

Fiscal Term Ending March 2006 Brief Notes on the Financial Settlement (Consolidated)

Name of the Listed Company: Mitsui Mining Co., Ltd. Exchange on which the company is listed: Tokyo Stock Exchange
Code number: 3315 Prefecture in which the head office is located: Tokyo Metropolis

(URL: <http://www.mitsui-mining.co.jp/>)

Representative: Representative Director and Chief Executive Officer Taro Yamaho
Staff responsible for inquiries: Secretary and General Manager, Department of Public Relations and Administrative Section; Accounting Group Leader of the Financial Department; Minoru Sasaki TEL (03) 5560-1311
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Date of the meeting of the Board of Directors that approved the financial settlement: May 26, 2006
Whether or not the US Generally Accepted Accounting Principles have been applied: Not applied

1. Consolidated performance in the fiscal term ending March 2005 (from April 1, 2005 to March 31, 2006)

(1) Consolidated business results (rounding down to the nearest million yen)

	Sales turnover		Operating profit		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ending March 2006	179,457	7.8	13,684	5.7	11,042	16.4
Fiscal year ending March 2005	194,584	-	14,510	-	13,206	-

	Total current net earnings		Total current net earnings per share		Total current net earnings per share after adjustment for latent shares	Ratio of total net current earnings to shareholders' equity	Ratio of ordinary earnings to total capital	Ratio of ordinary earnings to sales turnover
	Million yen	%	Yen	Sen				
Fiscal year ending March 2006	224	98.0	1.23		0.60	0.9	7.6	6.2
Fiscal year ending March 2005	11,302	-	71.24		26.68	61.5	8.8	6.8

- (Note 1) (1) Investment profit or loss based on the equity method: fiscal term ending March 2006: 9 million yen; fiscal term ending March 2005: - 53 million yen;
(2) Average number of shares outstanding during the fiscal year (consolidated)
Ordinary shares: 182,178,129 shares in the fiscal term ending March 2006; 158,652,480 shares in the fiscal term ending March 2005;
Preferred shares: 134,849,315 shares in the fiscal term ending March 2006; 148,000,000 shares in the fiscal term ending March 2005;
(3) Change in the method of accounting: None
(4) The percentage indications for sales, operating profit, ordinary earnings and current net earnings are the ratios of increase or decrease against the preceding term.

(2) Consolidated financial position (rounding down to the nearest million yen)

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen Sen
Fiscal year ending March 2006	152,925	24,913	16.3	9.06
Fiscal year ending March 2005	137,768	24,722	17.9	77.40

(Note 1) Shares outstanding at the end of the fiscal term (consolidated)

Ordinary shares:	230,253,098 shares in the fiscal term ending March 2006;	158,635,568 shares in the fiscal term ending March 2005;
Preferred shares:	108,000,00 shares in the fiscal term ending March 2006;	148,000,000 shares in the fiscal term ending March 2005;

(Note 2) "Shareholders' equity per share" is information that pertains to ordinary shares and for this reason, the calculation is performed by subtracting the issue value of preferred shares that has priority in the distribution of residual resources (27,000 million in March 2006 and 37,000 million yen in March 2005) from the shareholder equity as of the end of the fiscal term.

(3) Status of consolidated cash flow (rounding down to the nearest million yen)

	Cash flow from sales activities	Cash flow from investment activities	Cash flow from financial activities	Balance of cash and cash equivalents at the end of the fiscal term
	Million yen	Million yen	Million yen	Million yen
Fiscal year ending March 2006	8,562	16,337	7,462	6,303
Fiscal year ending March 2005	11,186	2,649	11,540	6,548

(4) Item with respect to the scope of consolidation and application of the equity method
 Number of consolidated companies: 22 companies; Number of non-consolidated subsidiary companies to which the equity method is applied: 1 company; Number of affiliated companies to which the equity method is applied: 1 company

(5) Status of changes in the scope of consolidation and application of the equity method
 Consolidated (new): 1 company; (excluded) 3 companies; equity method applied (new) 1 company; (excluded) 1 company

2. Forecast consolidated performance for the fiscal year ending March 2007 (from April 1, 2006 to March 31, 2007)

	Sales turnover	Operating profit	Ordinary profit
	Million yen	Million yen	Million yen
Current interim term	99,400	200	2,700
Total year	216,200	4,200	7,700

(Reference) Forecast net profit per share for the current fiscal year (total fiscal year): 33 yen 44 sen
 As of the present, since the amount of dividend payable to preferred shares in the appropriation of earnings has not been determined, in the calculation of the "forecast net profit per share for the current fiscal year (total fiscal year)", no deduction has been made for the amount of dividend payable to preferred shares from the forecast net profit for the current fiscal year.

* The preconditions for the above forecast are information that was available as of the date of issue of this material and assumptions as of the date of issue of this material with respect to uncertain factors that may impact performance in the future. The actual performance may be significantly different from this forecast due to various factors in the future.

1. Status of the Corporate Group

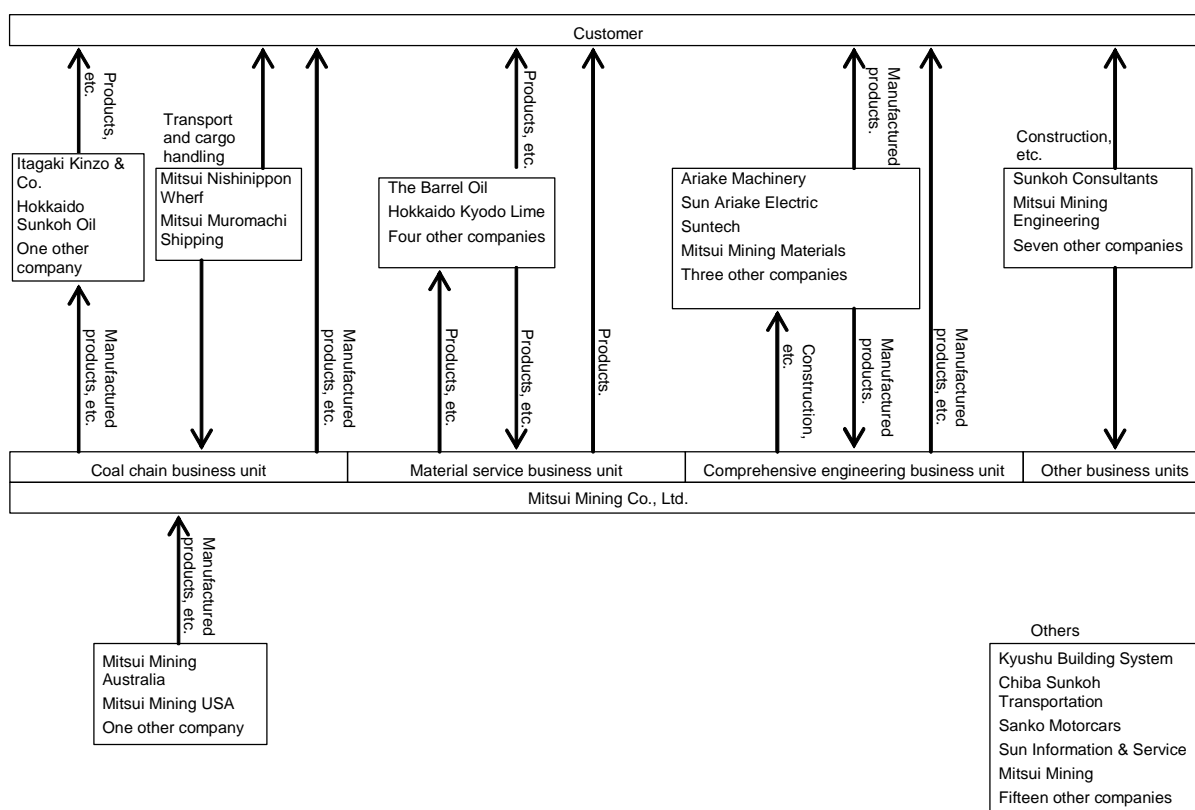
The corporate group of Mitsui Mining Co., Ltd. is comprised of Mitsui Mining Co., Ltd., 35 subsidiaries and 15 affiliated companies and is involved primarily in the sales of coal and petroleum products and the production, manufacturing and sales of coke, construction materials and machines and equipment for particulate matter.

