

Fiscal Term Ending March 2007 Brief Notes on the Interim Financial Settlement (Consolidated)

November 17, 2006

Name of the Listed Company: Mitsui Mining Co., Ltd.

Exchange on which the company is listed: Tokyo Stock Exchange
Prefecture in which the head office is located: Tokyo Metropolis

Code number: 3315

(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; Minoru Sasaki TEL (03)5560-1311
Accounting Group Leader of the Financial Department; Shinji Ito TEL (03)5560-1255
Date of the meeting of the Board of Directors that approved the interim financial settlement: November 17, 2006
Whether or not the US Generally Accepted Accounting Principles have been applied: Not applied

1. Consolidated performance in the interim fiscal term ending September 2005 (from April 1, 2006 to September 30, 2006)

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

	Sales turnover		Operating profit		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
Interim fiscal term ending September 2006	89,689	3.5	1,191	△84.4	463	△93.5
Interim fiscal term ending September 2005	86,627	△8.7	7,634	15.1	7,136	23.3
Fiscal year ending March 2006	179,457		13,684		11,042	

	Net profit for the interim fiscal term (current fiscal term)		Net profit for the interim fiscal term (current fiscal term) per share		Net profit for the interim fiscal term (current fiscal term) per share after adjustment for mixed shares	
	Million yen	%	Yen	Sen	Yen	Sen
Interim fiscal term ending September 2006	3,252	-	14.13		7.68	
Interim fiscal term ending September 2005	△3,217	-	△20.28		-	
Fiscal year ending March 2006	224		1.23		0.60	

- (Note) (1) Investment profit or loss based on the equity method: Interim fiscal term ending September 2006: -1 million yen; interim fiscal term ending September 2005: -9 million yen; Fiscal year ending March 2006: -9 million yen
- (2) Average number of shares outstanding during the fiscal year (consolidated)
Ordinary shares: 230,249,247 shares in the interim fiscal term ending September 2006; 158,631,770 shares in the interim fiscal term ending September 2005; 182,178,129 shares in the fiscal year ending March 2006
Preferred shares: 108,000,000 shares in the interim fiscal term ending September 2006; 148,000,000 shares in the interim fiscal term ending September 2005; 134,849,315 shares in the fiscal year ending March 2006
- (3) Change in the method of accounting: Yes
- (4) Percentage denotation for sales turnover, operating profit, ordinary profit and net profit for the interim fiscal term (current fiscal term) represents increase or decrease against the corresponding interim fiscal term of the preceding year.

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

	Total assets	Net assets	Ratio of net worth equity capital	Net assets per share
	Million yen	Million yen	%	Yen Sen
Interim fiscal term ending September 2006	161,387	28,196	17.4	4.76
Interim fiscal term ending September 2005	136,138	21,526	15.8	△ 97.55
Fiscal year ending March 2006	152,925	24,913	16.3	△ 9.06

- (Note 1) Shares outstanding at the end of the interim fiscal term (consolidated)
- | | | | |
|-------------------|--|--|---|
| Ordinary shares: | 230,243,756 shares in the interim fiscal term ending September 2006; | 158,625,771 shares in the interim fiscal term ending September 2005; | 230,253,098 shares in the fiscal year ending March 2006 |
| Preferred shares: | 108,000,000 shares in the interim fiscal term ending September 2006; | 148,000,000 shares in the interim fiscal term ending September 2005; | 108,000,000 shares in the fiscal year ending March 2006 |
- (Note 2) With respect to the interim fiscal figures for September of 2005 and the financial settlement figures for March of 2006, the figures that were accounted as "Shareholders' equity" in the past has been stated in the column for "Net assets", the fiscal figures that were accounted as "Ratio of shareholders' equity capital" in the past have been stated in the column for "Ratio of net worth equity capital" and the fiscal figures that were accounted as "Shareholders' equity per share" have been stated in the column for "Net assets per share".
- (Note 3) The figures for "Net assets per share" are information that are related to common shares and the amount of shares with preferred rights to claim for distribution of residual assets (27,000 million yen at the interim fiscal settlement term of September 2006 and the March settlement of 2006; 37,000 million yen for the interim fiscal settlement of September 2005) have been subtracted from the amount of net assets.

