies' operating segments have been aggregated based on the nature of the products and other criteria into seven product-focused reportable segments and three region-focused reportable segments, totaling ten reportable segments

The reportable segments of the Company are as follows

"Iron & Steel" Products manufactures, sells and trades iron & steel products in Japan and abroad

"Mineral & Metal Resources" is engaged in overseas development of iron and non-ferrous metal resources, and produces, sells and trades raw materials and metal products in Japan and abroad

"Machinery & Infrastructure" is engaged in manufacturing, sales and trading, leasing and financing of plant and machinery, as well as infrastructure businesses such as power generation in Japan and abroad

"Chemicals" manufactures, sells and trades chemical products in Japan and abroad

"Energy" is engaged in overseas development of oil and gas resources, and manufactures, sells and trades oil, gas, coal and related products in Japan and abroad

"Lifestyle" manufactures, sells, and trades foods, consumer products and materials, and engages in healthcare, real estate, service and media businesses in Japan and abroad

"Innovation & Corporate Development" engages in information and communication, logistics, insurance and financial businesses in Japan and abroad

"Americas," "Europe, the Middle East and Africa," and "Asia Pacific" trade in various commodities and conduct related business led by overseas trading subsidiaries or offices located in each region

The companies' operating segment information, product information and geographic area information for the years ended March 31, 2015 and 2014 presented in conformity with IFRS 8 were as follows

Segment information

Year ended March 31, 2015	Millions of Yen						
	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	¥ 151,442	¥ 791,211	¥ 443 946	¥ 888 222	¥ 991,247	¥ 975 991	¥ 120,167
Gross Profit	¥ 37 970	¥ 146 125	¥ 130 131	¥ 70 134	¥ 202 739	¥ 116 242	¥ 37 420
Share of Profit of Investments Accounted for Using the Equity Method	¥ 7,641	¥ 913	¥ 32,988	¥ 7 225	¥ 56 610	¥ 21,642	¥ 5 748
Profit (Loss) for the Year Attributable to Owners of the parent	¥ 8 460	¥ 60,857	¥ 45 680	¥ 3 702	¥ 119 674	¥ (2,695)	¥ 6,006
Total Assets at March 31, 2015	¥ 493,961	¥ 1 955,957	¥ 2 112,645	¥ 838,894	¥ 2 610 367	¥ 1 658,188	¥ 550,339
Investments accounted for using the equity method at March 31, 2015	¥ 91 565	¥ 816 216	¥ 781 162	¥ 92,617	¥ 338,185	¥ 296 057	¥ 88 644
Capital additions to Non-current assets	¥ 801	¥ 68,868	¥ 12,386	¥ 29 580	¥ 178 489	¥ 23 180	¥ 3 585
Depreciation and Amortization	¥ 1 196	¥ 47,185	¥ 19 554	¥ 11 137	¥ 147 473	¥ 12 614	¥ 5 301
EBITDA	¥ 12,909	¥ 155,530	¥ 54,977	¥ 18,074	¥ 439,849	¥ 16,156	¥ (4 991)

Year ended March 31, 2015	Millions of Yen						
	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	¥ 828 521	¥ 110 161	¥ 102 179	¥ 5 403 087	¥ 1,843	¥ -	¥ 5 404 930
Gross Profit	¥ 92 589	¥ 19 317	¥ 12 223	¥ 864 890	¥ 701	¥ (19,751)	¥ 845,840
Share of Profit of Investments Accounted for Using the Equity Method	¥ 7 450	¥ 574	¥ 4 518	¥ 145 309	¥ -	¥ (713)	¥ 144,596
Profit (Loss) for the Year Attributable to Owners of the parent	¥ 25,757	¥ 3,408	¥ 30,535	¥ 301,384	¥ 8 947	¥ (3 841)	¥ 306 490
Total Assets at March 31 2015	¥ 584,086	¥ 104 646	¥ 382 495	¥ 11 291 578	¥ 5,135,246	¥ (4,223 903)	¥ 12 202 921
Investments accounted for using the equity method at March 31 2015	¥ 78 509	¥ 11 512	¥ 211 006	¥ 2 805 473	¥ (668)	¥ (13,464)	¥ 2,791 341
Capital additions to Non-current assets	¥ 33 229	¥ 976	¥ 14 764	¥ 365 858	¥ 12,523	¥ (7)	¥ 378 374
Depreciation and Amortization	¥ 9,040	¥ 451	¥ 682	¥ 254,633	¥ 13 734	¥ -	¥ 268 367
EBITDA	¥ 41 297	¥ (541)	¥ (2 528)	¥ 730 732	¥ 3,221	¥ 54 312	¥ 788 265

Year ended March 31, 2014	Millions of Yen						
	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	¥ 220 068	¥ 791,197	¥ 410,155	¥ 943 198	¥ 1 454 254	¥ 890,587	¥ 103,215
Gross Profit	¥ 51 130	¥ 200,892	¥ 114,743	¥ 80 527	¥ 199 834	¥ 113,979	¥ 22,579
Share of Profit of Investments Accounted for Using the Equity Method	¥ 5 395	¥ 37,990	¥ 24,400	¥ 8,606	¥ 60 087	¥ 19,289	¥ 4,879
Profit (Loss) for the Year Attributable to Owners of the parent	¥ 14 583	¥ 88 052	¥ 17 146	¥ 8 370	¥ 188 441	¥ 12 096	¥ (12 258)
Total Assets at March 31 2014	¥ 567,741	¥ 1,970 858	¥ 1 872 585	¥ 765,751	¥ 2,478 158	¥ 1 495 387	¥ 496 533
Investments accounted for using the equity method at March 31, 2014	¥ 71 397	¥ 869 570	¥ 564 933	¥ 77,260	¥ 286,635	¥ 262 687	¥ 71 549
Capital additions to Non-current assets	¥ 1 461	¥ 96,051	¥ 24 645	¥ 22 146	¥ 204 907	¥ 14,882	¥ 5,865
Depreciation and Amortization	¥ 1 361	¥ 42 908	¥ 17 243	¥ 7,359	¥ 111 802	¥ 10 922	¥ 5 228
EBITDA	¥ 21,839	¥ 241,785	¥ 35 642	¥ 28,514	¥ 416 106	¥ 20,203	¥ (23,614)

Year ended March 31, 2014	Millions of Yen						
	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	¥ 699 622	¥ 108,663	¥ 109,079	¥ 5,730 038	¥ 1,884	¥ (4)	¥ 5 731 918
Gross Profit	¥ 78 725	¥ 18,752	¥ 12 469	¥ 893 630	¥ 794	¥ (14 318)	¥ 880,106
Share of Profit of Investments Accounted for Using the Equity Method	¥ 4 039	¥ 1 384	¥ 4 525	¥ 170,594	¥ 365	¥ 280	¥ 171,239
Profit (Loss) for the Year Attributable to Owners of the parent	¥ 13 668	¥ 397	¥ 30 682	¥ 361 177	¥ 11,004	¥ (22,088)	¥ 350,093
Total Assets at March 31 2014	¥ 568,772	¥ 105,907	¥ 345 074	¥ 10,666,766	¥ 5 037,172	¥ (4,212,619)	¥ 11,491,319
Investments accounted for using the equity method at March 31 2014	¥ 57 799	¥ 14 010	¥ 192,463	¥ 2 468 303	¥ 556	¥ (20 011)	¥ 2 448,848
Capital additions to Non-current assets	¥ 17,430	¥ 459	¥ 8 484	¥ 396,330	¥ 10 519	¥ (333)	¥ 406,516
Depreciation and Amortization	¥ 8,072	¥ 663	¥ 547	¥ 206,105	¥ 13 041	¥ 1	¥ 219,147
EBITDA	¥ 26 334	¥ 499	¥ (347)	¥ 766,961	¥ 7,756	¥ 44 930	¥ 819,647

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 2014 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services

(2) Transfers between reportable segments are made at cost plus a markup

(3) Profit (Loss) for the Year Attributable to the 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
For the year ended March 31, 2015, there was no individually material item in the Profit (Loss) Attributable to Owners For the year ended March 31, 2014, it includes ¥30,003 million (Loss) related to tax items including adjustments of the difference between actual tax rate and intercompany tax rate, and other miscellaneous amounts

(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 Consolidated Statements of Income and (e) depreciation and amortization as presented in the Consolidated Statements of Cash Flows

Product information

	Millions of Yen					
	Iron and Steel	Non-Ferrous Metals	Machinery	Electronics & Information	Chemicals	Energy
Year ended March 31, 2015						
Revenue	¥ 783,807	¥ 356,195	¥ 505,721	¥ 60,167	¥1,254,514	¥ 999,576
Year ended March 31, 2014						
Revenue	¥ 904,681	¥ 290,296	¥ 469,411	¥ 60,095	¥1,295,552	¥ 1,462,113

	Millions of Yen				
	Foods	Textiles	General Merchandise	Property and Service Business	Consolidated Total
Year ended March 31, 2015					
Revenue	¥ 1,235,230	¥ 19,694	¥ 33,269	¥ 156,757	¥ 5,404,930
Year ended March 31, 2014					
Revenue	¥ 1,045,298	¥ 19,890	¥ 28,466	¥ 156,116	¥ 5,731,918

Geographic area information

	Millions of Yen					
	Japan	United States	Singapore	Australia	All Other	Consolidated Total
Year ended March 31, 2015						
Revenue	¥ 2,253,353	¥1,052,460	¥ 549,127	¥ 456,538	¥1,093,452	¥ 5,404,930
Year ended March 31, 2014						
Revenue	¥ 2,526,034	¥ 817,676	¥ 847,780	¥ 486,551	¥1,053,877	¥ 5,731,918

Note Revenues are attributed to countries based on the location of sellers

	Millions of Yen					
	Australia	United States	Japan	Thailand	All Other	Consolidated Total
At March 31, 2015						
Non-current assets	¥ 647,569	¥ 569,779	¥ 410,811	¥ 218,423	¥ 669,852	¥ 2,516,434
At March 31, 2014						
Non-current assets	¥ 627,000	¥ 517,023	¥ 399,762	¥ 201,203	¥ 615,800	¥ 2,360,788

Note Financial instruments and deferred tax assets are excluded from Non-current assets

There were no individual material customers with respect to revenues for the years ended March 31, 2015 and 2014

8. *RECEIVABLES AND RELATED ALLOWANCES*

Changes in allowance for doubtful receivables

The analysis of the changes in allowance for doubtful receivables for the years ended March 31, 2015 and 2014 is as follows The allowance for doubtful receivables shown in the following table includes those for short-term trade receivables

	Millions of Yen		
Year ended March 31, 2015.	**Corporate Businesses**	**Retail Finance Business**	**Total**
Balance at beginning of year	¥ 45,539	¥ 6,413	¥ 51,952
Credits charged off	(7,601)	(8,146)	(15,747)
Provision for doubtful receivables	7,122	9,919	17,041
Others	2,421	194	2,615
Balance at end of year	¥ 47,481	¥ 8,380	¥ 55,861

Note "Others" principally includes the effect of deconsolidation of subsidiaries, transfer from/to other accounts and the effect of changes in foreign exchange rates

	Millions of Yen		
Year ended March 31, 2014.	**Corporate Businesses**	**Retail Finance Business**	**Total**
Balance at beginning of year	¥ 47,573	¥ 6,216	¥ 53,789
Credits charged off	(5,082)	(6,967)	(12,049)
Provision for doubtful receivables	2,644	7,571	10,215
Others	404	(407)	(3)
Balance at end of year	¥ 45,539	¥ 6,413	¥ 51,952

Note "Others" principally includes the effect of deconsolidation of subsidiaries, transfer from/to other accounts and the effect of changes in foreign exchange rates

Credit quality indicators

The companies engaged in businesses with corporate customers ("corporate businesses") assess and monitor receivables every quarter by classifying the receivables into two categories, performing receivables and nonperforming receivables Certain receivables are classified as nonperforming receivables in accordance with an internal guideline for managing receivables Receivables from counterparties that meet any of the following conditions are classified as nonperforming receivables

1) Counterparties who have filed a petition for liquidation, adjustments, rehabilitation or reorganization under the Bankruptcy Act

2) Counterparties experiencing suspension or discontinuance of business, as well as those who have found it impossible or extremely difficult to fulfill their payments or deliveries, due to deficits in equity or insolvency for a considerable period without prospects for business improvement, and also those who have suffered from tremendous losses due to natural disasters, sudden changes in economic conditions, or similar catastrophes

3) Counterparties from which amounts due have been outstanding for more than one year

The companies classify receivables other than nonperforming receivables as performing receivables Companies engaged in financial business with retail customers ("retail finance business") assess and monitor receivables every quarter by dates past due

The amounts of recorded investments in receivables classified by Credit Quality Indicators as of March 31, 2015 and 2014 were as follows

Corporate Businesses

	Millions of Yen	
	2015	2014
Performing	¥ 2,396,131	¥ 2,532,446
Nonperforming	52,300	41,119
Total	¥ 2,448,431	¥ 2,573,565