The relationship of the position and segment of the business by type of the Mitsui Mining Group is as shown below.

Category	Major business	Principle companies
Coal chain business unit	Procurement and sales of coal, production and sales of cokes and transport and cargo handling of coal and other such products	Mitsui Mining, Mitsui Nishinippon Wharf, Mitsui Muromachi Shipping (total of 9 companies)
Material service business unit	Procurement and sales of petrochemicals, manufacturing and sales of construction materials and disposal and recycling of industrial waste.	Mitsui Mining, The Barrel Oil, Hokkaido Kyodo Lime (total of 6 companies)
Comprehensive engineering business unit	Chemical facilities and equipment, equipment for general industry, manufacturing and sales of plants	Mitsui Mining, Ariake Machinery, Sun Ariake Electric (total of 8 companies)
Other business units	Incidental business such as construction work, sales and rental of real estate, cleaning, security and facility management of buildings, other business units	Mitsui Mining, Suncoh Consultants, Kyushu Building Systems (total of 30 companies)

(Note) The number of companies is calculated for each area of business and Mitsui Mining is counted redundantly.

(Business System Diagram)



2. Management Policy

1. Basic Policy having to do with Management

The Mitsui Mining Group targets contributing to the formation of a better social environment and to the sustainable development of human society through continued provision to society of resources and materials and high value added technology that are indispensable in undertaking human activities.

2. Basic Policy having to do with Distribution of Profits

While Mitsui Mining will attempt to retain profits within the company to provide for strengthening the corporate constitution and future business development, it will at the same time distribute profits to our shareholders and the policy of the company is to determine distribution of profits with consideration given to the status of performance and the future business environment.

In its medium term business plan, Mitsui Mining targets "four fold ratio of debts to cash flow from sales" and with the achievement of this objective as precondition, the company targets achieving recovery of distribution of dividend in the fiscal year ending March 2008 (fiscal 2007).

3. Medium to Long Term Business Strategy of the Company and Issues that the Company will need to Address

The Mitsui Mining Group will attempt to maximize the value of the group of corporations through provision of resources and materials focusing on energy and related value added technology using the business resources that utilize the strengths of the group's proprietary technology, infrastructure and commercial rights that are each only one of its kind in order to develop the business under the principle of customer first backed by capabilities in planning and making proposals.

Mitsui Mining Co., Ltd. has been supported by the Industrial Revitalization Agency and has been working towards the revitalization of the business based on a plan for such revitalization and the Industrial Revitalization Agency has not only assigned the entirety of the ordinary shares that it has underwritten upon supporting this company to the three companies Daiwa Securities SMBC Principal Investment Co., Ltd., Nippon Steel Corporation and Sumitomo Trading Co., Ltd. in March 2005 but also has assigned the residual shares of this company to institutional investors with Mitsui Sumitomo Bank acting as principal underwriter in December 2005. Moreover, in March 2006, Mitsui Mining Co., Ltd. acquired funds through a syndicated loan with Mitsui Sumitomo Bank Co., Ltd. as the principal underwriter and has returned the entire amount of borrowings from the Industrial Revitalization Agency and has also acquired the credits of the Industrial Revitalization Agency against the Mitsui Mining Coal Mining Co., Ltd. that is a non-consolidated subsidiary of Mitsui Mining Co., Ltd. Through this move, investment and support of Mitsui Mining by the Industrial Revitalization Agency has been amortized forward by 9 months from the December 2006 that was the deadline for the support under the "Industrial Revitalization Agency Law" and has all been completed.

Moreover, implementation of the large scale investment of commencement of operation of the cokes furnace that is currently suspended that is not a part of the Industrial Revitalization Agency plan, accelerated disposal of real estate including that of affiliated companies, suspension of work due to accidents at consolidated subsidiaries (later a policy for withdrawal from the business has been decided) and other business environment of the Mitsui Group has changed significantly from the time that the Industrial Revitalization Agency plan was first determined and for this reason, a 4 year plan (medium term business plan for the Mitsui Mining Co., Ltd. Group) that targets the period from fiscal 2005 to fiscal 2008 prior to the suspension of the support of the Industrial Revitalization Agency has been determined as of September 2005. In the future, every effort will be expended to in order to achieve this medium term business plan and in order for the enhancement of corporate values, management resources will be concentrated into the principal businesses (coal and cokes), new businesses will be commercialized at an early stage and the fiscal health of the group will be further strengthened through repayment on debts and profits will be returned to our shareholders.

The group has undertaken further selection and concentration of its business as seen in the withdrawal during the consolidated fiscal year from the construction material and procurement businesses and in order to achieve efficiency in the plan, will verify the synergy among the business units and from fiscal 2006, will review the organization. The strategies and issues for each business unit under the new organization are as shown below.

(1) Energy business unit

With respect to the coal business unit, with the company's representative office in Jakarta (Republic of Indonesia) that was newly established in March 2006 as core, through the use of the company's current overseas representative offices and network, the source of supply will be diversified and a relationship of good will with overseas suppliers such as in China will be maintained and further developed and through focusing stable supply that suits consumer needs, efforts will be made to increase the company's market share. Moreover, through the strengthening of the solutions business that utilizes such functions as the development of coal resources to the recycling of coal dust, efforts will be made to achieve the annual import volume of 8.5 million tons of coal that is the target from the final year in the medium term business plan.

With respect to the cokes business unit, work on restarting operation of the cokes furnace in the company's Kita Kyushu Plant into which about 13 billion yen has been invested at the furnace at which operation is currently idle (1A Furnace) began in May 2006 and the capability in producing coke will be increased from 1.6 million tons to 2.1 million tons per year. Through this, the increased amount of coke produced is being supplied to Nippon Corporation under a long term contractual arrangement. Moreover, the CDQ power generation equipment and coal humidity adjustment equipment into which about 6.4 billion yen has invested have begun test runs towards full scale operation and significant reduction in production cost will become possible in the future. In addition to increasing production and achieving stable counterpart of sales as well as the significant reduction in the cost, a stable base for revenue into the future has been formed and this area of business will continue to be developed as the company's principal business.

With respect to the petroleum business unit, the method of obtaining supply will be reviewed and the content of transaction diversified and business that emphasizes profitability and efficiency will be promoted.

(2) Comprehensive Engineering Business Unit

With respect to chemical engineering machines, entry into new areas will be targeted through the utilization of the brand power that has been developed through many years of sales performance and technology while at the same time sales development in China, Taiwan and other Asian countries will be strengthened.

With respect to the resource recycling business unit, emphasis will be placed on the processing of coal dust in Japan, processing of sludge, processing of contaminated soiled earth and other exports of waste material for use as materials for cement and the expansion of this business will be targeted.

Moreover, a pilot plant for the production of NSA (nano structure alumina) that is expected to have superior effects as a catalyst for cleaning the environment is currently being constructed in the Kita Kyushu Plant of the company and early commercialization is being promoted.

(3) Other Business Units

In the transport business unit, in order to breakaway from reliance on coal materials, focus is being placed on increasing the handling of general cargo such as containers. A scheduled container route on the company's main business route from Miike Port (Omuta City, Fukuoka Prefecture) to Pusan Port (Korea) began operation in April 2006 and in order to increase the cargo that is handled, active sales activities are being maintained.

In terms of financial strategies, disposal of resources with no planned use will be further promoted in order to decrease debts. In the medium term business plan, "a fourfold debt to sales cash flow ratio" is targeted and assuming achievement of this target, revival of dividends from the March 2008 (fiscal 2007) financial settlement is being targeted.

3. Business Performance and Financial Circumstances

1. Business Performance

(1) Overview in the Current Fiscal Term

The economy of Japan during the current interim fiscal term experienced continuing increase in capital investment due to improved corporate earnings while personal consumption showed improvement and the economy continued its course of steady recovery.

Given these circumstances, based on the medium term business plan established in September 2005, the group has recommenced operation of currently idle cokes furnace and concentrate investment in the principal businesses in order establish a stable base of revenue and as seen in the withdrawal from the construction material business, has further undertaken selection and concentration of its businesses. Moreover, the company has been promoting rationalization and greater efficiency in the business as a whole through reduction of costs and expenses and through sales activities conducted as a collective effort and will continue to dispose of non-business real estate assets.