(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 interim fiscal term
	Million yen	Million yen	Million yen	Million yen
Interim fiscal term ending September 2006	2,421	△ 6,269	4,104	6,572
Interim fiscal term ending September 2005	1,739	△ 3,502	2,090	6,913
Fiscal year ending March 2006	8,562	△ 16,337	7,462	6,303

- (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) 1 company; 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, 2006)

	Sales turnover	Operating profit	Ordinary profit
	Million yen	Million yen	Million yen
Total year	212,300	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 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

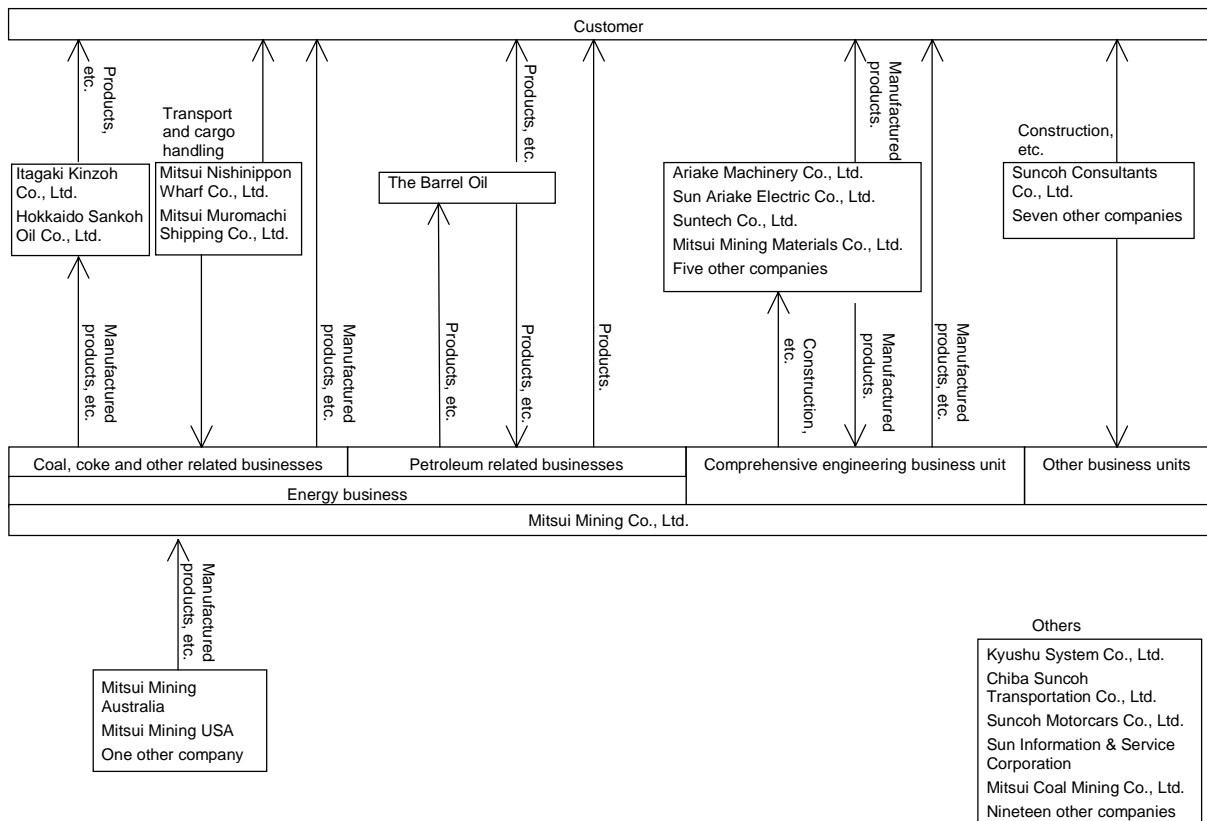
The corporate group of Mitsui Mining Co., Ltd. is comprised of Mitsui Mining Co., Ltd., 35 subsidiaries and 14 affiliated companies and is involved primarily in the sales of coal and petroleum products and the production, manufacturing and sales of coke, and machines and equipment for particulate matter.