Retail Finance Business

	Millions of Yen	
	2015	2014
Less than 30 days past due (including not past due)	¥ 139,138	¥ 128,539
30-89 days past due	5,981	4,468
90-179 days past due	3,419	2,936
180-359 days past due	1,565	2,481
360 days or more past due	1,982	1,474
Total	¥ 152,085	¥ 139,898

Receivables that are past due, but not impaired

The age analysis of receivables that are past due, but not impaired as of March 31, 2015 and 2014 are as follows The amounts of receivables of the companies engaged in retail finance business that are past due, but not impaired were immaterial

Corporate Businesses

	Millions of Yen	
	2015	2014
Less than 90 days past due	¥ 53,693	¥ 91,318
90 days or more past due	20,010	21,821
Total	¥ 73,703	¥ 113,139

Impaired receivables

The amounts of recorded investments in impaired receivables as of March 31, 2015 and 2014 were as follows The carrying amounts of individually impaired receivables in the retail finance business were immaterial

Corporate Businesses

	Millions of Yen			
	2015		2014	
	Receivable	Allowance	Receivable	Allowance
With allowance for doubtful accounts	¥ 67,887	¥ 42,986	¥ 59,753	¥ 35,924
Without allowance for doubtful accounts	608	–	473	–
Total	¥ 68,495	¥ 42,986	¥ 60,226	¥ 35,924

9. *DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS*

(1) Trade and other receivables, and other financial assets

Trade and other receivables, and other financial assets as of March 31, 2015 and 2014 were measured at amortized cost except derivative assets, and consisted of the following

	Millions of Yen	
	2015	2014
Current		
Trade and other receivables		
Accounts and notes	¥ 1,704,618	¥ 1,847,232
Loans	103,970	100,504
Receivables from equity accounted investees	158,270	107,681
Other financial assets		
Time deposits	10,977	5,964
Accounts receivables-other	91,548	99,219
Derivative assets	218,150	114,519
Other	63,481	51,586
Allowances for doubtful receivables	¥ (17,021)	¥ (14,562)
Total	¥ 2,333,993	¥ 2,312,143
Non-current		
Trade and other receivables		
Accounts and notes	¥ 98,102	¥ 134,555
Loans	198,260	212,613
Receivables from equity accounted investees	167,614	161,102
Other financial assets		
Time deposits	256	3,438
Accounts receivables-other	6,929	16,914
Derivative assets	87,675	56,582
Other	36,114	39,364
Allowances for doubtful receivables	¥ (38,840)	¥ (37,390)
Total	¥ 556,110	¥ 587,178

(2) Other investments

The carrying amounts of other investments as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Other investments		
Financial assets measured at FVTPL	¥ 41,012	¥ 42,890
Financial assets measured at FVTOCI	1,484,246	1,507,561
Amortized cost	4,509	4,222
Total	¥ 1,529,767	¥ 1,554,673

Note Preferred stock issued by equity accounted investee, which was contained in financial assets measured at FVTOCI as of March 31, 2015 and 2014 were ¥50,796 million and ¥50,654 million, respectively

Financial assets measured at FVTOCI which were contained in other investments

The fair value of financial assets measured at FVTOCI as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Marketable	¥ 633,366	¥ 516,968
Non-marketable	850,880	990,593
Total	¥ 1,484,246	¥ 1,507,561

The fair value of major items of these marketable financial assets measured at FVTOCI as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Seven & i Holdings Co , Ltd	¥ 82,381	¥ 64,285
INPEX CORPORATION	67,010	71,173
Recruit Holdings Co ,Ltd	45,000	–
TonenGeneral Sekiyu K K	37,332	32,796
Yamaha Motor Co , Ltd	24,917	14,123
MODEC, INC	15,844	18,173
NIPPON STEEL & SUMIKIN BUSSAN CORPORATION	14,040	11,198
Toray Industries, Inc	13,873	9,395
Yamato Kogyo Co , Ltd	13,280	14,794
Coca-Cola East Japan Co , Ltd	12,840	13,573
TOYOTA MOTOR CORPORATION	12,575	8,739
TPV Technology Limited	11,709	–
TOKYO BROADCASTING SYSTEM HOLDINGS, INC	11,659	9,175
Nihon Unisys, Ltd	11,170	9,887
Mitsui Fudosan Co , Ltd	10,589	9,447
J-OIL MILLS, INC	8,781	5,741
KATO SANGYO Co , Ltd	7,860	6,921
Nippon Steel & Sumitomo Metal Corporation	7,442	6,937
POSCO	6,770	7,290
NSK Ltd	6,747	4,076

Non-marketable financial assets measured at FVTOCI were mainly composed of six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) and the fair value of them as of March 31, 2015 and 2014 were ¥477,661 million and ¥563,589 million, respectively

Derecognized financial assets measured at FVTOCI

The fair value, gains and losses, and dividends received related to financial assets measured at FVTOCI which were derecognized because of review of business strategy as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Fair value of the financial assets at the date of derecognition	¥ 163,735	¥ 89,577
Cumulative gains and losses on disposition	¥ 50,846	¥ 22,262
Dividends received from derecognized financial assets	¥ 1,899	¥ 3,451

With respect to financial assets measured at FVTOCI, gains and losses on disposition (after income tax effect) recorded as other components of equity at the date of derecognition were transferred to retained earnings The amounts transferred were ¥38,831 million and ¥23,559 million for the years ended March 31, 2015 and 2014, respectively

(3) Gain (loss) on securities and other investments-net

Gain (loss) on securities and other investments-net for the years ended March 31, 2015 and 2014 that the companies recognized were as follows

	Millions of Yen	
	2015	2014
Gain (loss) on securities and other investments-net		
Financial assets measured at FVTPL	¥ (1,340)	¥ 3,234
Affiliated companies	43,798	27,582
Total	¥ 42,458	¥ 30,816

(4) Finance income and costs

The finance income and finance costs for the years ended March 31, 2015 and 2014 that the companies recognized were as follows

	Millions of Yen	
	2015	2014
Interest income		
Amortized cost	¥ 34,681	¥ 38,159
Derivatives	(1,561)	(4,515)
Total	¥ 33,120	¥ 33,644
Dividend income		
Financial assets measured at FVTOCI	¥ 113,891	¥ 123,690
Financial assets measured at FVTPL	179	336
Total	¥ 114,070	¥ 124,026
Interest expense		
Amortized cost	¥ (75,356)	¥ (57,695)
Derivatives	25,127	8,519
Total	¥ (50,229)	¥ (49,176)

In addition to those shown in the table above, interest income of ¥37,479 million and ¥34,096 million on financial assets measured at amortized cost is included in "Other revenue" and interest expenses of ¥11,583 million and ¥9,812 million on financial liabilities measured at amortized cost are included in "Cost of other revenue" for the years ended March 31, 2015 and 2014, respectively, relative to mainly personal loan business
Fee income and expense arising from financial assets measured at amortized cost are immaterial

(5) Fair value of non-current financial assets and liabilities

The fair values of non-current receivables with floating rates, including long-term loans receivable, and long-term debt with floating rates approximate their respective carrying amounts The fair values of non-current receivables with fixed rates and long-term debt with fixed rates are estimated by discount cash flow analysis, using interest rates currently available for similar types of loans, accounts receivable and borrowings with similar terms and remaining maturities
The fair values of financial instruments as of March 31, 2015 and 2014 were as follows The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts reasonably approximate its fair values

	Millions of Yen			
	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Investments and non-current receivables				
Trade and other receivables and other financial assets (*)	¥ 468,435	¥ 469,812	¥ 530,596	¥ 533 089
Non-current liabilities				
Long-term debts, less current portion and other financial liabilities (*)	¥ 4 121,731	¥ 4,200,480	¥ 3 529,921	¥ 3,610,941

(*) Does not include the derivative instruments The fair values of other financial assets and other financial liabilities approximate their respective carrying amounts

Trade and other miscellaneous receivables include loans receivable Long-term debts (non-current portion) and other miscellaneous liabilities include borrowings and bonds Fair values of trade and other receivables classified as level 3 were ¥198,793 million and ¥204,400 million as of March 31, 2015 and 2014, respectively Their valuation is based on significant unobservable inputs such as credit spreads, default probabilities, and estimated loss rates of individual receivables using the discounted cash flow method Items other than said loans and certain other items are classified as level 2 as their fair values are measured using the discounted cash flow method based on observable inputs including market interest rates

(6) Risk-related matters

Capital management

The Company decides the policies to maintain appropriate levels of shareholders' equity, debt and equity balances, examines the status of execution in terms of stability for capital efficiency as well as financing when the Company acquires high-quality assets to improve enterprise value and utilize existing assets Shareholders' equity is the total equity attributable to owners of the parent in the Consolidated Statements of Financial Position The Company also examines the appropriateness of scale of shareholders' equity in terms of risk buffer to maximum exposure to potential losses due to a deterioration of the respective business

The key metrics used for capital management are as follows

- Return on equity (ROE) (*)
- Net Debt-to-Equity Ratio (Net DER) (**)
- Ratio of risk adjusted assets to shareholder's equity (***)

(*) ROE refers to ratio of profit for the year attributable to the owner of the parent to shareholders' equity ROE as of March 31, 2015 and 2014 were 7 7% and 9 7%, respectively

(**) Net DER refers to ratio of net interest bearing debt to shareholders' equity Net interest bearing debt is calculated by subtracting cash and cash equivalents and time deposits from interest bearing debt Net DER as of March 31, 2015 and 2014 were 0 82 times and 0 83 times, respectively

(***) Risk-adjusted assets refers to the maximum loss exposure and is calculated by assigning assets including trade and other receivables, other investments and fixed assets risk weights, which the companies have determined individually based on the potential risk of loss

The Company checks these indicators periodically, and these are used for developing business policy and business judgment

As a result, the Company maintains the robust balance sheet and credit rating is enough for business projects The Company will strive to maintain and upgrade its credit rating

The Company is not subject to any externally imposed capital requirements (except for general requirements, such as those in the Company Law)

Risk management

- Credit risk

With regard to the contingent characteristics of credit risks included in derivative instruments, some of the derivative instruments used by the Company and certain subsidiaries such as commodity futures, commodity forwards, commodity swaps, and commodity options may include clauses that prescribe changes in the minimum required collateral (margins) or early termination in accordance with the credit ratings of the company If the credit ratings of the Company are downgraded, the counterparty will claim additional collateral from the Company and certain subsidiaries to cover the whole or part of the amount of the relevant derivative obligations in accordance with such clauses

See Note 8 "RECEIVABLES AND RELATED ALLOWANCES" in the notes to the consolidated financial statements for credit risks of financial instruments other than derivative instruments

Concentration of credit risk in specific regions or customers is minimized as the companies carry out a wide variety of transactions with various customers all over the world The companies also minimize credit risks of derivative instruments associated with, for example, counterparty defaults by entering into these transactions mainly with reputable international financial institutions with high credit ratings Therefore, the companies believe that it is extremely unlikely of a significant loss arising from these transactions We manage credit risks through the management of commitment lines of credit approved by executive offices in charge and counterparty monitoring conducted on an ongoing basis In addition, the companies require collateral and/or other forms of security from counterparties as necessary

- Liquidity risk

Turmoil in financial markets, a downgrade in our credit ratings or significant changes in the lender or investment policies of our lenders or institutional investors could result in constraints on our fund procurement and an increase in funding costs, and could have an adverse effect on our financial position and liquidity The companies secure liquidity required for our smooth operations and maintain the strength and soundness of our balance sheet by holding sufficient cash and cash equivalents,

procuring mainly long funds, utilizing financing programs provided by government financing agencies and/or project financing and such so that the companies decrease liquidity risk

・Market risks

The companies are subject to market risks associated with fluctuations in interest rates, foreign currency exchange rates, commodity prices, and stock prices that arise in the course of their operating activities and other activities

The companies have formulated market risk management policies, and have established management systems at several levels In particular, regarding foreign currency exchange risks and commodity price risks, Chief Operating Officers have the primary responsibility of establishing risk management policies that prescribe the setting of limits to positions and losses, as well as prescribing management systems, at each business unit They also have the responsibility of obtaining the approval of our executive officers in charge of risk management, and carrying out management and reporting in accordance with such approval In addition, risk management sections, which are independent form trading sections, monitor, analyze and evaluate market risks and periodically report to the executive officers in charge Interest rate risk is not managed by independent risk management sections, but is managed by setting transaction limits and other manners Stock price risk is managed by analyzing factors of stock price fluctuations

①Interest rate risk

The companies are exposed to interest rate risk arising from floating-rate assets and liabilities An increase in interest rates may adversely affect our operating results The companies have entered into interest rate derivative transactions which consist mainly of interest rate swap agreements and interest rate and currency swap agreements to hedge exposures on these assets and liabilities

The impact on profit before income taxes for the prior and current fiscal years assuming a 100 basis point rise in interest rates as of March 31, 2015 and 2014 is ¥(30,872) million and ¥(16,837) million respectively This analysis calculates the impact by multiplying the balance of floating-rate financial instruments held by the companies at the end of the prior and current fiscal years by 100 basis point without considering future changes in the balance, the effect of exchange rate fluctuations, the diversification effect of the timing of refinancing/interest rate revisions of floating-rate debts, etc , and assuming that all other variables are constant