As a result, performance in this consolidated financial terms returned sales turnover of 179 billion 457 million yen or down 15 billion 127 million yen compared to the previous consolidated financial term as a result of the decline in the number and withdrawal from business of consolidated subsidiaries. In terms of revenue, sales profit was 13 billion 684 million yen also down 825 million yen from the sales profit of the preceding consolidated financial year. Operating profit was 11 billion 42 million yen or down 2 billion 164 million yen from the preceding consolidated financial term. Depletion losses from the adoption of the "Accounting Principles on Depletion Losses on Fixed Assets" that was applied from this consolidated fiscal year, accounting in of reserve for doubtful debts of affiliated companies of Mitsui Coal Mining Co., Ltd. that is a non-consolidated subsidiary and the accounting in of the special losses such as losses as a result of withdrawal from the business of Miike Thermal Electric Power Co., Ltd., a consolidated subsidiary that is due to be liquidated resulted in net profit for this term of 224 million yen or down 11 billion 78 million yen from the pervious consolidated fiscal term.

(2) Overview by Segment

1) Coal Chain Business Unit

In the coal business unit, while demand for coal remained steady, with the sudden rise in the price of Chinese coal that is the main brand handled by this company, sales volume fell and in the cokes business unit, while the domestic market was relatively steady, sales volume fell as a result of the reduction in the volume imported. As a result, sales turnover was 90 billion 277 million yen (a reduction of 3 billion 914 million yen from the previous fiscal year) and operating income was 15 billion 201 million yen (a reduction of 1 billion 129 million yen from the previous fiscal year).

2) Material Service Business Unit

In the construction material business unit, significant reduction of revenue was experienced as a result of having withdrawn from the procurement business but in the petroleum business unit, revenue increased as a result of the rise in the sales price due to the skyrocketing price of crude oil and the development of new sales areas. As a result, sales turnover was 58 billion 110 million yen (a reduction of 2 billion 938 million yen from the previous fiscal year) and operating profit was 232 million yen (a reduction of 194 million from the previous fiscal year)

3) Comprehensive Engineering Business Unit

In the environment business unit, as a result of construction work carried forward on orders received by the business targeted for withdrawal having about been completed in the preceding consolidated fiscal year, while sales turnover was 14 billion 252 million yen (a reduction of 3 billion 990 million yen from the previous fiscal year) as a result of the increased capital investment in IT related areas leading to a steady market for chemical engineering machines, operating profit was 1 billion 391 million yen (an increase of 46 million yen from the previous fiscal year).

4) Other Business Units

As a result of such factors as the decline in the number of consolidated subsidiaries, sales performance was 16 billion 815 million yen (a decrease of 4 billion 284 million yen from the corresponding period in the preceding fiscal year) and operating profit was 885 million yen (a decrease of 126 million yen from the corresponding period in the preceding fiscal year).

(3) Outlook for the Next Year

With respect to future outlook, as improvement in corporate earnings and recovery of the global economy is continuing steadily, it is believed that the economy is strong and that the trend will remain that of recovery. Given this business environment, the Mitsui Mining Group will target further enhancement of corporate values in developing its business under the medium term business plan that was newly established in September 2005.

The performance outlook for the next year is consolidated sales turnover of 216.2 billion yen, consolidated current profit of 4.2 billion yen and consolidated net profit for the current term of 7.7 billion yen.

2. Financial Position

The balance of cash and cash equivalents (hereafter referred to as "funds") as of the end of the current consolidated accounting period was 6 billion 303 million yen or down 244 million yen from that of the end of the preceding consolidated accounting period.

The status of various cash flows and the factors contributing to these in the current consolidated accounting period was as follows.

(Cash flow from sales activities)

Funds obtained as a result of sales activities amounted to 8 billion 562 million yen (a reduction of 2 billion 623 million yen from the previous fiscal year).

For the most part, this was the result of an increase of 7 billion 217 million yen in reserve for losses from liquidation of affiliated companies, losses from depletion of 6 billion 364 million yen, depletion charge of 4 billion 25 million yen, reduction in sales credits of 3 billion 994 million yen, increase in the reserve for development of the environment of 1 billion 498 million yen, increase in inventory assets of 5 billion 34 million yen, decrease in reserve for bad debts of 3 billion 583 million yen, reduction in procurement debt of 3 billion 132 million yen and net loss before tax 2 billion 148 million yen.

(Cash flow from investment activities)

Funds used as a result of investment activities amounted to 16 billion 337 million yen (an increase of 13 billion 688 million yen from the corresponding period of the preceding fiscal year).

For the most part, this was the result of revenue from disposal of fixed assets of 3 billion 943 million yen, revenue from invested securities of 1 billion 668 million yen, outlay as a result of procurement of fixed assets of 10 billion 279 million yen, outlay through procurement of claimable assets of 9 billion 676 million yen and outlay through loans of 2 billion 536 million yen.

(Cash flow from financial activities)

Funds that were obtained from financial activities amounted to 7 billion 462 million yen (11 billion 540 million yen in the consolidated fiscal year).

For the most part, this was the result of revenue through loans obtained of 131 billion 666 million yen and outlay through loans paid of 124 billion 299 million yen.

The trend for the cash flow indices was as follows.

	Fiscal year ending March 2004	Fiscal year ending March 2005	Fiscal year ending March 2006
Ratio of shareholders' equity (%)	7.5	17.9	16.3
Ratio of shareholders' equity at market value base (%)	15.1	40.1	44.0
Years for redemption of debt (years)	72.9	6.5	9.5
Interest coverage ratio	7.6	8.4	8.0

- * Ratio of shareholders' equity: Shareholders' equity/ total assets
Ratio of shareholders' equity at market value base (%): Aggregate market value/ total assets
Years for redemption of debt (years): Interest bearing debt/ cash flow from sales activities
(In the case of interim fiscal terms, in order to convert the cash flow from sales activities to the corresponding total year amount, the amount has been doubled.)
Interest coverage ratio: Cash flow from sales activities/ interest payment
- (1) All indices have been calculated using financial figures on a consolidated basis.
 - (2) Aggregate market value has been calculated as the closing price of shares at the end of the fiscal year x total number of shares outstanding (after deduction of treasury shares) at the end of the fiscal year.
 - (3) Cash flow from sales activities is the cash flow from sales activities as listed in the statement of calculation of consolidated cash flow. Interest bearing debts are all debts accounted for in the consolidated balance sheet with respect to which interest is being paid. Moreover, with respect to payment of interest, the amount listed in the statement of calculation of consolidated (consolidated interim fiscal term) cash flow has been used.

3. Business Risks

With respect to business and other risks of the Mitsui Mining Group, factors that are believed possibly to exert important impact on the judgment of investors are as follows.

(1) Market environment

The Mitsui Mining Group sells energy related materials with focus on coal and coke both in Japan and overseas and there is the possibility that fluctuation in global demand such as demand in China or the United States will impact the business performance and financial position of this group.

(2) Fluctuation of the currency exchange rate

The Mitsui Mining Group conducts foreign currency denominated transactions and is thus subject to the impact of fluctuation in the currency exchange rate. Currency exchange rate risks are for the most part off set by foreign currency denominated sales of coke and imports of the raw material coal but the part that is not so off set may possibly impact the business performance and financial position of this group. In order to avoid foreign currency exchange risks to the extent possible, hedge transactions such as forward exchange contracts are being used.

(3) Fluctuation of interest rates

The Mitsui Mining Group has interest bearing debts and for this reason is impacted by the fluctuation of interest rates. Significant fluctuation of the interest rates may possibly impact the business performance and financial position of the Mitsui Mining Group. A part of such debts is subjected to interest swap and other hedging transactions in order to avoid the risk of interest fluctuation to the extent possible.

(4) Financial restriction covenants with respect to loans payable

A part of the loans payable of the Mitsui Mine Group have such financial restriction covenants as maintenance of net assets (consolidated and independent), maintenance of revenue (consolidated and independent) and limitations on cash flow (consolidated). In the event the management performance or the financial situation of this company or the Mitsui Mining Group deteriorates leading to the inability to satisfy these conditions, while this will not mean that the group will be asked to make all payments on loans immediately, there is the possibility that such a situation may exert an impact on the future stable and continued procurement of funds.