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

Category	Business segment	Major business	Principle companies
Energy business	Coal, coke and other related businesses	The purchase and sales of coal, production and sales of coke, transport, loading and unloading related to coal and coke	Mitsui Mining, Mitsui Nishinippon Wharf Co., Ltd, Mitsui Muromachi Shipping Co., Ltd (total of 8 companies)
	Petroleum related businesses	The purchase and sale of petroleum related products	Mitsui Mining, The Barrel Oil, (total of 2 companies)
Comprehensive engineering business unit		The manufacturing and sales of chemical equipment and machines, general industrial machines and plants and the treatment and recycling of industrial waste	Mitsui Mining, Ariake Machinery Co., Ltd, Sun Ariake Electric Co., Ltd, Suntech Co., Ltd, Mitsui Mining Materials Co., Ltd (total of 8 companies)
Other business units		The transport, loading and unloading, incidental business such as construction work, sales and rental of real estate, cleaning, provision of security, maintenance of facilities and other businesses related to buildings of buildings, other business units	Mitsui Mining, Suncoch Consultants Co., Ltd, Kyushu System Co., Ltd (total of 33 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 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.

Moreover, based on the medium term business plan that targets the period from fiscal 2005 to fiscal 2008 and was established in September 2005 and in order further to raise corporate value, the concentration of management resources to the core businesses (coal and coke), early commercialization of new businesses, the disposal of assets that are not intended for business use, the further strengthening of the fiscal constitution through reduction of debts and the distribution of profits to shareholders have been targeted.

The strategies and issues for each business unit are as follows.

(1) Energy business

1) Coal chain related businesses

With respect to the coal business unit, the source of supply will be diversified through the utilization of the overseas network such as the overseas representative offices of this company, the cordial relations with overseas suppliers particularly in China will continue to be maintained and developed in order to focus on stable supply that meet the needs of the users and to increase the share of the company. Moreover, through the strengthening of the solution businesses that utilize the functions from the resource development of coal to the recycling of coal ash, the target sales volume of imported coal that is the objective for the final year of the medium term business plan is 8.5 million tons per annum.

With respect to the coke business unit, return to operation of the coke furnace (1 A furnace) at the Kita Kyushu plant of the company that had been idle after investment of approximately 13 billion yen was completed in May 2006 and the capacity for producing coke increased from 1.6 million tons per annum to 2.1 million tons per annum. The increased production of coke as a result of this will be supplied to Nippon Steel Corporation under a long term contract. Moreover, coal humidity adjustment equipment that improves energy saving and enhances productivity has begun operation in this interim consolidated fiscal term and together with the CDQ electric power generation equipment that will shortly begin full fledged operation, the cost of production will be reduced significantly and a long term and stable strengthening of the profit structure of the core business of the group will be promoted.

As of October 1, 2006, this company merged and acquired Mitsui Nishinippon Wharf Co., Ltd. as a consolidated subsidiary company that is involved in the loading and unloading of the coal and coke of the company and through integrated management of the transport of

raw materials and shipment of products, further efficiency is being targeted.

2) Petroleum related businesses

With respect to the petroleum business unit, diversification of the method of procurement and content of transaction has continued and business development that focuses on profitability and efficiency will be promoted.

(2) Comprehensive engineering business unit

With respect to the industrial chemical equipment business unit, the company will attempt to enter new areas of business through the utilization of long years of track record in sales, brand power and technical capabilities and will further strengthen sales in Asia including China and Taiwan.

With respect to the resource recycling business unit, in addition to coal ash disposal, sludge disposal and treatment of polluted soil in Japan, focus will be placed on the export of coal ash as raw material for cement and further expansion of the business will be attempted.

Moreover, a pilot plant for the production of NSA (Nano structure alumina) that is expected to provide superior results as a catalyst for environment cleaning is being constructed at the Kita Kyushu plant of the company and early commercialization of this product is being promoted.