The items that are considered to be instruments that are affected by interest rate fluctuations for the purpose of calculating the sensitivity include floating-rate interest-bearing debts/loans, fixed-rate interest-bearing debts/loans that are effectively converted to floating-rate instruments under interest rate swap agreements, deposits and such

②Foreign currency exchange rate risk

The companies are exposed to foreign currency exchange rate risk on receivables and payables denominated in foreign currencies arising from transactions such as purchases and sales of commodities and financial transactions The companies hedge these risks with forward exchange contracts and currency swaps

For significant long and short net positions denominated in foreign currencies as of March 31, 2015 and 2014, assuming 1% appreciation of the Yen, the impacts on profit before income taxes were ¥(72) million from USD, ¥(240) million from BRL and ¥386 million from AUD as of March 31, 2015 and ¥(274) million from USD, ¥(869) million from BRL and ¥371 million from AUD as of March 31, 2014 Based on the same assumption, the impact on other comprehensive income were ¥(174) million from USD as of March 31, 2015 and ¥(309) million from USD as of March 31, 2014 The long and short positions denominated in foreign currencies indicate that they are in currencies other than that of their functional currency of each company In this context, the long positions represent the condition in which certain losses occur due to decline in the value of the currency, and the short positions represent the condition in which certain gains occur due to increase in the value of the currency As a result, foreign currency translation adjustment is not included in the scope of this analysis In addition, this analysis also assumes that other variables are constant

③Commodity price risk

As the companies carry out business activities pertaining to commodities such as non-ferrous metals, crude oil and gas, and foods, they are exposed to risks on commodity prices

The companies measure the risk of market commodities which are those commodities historical price fluctuations are quite high and derivatives are actively traded by using the Value at Risk (VaR), which is a statistical measure of the potential maximum loss in the fair value of a given portfolio over a certain

holding period and within a certain confidential level VaR is calculated by mainly using a 10-day holding period and a confidence level of 99% In addition, the figures do not necessarily take into account correlations between all commodities The actual results may differ significantly from VaR below as VaR is calculated by using historical fluctuations of each risk component VaR as of March 31, 2015 and 2014 is ¥10,790 million and ¥21,082 million respectively

④Stock price risk
The companies invest in listed companies to strengthen our ties with customers, suppliers and others, as well as to make various types of propositions towards the companies in which we invest, in order to pursue operating revenue and improve corporate value These investments are exposed to stock price risks
For the investments held as of March 31, 2015 and 2014, the impact on other comprehensive income arising from changes in the fair values assuming a 10 % change in the stock index representative of the markets on which individual stocks included in are ¥50,736 million and ¥47,107 million respectively The impact on profit before taxes is immaterial

(7) Derivative instruments and hedging accounting

The companies have adopted IFRS 9 "Financial Instruments Hedge Accounting" (amended in November 2013) since April 1, 2014 Therefore, following disclosure information for the year ended March 31, 2015 and 2014 is in accordance with the requirements of IFRS 7 "Financial Instruments Disclosures" (amended in November 2013) and IFRS 7 "Financial Instruments Disclosures" (amended in December 2011), respectively

The risk management policies for each risk category of risk exposure for which hedge accounting is applied is provided in Note 9 "DISCLOSURES ABOUT FINANCIAL INSTRUMENTS AND RELATED MATTERS (6)Risk-related matters " Regarding foreign currency exchange rate risks and commodity price risks, the companies manage the risk exposure based on limits to positions and losses set by each business unit Regarding interest rate risks, the companies manage the risk exposure based on the policies in which the companies considered factors such as financial market, asset and debt balances and the risk of interest rate fluctuations

Foreign currency exchange rate risk
The companies use derivative instruments, such as foreign exchange forward contracts and currency swap agreements, as hedging instruments for hedge accounting to fix the expected future cash flows from foreign-currency-denominated receivables and payables resulting from selling and purchasing activities in currencies other than the local currency, and long-term financing transactions as part of the companies' global operations in many countries The companies also use foreign-currency-denominated debt in order to mainly hedge the foreign currency exposure in the net investment in foreign operations

Interest rate risk
The companies use derivatives, such as interest rate swap agreements, as hedging instruments for hedge accounting to fix the expected future cash flows from long-term financial assets and liabilities with floating interest rates and offset the exposure to changes in the fair value of long-term financial assets and liabilities with fixed interest rates

Commodity price risk
The companies use derivative instruments, such as swap contracts, as hedging instruments for hedge accounting to fix the expected future cash flows from forecasted transactions in marketable commodities

When applying hedge accountings to address the above risk, the companies confirm that there are economic relationships between the hedged items and the hedging instruments through qualitative assessments, which show whether the critical terms of hedging instruments and hedged items match exactly or are closely aligned, and quantitative assessments, which show fluctuations of value of hedged item and hedging instrument by the same risk offset each other, in order to confirm there are economic relationships that the change in fair value or the present value of cash flows of the hedged items that are attributable to the risk that will be hedged will move in the opposite direction from the change in fair value or the present value of cash flows of the hedging instrument
Each hedge ratio is established properly based on an economic relationship between the hedge item and the hedging instrument and the risk management strategy

In case the companies designate specific risk component which was decided based on the risk management strategies for each risk category as a hedged item, the risk component is separately identifiable from item in its entirety for all risks, and changes of the cash flows or the fair value of them is measurable reliably

The nominal amounts of the hedging instruments as of March 31, 2015 were as follow

	Billions of Yen		
Risk category	Fair value hedges	Cash flow hedges	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	¥ 47	¥ 284	¥ 1,329
Interest rate	709	483	-
Commodity price	-	11	-
Total nominal amounts	756	778	1,329

The effects of hedge accounting on Consolidated Statements of Financial Position

The following tables present Carrying Value (fair value) of hedging instruments included within the Consolidated Statements of Financial Position as of March 31, 2015 and 2014

		Millions of Yen					
		March 31, 2015			March 31, 2014		
Risk category	Line Item in the Consolidated Statements of Financial Position	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	Cash and cash equivalents	¥ -	¥107,781	¥ -	¥ -	¥ -	¥ -
	Other financial assets - Current	3	5,165	5,482	196	9,056	364
	Other financial assets - Non-current	-	4,112	2,385	494	5,320	2,046
Interest rate	Other financial assets - Current	473	-	-	400	5	-
	Other financial assets - Non-current	38,427	-	-	20,611	4,656	-
Commodity price	Other financial assets - Current	-	-	-	-	53	-
Total		38,903	117,058	7,867	21,701	19,090	2,410

		Millions of Yen					
		March 31, 2015			March 31, 2014		
Risk category	Line Item in the Consolidated Statements of Financial Position	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation	Fair value hedge	Cash flow hedge	Hedges of the net investment in a foreign operation
Foreign currency exchange rate	Current portion of long-term debt	¥ 2,788	¥ -	¥ 100,593	¥ -	¥ -	¥ 87,969
	Other financial liabilities - Current	-	699	19,122	367	1,041	19,322
	Long-term debt, less current position	35,719	-	749,561	-	-	536,866
	Other financial liabilities - Non-current	239	613	17,859	-	204	18,348
Interest rate	Other financial liabilities - Current	-	2,319	-	16	140	-
	Other financial liabilities - Non-current	103	6,912	-	229	6,419	-
Commodity price	Other financial liabilities - Current	-	4,846	-	-	223	-
Total		38,849	15,389	887,135	612	8,027	662,505

The following table presents the fair value of derivative instruments not designated as hedging instruments included within the Consolidated Statements of Financial Position as of March 31, 2014

Derivative instruments		Millions of Yen March 31, 2014 Assets	Liabilities
Foreign exchange contracts	Current	¥ 58,596	¥ 50,785
	Non-current	16,245	4,905
Interest rate contracts	Current	449	968
	Non-current	3,947	4,411
Commodity contracts	Current	416,145	455,251
	Non-current	196	376
Other contracts	Non-current	3,357	–
Total		¥ 498,935	¥ 516,696

Derivative Assets Current and Non-current, and Derivative Liabilities Current and Non-current are included in Other financial assets and Other financial liabilities of Consolidated Statements of Financial Position, respectively

The differences between the amounts of derivative assets and derivative liabilities stated above and those stated in the Consolidated Statements of Financial Position resulted from offsetting derivative assets and derivative liabilities with cash collaterals

Fair value hedge

The following table presents the carrying amount of the hedged items recognized in the Consolidated Statements of Financial Position as of March 31, 2015 and the accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items recognized in the Consolidated Statements of Financial Position

Risk Category	Line Item in the Consolidated Statements of Financial Position	Millions of Yen March 31, 2015 Carrying amount of the hedged items	Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged items
Foreign currency exchange rate	Other investments	¥ 49,768	¥ 1,747
	Long-term debt, less current position	5,198	(222)
Interest rate	Current portion of long-term debt	76,000	473
	Long-term debt, less current position	631,193	38,374

The accumulated amount of fair value hedge adjustments remaining in the Consolidated Statements of Financial Position as of March 31, 2015 for any hedged items that have ceased to be adjusted for hedging gains and losses was immaterial

Cash flow hedge

Following amounts in the Consolidated Statements of Financial Position as of March 31, 2015 were immaterial
- The balances in the cash flow hedge reserve
- The balances remaining in the cash flow hedge reserve from any hedging relationships for which hedge accounting is no longer applied

Hedges of a net investment in a foreign operation

The balance in the foreign currency translation adjustments which were recognized to reduce the foreign currency exposure in the net investment in foreign operations as of March 31, 2015 was ¥(223,325) million The balance in the foreign currency translation adjustments from any hedging relationships for which hedge accounting is no longer applied as of March 31, 2015 was immaterial

The effects of hedge accounting on the Consolidated Statements of Income and Comprehensive Income

Fair value hedge

The following table presents the change in value of the hedged items and fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness for the year ended March 31, 2015

	Millions of Yen	
Risk category	Change in value of hedged items	Change in fair value of Hedging instruments
Foreign currency exchange rate risk	3,302	(3,771)
Interest rate risk	27,708	(27,708)

The following amounts included in the Consolidated Statements of Income and Comprehensive Income for the year ended March 31, 2015 were immaterial

- Hedge ineffectiveness recognized in profit for the year

The gain or loss on the hedged items offsetting loss or gain on the derivative instruments were immaterial for the year ended March 31, 2014

Cash flow hedge

The following amounts included in the Consolidated Statements of Income and Comprehensive Income for the year ended March 31, 2015 were immaterial

- The change in value of hedged items and fair value of hedging instruments used as the basis for recognizing hedge effective

- The hedging gains and losses that were recognized in other comprehensive income

- Hedge ineffectiveness recognized in profit for the year

- The amount reclassified from the cash flow hedge reserve into profit for the year as a reclassification adjustment

The amounts recorded as other comprehensive income and the ineffective portion of the hedging instruments' gain or loss for the year ended March 31, 2014 were immaterial

Hedges of a net investment in a foreign operation

The change in fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness for the year ended March 31, 2015, was ¥ (131,087) million Of this amount, ¥ (123,591) million was recognized in the foreign currency transaction adjustments The change in value of hedged items used as the basis for recognizing hedge ineffectiveness approximated the change in fair value of hedging instruments used as the basis for recognizing hedge ineffectiveness

The following amounts included in the Consolidated Statements of Income and Comprehensive Income for the year ended March 31, 2015 were immaterial

- Hedge ineffectiveness recognized in profit for the year

- The amount reclassified from the foreign currency translation adjustments into profit for the year as a reclassification adjustment

The ineffective portion of the hedging instruments' gain or loss for the year ended March 31, 2014 was immaterial

(8) Offset of financial assets and liabilities

A financial asset and a financial liability including collateral are offset and the net amount is presented in the Consolidated Statements of Financial Position of the Company when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts as well as intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously

The following table presents the gross amounts of recognized financial assets and liabilities, amounts of offset, net amounts, amounts not offset despite the existence of a master netting agreement, and exposure on a net basis of derivative assets, derivative liabilities and collaterals as of March 31, 2015 and 2014 These amounts of financial assets and liabilities except derivative assets, derivative liabilities and collaterals as of March 31, 2015 and 2014 were immaterial

	Millions of Yen	
March 31, 2015:	**Financial Assets**	**Financial Liabilities**
Gross amounts of recognized financial assets and liabilities	¥ 1,241,598	¥ 1,151,151
Gross amounts of financial assets and liabilities set off in the Consolidated Statements of Financial Position	(894,313)	(894,313)
Net amounts of financial assets and liabilities presented in the Consolidated Statements of Financial Position	347,285	256,838
Related amounts not set off in the Consolidated Statements of Financial Position (including collateral)	(78,799)	(78,799)
Exposure on a net basis	¥ 268,486	¥ 178,039

	Millions of Yen	
March 31, 2014:	**Financial Assets**	**Financial Liabilities**
Gross amounts of recognized financial assets and liabilities	¥ 602,261	¥ 568,012
Gross amounts of financial assets and liabilities set off in the Consolidated Statements of Financial Position	(395,871)	(395,871)
Net amounts of financial assets and liabilities presented in the Consolidated Statements of Financial Position	206,390	172,141
Related amounts not set off in the Consolidated Statements of Financial Position (including collateral)	(36,211)	(36,211)
Exposure on a net basis	¥ 170,179	¥ 135,930