(5) Decline in the value of fixed assets

With respect to the fixed assets possessed by the Mitsui Mining Group, the value of the assets is reviewed based on market price and profitability and losses from reduction of value are accounted for in the current consolidated accounting period but if there is a further decline of the market price and decrease of profitability in the future leading to a decline in the value of the assets, this may possibly impact the business performance and financial position of the group.

4. Consolidated Financial Statements, Etc.

(1) Consolidated Balance Sheet

(Units: Million yen)

Category	Fiscal year ending March 2005	Fiscal year ending March 2006	Gains or losses	Category	Fiscal year ending March 2005	Fiscal year ending March 2006	Gains or losses
Current assets	50,128	54,477	4,349	Current liabilities	45,046	53,485	8,439
Cash and cash equivalents	7,804	7,417	387	Notes payable	8,191	6,525	1,665
Notes receivable	2,425	1,904	520	Accounts payable	14,039	12,759	1,279
Accounts receivable	19,180	15,824	3,355	Short term loans payable	9,608	11,647	2,038
Inventory assets	19,672	24,708	5,035	Corporate bonds redeemable within one year	200	-	200
Short term loans receivable	102	124	21	Accrued taxes	613	512	101
Tax assets carried over	247	3,325	3,078	Allowance for bonuses	896	1,015	118
Others	1,848	1,974	126	Allowance for losses through liquidation of affiliated companies	188	7,405	7,217
Allowance for bad debts	1,153	802	350	Reserve for development of the environment	-	1,498	1,498
Fixed assets	87,639	98,447	10,807	Reserve for losses due to withdrawal from businesses	-	516	516
Tangible current assets	68,910	83,675	14,765	Others	11,307	11,604	297
Buildings and structures	9,645	8,414	1,231	Fixed liabilities	67,894	74,424	6,529
Machinery and equipment	11,243	11,118	125	Bonds payable	300	540	240
Land	42,382	50,862	8,479	Long term loans payable	62,423	68,719	6,296
Construction in progress	5,334	12,894	7,559	Allowance for employee retirement benefits	4,555	4,599	44
Others	303	386	83	Tax liabilities carried over	22	63	41
Intangible fixed assets	6,629	4,585	2,043	Others	593	501	92
Commercial rights	6,000	4,000	2,000	Total liabilities	112,941	127,909	14,968
Others	629	585	43	Minority shareholders' interest	104	102	2
Investment and other assets	12,100	10,186	1,913	Capital stock	7,000	7,000	-
Investments in securities	2,419	3,413	994	Capital surplus	6,845	6,845	-
Long term loans receivable	54,908	48,680	6,228	Accumulated earnings	11,033	11,221	187
Tax assets carried over	2,348	2,142	206	Evaluation difference of other securities	25	92	66
Long term accrued revenue	13,712	10,036	3,676	Foreign currency exchange adjustment	108	167	58
Others	3,563	3,205	357	Treasury stock	73	78	4
Allowance for bad debts	64,852	57,291	7,560	Total shareholders' equity	24,722	24,913	190
Total assets	137,768	152,925	15,157	Total of loans payable, minority shareholders' interest and shareholders' equity	137,768	152,925	15,157

(2) Consolidated Statement of Profit and Loss

(Units: Million yen)

Category	Preceding consolidated accounting period From April 1, 2004 To March 31, 2005	Current consolidated accounting period From April 1, 2005 To March 31, 2006	Gains or losses
Sales turnover	194,584	179,457	15,127
Cost of sales	164,381	152,816	11,564
Gross profit from sales	30,203	26,640	3,562
Selling, general and administrative expenses	15,692	12,955	2,737
Operating profit	14,510	13,684	825
Non-operating profit	525	341	184
Interest and dividends received	107	124	16
Others	417	216	200
Non-operating expenses	1,828	2,983	1,154
Interest paid	1,311	1,118	193
Others	516	1,865	1,348
Current profit	13,206	11,042	2,164
Extraordinary profits	2,349	4,226	1,877
Extraordinary expenses	3,738	17,417	13,678
Current fiscal term net profit before adjustment for tax (△ indicates current fiscal term net loss before adjustment for tax)	11,817	2,148	13,965
Corporate tax, municipal tax and business tax	483	536	52
Adjustment for corporate and other taxes	49	2,921	2,971
Minority shareholders' interest (△ indicates minority shareholders' losses)	18	12	31
Net profit for the current fiscal term	11,302	224	11,078

(3) Consolidated Statement of Surplus

(Units: Million yen)

Category	Preceding consolidated accounting period From April 1, 2004 To March 31, 2005		Current consolidated accounting period From April 1, 2005 To March 31, 2006		Gains or losses
(Surplus capital)					
Balance at the beginning of the fiscal term of surplus capital		6,845		6,845	-
Balance at the end of the fiscal term of surplus capital		6,845		6,845	-
(Surplus profit)					
Balance at the beginning of the fiscal year of surplus profit		△1,697		11,033	12,730
Increase of surplus profit					
Current fiscal term net profit	11,302		224		
Increase as a result of the decrease of consolidated subsidiaries	1,428	12,730	-	224	△12,506
Decrease in surplus profit					
Decrease as a result of the decrease in the number of companies to which the equity method is applied	-	-	36	36	36
Balance at the end of the fiscal term of surplus profit		11,033		11,221	187

(4) Statement of Consolidated Cash Flow

(Units: Million yen)

Fiscal term Category	Preceding consolidated accounting period From April, 2004 To March 2005	Current consolidated accounting period From April, 2005 To March 2006	Gains or losses
	Amount	Amount	Amount
I Cash flow from sales activities			
Net profit for the current fiscal term before adjustment for taxes (△ indicates net losses for the current fiscal term before adjustment for taxes)	11,817	2,148	13,965
Depreciation cost	4,475	4,025	449
Losses from devaluation	-	6,364	6,364
Increase or decrease in the allowance for bad debts	1,442	3,583	5,025
Increase or decrease in the allowance for employee bonuses	137	118	18
Increase or decrease in the allowance for losses due to liquidation of affiliated companies	1,020	7,217	8,237
Increase or decrease in the allowance for employee retirement benefits	181	44	136
Increase or decrease of reserve for development of the environment	-	1,498	1,498
Increase or decrease of reserve for losses due to withdrawal from businesses	-	516	516
Interest received and dividends received	107	124	16
Interest paid	1,311	1,118	193
Loss from elimination of fixed assets	571	382	188
Loss from sale of fixed assets	123	801	924
Loss from sales of investment in securities	474	533	59
Evaluation loss of investment securities	6	80	74
Cost of procurement of property used for payment in kind	-	648	648
Profit from excuse of debt	796	-	796
Increase or decrease of account receivable	52	3,994	3,941
Increase or decrease of inventory assets	2,850	5,034	2,183
Increase or decrease of other business assets	2,134	170	2,304
Increase or decrease of account payable	1,509	3,132	4,641
Increase or decrease of accrued consumption tax	292	319	612
Increase or decrease of other business debts	5,703	1,377	4,325
Others	164	1,163	1,327
Subtotal	12,939	9,948	2,991
Interest and dividends received	133	126	7
Interest paid	1,326	1,073	253
Corporate and other taxes paid	560	438	122
Cash flow from sales activities	11,186	8,562	2,623