(3) Other businesses

With respect to the transport business unit, this company initiated a regular container vessel route between Miike Port (Omura City, Fukuoka Prefecture) and Pusan Port (Korea) and active sales activities are being promoted to increase the handling of new cargo through this route in an attempt to break away from its reliance on coal cargo.

3. Business Performance and Financial Circumstances

1. Business Performance

(1) Overview in the Current Interim Fiscal Term

Despite the fact that growth in personal consumption became sluggish, the economy of Japan during this interim fiscal term continued to recover as a result of the improvement of corporate earnings and increase in corporate capital investment.

Given these circumstances, the Mitsui Mining group promoted rationalization and further efficiency in business management as a whole such as through the reduction of costs and expenses and at the same time, used every resource available to develop sales activities. It further was active in the disposal of real estate that is not related to the business. Furthermore, from this interim fiscal account settlement term, the effects of synergy among the various business units have been verified once again to review the business headquarter division towards attempting further efficiency in business management.

As a result of this, performance in the current interim consolidated fiscal accounting term showed increase in the sales volume of coal and coke thus resulting in sales turnover of 89 billion 689 million yen or an increase of earnings of 3 billion 61 million yen compared to the previous interim consolidated fiscal accounting term. However, in terms of profits, while the coke business unit that forms a core business of the Mitsui Mining group showed excellent results due to the rise in the sales price caused by the rapid increase in the price of raw materials worldwide during this interim consolidated fiscal account settlement term, production cost rose as a result of the use of the inventory of coke raw material that was procured prior to the reduction of the price in the previous consolidated fiscal term causing significant reduction in profit that was combined with the softness of the market and operating profit was 1 billion 191 million yen or down 6 billion 443 million yen from the previous interim consolidated fiscal term. Furthermore, interest payments rose as a result of increase in debt and the increase in the prevailing rate of interest and current profits amounted to 463 million yen or a reduction of 6 billion 673 million yen compared to the previous interim consolidated fiscal term. However, through the accounting of 2 billion 321 million yen as adjustment amount of corporate tax, the interim net profit was 3 billion 252 million yen (against a net interim term loss of 3 billion 217 million yen in the previous interim consolidated fiscal term).

(2) Overview of the Segment by Type of Business

1) Coal chain related business

With respect to the coal business unit, due to the fact that the previous interim consolidated fiscal term represented a period of inventory adjustment among users and sales volume increased as a result of increased sales to electric power companies during this interim consolidated fiscal term, and, this compounded with the restart of operation of the idle coke furnace strengthening supply capacity and thus increasing sales volume, sales turnover was 48 billion 786 million yen (representing an increase of 6 billion 421 million yen against the same period of the previous fiscal year) but in terms of profit, in addition to the softness of the coke market, the use of raw material inventory for coke that was procured in the previous consolidated year prior to the reduction of the price caused production cost to increase and operating profit was 1 billion 857 million yen (representing a decrease of 6 billion 885 million yen from the same period of the previous year).

2) Petroleum related business

With respect to the petroleum related business, with the price of crude oil capping, sales price was at a high level causing consumption among users to decline. Moreover, as a result of sales activities that focused on profitability, sales turnover was 23 billion 162 million yen (representing a decrease of 1 billion 104 million yen from the same period of the previous year) and operating profit was 33 million yen (representing a decrease of 40 million yen from the same period of the previous year).

3) Comprehensive engineering business unit

With respect to the industrial chemical equipment and ceramic business unit, with active capital investment in the IT industries as background, orders were active and sales turnover was 10 billion 748 million yen (representing an increase of 2 billion 793 million yen over the same period of the previous year) and operating profits amounted to 1 billion 117 million yen (representing an increase of 443 million yen over the same period of the previous year).

4) Other businesses

With respect to other businesses, as a result of the impact of the withdrawal of the sales of construction materials, sales turnover was 6 billion 991 million yen (representing a decrease of 5 billion 48 million yen from the same period of the previous year) and operating profits amounted to 114 million yen (representing a decrease of 138 million yen from the same period of the previous year).

(Note) As the segmentation by type of the business has been changed from this interim consolidated fiscal term, in comparing to the same period of the previous year, the figures for the interim consolidated fiscal accounting term have been replaced by the segment after such change was initiated.