Financial assets are included in Other financial assets of Current and Non-current assets, and financial liabilities are included in Other financial liabilities of Current and Non-current liabilities in Consolidated Statements of Financial Position

The companies normally have the rights to set off which are enforceable only in the event of default, insolvency or bankruptcy of its customers in relation to its recognized financial assets and liabilities where the requirements to set off are not met

10. LEASES

Lessor

The companies lease real estate, rolling stock, ocean transport vessels, aircraft, equipment and others

Certain leases of rolling stock, equipment and others are classified as finance leases, and the net investments are included as part of trade and other receivables in the consolidated statements of financial position The unguaranteed residual values represent the estimate of the values of the leased assets at the end of the lease contracts and are initially recorded based on appraisals and estimates at the commencement of the lease Realization of the residual values is dependent on the companies' future ability to sell the related assets under then prevailing market conditions

Other leases are classified as operating leases and the related assets are presented as property, plant and equipment or investment property in the consolidated statements of financial position

The following is a schedule of future minimum lease payments to be received from finance leases as well as the components of the present value as of March 31, 2015 and 2014

	Millions of Yen			
	Gross investment in the lease		The present value of future minimum lease payments to be received	
Year ending March 31	2015	2014	2015	2014
Not later than 1 year	¥ 10,713	¥ 17,431	¥ 9,941	¥ 15,857
Later than 1 year and not later than 5 years	31,339	62,529	23,365	42,773
Later than 5 years	18,463	41,204	9,254	18,766
Total	¥ 60,515	¥121,164	¥ 42,560	¥ 77,396
Unearned income	(17,107)	(36,165)		
Unguaranteed residual values of leased assets (present value)	(848)	(7,603)		
The present value of future minimum lease payments to be received	¥ 42,560	¥ 77,396		

The following is a schedule of future minimum lease payments to be received under noncancellable operating leases as of March 31, 2015 and 2014

	Millions of Yen	
Year ending March 31	2015	2014
Not later than 1 year	¥ 30,121	¥ 25,163
Later than 1 year and not later than 5 years	44,816	42,437
Later than 5 years	15,994	10,835
Total	¥ 90,931	¥ 78,435

Lessee

The companies lease equipment, real estate and others under finance leases
The following is a schedule of minimum lease payments under finance leases as well as components of the present value as of March 31, 2015 and 2014 The following minimum lease payments have not been reduced by minimum sublease payments to be received of ¥22,684 million and ¥22,217 million as of March 31, 2015 and 2014

	Millions of Yen			
	Future minimum lease payments		The present value of future minimum lease payments	
Year ending March 31	2015	2014	2015	2014
Not later than 1 year	¥ 7,704	¥ 6,413	¥ 7,404	¥ 6,186
Later than 1 year and not later than 5 years	22,150	19,301	19,386	17,034
Later than 5 years	32,278	25,266	24,071	18,114
Total	¥ 62,132	¥ 50,980	¥ 50,861	¥ 41,334
Future financial cost	(11,271)	(9,646)		
The present value of future minimum lease payments	¥ 50,861	¥ 41,334		

The companies lease real estate, rolling stock, ocean transport vessels, equipment and others under operating leases Most of the rolling stock and ocean transport vessels under operating leases are subleased to third parties

The following is a schedule of future minimum lease payments under noncancellable operating leases as of March 31, 2015 and 2014 The following minimum lease payments have not been reduced by minimum sublease payments to be received of ¥13,181 million and ¥19,372 million as of March 31, 2015 and 2014

	Millions of Yen	
Year ending March 31	2015	2014
Not later than 1 year	¥ 23,631	¥ 16,764
Later than 1 year and not later than 5 years	57,364	37,764
Later than 5 years	31,846	29,351
Total	¥ 112,841	¥ 83,879

Rental expenses incurred for operating leases for the years ended March 31, 2015 and 2014 were ¥40,784 million and ¥35,144 million, respectively Sublease rental income for the years ended March 31, 2015 and 2014 were ¥6,847 million and ¥11,183 million, respectively

11 INVENTORIES

Inventories as of March 31, 2015 and 2014 were comprised of the following

	Millions of Yen	
	2015	2014
Commodities and finished goods	¥ 587,911	¥ 562,483
Property for Sale	9,936	7,807
Raw materials, work in progress and others	73,317	55,038
Total	¥ 671,164	¥ 625,328

See Note 27, "FAIR VALUE MEASUREMENT" for the carrying amount of inventories carried at fair value less costs to sell

12. PROPERTY, PLANT AND EQUIPMENT

The changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment for the years ended March 31, 2015 and 2014 were as follows

[Acquisition cost]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at April 1, 2013	¥ 751,186	¥1,815,914	¥ 105,248	¥ 208,924	¥ 276,904	¥3,158,176
Additions	54,926	167,774	9,280	4,793	187,074	423,847
Disposals	(25,479)	(70,412)	(13,931)	(820)	(1,847)	(112,489)
Acquisitions through business combinations	3	–	–	79,078	22,475	101,556
Foreign currency translation	16,763	65,768	6,825	13,917	2,661	105,934
Others	(46,074)	64,413	9,545	(14,336)	(166,378)	(152,830)
Balance at March 31, 2014	¥ 751,325	¥2,043,457	¥ 116,967	¥ 291,556	¥ 320,889	¥3,524,194
Additions	23,040	136,888	10,633	488	229,298	400,347
Disposals	(59,930)	(35,293)	(40,919)	(10,587)	(85)	(146,814)
Foreign currency translation	24,148	114,448	16,103	36,232	15,726	206,657
Others	73,168	136,356	25,479	9,237	(257,379)	(13,139)
Balance at March 31, 2015	¥ 811,751	¥2,395,856	¥ 128,263	¥ 326,926	¥ 308,449	¥3,971,245

[Accumulated depreciation and impairment losses]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at April 1, 2013	¥ 265,360	¥ 993,627	¥ 25,490	¥ 106,977	¥ 6,761	¥1,398,215
Depreciation expenses	27,261	157,609	7,349	11,252	–	203,471
Disposals	(5,358)	(37,058)	(3,689)	(485)	–	(46,590)
Impairment losses	2,065	43,836	454	12,996	342	59,693
Foreign currency translation	3,365	27,937	1,056	5,228	(85)	37,501
Others	(42,211)	(82,971)	(78)	(9,293)	(995)	¥(135,548)
Balance at March 31, 2014	¥ 250,482	¥1,102,980	¥ 30,582	¥ 126,675	¥ 6,023	¥1,516,742
Depreciation expenses	31,399	200 592	7,465	11,427	–	250,883
Disposals	(58,673)	(28,293)	(10,802)	(4,404)	–	(102,172)
Impairment losses	557	63,478	1,271	12,130	43	77,479
Foreign currency translation	6,797	60,857	2,905	12,046	90	82,695
Others	8,862	(6,360)	1,543	(454)	(6,115)	¥ (2 524)
Balance at March 31, 2015	¥ 239,424	¥1,393,254	¥ 32,964	¥ 157,420	¥ 41	¥1,823,103

[Carrying amount]

	Millions of Yen					
	Land and buildings	Equipment and fixtures	Vessels and aircrafts	Mineral rights	Projects in progress	Total
Balance at March 31, 2014	¥ 500,843	¥ 940,477	¥ 86,385	¥ 164,881	¥ 314,866	¥2,007,452
Balance at March 31, 2015	¥ 572,327	¥1,002,602	¥ 95,299	¥ 169,506	¥ 308,408	¥2,148,142

For the year ended March 31, 2014, the decrease in "Others" resulted mainly from the deconsolidation of Mitsui Oil Co , Ltd

The increase of the carrying amount of property, plant and equipment was ¥47,255 million due to the revision of the future cost relating to asset retirement obligations for the year ended March 31, 2014

The impairment loss was recorded as impairment loss of fixed assets in Consolidated Statements of Income The breakdowns of impairment losses of fixed assets for the years ended March 31, 2015 and 2014 per segment were as follows

	Millions of Yen	
	2015	2014
Mineral & Metal Resources	¥ -	¥ (39,776)
Machinery & Infrastructure	(1,077)	(3,967)
Chemicals	-	(907)
Energy	(75,233)	(14,413)
Lifestyle	(223)	(143)
Innovation & Corporate Development	(132)	–
Americas	(813)	(474)
Asia Pacific	-	(3)
Others	(1)	(10)
Consolidated Total	¥ (77,479)	¥ (59,693)

The impairment loss on property, plant and equipment for the year ended March 31, 2015 consisted mainly of two impairment losses as stated below

One of the main impairment loss was from production equipment and mineral rights of ¥58,862 million, which were owned by Mitsui E&P Texas LP, a subsidiary in Energy Segment engaged in the shale oil and gas development in Texas The impairment losses were calculated as the result of the reduction of carrying amounts to the recoverable amount of ¥75,172 million

The other main impairment loss was from production equipment and mineral rights of ¥13,784 million,which were owned by Mitsui E&P UK Limited, a subsidiary in Energy Segment engaged in the oil and gas development in the North Sea, U K The impairment losses were calculated as the result of the reduction of carrying amounts to the recoverable amount of ¥16,642 million

These impairments mainly related to a decline in the crude oil price

These recoverable amounts above represented the value in use A profit margin which is deemed to be the market average and reflects the risks inherent in the cash-generating unit is used as the discount rate to calculate the value in use

The impairment loss on property, plant and equipment for the year ended March 31, 2014 consisted principally of two impairment losses as stated below

One of the main impairment losses was a portion of mining equipment and mineral rights of ¥39,338 million, which were owned by Mitsui Coal Holdings Pty Ltd , a subsidiary in Mineral & Metal Resource Segment engaged in the exploration, development and production of coal in Australia The impairment losses were calculated as the result of the reduction of carrying amounts to the recoverable amount of ¥66,664 million

The impairment mainly related to a decline in coal price

The other main impairment loss was from production equipment and mineral rights of ¥14,155 million, which were owned by Mitsui E&P Texas LP, a subsidiary in Energy Segment engaged in the shale oil and gas development in Texas The impairment losses were calculated as the result of the reduction of carrying amounts to the recoverable amount of ¥88,666 million

The impairment mainly related to review of the production estimates

These recoverable amounts above represented the value in use A profit margin which is deemed to be the market average and reflects the risks inherent in the cash-generating unit is used as the discount rate to calculate the value in use

13 INVESTMENT PROPERTY

The acquisition cost of investment property as of March 31, 2015, 2014 and April 1, 2013 were ¥196,596 million, ¥177,397 million and ¥165,190 million, respectively, and accumulated depreciation and impairment losses of investment property were ¥48,839 million, ¥38,063 million and ¥42,353 million, respectively

The carrying amount of investment property as of March 31, 2015 and 2014 were ¥147,757 million and ¥139,334 million, respectively, and fair value of investment property were ¥206,927 million and ¥177,854 million, respectively

The main reason for the increases in carrying amount of investment property for the year ended March 31, 2014 was a transfer from an owner-occupied property (land) of ¥23,891 million

Rental income from investment property and direct operating expenses arising from investment property for the year ended March 31, 2015 and 2014 were immaterial

The fair value of primary investment property as of the end of each reporting period is based on a valuation conducted by independent valuation appraisers who have recent experience in the locations and categories of the investment property being valued, and have the appropriate and recognized professional qualifications (such as a registered appraiser), and classified as level 3 The valuation is based on significant unobservable inputs such as estimated rents and discount rates using primarily the

income approach and conforms to the standards of the country where the investment property is located

14. INTANGIBLE ASSETS

The changes in acquisition cost, accumulated amortization and impairment losses and carrying amount of intangible assets for the years ended March 31, 2015 and 2014 were as follows

[Acquisition cost]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 2013	¥ 84,621	¥ 80,647	¥ 91,997	¥ 257,265
Additions	28,114	7,122	9,872	45,108
Disposals	(7,438)	(8,830)	(6,577)	(22,845)
Foreign currency translation	3,826	1,070	4,806	9,702
Others	(176)	807	(9,746)	(9,115)
Balance at March 31, 2014	¥ 108,947	¥ 80,816	¥ 90,352	¥ 280,115
Additions	2,370	7,048	21,906	31,324
Disposals	(4,086)	(6,306)	(3,405)	(13,797)
Foreign currency translation	6,156	2,055	5,801	14,012
Others	(1,484)	299	3,406	2,221
Balance at March 31, 2015	¥ 111,903	¥ 83,912	¥ 118,060	¥ 313,875

[Accumulated amortization and impairment losses]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at April 1, 2013	¥ 37,546	¥ 47,260	¥ 51,270	¥ 136,076
Amortization expense	–	10,734	3,877	14,611
Impairment losses	4,347	202	71	4,620
Disposals	(5,463)	(8,282)	(5,230)	(18,975)
Foreign currency translation	914	549	2,700	4,163
Others	–	(2,482)	(2,051)	(4,533)
Balance at March 31, 2014	¥ 37,344	¥ 47,981	¥ 50,637	¥ 135,962
Amortization expense	–	10,886	4,068	14,954
Impairment losses	5,834	57	2,412	8,303
Disposals	(2,780)	(5,908)	(1,400)	(10,088)
Foreign currency translation	(522)	949	2,807	3,234
Others	(1,475)	(2,131)	2,165	(1,441)
Balance at March 31, 2015	¥ 38,401	¥ 51,834	¥ 60,689	¥ 150,924