Fiscal term	Preceding consolidated accounting period From April 2004 To March 2005	Current consolidated accounting period From April 2005 To March 2006	Gains or losses
Category	Amount	Amount	Amount
II Cash flow from investment activities			
Expenditure through deposit in term bank accounts	861	751	110
Income through withdrawal from term bank accounts	923	891	32
Expenditure through acquisition of fixed assets	7,063	10,279	3,215
Income through sale of fixed assets	2,335	3,943	1,607
Expenditure through acquisition of investment securities	86	131	45
Income through sale of investment securities	876	1,668	791
Income through sale of subsidiaries as a result of change in the scope of consolidation	233	-	233
Expenditure through loans provided	2,320	2,536	215
Outlay for procurement of loan obligations	-	9,676	9,676
Income through recovery of loans	2,633	897	1,736
Income through recovery of other investment	1,250	174	1,075
Others	568	537	31
Cash flow from investment activities	2,649	16,337	13,688
III Cash flow from financial activities			
Income through short term loan payable	34,343	65,581	31,238
Expenditure through repayment on short term loan payable	36,482	61,052	24,570
Income through long term loan payable	3,702	66,085	62,382
Expenditure through repayment on long term loan payable	12,888	63,247	50,358
Income through issue of corporate bonds	-	240	240
Expenditure through redemption of corporate bonds	200	200	-
Others	15	55	70
Cash flow from financial activities	11,540	7,462	19,002
IV Conversion difference on cash and cash equivalents	3	68	72
V Increase or decrease of cash and cash equivalents	3,006	244	2,762
VI Balance at the beginning of the fiscal year of cash and cash equivalents	9,656	6,548	3,108
VII Decrease in cash and cash equivalents as a result of exclusion from consolidation	101	-	101
VIII Balance of cash and cash equivalents at the end of the fiscal term	6,548	6,303	244

Important Matters that are Basic to the Production of the Consolidated Financial Statements for the Interim Fiscal Term

1. Matters having to do with the Scope of Consolidation

Number of consolidated subsidiaries: 22 companies

Names of the principal companies:

Mitsui Nishinippon Wharf Co., Ltd., Mitsui Muromachi Shipping Co., Ltd., Kyushu Building Systems Co., Ltd., Sun Ariake Electric Co., Ltd., Mitsui Mining Materials Co., Ltd. Suntech Co., Ltd., Chiba Sanko Shipping Co., Ltd., Ariake Machinery Co., Ltd., The Barrel Oil PTE Ltd.

Sun Lease and Development Co., Ltd. and Mitsui Cement Hume Pipe Co., Ltd. that used to be consolidated subsidiaries have been liquidated and Sun Chemical Co., Ltd. has been dissolved and merged with Mitsui Mining and for this reason, these companies have been excluded from the scope of consolidation from this consolidated interim accounting period.

Number of non-consolidated subsidiaries: 13 companies

As a result of Mitsui Mining Co., Ltd. having procured loans payable by Mitsui Coal Mining Co., Ltd. to the Industrial Revitalization Agency at the market price, the significant misfit between the book value of the net assets of Mitsui Coal Mining Co., Ltd. and the market value of the net assets has been alleviated but at the same time, as a result of a large portion of the assets of the company having been paid in kind based on market value the de facto impact on the consolidated financial statement is small and for this reason, the item has not been included in the scope of consolidation.

Moreover, the total assets, sales turnover, current term net loss (the amount corresponding to the equity share) and surplus profit (the amount corresponding to the equity share) of other non-consolidated companies are extremely small for each of these companies and do not pose an important impact on the consolidated financial statement for the interim fiscal term and cannot be expected to increase their impact on the consolidated group of companies in the future and for this reason, these companies have not been included in the consolidation.

2. Matters having to do with Application of the Equity Method

Number of affiliated companies to which the equity method is applied: 1 company

Since a part of the shares held in Mitsui Greenland Co., Ltd. to which the equity method had been applied in the past have been sold and equity has decreased making this company not an affiliated company, the company has been excluded from application of the equity method from the current consolidated accounting period.

Number of affiliated companies to which the equity method is not applied: 15 companies

For the reasons Mitsui Coal Mining Co., Ltd. and Yamano Mining Co., Ltd. that are non-consolidated subsidiaries have been excluded from the scope of consolidation, the 12 companies to which the equity method has not been applied and 14 affiliated companies including Mitsui Miike Machinery Co., Ltd. do not pose a significant impact on the consolidated interim financial statements due to their current term net profit or loss (the amount corresponding to the equity share) and surplus profit (the amount corresponding to the equity share) and are insignificant taken as a whole and for this reason have been excluded from application of the equity method.

With respect to investment into the company in the future, the equity method shall not be used and evaluation shall be based on the cost method.

3. Matters having to do with the Date of Financial Settlement of Consolidated Subsidiaries

With respect to important transactions between the date of consolidated financial settlement, adjustments that are necessary will be made for consolidation due to the date of financial settlement of a consolidated subsidiary being different in producing the consolidated financial statements.

4. Matters having to do with Generally Accepted Accounting Principles

- (1) Evaluation standard and evaluation method for important assets
 - 1) Securities
 - (a) Securities intended to be retained to maturity: The amortized cost method (fixed amount method) is being used.
 - (b) Other securities
 - Securities with market valuation: The market value method based on the market value on the date of the financial settlement (all differences in valuation are processed through direct inclusion into capital and cost is calculated using the moving average method) is being used.
 - Securities without market valuation: The cost method based on the moving average method is being used.
 - 2) Derivatives: The market value method is being used.
 - 3) Inventory assets: The cost method based on the gross average method is mainly being used.
- (2) Depreciation method for important depreciable assets
 - 1) Tangible fixed assets: The fixed amount method is used for Mitsui Mining and its domestic consolidated subsidiaries and the cost method based on the generally accepted accounting principles of the country of residence of the local company is used for overseas consolidated subsidiaries. With respect to depreciable assets with procurement cost of 100 thousand yen or more and less than 200 thousand yen depreciation is undertaken uniformly over three years.
 - 2) Intangible fixed assets: The productive output method is used for mining rights and uniform depreciation over the period as stipulated under the enforcement regulations of the Commercial Code is used for business rights and for other intangible fixed assets, the fixed amount method is used. For software (used within the company), the fixed amount method over the expected useful life within the company (5 years) is being used.
- (3) Method of handling assets that are carried over
 - 1) Cost of issue of new shares: Based on the enforcement regulations of the Commercial Code, uniform depreciation for each fiscal term over a three year period is implemented. However, in the case of small amounts, the entire amount is handled as expense upon expenditure.
 - 2) Cost of issue of corporate bonds: Based on the enforcement regulations of the Commercial Code, uniform depreciation for each fiscal term over a three year period is implemented. However, in the case of small amounts, the entire amount is handled as expense upon expenditure.

(4) Criteria for the accounting of important allowances

- 1) Allowance for bad debts: Mitsui Mining and its domestic consolidated subsidiaries include amounts that are likely not to be recoverable to provide for loss from bad debts having to do with accounts receivable based on the record of bad debts for general debts in the accounts and through review of individual possibility of collection with respect to specific debts such as debts over which there is concern with respect to recovery and for overseas consolidated subsidiaries, the amount expected to be unrecoverable is including in the accounts particular for specific debts.
- 2) Allowance for employee bonuses: In order to provide for payment of bonuses to employees, the expected amount for payment is included in the accounts.
- 3) Allowance for employee retirement benefits: In order to provide for payment of retirement benefits to employees, based on the retirement payment debt and annuity assets expected at the end of the current consolidated fiscal term is included in the accounts. For the most part, the difference upon change in the generally accepted accounting principles (8 billion 747 million yen) has been processed as expense for the pro rated part over a 15 year period. Past service debt is processed as expense using the fixed amount method over the average residual period of service (14 year period for the most part). Differences in the arithmetic calculation are processed by processing as expense the pro rated amount through the fixed amount method on the average residual period of service (13 year period for the most part) as of each consolidated accounting year in which such debt is generated beginning from the year after the consolidated accounting year in which such amount is generated.
- 4) Allowance for liquidation of affiliated companies: In order to provide for losses that will need to be assumed in the future as a result of the liquidation of affiliated companies, the corresponding expected amount of loss is included in the accounts.
- 5) Allowance for losses such as guarantee of debts: In order to provide for losses that will need to be assumed due to guarantee of debts of affiliated companies, the corresponding expected amount of loss is included in the accounts.
- 6) Reserve for development of the environment: In order to reserve for costs related to the development of the environment with respect to business property owned by Mitsui Mining, the estimated amount for such cost is accounted at the end of the current consolidated fiscal year.

