Mitsui & Co., Ltd.

IR Meeting on Financial Results for the Six-Month Period Ended September 30, 2009
Questions and Answers

1. Time: November 5, 2009, 14:00～15:30hrs
2. Location: Tokyo Kaikan 12th Floor Royal Room
3. Speakers: Masami Iijima, President and Chief Executive Officer
Junichi Matsumoto, Executive Vice President and Chief Financial Officer
Joji Okada, Managing Officer, Deputy Chief Financial Officer and Global Controller
Katsurao Yoshimori, General Manager of Investor Relations Division
4. Question and Answers:

Q. *Can you break down the Energy segment full year earnings forecast into earnings related to carry-over of the previous year's coal contracts and others?*

A. As we explained at the meeting back in August, there was some positive impact from the carry-over of last year's coal contracts into this year but we cannot disclose details.

Q. *For each currency, can you provide the change in foreign currency translation adjustments that occurred in the six-month period ended September 30, 2009 as well as the net end-of-the quarter exposure?*

A. 1) Change during the six-month period ended September 30, 2009:
Foreign currency translation adjustments arising from appreciation of the Australian dollar and the Brazilian real against the yen increased by ¥70.0 billion and ¥20.0 billion respectively while those from depreciation of the U.S. dollar against the yen declined by ¥50.0 billion*.

** At the results presentation the impact of the depreciation of the U.S. dollar against the yen was given as ¥70 billion. This has subsequently been revised.*

2) Exposure as of September 30, 2009:
The aggregate amount of net assets denominated in foreign currencies at the end of the six-month period was approximately US$17.7 billion on a U.S. dollar basis, including main currencies as follows:

U.S. dollar:	US$8.5 billion
Australian dollar:	AUD6.2 billion
Brazilian real:	BRL2.2 billion

Q. *Can you provide equity tonnages on copper and nickel for the six-month period ended September 30, 2009?*

A. Unfortunately we only disclose equity tonnages of copper and nickel on an annual basis.

Q. *Looking at your P&L, are we correct to understand that your true earning power for the three-month period ended September 30, 2009 was approximately ¥40 billion? If so, your earnings forecast of ¥47.2 billion for the second half of this fiscal year seems to be very conservative. Are there some one-off losses included in this forecast?*

A. After excluding one-off items, net income for the second quarter improved slightly to ¥37 billion, up from ¥32 billion in the first quarter. However, the main trigger for the recent rebound has been the government stimulus policies in various countries, so it is too early to judge whether the real economy is on a self-sustaining growth path or not.
Given that gross profits from our bread-and-butter trading operations in Global Networks were flat or slightly down compared to the previous three-month period to June 2009, it is clear that the recovery still lacks real strength. Taking this environment into account, after close internal discussion and thorough review of our first half results we elected not to change our initial forecasts for full-year net income.

Q. *Iron ore shipments in the first half recovered quite strongly to 20.9 million tons. Why have you therefore given such a conservative estimate for shipments in the second half?*

A. Crude steel production in China, which is currently the largest iron ore-consuming country in the world, is approaching record levels. On the other hand, iron and steel product inventory levels also appear to be growing, so we have taken a more conservative approach when estimating the demand for iron ore for the remainder of the year.

Q. *Last year and in the first half of this year you recorded impairment losses on listed securities. Can you explain how you intend to manage your holdings of listed securities in the future, including the proposed timing and magnitude of any further divestitures?*

A. Although we have not set any specific target on the timing or amount of divestiture of listed securities, we are currently undertaking a thorough review of all our holdings. Our intention is to divest those holdings that have not generated satisfactory returns or that no longer meet our objectives. In addition, in principle we will not undertake any new investments purely for relationship purposes.

Q. *Problems in the energy segment caused output to fall in the second quarter. How do you see production progressing from now on?*

A. Our coal assets are operating smoothly and have the capacity to increase production if demand grows. In oil and gas operations, production at Vincent oil field in Australia was shut down for approximately two months in the April-June period due to a fire in the high pressure compression module. This is incorporated into our consolidated results with a three-month lag. Accordingly, its production fell from approximately 28,000 barrels per day in the January-March period to 9,600 barrels per day. However, it resumed operations at the end of June and is currently producing about 22,000 barrels per day. Enfield is experiencing some minor troubles—although nothing on the scale of the previous water and sand infiltration problems—and in the July-September period only produced around 23,000 barrels per day. Our other oil and gas projects, including Sakhalin-II, are generally performing well.

Q. *You decreased the full-year forecast for the Consumer Services and IT segment by ¥10.0 billion, reflecting your ongoing review of your business portfolio. Can you outline your thoughts on the current business environment and your plans for this segment?*

A. We are currently undertaking a comprehensive review of the Consumer Service & IT segment, as part of which we are reassessing new projects from the ground up and carefully considering existing businesses.

In our textile business, which primarily undertakes Original Equipment Manufacturing (OEM), performance has been hit by the poor economy and we have had to record provisions for doubtful accounts.

On the other hand, our service-related and outsourcing businesses, including catering at AIM Services, have been expanding into new areas such as healthcare and delivering solid results.

In real estate, the market for both commercial and residential properties do not yet appear to have hit bottom, and we are managing the business carefully—including through measures such as the impairment losses we recorded last year—to minimize damage.

Our businesses in the strategic area of medical healthcare will need more time before contributing to earnings, but we are managing them carefully from a longer term point of view.

In IT, business in the mobile phone sector is struggling with longer consumer product replacement cycles and other factors. System integration and network integration business is also facing a tough environment, as firms have been cutting back their IT investment amid weak performance. In electronics, the domestic environment is weak but robust demand in China is supporting solid results.