[Carrying amount]

	Millions of Yen			
	Goodwill	Software	Others	Total
Balance at March 31, 2014	¥ 71,603	¥ 32,835	¥ 39,715	¥ 144,153
Balance at March 31, 2015	¥ 73,502	¥ 32,078	¥ 57,371	¥ 162,951

Amortization expense on intangible assets with finite estimated useful lives was mainly recognized in selling, general and administrative expenses in the Consolidated Statement of Income
Impairment losses on goodwill were recognized in other income (expense)-net, while impairment losses on other intangible asset were recognized in impairment loss of fixed assets in the Consolidated Statement of Income

Goodwill is allocated to each cash-generating unit (or group of units) for impairment testing of goodwill for the years ended March 31, 2015 and 2014 The goodwill allocated to Mitsui E&P Italia A S r l, whose carrying amounts were ¥23,652 million and ¥20,257 million as of March 31, 2015 and 2014, respectively, accounts for a main portion of the goodwill The recoverable amount is calculated based on the value in use, and is the sum of the net present value of the future cash flow estimated from the production plan on the Tempa Rossa on shore oil field in the Gorgoglione concession in Italy during its useful life A profit margin which is deemed to be the market average and reflects the risks inherent in the cash-generating unit is used as the discount rate to calculate the value in use

The key assumptions with the most significant impact on the calculation of the value in use are the production plan and oil price
The production plan used in the valuation has been developed by the operator, Total E&P Italia S p A and approved by the management of Mitsui E&P Italia A S r l Oil price based on Crude Oil Brent Price are used for impairment testing

The amount by which the unit's recoverable amount exceeds its carrying amount is immaterial

The carrying amount of intangible assets with indefinite useful lives, allocated to cash-generating unit (or group of units) for impairment testing is immaterial in comparison with the companies' total carrying amount of intangible assets with indefinite useful lives for the years ended March 31, 2015 and 2014

15 EXPLORATION AND EVALUATION FOR MINERAL RESOURCES AND OIL & GAS

Exploration and evaluation assets for mineral resources and oil & gas for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Balance at beginning of year	¥ 68,514	¥ 51,115
Acquisitions / Additions	40,942	22,822
Charge for the year	(19,036)	(8,256)
Foreign currency translation	9,410	4,476
Others	(13,474)	(1,643)
Balance at end of year	¥ 86,356	¥ 68,514

Expenses, cash flows from operating activities and cash flows from investing activities in relation to exploration and evaluation for mineral resources and oil & gas for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Exploration and evaluation expenses	¥ (47,245)	¥ (32,384)
Cash flows from operating activities	(25,984)	(23,871)
Cash flows from investing activities	(18,351)	(22,163)

Exploration and evaluation expenses are included in other income (expense)-net in the Consolidated Statements of Income

16. DISCLOSURES ABOUT FINANCIAL AND OTHER TRADE LIABILITIES

(1)Short-term debt

Short-term debt as of March 31, 2015 and 2014 were comprised of the following

	Millions of Yen			
	2015		2014	
		Interest rate		Interest rate
Short-term bank loans and others	¥ 278,631	2 3%	¥ 358,323	1 9%
Commercial paper	12,010	0 2	73,550	0 2
Notes under medium-term note programme	–	–	4,996	0 2
Total	¥ 290,641		¥ 436,869	

The interest rates represent weighted average rates in effect as of March 31, 2015 and 2014 regardless of borrowing currencies, though the range of the interest rates varies by borrowing currency Unused lines of credit, for short-term financing of the companies as of March 31, 2015 and 2014 were ¥1,095,827 million and ¥758,142 million, respectively

(2)Long-term debt

Long-term debt as of March 31, 2015 and 2014 consisted of the following

	Millions of Yen	
	2015	2014
Long-term debt with collateral (Note 17)		
Banks and insurance companies, maturing serially through 2052—principally 0 7% to 13 9%	¥ 92,992	¥ 70,867
Government-owned banks and government agencies, maturing serially through 2030—principally 1 0% to 11 5%	45,701	59,551
Bonds		
Foreign currency bonds (floating rate 13 0% to 14 8%, due 2021)	3,660	4,468
Total	142,353	134,886
Long-term debt without collateral		
Banks and others (principally insurance companies)		
Principally 0 0% to 2 9%, maturing serially through 2034	1,603,476	1,685,001
Principally 0 0% to 12 7%, maturing serially through 2032 (payable in foreign currencies)	2,346,172	1,770,099
Bonds and notes		
Japanese yen bonds with early redemption clause (fixed rate 1 4%, due 2015)	10,000	10,000
Japanese yen bonds (fixed rate 0 8% to 2 6%, due 2014–2033)	252,748	233,939
Japanese yen bonds (fixed and floating rate floating rate 1 4% to 2 5%, due 2014–2024)	30,000	41,000
Japanese yen bonds (floating rate 0 6% to 1 8%, due 2016–2017)	40,000	40,000
Notes under euro medium-term note programme (fixed rate 1 7% to 4 3%, due 2014–2017)	9,680	9,755
Notes under euro medium-term note programme (floating rate 0 6%, due 2014)	–	2,058
Notes under euro medium-term note programme (fixed and floating rate floating rate 0 5% to 0 8% due 2014–2019)	18,026	6,175
Finance lease obligations (0 1% to 5 7%, maturing serially through 2034)	50,861	41,334
Total	4,360,963	3,839,361
Total	4,503,316	3,974,247
Less current portion	472,718	505,946
Long-term debt, less current portion	¥ 4,030,598	¥3,468,301

(3)Trade and other payables, and other financial liabilities

Trade and other payables, and other financial liabilities as of March 31, 2015 and 2014 consisted of the following

	Millions of Yen	
	2015	2014
Current:		
Trade and other payables		
Notes payable-trade	¥ 26,951	¥ 37,041
Accounts payable-trade	1,212,091	1,282,818
Payables to equity accounted investees	35,964	41,211
Accrued expenses	109,033	112,764
Other financial liabilities		
Accounts payable-other	123,339	100,892
Derivative liabilities	174,077	130,690
Other	116,595	69,465
Total	¥ 1,798,050	¥ 1,774,881
Non-current:		
Other financial liabilities		
Accounts payable-other	¥ 51,714	¥ 41,840
Derivative liabilities	56,156	33,921
Other	39,419	19,780
Total	¥ 147,289	¥ 95,541

All financial liabilities, except for derivative liabilities, presented above are measured at amortized cost and there is no financial liabilities measured at FVTPL

(4)Liquidity risk analysis

Non-derivative financial liabilities

The contractual balances of non-derivative financial liabilities by maturity as of March 31, 2015 and 2014 were as follows

March 31, 2015

	Millions of Yen			
	Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Trade and other payables	¥ 1,382,444	¥ 1,595	¥ -	¥ 1,384,039
Accounts payables-other	123,322	51,247	484	175,053
Long-term debt (Including current portion)	472,718	1,951,724	2,078,874	4,503,316

March 31, 2014

	Millions of Yen			
	Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Trade and other payables	¥ 1,467,103	¥ 6,726	¥ 5	¥ 1,473,834
Accounts payables-other	100,892	33,729	8,111	142,732
Long-term debt (Including current portion)	505,946	1,646,934	1,821,367	3,974,247

Derivative instruments

The following tables summarize the result of liquidity analysis of derivative instruments held by the companies These tables are prepared based on future receipts and payments of derivative instruments If amounts to be received or paid are not fixed, the disclosed amounts are calculated using interest rates estimated in reference to the yield curve as of March 31, 2015 and 2014

March 31, 2015		**Millions of Yen**			
		Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Foreign exchange contracts	Receipts	¥ 39,911	¥ 59,515	¥ 16,369	¥ 115,795
	Payments	(42,818)	(41,747)	(21,284)	(105,849)
Interest rate contracts	Receipts	11,252	26,708	37,665	75,625
	Payments	(8,124)	(5,186)	(1,006)	(14,316)
Commodity contracts	Receipts	865,613	129,203	–	994,816
	Payments	(865,705)	(129,494)	(1,203)	(996,402)

March 31, 2014		**Millions of Yen**			
		Within 1 year	More than 1 year and not more than 5 years	More than 5 years	Total
Foreign exchange contracts	Receipts	¥ 68,819	¥ 21,196	¥ 2,669	¥ 92,684
	Payments	(71,483)	(19,834)	(3,824)	(95,141)
Interest rate contracts	Receipts	8,656	23,580	27,781	60,017
	Payments	(4,226)	(7,246)	(3,563)	(15,035)
Commodity contracts	Receipts	321,092	94,669	–	415,761
	Payments	(354,313)	(101,181)	–	(455,494)

17. PLEDGED ASSETS

The assets pledged as collateral for certain short-term debt, long-term debt and payment guarantees, etc as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	**2014**
Trade and other receivables (current and non-current)	¥ 89,020	¥ 102,184
Investments	473,268	456,608
Property, plant and equipment	93,552	86,703
Others	10,590	7,634
Total	¥ 666,430	¥ 653,129

Trust receipts issued under customary import financing arrangements (short-term bank loans and bank acceptances) give banks a security interest in the merchandise imported and/or the accounts receivable resulting from the sale of such merchandise Because of the companies' large volume of import transactions, it is not practicable to determine the total amount of assets covered by outstanding trust receipts For this reason, it is not included in the amounts shown in the table above
In addition to the above, the Company has bank borrowings under certain provisions of loan agreements which require the Company, upon the request of the bank, to immediately provide collateral, which is not originally identified in the loan agreements The Company also has certain bank loan agreements in which default provisions grant sale or possession rights of the pledged assets to lenders

18. PROVISIONS

The changes in provisions for the year ended March 31, 2015 was as follows

	Millions of Yen		
	Asset retirement obligation	Other provisions	Total
Balance at April 1, 2014	¥ 170,660	¥ 21,686	¥ 192,346
Additional provisions recognized	23,385	10,308	33,693
Provisions used	(142)	(7,383)	(7,525)
Unwinding of discount	7,505	–	7,505
Others*	26,492	1,552	28,044
Balance at March 31, 2015	¥ 227,900	¥ 26,163	¥ 254,063

*"Others" principally includes the effect of changes in foreign currency exchange rates

The asset retirement obligations are principally related to the costs of dismantling and removing mining and oil and gas production facilities owned by subsidiaries in Australia, which are engaged in mining operations or oil and gas producing activities, and a domestic subsidiary which has interests in oil and gas operations in Southeast Asia and other areas
"Other provisions" includes provision for product warranties and rebates of sales, etc

19. EMPLOYEE BENEFITS

The Company and certain subsidiaries have non-contributory and contributory defined benefit pension plans, covering substantially all employees other than directors

The primary pension plan is the Company's contributory Corporate Pension Fund ("CPF") under the Defined Benefit Corporate Pension Law The benefits from CPF are based on the length of service

Effective April 1, 2006, the Company converted certain portions of CPF into a defined contribution plan and a cash balance plan The cash balance plan calculates a participant's benefits using a percentage of the employee's annual salary and an interest crediting rate

The Company and certain subsidiaries have unfunded severance indemnity plans Benefits under the plans are based on the level of compensation at retirement, or earlier termination of employment, and the length of service

Changes in the defined benefit obligation and the plan assets

The following table sets forth the changes in the companies' defined benefit obligation and plan assets

	Millions of Yen	
	2015	2014
Change in defined benefit obligation		
Defined benefit obligation at beginning of year	¥ 350,467	¥ 329,241
Service cost	10,384	11,117
Interest cost	4,660	4,391
Actuarial loss	6,878	22,510
Benefits paid from plan assets	(15,757)	(13,532)
Others	1,673	(3,260)
Defined benefit obligation at end of year	358,305	350,467
Change in plan assets		
Fair value of plan assets at beginning of year	280,958	259,243
Interest income	4,150	4,142
Return on plan assets (excluding interest income)	29,661	13,048
Contributions by the employer	11,062	16,674
Benefits paid from plan assets	(15,757)	(13,532)
Others	2,333	1,383
Fair value of plan assets at end of year	312,407	280,958
Net defined benefit liability at end of year	¥ (45,898)	¥ (69,509)

Components of net periodic pension costs

Net periodic pension costs of the companies' defined benefit pension plans for the years ended March 31, 2015 and 2014 included the following components

	Millions of Yen	
	2015	2014
Service cost – benefits earned during the period	¥ 10,384	¥ 11,117
Net interest expense	510	249
Past service cost arising during the period	–	(1,262)
Others	(21)	–
Net periodic pension costs	¥ 10,873	¥ 10,104

Assumptions

The weighted-average assumptions used to determine the companies' defined benefit obligations as of March 31, 2015 and 2014 are set forth as follows