- 7) Reserve for losses due to withdrawal from businesses: This reserve for losses is accounted in preparation for losses that may be expected due to the withdrawal of consolidated subsidiaries from the electric power business.
- (5) Standards for conversion of important foreign currency denominated assets to the currency of Japan
 Foreign currency denominated credits and debits are converted into Japanese yen denomination using the spot exchange rate as of the date of interim consolidated financial settlement and differences in the converted amount are processed as loss or gain.
 The credits and debits of overseas subsidiaries are converted into Japanese yen denomination using the spot exchange rate as of the date of the interim financial settlement of the relevant company and revenues and expenses are converted into Japanese yen denomination using the average currency exchange rate for the fiscal period and differences in the converted amount are included in the accounts together with minority shareholders' interest and the currency conversion adjustment item in shareholders' equity.
- (6) Method of processing important lease transactions
 Financial lease transactions excluding transactions in which the ownership right in the subject of the lease transfers to the lessee are included in the accounts as using the method that is applicable to normal rental transactions.
- (7) Method of accounting important hedge transactions
- 1) Method of hedge accounting: Deferred hedge processing is used for forward currency transactions, interest cap transactions and interest swap transactions.
 However, appropriation processing is implemented for foreign currency pecuniary credit and debit with forward currency contract and special processing is adopted for interest cap transactions and interest swap transactions that satisfy the requirements for special processing.
- 2) Hedge instrument and hedge target
- Hedge instrument: Forward currency transactions, interest cap transactions and interest swap transactions
- Hedge target: Foreign currency pecuniary credit and debit and foreign currency expected transaction and interest paid on loans payable
- 3) Hedge policy: Hedging is implemented in order to avoid the risks due to future fluctuation of the currency exchange rate with respect to foreign currency denominated transactions in order to mitigate the possibility of losses due to fluctuation in interest rates.

- 4) Method of evaluation of the effectiveness of hedging: Effectiveness is determined by comparing the cumulate amount of fluctuation of the hedge target and the cumulative fluctuation of the hedge instrument.
 However, in such hedge transactions as exchange reserve transactions, an equivalent amount in foreign currency is allocated to the same date and since the interrelationship of future currency fluctuation is determined, this assessment is considered the assessment of validity.
 With respect to interest cap transactions and interest swap transactions that satisfy the requirements of special processes, this assessment is considered the assessment of validity.

(8) Other important matters that are fundamental in the production of the consolidated financial statement

- 1) Standard for inclusion of earnings from long term subcontracted construction work in the accounts: The construction progress standard is adopted for construction work with construction period of more than one year and, in principle, construction cost of 500 million yen or more. Certain consolidated subsidiaries adopt the construction completion standard.
- 2) Account processing of consumption tax: The outside tax method is adopted.

5. Matters having to do with the evaluation of the assets and deficits of consolidated subsidiaries

With respect to the evaluation of the assets and debts of consolidated subsidiaries, the across the board method of evaluation is used.

6. Matters having to do with the amortization of consolidated adjustment accounting

The consolidated adjustment accounting is amortized equally over a period of five years.
 However, in the event the amount is extremely small, the total amount is amortized in the consolidated fiscal year in which such account is generated.

7. Matters having to do with the handling of item concerning disposal of profits

The consolidated statement of surplus is produced based on the disposal of profit or the disposal of losses determined during the consolidated fiscal year.

8. Scope of Funds in the Consolidated Statement of Cash Flow

Funds (cash or cash equivalents) in the interim consolidated statement of cash flow are comprised of cash on hand, savings that may be withdrawn at discretion and short term investment with the redemption period being within three months from the date of acquisition that may be easily converted into cash and that attracts only minute risk of fluctuation of the value.

Changes in Important Matters that are Basic to the Production of the Consolidated Financial Statements for the Fiscal Term

(Generally accepted accounting principles with respect to Depletion of Fixed Assets)

From the current consolidated accounting term, the "Generally Accepted Accounting Principles with respect to Depletion of Fixed Assets" ("Opinion Paper on the Establishment of Generally Accepted Accounting Principles with respect to Depletion of Fixed Assets" (Business Accounting Council August 9, 2002) and the "Guidance for Application of Generally Accepted Accounting Principles with respect to Depletion of Fixed Assets" (Guidance Number 6 on the Application of Corporate Generally Accepted Accounting Principles October 31, 2003) have been applied.

Through this, current term net loss before adjustment for tax has increased by 6 billion 364 million yen.

With respect to the cumulative amount of loss through depletion of assets, the relevant amount is subtracted from the amount of each asset based on the Regulations with respect to Interim Consolidated Financial Statements as amended.

Cautionary Notes

(With respect to the consolidated balance sheet)

	Preceding consolidated accounting period (million yen)		Current consolidated accounting period (million yen)	
1. Cumulative depreciation of tangible fixed assets	47,363		44,625	
2. Shares of non-consolidated subsidiaries and affiliated companies				
Invested securities (shares)	1,835		2,740	
3. Collateral assets and debts backed by collateral				
Amount of assets provided as collateral (book value)				
Cash and cash equivalents	1,041	(-)	972	(-)
Notes receivable	200	(-)	100	(-)
Inventory assets	7,206	(2,964)	1,337	(1,022)
Buildings and structures	6,383	(4,361)	5,765	(4,333)
Machinery, equipment and transportation devices	8,290	(7,036)	7,970	(7,407)
Land	41,664	(27,870)	35,318	(29,112)
Tangible fixed assets "others"	59	(54)	95	(89)
Investment in securities	1,974	(-)	93	(-)
Investments and other assets "others"	248	(-)	47	(-)
Total	67,070	(42,286)	51,700	(41,965)

The figures in parentheses are amounts that compose an incorporated foundation and are included in the main amount item.

Debts corresponding to the above		
Short term loans payable	1,783	1,083
Long term loans payable (Including long term loans scheduled to be repaid within one year)	65,377	60,633
Investments and other assets "others"	337	-
Total	67,498	61,716

As secured mortgage, collateral is also provided for the loans payable of 3 billion 100 million yen of Mitsui Coal Mining Co., Ltd. and loans payable of 580 million yen of Mitsui Miike Machinery Co., Ltd.

As secured mortgage, collateral is also provided for the loans payable of 530 million yen of Mitsui Coal Mining Co., Ltd.

4. Contingent liabilities

Guarantee liability	17,848	5,731
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(With respect to consolidated statement of profit and loss)

	Preceding consolidated accounting period (million yen)	Current consolidated accounting period (million yen)
1. Selling, general and administrative expenses		
Depreciation cost	2,184	2,209
Salary and wages	2,221	1,981
Loading site expenses	2,296	1,710
Ocean freight charge	1,667	1,122
2. Non-operating income and other principal items		
Charge for rental of fixed assets	120	106
3. Principal items of extraordinary income and extraordinary losses		
Extraordinary income		
Disposition of allowance for bad debts of affiliated companies	547	1,390
Gain as a result of sales of fixed assets	-	1,134
Gain as a result of sales of investment in securities	510	566
Gain as a result of excuse from debts	796	-
Extraordinary loss		
Loss as a result of depletion	-	6,364
Transfer to allowance for bad debts of affiliated companies	-	4,918
Loss as a result of withdrawal from a business	1,287	1,036
Losses from sales of fixed assets	671	589
Losses from elimination of fixed assets	571	382
Cost of rationalization	669	117

4. Loss as a result of depletion of assets

In the current consolidated accounting period, loss as a result of depletion of assets has been included in the accounts for the following asset groups

Use	Location	Type	Amount of loss from depletion
Facilities for the thermal electric power generation business	Omuta City, Fukuoka Prefecture	Buildings and structures, equipment and transport devices, land, tangible fixed assets "others", intangible fixed assets "others"	1 billion 505 million yen
Non-business assets	Bibai City, Hokkaido and other locations	Land	1 billion 13 million yen
Non-business assets	Omuta City, Fukuoka Prefecture and other locations	Land	2 billion 719 million yen
Non-business assets	Tagawa City, Fukuoka Prefecture and other locations	Land	465 million yen
Non-business assets	Wakamatsu Ward, Kita Kyushu City	Buildings and structures, land	53 million yen
Non-business assets	Amagasaki City Hyogo Prefecture	Machines, equipment and transport devices, land	607 million yen
Total			6 billion 364 million yen

* Breakdown of losses from depletion by type of fixed asset

Buildings and structures:	376 million yen	Machinery, equipment and transportation devices:	853 million yen
Land:	5 billion 125 million yen	Tangible fixed assets "others":	5 million yen
Intangible fixed assets "others"	3 million yen		

The Mitsui Mining Group groups its assets using the categories of management accounting as units through mainly identification of continuous income and expenditure. Moreover, with respect to non business assets, these assets are categorized in individual asset units.