(3) Outlook for the Total Year

With respect to forecast, while there is concern with respect to the global economy as a result of the capping of the price of crude oil, since corporate earnings are improving and recovery of the global economy is steady, the economy remains strong and it is believed that the underlying recovery will continue. 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 total year is consolidated sales turnover of 212.3 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 572 million yen or up 268 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 through sales activities amounted to 2 billion 421 million yen (an increase of 682 million yen from the corresponding period of the preceding fiscal year).

This is in large part to the fact that there was a total increase in sales assets of 2 billion 410 million yen and a payment of 896 million yen in interest against the interim net profit prior adjustment for tax of 1 billion 279 million yen, depreciation cost of 2 billion 562 million yen and increase of 2 billion 178 million yen in purchase debts.

(Cash flow from investment activities)

Funds used as a result of investment activities amounted to 6 billion 269 million yen (an increase of 2 billion 766 million yen from the corresponding period of the preceding fiscal year).

This is in large part to the fact that though income from the sale of fixed assets was 1 billion 77 million yen and income from the repayment on fixed term accounts was 750 million yen, expenditure through the procurement of fixed assets amounted to 6 billion 836 million yen, expenditure through deposit in term deposit amounted to 851 million yen and expenditure through loans receivable amounted to 548 million yen.

(Cash flow from financial activities)

Funds obtained from financial activities amounted to 4 billion 104 million yen (an increase of 2 billion 14 million yen from the corresponding period of the preceding fiscal year). This was due mainly to increase in debts.

The trend for the cash flow indices was as follows.

	Fiscal year ending March 2005	Interim fiscal term ending September 2005	Fiscal year ending March 2006	Interim fiscal term ending September 2006
Ratio of net worth equity capital (%)	17.9	15.8	16.3	17.4
Ratio of net worth equity capital at market value base (%)	40.1	38.5	44.0	28.4
Years for redemption of debt (years)	6.5	21.6	9.5	17.6
Interest coverage ratio	8.4	3.2	8.0	2.7

- * Ratio of net worth equity capital: (Net assets - Minority shareholders' equity - Reservation for new shares)/ Total assets
Ratio of net worth equity capital on a market value basis (%): Aggregate market value of shares/ 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 (interim fiscal term) x total number of shares outstanding (after deduction of treasury shares) at the end of the fiscal year (interim fiscal term).
 - (3) Cash flow from sales activities is the cash flow from sales activities as listed in the statement of calculation of consolidated (consolidated interim fiscal term) cash flow. Interest bearing debts are all debts accounted for in the consolidated (consolidate interim fiscal term) 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.
 - (4) With respect to figures prior to the term ending March 2006, the past "Ratio of shareholders' equity" has been accounted under the column for "Ratio of net worth equity capita" and "Ratio of shareholders' equity at market value base" has been accounted under the column "Ratio of net worth equity capital on a market value basis".

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 exports 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) Fiscal limitation stipulation regarding debts

A part of the debts of the Mitsui Mining group are under stipulations of fiscal limitation on the maintenance of net assets (consolidated and individual), maintenance of profit (consolidated and individual) and cash flow (consolidated). In the event the fiscal circumstances of Mitsui Mining or the Mitsui Mining group deteriorates and the company or group is unable to satisfy such stipulations, the company or group will not necessarily be required to repay the debt in full immediately but there is the possibility that such circumstances will impact the future stability and continuous procurement of funds.

(5) Decline in the value of fixed assets

With respect to the fixed assets owned by the Mitsui Mining group, generally accepted accounting principles regarding the reduction and loss of fixed assets have been applied from the previous consolidated fiscal term and the asset value is reviewed based on market price or profitability, 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. Interim Consolidated Financial Statements, Etc.
(1) Interim Consolidated Balance Sheet

(Units: Million yen)