	2015	2014
Discount rate	1 3%	1 4%
Rate of increase in future compensation levels	1 1%	1 0%

The companies mainly determine the discount rates each year as of the measurement date, based on a review of interest rates associated with high-quality fixed-income corporate bonds

The rate of increase in future compensation levels was not applied in determining the defined benefit obligation of CPF other than the cash balance plan, because the benefit formulas of these plans do not contain factors relating to compensation levels

The following table illustrates the sensitivity to changes in assumptions for pension plans

	Impact of change in assumption on defined benefit obligation as of March 31, 2015
50 basis point decrease in discount rate	¥25,303 million increase
50 basis point increase in discount rate	¥22,399 million decrease

Plan assets

The Company's investment objective is to build high quality plan assets, and the investment policy is targeted to ensure adequate returns available to provide future payments of pension benefits and severance indemnities The basic strategy is diversified investment in various asset classes which have different risk return characteristics The Company sometimes uses derivative instruments to hedge the exposure to changes in the fair value of debt and equity securities, but never uses them for speculation The subsidiaries' investment strategies are mainly based on diversified investment, and are targeted to ensure stable and adequate returns to provide future payments of pension benefits over the long term

The fair value of the companies' pension plan assets as of March 31, 2015 and 2014 by asset class are set forth as follows

	Millions of Yen					
	2015			2014		
	Quoted market price in an active market			Quoted market price in an active market		
Asset Class	Available	Not available	TOTAL	Available	Not available	TOTAL
Equity Financial Instruments (Japan)	¥ 81,516	¥ 38,718	¥ 120,234	¥ 64 382	¥ 35,437	¥ 99,819
Equity Financial Instruments (Non-Japan)	6,530	35,431	41,961	5 870	29 447	35,317
Debt securities (Japan)	923	34,311	35,234	229	45,640	45,869
Debt securities (Non-Japan)	7 280	51 708	58,988	6 410	47 852	54,262
Life insurance company general accounts	–	32,306	32,306	–	31,729	31,729
Cash and deposits	23,360	–	23,360	13 812	–	13,812
Other	–	324	324	–	150	150
Total	¥ 119,609	¥ 192,798	¥ 312 407	¥ 90,703	¥ 190,255	¥ 280,958

Equity financial instruments above include securities held in the Company's employee retirement benefit trust Publicly-traded, equity financial instruments and debt securities are valued using quoted market prices and classified as assets of which a quoted market price in an active market is available Other equity financial instruments and debt securities are mostly pooled investments managed by trust banks They are valued using net asset values of the investments calculated by the trust banks based on the fair value of the underlying assets and classified as assets of which a quoted market price in an active market is not available Life insurance company general accounts are pooled investment portfolios managed by insurance companies with a guaranteed minimum rate of return They are valued based on the value of the accounts calculated by the insurance companies and classified as assets of which a quoted market price in an active market is not available

Cash flows

Contributions
The companies expect to contribute ¥11,340 million to their defined benefit pension plans for the year ending March 31, 2016 When a funded amount of CPF is less than the minimum funding amount at the end of each annual period, the companies will contribute required amounts to CPF in accordance with the rules of CPF

Information about the maturity profile
The weighted average duration of the benefit payments for the defined benefit obligation as of March 31, 2015 is 16 years

Multiemployer plan

Certain subsidiaries participate in a multiemployer defined benefit pension plan, Mitsui & Co Group Pension Fund ("MGPF") Employers other than the Company and subsidiaries also participate in MGPF, which are different from single-employer plans in the following respects

a Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
b If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers
c If the multiemployer plan is wound up or a participating employer chooses to stop participating in the multiemployer plan, the participating employer may be required to pay the plan an amount based on the underfunded status of the plan when a wind-up or a withdrawal, referred to as a withdrawal liability

By participating in MGPF, participating employees will receive the substitutional part of the welfare pension and the additional benefit stipulated by the plan

In relation to this plan, the amount of contribution was recorded as a retirement benefit cost as though it is a defined contribution plan because sufficient information is not available to enable the entity to account for the plan as a defined benefit plan

Based on the most recently available information, the funded status of MGPF as of March 31, 2014 and 2013 were as follows

	Millions of Yen	
	2014	2013
Plan assets, net of current payables	¥ 53,958	¥ 49,209
Actuarial reserve under pension actuarial valuation	50,935	47,368

The amount contributed to MGPF by the subsidiaries constituted a significant portion of the total contribution and included surcharge MGPF was converted to a defined benefit corporate pension fund with an approval from the Ministry of Health, Labour and Welfare of the Japanese Government in April, 2015

The Company also provides an "Early Retirement Support Plan" to eligible employees, which guarantees, prior to normal retirement age, certain supplemental payments based on preretirement compensation levels

20. EQUITY

(1) Common stock

The number of shares authorized and issued for the years ended March 31, 2015 and 2014 were as follows

	Number of shares	
	2015	2014
Authorized:		
Common stock – no par value	2,500,000,000	2,500,000,000
Issued:		
Balance at beginning of year	1,829,153,527	1,829,153,527
Increase (decrease) during the year	(32,639,400)	–
Balance at end of year	1,796,514,127	1,829,153,527

The number of treasury stock as of March 31, 2015 and 2014 included in the number of shares issued shown above were 3,995,027 and 36,641,439 shares, respectively
For the year ended March 31, 2015, the number of shares issued was decreased by 32,639,400 shares dated April 18, 2014 due to cancellation of such number of treasury stock based on the resolution of the meeting of the Board of Directors held on March 26, 2014

(2) Capital surplus and retained earnings

Capital surplus mainly consist of additional paid-in capital Changes in capital surplus for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Balance at beginning of year	¥ 418,004	¥ 428,552
Equity transactions with non-controlling interest shareholders		
Increase (decrease) due to transfers of owners of parent's ownership interests in its subsidiaries to non-controlling interests	3	(2,007)
Increase (decrease) due to transfers of owners of parent's ownership interests in its subsidiaries from non-controlling interests	(6,341)	(8,541)
Compensation costs related to stock options	215	–
Balance at end of year	¥ 411,881	¥ 418,004

Retained earnings consist of legal reserve and other unappropriated retained earnings

The Companies Act in Japan provides that an amount equal to 10% of distribution must be appropriated as additional paid-in capital or a legal reserve in retained earnings depending on the equity account charged upon the payment of such distribution until the total aggregate amount of additional paid-in capital and legal reserve in retained earnings equals 25% of the common stock

Under the Companies Act, the amount available for distribution is calculated based on the amount of capital surplus and retained earnings, exclusive of additional paid-in capital and legal reserve, recorded in the general books of account in accordance with the generally accepted accounting principles in Japan The amount available for distributions from the Company would amount to ¥959,620 million if it were to be calculated at March 31, 2015

(3) Other components of equity

Changes in other components of equity for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Financial Assets Measured at FVTOCI.		
Balance at beginning of year	¥ 369,267	¥ 335,847
Increase (decrease) during the year	(11,626)	56,979
Transfer to retained earnings	(38,831)	(23,559)
Balance at end of year	¥ 318,810	¥ 369,267
Remeasurements of Defined Benefit Pension Plans:		
Balance at beginning of year	¥ –	¥ –
Increase (decrease) during the year	15,200	(4,203)
Transfer to retained earnings	(15,200)	4,203
Balance at end of year	¥ –	¥ –
Foreign Currency Translation Adjustments:		
Balance at beginning of year	¥ 413,931	¥ 311,934
Increase (decrease) during the year	124,797	101,997
Balance at end of year	¥ 538,728	¥ 413,931
Cash Flow Hedges.		
Balance at beginning of year	¥ (16,567)	¥ (32,998)
Increase (decrease) during the year	(26,408)	16,431
Balance at end of year	¥ (42,975)	¥ (16,567)
Total:		
Balance at beginning of year	¥ 766,631	¥ 614,783
Increase (decrease) during the year	101,963	171,204
Transfer to retained earnings	(54,031)	(19,356)
Balance at end of year	¥ 814,563	¥ 766,631

(4) Income tax relating to other comprehensive income

Income tax included in each component of other comprehensive income for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Items that will not be reclassified to profit or loss		
Financial assets measured at FVTOCI	¥ 46,408	¥ (16,352)
Remeasurements of defined benefit pension plans	(5,877)	3,532
Share of other comprehensive income of investments accounted for using the equity method	1,514	(95)
Total	¥ 42,045	¥ (12,915)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	¥ 21,666	¥ 23,641
Cash flow hedges	3,051	(3,800)
Share of other comprehensive income of investments accounted for using the equity method	(4,543)	(23,730)
Total	¥ 20,174	¥ (3,889)

(5) Other comprehensive income included in non-controlling interests

Each component of other comprehensive income included in non-controlling interests for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Financial assets measured at FVTOCI	¥ (1,231)	¥ 1,402
Remeasurements of defined benefit pension plans	(68)	191
Foreign currency translation adjustments	13,448	10,065
Cash flow hedges	106	88
Total	¥ 12,255	¥ 11,746

21 SHARE-BASED PAYMENT

The Company granted the stock options (subscription rights to shares) to Directors (excluding External Directors) and Executive Officers as compensation Under the rule of the stock option, the Company will issue one hundred common shares of the Company upon exercise of one offered subscription right The exercise price shall be one yen for one subscription right to shares

Subscription rights to shares can be exercised under a certain stock price condition A holder of subscription rights to shares may exercise all of them only when the Company's stock price growth rate for the period of three years from the allotment date is equal to or exceeds the TOPIX (Tokyo Stock Price Index) growth rate When the Company's stock price growth rate does not exceed the TOPIX growth rate, reflecting that degree, the holder of subscription rights to shares may exercise only part of them

The Company's stock price growth rate shall be calculated by the formula of (A+B)/C,
A The average closing price for the Company's common stocks on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls
B The total amount of the dividends per common share of the Company for the period from the allotment date to the first date of the exercise period of the subscription rights to shares
C The average closing price for the Company's common stocks on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

The TOPIX growth rate shall be calculated by the formula of D/E,
D The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the first date of the exercise period of the subscription rights to shares falls
E The average closing price for TOPIX on the Tokyo Stock Exchange on each day for the three months immediately before the month in which the allotment date falls

When the Company's stock price growth rate does not exceed the TOPIX growth rate, the number of exercisable subscription rights to shares shall be calculated by the formula of F×(G/H),
F The number of subscription rights to shares granted
G The Company's stock price growth rate
H The TOPIX growth rate

A holder of subscription rights to shares can exercise them for twenty-seven years after a period of three years has elapsed from the day following the allotment date, however, may no longer exercise them after a period of ten years has elapsed from the day following the day on which a holder of subscription rights to shares loses his or her position as Director, and/or Executive Officer, and/or Corporate Auditor of the Company

The compensation expense related to stock options for the year ended March 31, 2015 was ¥215 million

The following table summarizes information about the stock option activities for the year ended March 31, 2015 The number of stock options is exchanged to the number of common shares (one hundred common shares for one stock option)

	2015	
	Number of common shares	Weighted average exercise price
Outstanding at the beginning of the year	-	-
Granted	257,400	¥1
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at the end of the year	257,400	¥1
Exercisable at the end of the year	-	-

The range of exercise prices and the weighted average remaining contractual life as of March 31, 2015 were ¥1 and 29 3 years

The weighted average fair value of the stock options at the measurement date in the year ended March 31, 2015 was ¥836

The fair value of the stock options is measured using Monte Carlo method with following inputs to the model

		2015
Exercise price		¥1
Expected option life	Note 1	16 5 years
Weighted average stock price	2	¥1,654 5
Weighted average TOPIX	2	1,286 07
Expected volatility of stock	3	37 551%
Expected volatility of TOPIX	3	22 203%
Expected dividends of stock	4	¥59
Expected dividend yield of TOPIX	5	1 804%
Risk-free interest rate	6	1 086%

Note 1 Expected option life is calculated based on the expected period of time from the allotment date to the date of exercise of stock options

2 Weighted average stock price and weighted average TOPIX are calculated based on the closing price of the Company's stock and TOPIX in Tokyo Stock Exchange on the allotment date

3 Expected volatility of stock and expected volatility of TOPIX are calculated based on the daily closing price of the Company's common stock and TOPIX for the past period which is equal to the expected option life from the allotment date

4 Expected dividends of stock is calculated based on the actual dividend made in the previous year of the year including the allotment date

5 Expected dividend yield of TOPIX is calculated based on the past one-year record of the dividend from the components of the index on the allotment date

6 Risk-free interest is calculated based on the yield of government bonds having a remaining life equal to expected option life at the allotment date

22. EARNINGS PER SHARE

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the years ended March 31, 2015 and 2014

	2015			2014		
	Profit (numerator)	Shares (denominator)	Per share amount	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen	Millions of Yen	In Thousands	Yen
Basic earnings per share attributable to owners of the parent	¥ 306,490	1,792,516	¥ 170.98	¥ 350,093	1,821,339	¥ 192.22
Effect of dilutive securities						
Adjustment of effect of Dilutive securities of associated companies	(15)	–		(17)	–	
Stock options	–	257		–	–	
Diluted earnings per share attributable to owners of the parent	¥ 306,475	1,792,773	¥ 170.95	¥ 350,076	1,821,339	¥ 192.21