With respect to the thermal power electric plant equipment, as a decision has been made with withdraw from this business, the book amount has been reduced to an amount that can be recovered. The amount that can be recovered has been estimated from the net sales value based on the tax imposed on the fixed asset.

With respect to non-business assets, under the policy of accelerating the disposal of real estate for which there is no plan for use, the expected disposal price has been reviewed and the book value has been reduced to the recoverable amount. The recoverable account is calculated from the net disposal amount and is primarily evaluated from the expected disposal price based on the real estate appraisal evaluation.

(With respect to the consolidated statement of cash flow)

Relationship between balance of cash and cash equivalents at the end of the fiscal term and amounts listed in the consolidated balance sheet.

	Preceding consolidated accounting period (million yen)	Current consolidated accounting period (million yen)
Cash and cash equivalents	7,804	7,417
Term deposits with the period of deposit in excess of three months	1,256	1,113
Cash and cash equivalents	6,548	6,303

(Tax Effect Accounting)

	Preceding consolidated accounting period (million yen)	Current consolidated accounting period (million yen)
Principal breakdown of the generation by cause of deferred tax assets and deferred tax liabilities		
Deferred tax assets		
Reserve for payment of retirement benefits	1,674	1,851
Reserve for bad or doubtful debt	5,000	1,312
Internal eradication of profits among consolidated companies	1,895	1,887
Deferred expenses	25,918	19,583
Others	8,538	15,365
Subtotal of deferred tax assets	43,027	40,000
Valuation reserve	37,951	32,831
Total of deferred tax assets	5,076	7,168
Deferred tax liabilities		
Installment for fixed asset compression	56	48
Good will	2,426	1,617
Others	19	97
Total of deferred tax liabilities	2,502	1,764
Net deferred tax assets	2,573	5,404

(With respect to investment in securities)

Preceding consolidated accounting year (as of March 31, 2005)

1. Other securities with market valuation

(Units: Million yen)

	Type	Cost of acquisition	Amount included in the consolidated balance sheet	Difference
Securities with respect to which the amount included in the balance sheet exceeds the acquisition cost	Shares	228	328	99
	Bonds	-	-	-
	Others	-	-	-
	Sub-total	228	328	99
Securities with respect to which the amount included in the balance sheet does not exceed the acquisition cost	Shares	12	10	1
	Bonds	-	-	-
	Others	-	-	-
	Sub-total	12	10	1
Total		241	339	98

2. Content of principal securities without market valuation and amounts included in the consolidated balance sheet

Other securities

(Units: Million yen)

	Amount included in the consolidated balance sheet
Non-listed shares (excluding shares that are traded through over the counter transactions)	243
Others	1

Current consolidated accounting year (as of March 31, 2005)

1. Other securities with market valuation

(Units: Million yen)

	Type	Cost of acquisition	Amount included in the consolidated balance sheet	Difference
Securities with respect to which the amount included in the balance sheet exceeds the acquisition cost	Shares	181	351	169
	Bonds	-	-	-
	Others	-	-	-
	Sub-total	181	351	169
Securities with respect to which the amount included in the balance sheet does not exceed the acquisition cost	Shares	91	86	5
	Bonds	-	-	-
	Others	-	-	-
	Sub-total	91	86	5
Total		273	438	164

2. Content of principal securities without market valuation and amounts included in the consolidated balance sheet

Other securities

(Units: Million yen)

	Amount included in the consolidated balance sheet
Non-listed shares (excluding shares that are traded through	234
Other	1

(Matters having to do with payment of retirement benefits)

1. Overview of the retirement benefit system

Mitsui Mining and its consolidated subsidiaries has as defined benefit pension plan the one time retirement allowance payment system, welfare pension plan and the approved retirement pension system. Moreover, certain consolidated subsidiaries are enrolled in the medium to small corporation retirement mutual benefit system.

2. Matters with respect to retirement benefit liability	Preceding consolidated accounting year	Current consolidated accounting year
	(Million yen)	(Million yen)
Retirement benefit liability	7,863	7,547
Pension asset	935	890
Unreserved retirement benefit liability	6,928	6,657
Differences upon change in the generally accepted accounting principle	2,756	2,418
Differences upon unrecognized arithmetic calculation	116	70
Unrecognized past service liability (reduction of liability)	484	431
Net amount included in the consolidated balance sheet	4,540	4,599
Prepaid pension expenses	15	-
Allowance for employee retirement benefit	4,555	4,599

3. Matters having to do with cost of payment retirement benefit

Service cost	665	569
Interest cost	91	100
Expected revenue from asset management (reduction)	9	60
Cost of differences upon change in the generally accepted accounting principles disposed	492	338
Cost of differences upon arithmetic calculation disposed	8	20
Cost of past service liability disposed	53	53
Cost of payment of retirement benefit	1,195	915
Others	4	2
Total	1,199	917

4. Matters having to do with calculation of the retirement benefit liability

Method of allocation to the period of expected amount of payment of retirement benefit	Period fixed amount standard	As on the left
Discount rate	2.4%	2.4%
Expected ratio of earnings from asset management	0.02%	0.02%
Years for disposal of past service liability (Fixed amount method based on the average residual period of service of employees upon generation)	14 years for the most part	14 years for the most part
Number of years for disposing of differences in arithmetic calculation (Cost is disposed of in the following consolidated accounting year based on the fixed amount method based on the average residual period of service of employees upon generation)	13 years for the most part	As on the left
Number of years for disposing differences upon change in the accounting standard	15 years for the most part	As on the left

(Notes that have been abridged)

The following notes are disclosed by EDINET and have thus been abridged.

- Status of lease transactions
- Matters related to derivative transactions

(Segment information)

1. Information on segments by type of the business

(Units: Million yen)

	Current consolidated accounting year (from April 1, 2004 to March 31, 2005)						
	Coal chain business unit	Material service business unit	Comprehensive engineering business unit	Other business units	Total	Deletion or total company	Consolidated
I. Sales turnover and operating profit							
Sales turnover							
(1) Sales turnover to external customers	94,192	61,049	18,242	21,100	194,584	-	194,584
(2) Internal sales turnover among segments and amount transferred	323	1,169	1,027	811	3,332	(3,332)	
Total	94,515	62,218	19,270	21,912	197,917	(3,332)	194,584
Cost of sales	78,184	62,413	17,925	20,899	179,423	651	180,074
Operating income	16,331	(194)	1,345	1,012	18,494	(3,984)	14,510
II. Assets, depreciation costs and capital outlay							
Assets	61,004	10,908	13,285	36,103	121,301	16,466	137,768
Depreciation cost	1,338	297	365	415	2,416	2,058	4,475
Capital outlay	7,453	249	208	807	8,717	(347)	8,370

- (Notes)
- The business segments are segments based on the business management system under the business unit system
 - Principal products of each business
 - Coal chain business unit: Coal, coke and transportation and cargo handling of coal and coke
 - Material service business unit: Petroleum, construction material and recycling of resources
 - Comprehensive engineering business unit: Chemical equipment and machinery, machinery for general industry.
 - Other business units: Management of leisure facilities, business that is incidental to construction work, sale and rental of real estate, cleaning, security and facility management of buildings and others
 - Of cost of sales, the expenses that cannot be allocated that were included under deletion or total company are the general expenses of Mitsui Mining and the amount of 3 billion 965 million yen.
 - Among assets, the principal assets that have been eliminated or total corporate assets that have been included in the itemization for the total company are assets that relate to the surplus funds of Mitsui Mining (cash and securities), short term and long term loans receivable, long term investment (investment securities) and funds related to the administration business unit and amounts to 39 billion 564 million yen.
 - Depreciation cost and capital outlay include long term prepaid expenses and cost of amortization of such expenses.