Q. *You recorded major impairment losses last year and in the first half of this year. What level of impairment losses on listed securities, goodwill and fixed assets are you anticipating in the second half of this fiscal year?*

A. Although it depends on the direction of the equity market, we think it unlikely that we will have to recognize additional impairments on listed securities. On the other hand, depending on the economic situation further impairments on goodwill and fixed assets in the U.S. business may become necessary.

Q. *Am I correct to understand that in your investment plans for the second half of the year you will be focusing on the infrastructure area? What are your plans for Brazil, where Mitsui has considerable strengths?*

A. The total amount of potential investment opportunities we are seeing is approximately ¥650 billion, of which ¥470 billion is for approved projects and ¥180 billion is for projects with a high probability of proceeding. Although it depends on the outcome of tenders or negotiation with buyers, we think we are likely to achieve a total investment amount in line with our plans at the start of the year. Most of our investments in the first half were resource related, but we think that there will be more non-resource related investments in the second half. As a result, we expect the final outcome should be similar to our original plan, i.e. 30% resource related, 40% infrastructure related and 30% for other areas.

In regards to Brazil, in line with the government's policy to invest in domestic businesses, the two major Brazilian firms Vale and Petrobras plan to increase their domestic investment. By cooperating with these two firms, we intend to vigorously pursue new opportunities within Brazil.

Q. *All your subsidiaries in the Americas, with the exception of Novus International, seem to be suffering. How do you plan to turn around the performance of your Americas segment?*

A. With the automotive and housing sectors facing headwinds, earnings at Steel Technologies are under pressure. However, their cost saving efforts are gradually starting to show results. Champions recognized a substantial write-down of inventories but we expect their performance to improve as seasonal demand for gas picks up. MBK Real Estate ("MRE"), which is engaged in residential housing business in southern California, is showing signs of bottoming out with lower inventory as well as lower levels of foreclosure. Novus continues to excel as they are marketing their animal feed additives on a global basis. Fertilizantes Mitsui is facing a tough time, as the Brazilian fertilizer market remains subdued. We will need to take necessary steps to improve their cost structure. Lastly, we intend to continue developing new business areas, such as SunWize (solar power systems) and Cornerstone (a manufacturer of nutritional and herbal formulations in capsules and tablets).

Q. *Has there been any change in your stance towards listed securities, especially in light of adopting IFRS in the future?*

A. We are currently considering adopting IFRS from April 2013. Under IFRS we would be able to recognize the volatility of various markets in our comprehensive income, but until then we intend to continue applying our current strict impairment rules (30%/9 months) to ensure a sound financial position. We also intend to review all investments, divesting those that have not generated satisfactory returns or that no longer make strategic sense to own.

Q. *Although companies such as Vale and BHP Billiton have expressed optimism about the outlook for iron ore shipments, what is your view of the outlook? Is there any reason why you are so conservative on the demand of iron ore? In addition, can you tell us your view on why Vale's growth in shipments to China has been falling behind that of operators in Australia BHP and Rio Tinto? Is this related to freight costs to China?*

A. The rapid rebound in China is mainly driven by expansionary fiscal and monetary policy, and does yet appear to reflect a recovery in the real economy. Some commentators feel that the current high crude steel production has overshot demand, so we have taken a somewhat restrained view on likely demand.

In regards to Vale, they have been impacted by the slowdown in Europe, which has been their major market. Their shipments to China have been increasing, but the increase is rather moderate since they do have a disadvantage on freight costs vis-à-vis Australian suppliers.

Q. *You currently have a low Net DER of 1.05, and expect to generate positive free cash flow in the second half. If the DER ends up lower than 1.0 is there potential to increase the dividend?*

A. Our current Net DER of 1.05 could deteriorate if we execute investments as planned, regardless of whether we fund such investments from available cash or borrow additional money. In any case we think our net DER would increase. For the current period we intend to maintain a consolidated payout ratio of 20%. From next year we will again review shareholder returns, taking into consideration actual investment undertaken.

Q. *When do you expect new investments currently being considered could start contributing to your bottom line?*

A. In the energy and resources area we are focusing on expansion of existing projects, and in other areas our investment considerations include M&A. Assets and businesses acquired through M&A will likely contribute to the bottom line relatively quickly.

Q. *With CO_2 emissions being such a topic these days, how are you approaching so-called new energy related business?*

A. As outlined in our Long-term Management Vision, we are working on not only fossil fuel businesses but also non-fossil fuel businesses such as solar, wind, bioenergy, and lithium-ion batteries. We intend to take a leading role in industrial restructuring and geographic changes in pursuit of a low carbon society.

Q. *Iron ore spot prices are still at high levels. Can you tell us how we should interpret this?*

A. After dropping from US$92 – $97 per ton to US$85-87 per ton, reflecting a softening of iron & steel product prices, iron ore spot prices started to rebound recently but prospects are uncertain. In addition, the annual contract price for China is still not determined. Given this uncertainty, we have used a rather conservative number in our outlook.

Q. *Why have dividends from Qatar Gas increased in the three-month period ended September 30, 2009?*

A. This is because a certain portion of dividends for the first quarter were actually recorded in the second quarter.

Q. *Your revised forecasts for the full year include interest expenses of ¥30.0 billion, although actual interest expenses in the first half of the year were ¥9.5 billion. Similarly, full-year losses on investment securities and fixed assets are forecast at ¥40.0 billion, although in the first half the actual amount was approximately ¥30.0 billion. What is your basis for your calculations for these figures?*

A. Interest rates are based on consideration of forward rates. Forward rates increase the further they are extended, and we have reflected this. Another reason why we took a conservative approach is because of potential interest rate increases arising from the risk of budget deficits increasing under the policies of the Democratic Party of Japan, as well as uncertainty concerning the healthiness of U.S. financial institutions.

Ends