Category	Fiscal year ending March 2006	Interim fiscal term ending September 2006	Gains or losses	Interim fiscal term ending September 2005	Category	Fiscal year ending March 2006	Interim fiscal term ending September 2006	Gains or losses	Interim fiscal term ending September 2005
Current assets	54,477	56,659	2,181	56,139	Current liabilities	53,485	60,142	6,656	49,751
Cash and cash equivalents	7,417	7,800	383	8,107	Notes payable	6,525	4,189	Δ2,336	6,289
Notes receivable	1,904	3,362	1,457	1,421	Accounts payable	12,759	17,229	4,470	14,868
Accounts receivable	15,824	13,848	Δ1,976	17,635	Short term loans payable	11,647	17,219	5,571	14,813
Inventory assets	24,708	24,339	Δ368	24,953	Corporate bonds redeemable within one year	-	8	8	200
Short term loans receivable	124	32	Δ92	110	Accrued taxes	512	498	Δ14	470
Tax assets carried over	3,325	3,367	42	2,994	Allowance for bonuses	1,015	966	Δ49	909
Deposits paid	-	1,560	1,560	-	Allowance for losses through disruption of business	-	-	-	1,133
Others	1,974	2,802	827	1,969	Allowance for losses through liquidation of affiliated companies	7,405	6,794	Δ611	555
Allowance for bad debts	Δ802	Δ454	348	Δ1,053	Allowance for development of the environment	1,498	1,486	Δ12	1,517
Fixed assets	98,447	104,728	6,280	79,999	Allowance for losses due to withdrawal from businesses	516	434	Δ81	-
Tangible current assets	83,675	88,676	5,000	66,216	Others	11,604	11,316	Δ287	8,993
Buildings and structures	8,414	8,999	584	8,726	Fixed liabilities	74,424	73,048	Δ1,375	64,769
Machinery and equipment	11,118	24,352	13,234	9,853	Bonds payable	540	524	Δ16	340
Land	50,862	50,592	Δ269	37,605	Long term loans payable	68,719	67,323	Δ1,396	59,272
Construction in progress	12,894	4,366	Δ8,527	9,723	Allowance for employee retirement benefits	4,599	4,748	148	4,608
Others	386	365	Δ21	317	Tax liabilities carried over	63	3	Δ59	8
Intangible fixed assets	4,585	3,494	Δ1,091	5,614	Others	501	449	Δ51	540
Commercial rights	4,000	-	Δ4,000	5,000	Total liabilities	127,909	133,191	5,281	114,520
Goodwill	-	3,000	3,000	-	Minority shareholders' interest	102	-	Δ102	91
Others	585	494	Δ91	614	Capital stock	7,000	-	Δ7,000	7,000
Investment and other assets	10,186	12,557	2,371	8,167	Capital surplus	6,845	-	Δ6,845	6,845
Investments in securities	3,413	3,373	Δ40	1,559	Accumulated earnings	11,221	-	Δ11,221	7,778
Long term loans receivable	48,680	49,209	528	55,584	Evaluation difference of other securities	92	-	Δ92	128
Tax assets carried over	2,142	4,386	2,243	2,021	Foreign currency exchange adjustment	Δ167	-	167	Δ150
Long term accrued revenue	10,036	9,938	Δ97	13,370	Treasury stock	Δ78	-	78	Δ76
Others	3,205	3,275	69	3,625	Total shareholders' equity	24,913	-	Δ24,913	21,526
Allowance for bad debts	Δ57,291	Δ57,624	Δ333	Δ67,993	Total of loans payable, minority shareholders' interest and shareholders' equity	152,925	-	Δ152,925	136,138
					Shareholders' equity	-	28,239	28,239	-
					Capital	-	7,000	7,000	-
					Surplus capital	-	6,846	6,846	-
					Surplus profit	-	14,474	14,474	-
					Treasury shares	-	Δ80	Δ80	-
					Difference from evaluation and conversion	-	Δ144	Δ144	-
					Evaluation differences for other securities	-	57	57	-
					Hedge profit and loss carried over	-	Δ44	Δ44	-
					Account for adjustment of foreign exchange conversion	-	Δ156	Δ156	-
					Minority shareholders' equity	-	101	101	-
					Total net assets	-	28,196	28,196	-
Total assets	152,925	161,387	8,461	136,138	Total of liabilities and net assets	-	161,387	161,387	-