(Units: Million yen)

	Current consolidated accounting year (from April 1, 2005 to March 31, 2006)						
	Coal chain business unit	Material service business unit	Comprehensive engineering business unit	Other business units	Total	Deletion or total company	Consolidated
I. Sales turnover and operating profit							
Sales turnover							
(1) Sales turnover to external customers	90,277	58,110	14,252	16,815	179,457	-	179,457
(2) Internal sales turnover among segments and amount transferred	228	845	911	727	2,714	(2,714)	-
Total	90,506	58,956	15,164	17,543	182,171	(2,714)	179,457
Cost of sales	75,304	58,723	13,773	16,657	164,459	1,313	165,772
Operating income	15,201	232	1,391	885	17,712	(4,027)	13,684
II. Assets, depreciation costs and capital outlay							
Assets	78,927	7,740	11,228	20,050	117,946	34,978	152,925
Depreciation cost	1,229	276	233	176	1,916	2,109	4,025
Depletion losses	1,575	607	-	1,251	3,434	2,930	6,364
Capital outlay	8,900	412	376	89	9,779	(95)	9,683

- (Notes)
- The business segments are segments based on the business management system under the business unit system
 - Principal products of each business
 - Coal chain business unit: Coal, coke and transportation and cargo handling of coal and coke
 - Material service business unit: Petroleum, construction material and recycling of resources
 - Comprehensive engineering business unit: Chemical equipment and machinery, machinery for general industry.
 - Other business units: Business that is incidental to construction work, sale and rental of real estate, cleaning, security and facility management of buildings and others
 - Of cost of sales, the expenses that cannot be allocated that were included under deletion or total company are the general expenses of Mitsui Mining and the amount of 4 billion 55 million yen.
 - Among assets, the principal assets that have been eliminated or total corporate assets that have been included in the itemization for the total company are assets that relate to the surplus funds of Mitsui Mining (cash and securities), short term and long term loans receivable, long term investment (investment securities) and funds related to the administration business unit and amounts to 46 billion 966 million yen.
 - Depreciation cost and capital outlay include long term prepaid expenses and cost of amortization of such expenses.
 - From this consolidated fiscal year, not only has Mitsui Mining introduced a company system within the transport business unit in the coal chain business unit, it has separated the real estate management business unit as a separate organization and is fundamentally reviewing the business in a liquid manner in the Miike area. In line with this, the scope of the assets of each business unit is being reviewed and non business real estate that is to be disposed has been positioned as corporate real estate. As a result of this, the value of assets at the end of the consolidated fiscal year was, compared to the traditional method of categorization, 3 billion 720 million yen for the coal chain business unit, increased through deletion and corporate totaling by 5 billion 865 million yen and reduced by 9 billion 585 million yen from other businesses.
 - From the current consolidated financial term, "Accounting Principles on the Depreciation of Fixed Assets" and "Policy for the Application of Accounting Principles on the Depreciation of Fixed Assets" have been used in changes to fundamental matters in the production of the current consolidated financial term as stated.
 - In this consolidated financial term, Mitsui Mining has acquired the assets of its consolidated subsidiary Mitsui Coal Mining as payment in kind. Through this, the amount of assets as the end of the consolidated financial term increased by 1 billion 708 million yen for the coal chain business unit, 0 million yen for the material service business unit, 98 million yen for other business units and 15 billion 467 million yen for deletion and the company as a whole. These assets are not included in capital expenditure.

2. Information on Segments by Location

Preceding consolidated accounting year (from April 1, 2004 to March 31, 2005)

(Units: Million yen)

	Japan	Asia	Oceania	Total	Deletion or total company	Consolidated
I. Sales turnover and operating profit						
Sales turnover						
(1) Sales turnover to external customers	169,944	23,973	667	194,584	-	194,584
(2) Internal sales turnover among segments and amount transferred	5,208	1,957	-	7,165	(7,165)	-
Total	175,152	25,930	667	201,750	(7,165)	194,584
Cost of sales	156,879	25,842	557	183,278	(3,204)	180,074
Operating income	18,273	88	109	18,471	(3,961)	14,510
II. Assets	98,164	2,069	616	100,850	36,917	137,768

- (Notes) 1. Segmentation by country or territory is based on geographic cohesiveness
 2. The principal countries and territories other than Japan that form the regions are:
 Asia: Singapore
 Oceania:..... Australia

Current consolidated accounting year (from April 1, 2005 to March 31, 2006)

(Units: Million yen)

	Japan	Asia	Oceania	Total	Deletion or total company	Consolidated
I. Sales turnover and operating profit						
Sales turnover						
(1) Sales turnover to external customers	146,513	32,217	726	179,457	-	179,457
(2) Internal sales turnover among segments and amount transferred	9,250	3,760	-	13,011	(13,011)	-
Total	155,763	35,978	726	192,468	(13,011)	179,457
Cost of sales	138,251	35,893	578	174,723	(8,951)	165,772
Operating income	17,511	84	148	17,744	(4,059)	13,684
II. Assets	105,602	2,093	660	108,356	44,569	152,925

- (Notes) 1. Segmentation by country or territory is based on geographic cohesiveness
 2. The principal countries and territories other than Japan that form the regions are:
 Asia: Singapore
 Oceania:..... Australia

3. Overseas Sales Turnover

Preceding consolidated accounting year (from April 1, 2004 to March 31, 2005)

(Units: Million yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales turnover	10,817	18,737	7,521	4,316	41,393
II. Consolidated sales turnover					194,584
III. Ratio of overseas sales turnover in total consolidated sales turnover (%)	5.6%	9.6%	3.9%	2.2%	21.3%

- (Notes)
- Segmentation by country or territory is based on geographic cohesiveness
 - The principal countries and territories other than Japan that form the regions are:
 North America: United States
 Asia: Singapore, Korea, India, Taiwan, Thailand, China, Malaysia, Indonesia
 Europe: Italy, Germany, United Kingdom, France, Denmark, Greece, Monaco
 Others: Brazil, Australia
 - Overseas sales turnover is sales turnover in countries or territories with the exception of Japan by the consolidated subsidiaries of Mitsui Mining.

Current consolidated accounting year (from April 1, 2005 to March 31, 2006)

(Units: Million yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales turnover	6,669	25,978	10,085	4,807	47,540
II. Consolidated sales turnover					179,457
III. Ratio of overseas sales turnover in total consolidated sales turnover (%)	3.7	14.5	5.6	2.7	26.5

- (Notes)
- Segmentation by country or territory is based on geographic cohesiveness
 - The principal countries and territories other than Japan that form the regions are:
 North America: United States
 Asia: Singapore, Korea, India, Taiwan, Thailand, China, Malaysia, Indonesia
 Europe: Italy, Germany, United Kingdom, France, Denmark, Greece, Monaco, Holland, Switzerland
 Others: Brazil, Australia
 - Overseas sales turnover is sales turnover in countries or territories with the exception of Japan by the consolidated subsidiaries of Mitsui Mining.

(Per share information)

	Preceding consolidated accounting year	Current consolidated accounting year
Net assets per share	△ 77 yen 40 sen	△ 9 yen 06 sen
Amount of current fiscal term net profit per share (△ indicates the amount of current fiscal term net loss per share)	△ 71 yen 24 sen	1 yen 23 sen
Amount of current fiscal term net profit per share after adjustment for latent shares	26 yen 68 sen	0 yen 60 sen

(Note) The bases of calculation of net profit per share in the current fiscal year and net profit per share after adjustment for latent shares in the current fiscal year are as follows.

		Preceding consolidated accounting year	Current consolidated accounting year
Amount of net profit per share in the current fiscal year			
Net profit in this the current year	(Million yen)	11,302	224
Amount not vested in ordinary shares	(Million yen)	-	-
Net profit in the current fiscal year that relates to ordinary shares	(Million yen)	11,302	224
Average number of shares during the term	(Shares)	158,652,480	182,178,129
Amount of current fiscal term net profit after adjustment for latent shares			
Amount of current fiscal term net profit after the adjustment	(Million yen)	-	-
Increase in the number of ordinary shares	(Shares)	265,042,978	193,409,741
(Type A preferred shares in the above with the right of conversion into ordinary shares)	(Shares)	(71,633,237)	(-)
(Type B preferred shares in the above with the right of conversion into ordinary shares)	(Shares)	(71,633,237)	(71,633,237)
(type C preferred shares in the above with the right of conversion into ordinary shares)	(Shares)	(121,776,504)	(121,776,504)
Overview of latent shares that were not included in the calculation of the amount of current fiscal term net profits after adjustment for latent shares due to the shares not having a diluting effect		_____	_____