23 CONSTRUCTION CONTRACTS

Due from and due to customers for contract work as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Due from customers for contract work	¥ 2,863	¥ 2,985
Due to customers for contract work	228	151

Contract revenue recognized for the years ended March 31, 2015 and 2014 were ¥11,093 million and ¥9,789 million respectively

The aggregate amount of costs incurred and recognized profit (less recognized losses) for contract work to March 31, 2015 and 2014 were ¥5,049 million and ¥10,827 million respectively

24. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the years ended March 31, 2015 and 2014 consisted of the following

	Millions of Yen	
	2015	2014
Personnel expenses	¥ 295,471	¥ 290,739
Communication expenses	48,814	51,155
Traveling expenses	34,510	33,482
Provision for doubtful receivables	17,041	10,215
Other	188,772	189,280
Total	¥ 584,608	¥ 574,871

Remuneration of the Company's Directors and Corporate Auditors for the years ended March 31, 2015 and 2014 were ¥1,370 million and ¥1,307 million respectively

25. FOREIGN EXCHANGE GAINS AND LOSSES - NET

Net foreign exchange gains and losses recognized in the consolidated statements of income for the years ended March 31, 2015 and 2014 were ¥12,269 million (loss) and ¥13,617 million (loss), respectively

26. INCOME TAXES

Income Taxes in the consolidated statements of income for the year ended March 31, 2015 includes the gain on the change in the balance of the deferred tax assets and liabilities-net of ¥20,079 million recorded to reflect the decrease in normal effective statutory tax rates to approximately 32% based on the new laws which were enacted on March 31, 2015 According to the new laws, the normal effective statutory tax rate is reduced to approximately 33% in the fiscal year beginning on April 1, 2015, and to approximately 32% in fiscal years beginning on or after April 1, 2016 However, the company used the 32% to measure the deferred tax assets and liabilities as the effect of the decrease in the normal effective statutory tax rate is insignificant

The reconciliation between the applicable income tax rate in Japan and the effective income tax rate in the consolidated statements of income and comprehensive income for the years ended March 31, 2015 and 2014 were summarized as follows

	%	
	2015	2014
Applicable income tax rate in Japan	36 0%	36 0%
Increases (decreases) in tax rate resulting from		
Expenses not deductible for tax purposes and income not taxable-net	2 5	1 1
Application of lower tax rates to certain taxable income	(2 1)	(2 5)
Changes in tax rate	(5 8)	-
Tax effects on dividends	(12 0)	(9 6)
Changes in assessment for recoverability of deferred tax assets	5 1	6 9
Higher tax rates for resource related taxes	9 1	4 9
Tax effects on investments accounted for using the equity method	(7 4)	(5 4)
Other	(1 1)	0 7
Effective income tax rate	24 3%	32 1%

The tax effects of significant temporary differences and carryforwards which result in deferred tax assets and liabilities as of March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Deferred Tax Assets:		
Retirement benefit liabilities	¥ 9,205	¥ 28,909
Estimated losses	13,955	4,085
Fixed assets	68,074	59,887
Loss carryforwards	69,641	43,470
Foreign currency translation	64,262	44,535
Fixed assets related to the Australian Mineral Resource Rent Tax Act 2012	-	11,938
Other	24,854	21,699
Total deferred tax assets	249,991	214,523
Deferred Tax Liabilities:		
Fixed assets	164,453	146,802
Investments	242,595	283,262
Undistributed earnings	176,109	206,004
Foreign currency translation	64,252	64,352
Other	5,977	6,965
Total deferred tax liabilities	¥ 653,386	¥ 707,385

Deferred tax assets recognized by taxable entities that have suffered a loss in either the current or preceding period were ¥46,212 million and ¥26,266 million, as of March 31, 2015 and 2014, respectively The companies recognize deferred tax assets based on the judgment of the recoverability considering the probability of the generation of future taxable income due to the nature of the taxable entities' operation and the expiration dates of operating loss in the countries in which they operate, etc

The unused tax loss carryforwards and deductible temporary differences for which deferred tax assets were not recognized were ¥1,378,241 million and ¥1,793,654 million as of March 31, 2015 and 2014, respectively

Taxable temporary differences associated with investments in subsidiaries for which deferred tax liabilities were not recognized were ¥1,910,478 million and ¥1,726,286 million as of March 31, 2015 and 2014, respectively

The increase and decrease of deferred tax assets and deferred tax liabilities recognized as deferred tax expenses in the consolidated statements of income for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Retirement benefit liabilities	¥ (171)	¥ (252)
Estimated losses	(188)	(1,353)
Fixed assets	(13,255)	1,561
Loss carryforwards	29,211	5,296
Investments	33	(824)
Undistributed earnings	32,670	(9,513)
Fixed assets related to the Australian Mineral Resource Rent Tax Act 2012	(11,938)	2,546
Other	2,711	2,347
Total	¥ 39,073	¥ (192)

The unused tax loss carryforwards for which no deferred tax assets have been recognized as of March 31, 2015 and 2014 were ¥507,670 million and ¥438,615 million respectively If not utilized, such loss carryforwards expire as follows

	Millions of Yen	
	2015	2014
Within 5 years	¥ 41,667	¥ 57,362
After 5 to 10 years	212,005	145,507
After 10 to 15 years	2	909
After 15 years	253,996	234,837
Total	¥ 507,670	¥ 438,615

Income tax expenses in the consolidated statements of income for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Current	¥ (143,976)	¥ (176,462)
Deferred	¥ 39,073	¥ (192)
Total	¥ (104,903)	¥ (176,654)

Deferred tax expenses or income arising from the write-down and reversal of a previous write-down of deferred tax assets for loss carryforwards and temporary differences of the companies where it is more likely than not that a tax benefit or expense will not be realized were immaterial for the year ended March 31, 2015 and ¥80,458 million of tax expense for the year ended March 31, 2014

27. FAIR VALUE MEASUREMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur

Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly Level 2 inputs include the following

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3
Unobservable inputs for the asset or liability

(1)Valuation techniques

Primary valuation techniques used for each financial instrument and non-financial asset measured at fair value are as follows

Other Investments

- Other investments other than measured at amortized cost are measured at fair value
- Publicly-traded Other investments are measured using quoted market prices and classified as level 1
- Non-marketable Other investments are measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risks of the investee The degree to which these inputs are observable in the relevant markets determines whether the investment is classified as level 2 or 3

Derivative Instruments

- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments
- Exchange-traded derivative commodity instruments measured using quoted market prices are classified as level 1 Certain derivative commodity instruments measured using observable inputs of the quoted prices obtained from the market, financial information providers and brokers, are classified as level 2 Also, the derivative commodity instruments measured using unobservable inputs are classified as level 3
- Derivative financial instruments are mainly measured by discounted cash flow analysis using foreign exchange and interest rates or quoted prices currently available for similar types of agreements and are classified as level 2

Inventories

- Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value based on quoted prices with certain adjustment and classified as level 2 The amounts of costs to sell as of March 31, 2015 and 2014 were immaterial

(2)Valuation process

The valuation process involved in level 3 measurements for each applicable asset and liability is governed by the model validation policy and related procedures pre-approved by appropriate approver Based on the policy and procedures, the personnel determine the valuation model to be utilized to measure each asset and liability at fair value We engage independent external experts of valuation to assist in the valuation process for certain assets over a specific amount, and their results of valuations are reviewed by the responsible personnel All of the valuations, including those performed by the external experts, are reviewed and approved by appropriate approver

(3)Assets and liabilities measured at fair value on a recurring basis

Information by fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2015 and 2014 were as follows No assets or liabilities were transferred between level 1 and 2 for the years ended March 31, 2015 and 2014

	Millions of Yen				
March 31, 2015	**Fair value measurements using**				
	Level 1	**Level 2**	**Level 3**	**Netting adjustments***	**Total fair value**
Assets:					
Other investments					
Financial assets measured at FVTPL	¥ 4,566	–	¥ 36,446		
Financial assets measured at FVTOCI	633,366	–	850,880		
Total other investments	¥ 637,932	–	¥ 887,326	–	¥ 1,525,258
Derivative assets					
Foreign exchange contracts	–	¥ 114,855	–		
Interest rate contracts	–	41,646	–		
Commodity contracts	¥ 47,578	948,519	¥ 812		
Other contracts	–	–	3,495		
Total derivative assets	¥ 47,578	¥1,105,020	¥ 4,307	¥ (851,080)	¥ 305,825
Inventories	–	¥ 153,065	–	–	¥ 153,065
Total assets	¥ 685,510	¥1,258,085	¥ 891,633	¥ (851,080)	¥ 1,984,148
Liabilities·					
Derivative liabilities					
Foreign exchange contracts	–	¥ 105,700	–		
Interest rate contracts	–	12,551	–		
Commodity contracts	¥ 38,345	961,774	¥ 716		
Total derivative liabilities	¥ 38,345	¥1,080,025	¥ 716	¥ (888,853)	¥ 230,233
Total liabilities	¥ 38,345	¥1,080,025	¥ 716	¥ (888 853)	¥ 230,233

	Millions of Yen				
March 31, 2014	**Fair value measurements using**				
	Level 1	**Level 2**	**Level 3**	**Netting adjustments***	**Total fair value**
Assets					
Other investments					
Financial assets measured at FVTPL	¥ 3,203	–	¥ 39,687		
Financial assets measured at FVTOCI	516,968	–	990,593		
Total other investments	¥ 520,171	–	¥1,030,280	–	¥ 1,550,451
Derivative assets					
Foreign exchange contracts	–	¥ 92,317	–		
Interest rate contracts	¥ 144	29,924	–		
Commodity contracts	23,068	393,204	¥ 122		
Other contracts	–	–	3,357		
Total derivative assets	¥ 23,212	¥ 515,445	¥ 3,479	¥ (371,035)	¥ 171,101
Inventories	–	¥ 175,917	–	–	¥ 175,917
Total assets	¥ 543,383	¥ 691,362	¥1,033,759	¥ (371,035)	¥ 1,897,469
Liabilities:					
Derivative liabilities					
Foreign exchange contracts	–	¥ 94,972	–		
Interest rate contracts	¥ 107	12,076	–		
Commodity contracts	42,714	412,534	¥ 602		
Total derivative liabilities	¥ 42,821	¥ 519,582	¥ 602	¥ (398,394)	¥ 164,611
Total liabilities	¥ 42,821	¥ 519,582	¥ 602	¥ (398,394)	¥ 164,611

* Amounts of netting adjustments include the net amount when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts as well as intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously

Reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The reconciliation of financial assets measured at FVTOCI for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Balance at beginning of year	¥ 990,593	¥ 894,092
Other comprehensive income (Note 1)	(191,164)	(6,776)
Purchases	19,497	93,315
Sales	(33,916)	(34,622)
Transfers into Level 3	–	–
Transfers out of Level 3	(41,280)	(11,402)
Others (Note 2)	107,150	55,986
Balance at end of year	¥ 850,880	¥ 990,593

Note 1 For "Other comprehensive income" for the year ended March 31, 2015, fair value in investments in LNG projects declined reflecting the drop in oil prices

Note 2 "Others" includes the effect of changes in foreign exchange rates and in scope of consolidation

Other comprehensive income related to financial assets measured at FVTOCI was included in "Financial assets measured at FVTOCI" in the Consolidated Statements of Comprehensive Income "Transfers out of Level 3" was due to the fact that the securities of investee began to be publicly traded for the years ended March 31, 2015 and 2014

Quantitative information about level 3 fair value measurements

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of March 31, 2015 and 2014 were as follows

March 31, 2015	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTOCI	Income approach	Discount rate	5 9%~16 0%

March 31, 2014	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTOCI	Income approach	Discount rate	6 6%~13 9%

Information about sensitivity to changes in significant unobservable inputs

For recurring fair value measurements of financial assets measured at FVTOCI using the income approach, increases (decreases) in discount rates would result in a lower (higher) fair value

28 CONTINGENT LIABILITIES

I. GUARANTEES

The companies provide various types of guarantees to the benefit of third parties and related parties principally to enhance their credit standings, and would be required to execute payments if a guaranteed party failed to fulfill its obligation with respect to a borrowing or trade payable

The table below summarizes the maximum potential amount of future payments, amount outstanding and recourse provisions/collateral of the companies' guarantees as of March 31, 2015 and 2014 The maximum potential amount of future payments represents the amount without consideration of possible recoveries under recourse provisions or from collateral held or pledged that the companies could be obliged to pay if there were defaults by guaranteed parties Such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications, and, in the aggregate, they greatly exceed anticipated losses

The companies evaluate risks involved for each guarantee in an internal screening procedure before issuing a guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements The companies believe that the likelihood to perform guarantees which would materially affect the consolidated financial position, operating result, or cash flows of the companies is remote at March 31, 2015

	Millions of Yen			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2015				
Type of guarantees				
Financial guarantees				
Guarantees for third parties	¥ 213,030	¥ 82,758	¥ 19,673	¥ 63,085
Guarantees for the investments accounted for using the equity method	690,440	385,616	88,859	296,757
Performance guarantees				
Guarantees for third parties	50,092	33,925	2,883	31,042
Guarantees for the investments accounted for using the equity method	35,767	27,034	236	26,798
Total	¥ 989,329	¥ 529,333	¥ 111,651	¥ 417,682

	Millions of Yen			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2014				
Type of guarantees				
Financial guarantees				
Guarantees for third parties	¥ 132,285	¥ 72,457	¥ 16,777	¥ 55,680
Guarantees for the investments accounted for using the equity method	312,032	240,809	22,509	218,300
Performance guarantees				
Guarantees for third parties	64,401	38,003	9,944	28,059
Guarantees for the investments accounted for using the equity method	67,760	62,518	421	62,097
Total	¥ 576,478	¥ 413,787	¥ 49,651	¥ 364,136

Guarantees for third parties

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities Most of these guarantees outstanding as of March 31, 2015 and 2014 will expire through 2033 and 2023, respectively

Guarantees for the investments accounted for using the equity method

The companies, severally or jointly with others, issue guarantees for the investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing Most of these guarantees outstanding as of March 31, 2015 and 2014 will expire through 2022

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of March 31, 2015 and 2014

	Millions of Yen	
	2015	2014
Within 1 year	¥ 189,481	¥ 116,863
After 1 to 5 years	522,605	252,316
After 5 years	277,243	207,299
Total	¥ 989,329	¥ 576,478

II LITIGATION

Various claims and legal actions are pending against the companies in respect of contractual obligations and other matters arising out of the conduct of the companies' business Appropriate provision has been recorded for the estimated loss on claims and legal actions In the opinion of management, any additional liabilities will not materially affect the consolidated financial position, operating results, or cash flows of the companies

In November, 2013, Vale S A , the Brazilian consolidated subsidiary of Valepar S A (an associated company in which the Company owns 18 24% of the voting shares), participated in the federal tax settlement (REFIS) in Brazil in relation to the taxation of earnings of its non-Brazilian subsidiaries and affiliates from 2003 to 2012 and recognized the related losses in earnings In this regard, losses of ¥21,577 million (after income tax effect) were recognized in the Company's consolidated statements of income for the year ended March 31, 2014

29 SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental information related to the consolidated statements of cash flows for the years ended March 31, 2015 and 2014 were as follows

	Millions of Yen	
	2015	2014
Non-cash investing and financing activities		
Investment in kind to equity accounted investees	32,195	14,840
Acquisition of assets related to finance leases	12,858	–
Acquisitions of subsidiaries or other businesses (Note 3)		
The total consideration paid	–	98,321
The portion of the consideration consisting of cash and cash equivalents	–	98,321
Total assets in the subsidiaries or other businesses acquired (including cash and cash equivalents)	–	125,188
Total liabilities in the subsidiaries or other businesses acquired	–	26,867
Sales of subsidiaries or other businesses		
The total consideration received	–	24,857
The portion of the consideration consisting of cash and cash equivalents	–	24,857
Cash and cash equivalents in the subsidiaries or other businesses sold	–	16,274
Assets in the subsidiaries or other businesses sold		
Current assets (including cash and cash equivalents)	–	104,692
Property, plant and equipment	–	31,517
Intangible assets	–	1,937
Investments and other assets	–	8,009
Total assets in the subsidiaries or other businesses sold	–	146,155
Liabilities in the subsidiaries or other businesses sold		
Current liabilities	–	104,503
Non-current liabilities	–	15,201
Total liabilities in the subsidiaries or other businesses sold	–	119,704

30 SUBSEQUENT EVENTS

Stock Option Scheme

The Company approved at the meeting of the Board of Directors held on May 8, 2015, to allot the stock option scheme as stock-based compensation with stock price conditions to the Company's Executive Officer to purchase up to 6,800 shares of the Company's common stock in the period from May 28, 2018 to May 27, 2045 with payment due upon the exercise of offered subscription rights to shares being ¥1 per share

Dividend

On June 19, 2015, the shareholders approved the payment of a cash dividend to shareholders as of March 31, 2015 of ¥32 per share or a total of ¥57,369 million at the Company's Ordinary General Meeting of Shareholders

31. AUTHORIZATION OF THE ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The issue of the consolidated financial statements was authorized by Tatsuo Yasunaga, Representative Director, President and CEO, and Keigo Matsubara, Representative Director, Executive Managing Officer and CFO on June 19, 2015

2 Others

Quarterly data for the year ended March 31, 2015

	Millions of Yen, Except Amounts per Share			
	Year ended March 31, 2015	Nine-month period ended December 31, 2014	Six-month period ended September 30, 2014	Three-month period ended June 30, 2014
Revenue	¥ 5,404,930	¥ 4,166,979	¥ 2,747,569	¥ 1,370,526
Profit before Income Taxes	431,827	369,170	312,081	173,134
Profit for the Period (Year) Attributable to Owners of the Parent	306,490	254,415	222,660	127,806
Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 170 98	¥ 141 93	¥ 124 22	¥ 71 30

	Three-month period ended March 31, 2015	Three-month period ended December 31 2014	Three-month period ended September 30, 2014	Three-month period ended June 30, 2014
Earnings per Share Attributable to Owners of the Parent (Yen)	¥ 29 05	¥ 17 71	¥ 52 92	¥ 71 30

Litigation
See Note 28, "CONTINGENT LIABILITIES "

6 Outline Regarding the Administration of Mitsui's Stock

Fiscal Year	From April 1 to March 31
Ordinary general meeting of shareholders	During June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Number of shares in one trading unit	100 shares
Buyback and increase in holdings of shares less than one unit	
Place of handling	(Special account) Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Administrator of shareholder registry	(Special account) Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	------
Fees for buyback and increase in holdings	Amount equivalent to fees for entrusting sale or purchase of stock
Method of giving public notice	Mitsui carries out its public notifications by means of electronic public notice http //www mitsui com/jp/ja/koukoku/ However, in the event of an accident which makes electronic notice not possible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper)
Shareholder privileges	Not applicable

(Note) Public notice of book closing is not included in the public notices shown in "Method of giving public notice"

7. Reference Information on Mitsui

1 Information on the Parent Company

Mitsui does not have a parent company

2 Other Reference Information

Mitsui filed the following reports, originally written in Japanese, between the beginning of the fiscal year ended March 31, 2015 and the issuance date (June 19, 2015) of the original Japanese version of this Annual Securities Report

(1) Annual Securities Report

Fiscal year (the 95th) From April 1, 2013 to March 31, 2014 Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 20, 2014

(2) Related to Quarterly Securities Reports

Quarterly Securities Reports and Confirmation Notes

(The 1st quarter of 96th period) (From April 1, 2014 to June 30, 2014) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on August 13, 2014

(The 2nd quarter of 96th period) (From July 1, 2014 to September 30, 2014) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on November 13, 2014

(The 3rd quarter of 96th period) (From October 1, 2014 to December 31, 2014) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 13, 2015

(3) Internal Control Report

Fiscal Year (the 95th) (From April 1, 2013 to March 31, 2014) Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 20, 2014

(4) Extraordinary Report

1) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on June 24, 2014
Under the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 (resolutions of matters resolved at the General Meeting of Shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 21, 2015
Under the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9 (change in Representative Directors), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 5, 2015
Under the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9 (change in Representative Directors), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc

2) Amendment Report for Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on March 26, 2015
Amendment Report pertaining to the Extraordinary Report (change in Representative Directors) submitted on January 21, 2015

(5) Shelf Registration Statement (corporate bonds)

1) Shelf Registration Statement and Attached Documents

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on August 15, 2014

2) Amended Shelf Registration Statement

Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on November 13, 2014
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on January 21, 2015
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 5, 2015
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on February 13, 2015
Submitted to the Director-General of the Kanto Local Finance Bureau, Japan, on March 26, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Mitsui & Co , Ltd (Mitsui Bussan Kabushiki Kaisha)

We have audited the accompanying consolidated financial statements of Mitsui & Co , Ltd (Mitsui Bussan Kabushiki Kaisha) and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended (all expressed in Japanese yen), and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit We conducted our audit in accordance with International Standards on Auditing Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mitsui & Co , Ltd and its subsidiaries as at March 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards

Convenience Translations

Our audit also includes the translation of Japanese yen amounts into U.S dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 to the consolidated financial statements Such U S dollar amounts are presented solely for the convenience of readers outside Japan

Report on Management's Report on Internal Control over Financial Reporting

Notwithstanding the second paragraph of the "Auditor's Responsibility" section, we have performed an audit of management's report on internal control over financial reporting ("ICFR") under the Financial Instruments and Exchange Act of Japan A translated copy of management's report on ICFR along with a translated copy of our report is included within this Annual Securities Report as information for readers

Deloitte Touche Tohmatsu LLC

June 19, 2015

Management's Annual Report on Internal Control over Financial Reporting (Translation)

NOTE TO READERS

Following is an English translation of management's report on internal control over financial reporting filed under the Financial Instruments and Exchange Act of Japan This report is presented merely as supplemental information

1. Matters Relating to the Basic Framework for Internal Control over Financial Reporting

Tatsuo Yasunaga, Representative Director, President and CEO, and Keigo Matsubara, Representative Director, Executive Managing Officer and CFO, are responsible for designing and operating effective internal control over financial reporting of Mitsui & Co , Ltd ("the Company"), and have designed and operated internal control over financial reporting in accordance with the basic framework for internal control set forth in "The Standards and Practice Standards for Management Assessment and Audit of Internal Control Over Financial Reporting" published by the Business Accounting Council

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements Therefore, there is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting

2. Matters Relating to Scope of Assessment, the Assessment Date, and Assessment Procedures

The assessment of internal control over financial reporting was performed as of March 31, 2015 The assessment was performed in accordance with assessment standards for internal control over financial reporting generally accepted in Japan

In conducting this assessment, we evaluated internal controls which may have a material effect on the entire financial reporting in a consolidation ("company-level controls") and based on the result of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls These procedures have allowed us to evaluate the effectiveness of its internal controls

We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method affiliated companies, from the perspective of the materiality that may affect the reliability of our financial reporting The materiality that may affect the reliability of the financial reporting is determined taking into account the materiality of quantitative and qualitative impacts We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for the Company, its consolidated subsidiaries and equity-method affiliated companies We did not include those consolidated subsidiaries and equity-method affiliated companies which do not have any quantitatively or qualitatively material impact on the consolidated financial statements in the scope of assessment of company-level controls

Regarding the scope of assessment of internal control over business processes, we accumulated business units in descending order of total asset (before elimination of intercompany accounts) and income before income taxes (before elimination of intercompany accounts) for the prior fiscal year, and those business units whose combined amount of total assets reaches approximately 70% of total assets on a consolidated basis and those business units whose combined amount of income before income taxes reaches approximately 70% of consolidated income before income taxes on a consolidated basis were selected as "significant business units "

At the selected significant business units, we included, in the scope of assessment, (1) those business processes leading to sales or revenue, accounts receivable and inventories, and those leading to investments and loans, as significant accounts that may have a material impact on the business objectives of us, and (2) those business processes leading to other quantitatively material accounts Further, not only at selected significant business units, but also at other business units, we added to the scope of assessment, as business processes having greater materiality considering their impact on the financial reporting, (1) those business processes relating to greater likelihood of material misstatements and significant account involving estimates and the management's judgment, and (2) those business processes relating to businesses or operations dealing with high-risk transactions

3. Matters Relating to the Results of the Assessment

As a result of the assessment above, we concluded that our internal control over financial reporting was effective as of March 31, 2015

4. Supplementary Matters

Not applicable

5. Special Information

Not applicable

Independent Auditors' Report (filed under the Financial Instruments and Exchange Act of Japan)

NOTE TO READERS
Following is an English translation of the Independent Auditors' Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT
(filed under the Financial Instruments and Exchange Act of Japan)

June 19, 2015

To the Board of Directors of
Mitsui & Co , Ltd. (Mitsui Bussan Kabushiki Kaisha)

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Yoshio Sato

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Nobuaki Fuse

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Hidehito Goda

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant: Michiyuki Yamamoto

Audit of Financial Statements

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the Financial Section, namely, the consolidated statement of financial position as of March 31, 2015 of Mitsui & Co , Ltd (the "Company") and its consolidated subsidiaries, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the fiscal year from April 1, 2014 to March 31, 2015, including notes to consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards pursuant to the provisions of Article 93 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in Japan Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Audit Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2015, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards

Audit of Internal Control

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of the Company as of March 31, 2015

Management's Responsibility for the Report on Internal Control

The Company's management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting

Auditors' Responsibility

Our responsibility is to express an opinion on management's report on internal control based on our internal control audit as independent position We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan Those standards require that we plan and perform the audit to obtain reasonable assurance about whether management's report on internal control is free from material misstatement

An internal control audit involves performing procedures to obtain audit evidence about the results of the assessment of internal control over financial reporting in management's report on internal control The procedures selected depend on the auditors' judgment, including the significance of effects on reliability of financial reporting An internal control audit includes examining representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of the Company as of March 31, 2015 is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act

The above represents a translation, for convenience only, of the original report issued in the Japanese language