(2) Interim Consolidated Statement of Profit and Loss

(Units: Million yen)

Category	Preceding consolidated interim accounting period From April 1, 2005 To September 30, 2005	Current consolidated interim accounting period From April 1, 2006 To September 30, 2006	Gains or losses	Preceding consolidated accounting period From April 1, 2005 To March 31, 2006
Sales turnover	86,627	89,689	3,061	179,457
Cost of sales	72,356	82,407	10,051	152,816
Gross profit from sales	14,271	7,281	△6,989	26,640
Selling, general and administrative expenses	6,636	6,089	△546	12,955
Operating profit	7,634	1,191	△6,443	13,684
Non-operating profit	256	433	176	341
Interest and dividends received	76	57	△19	124
Others	180	376	196	216
Non-operating expenses	755	1,162	407	2,983
Interest paid	538	906	367	1,118
Others	216	255	39	1,865
Current profit	7,136	463	△6,673	11,042
Extraordinary profits	2,413	1,259	△1,154	4,226
Extraordinary expenses	15,010	443	△14,567	17,417
Interim net profit before adjustment for tax (△ indicates interim (current fiscal term) net loss before adjustment for tax)	△5,460	1,279	6,739	△2,148
Corporate tax, municipal tax and business tax	261	347	85	536
Adjustment for corporate and other taxes	△2,507	△2,321	185	△2,921
Minority shareholders' interest (△ indicates minority shareholders' losses)	3	1	△2	12
Net profit for the interim fiscal term (current fiscal term) (△ indicates net losses for the interim fiscal term (current fiscal term))	△3,217	3,252	6,470	224

(3) Interim Consolidated Statement of Surplus

(Units: Million yen)

Category	Preceding consolidated interim accounting period From April 1, 2005 To September 30, 2005		Preceding consolidated accounting period From April 1, 2005 To March 31, 2006	
(Surplus capital)				
Balance at the beginning of the fiscal term of surplus capital		6,845		6,845
Balance at the end of the interim fiscal term (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		11,033		11,033
Increase of surplus profit				
Current fiscal term net profit	-	-	224	224
Decrease in surplus profit				
Net losses in the interim fiscal term	3,217-		-	
Decrease as a result of the decrease in the number of companies to which the equity method is applied	36	3,254	36	36
Balance at the end of the interim fiscal term (end of the fiscal term) of surplus profit		7,778		11,221

Document for Calculating Variation in Shareholders' Equity at the Interim Consolidated Fiscal Term Current interim consolidated fiscal term (from April 1, 2006 to September 30, 2006)

(Units: million yen)

	Shareholders' equity				
	Capital	Surplus capital	Surplus profit	Treasury shares	Total of shareholders' equity
Balance as of March 31, 2006	7,000	6,845	11,221	△78	24,988
Variation during the interim consolidated fiscal term					
Interim net profits			3,252		3,252
Disposal of treasury shares		0		0	0
Acquisition of treasury shares				△3	△3
Amount of variation during the interim consolidated fiscal term for items other than shareholders' equity (net amount)					
Total amount of variation during the interim consolidated fiscal term	-	0	3,252	△2	3,250
Balance as of September 30, 2006	7,000	6,846	14,474	△80	28,239

	Variation due to evaluation and conversion				Minority shareholders' equity	Total net assets
	Amount of variation of other securities	Profit or loss from hedge carried over	Account for adjustment of foreign exchange conversion	Total variation due to evaluation and conversion		
Balance as of March 31, 2006	92	-	△167	△75	102	25,015
Variation during the interim consolidated fiscal term						
Interim net profits						3,252
Disposal of treasury shares						0
Acquisition of treasury shares						△3
Amount of variation during the interim consolidated fiscal term for items other than shareholders' equity (net amount)	△34	△44	11	△68	△1	△69
Total amount of variation during the interim consolidated fiscal term	△34	△44	11	△68	△1	3,180
Balance as of September 30, 2006	57	△44	△156	△144	101	28,196

(4) Statement of Interim Consolidated Cash Flow

(Units: Million yen)

Fiscal term Category	Preceding consolidated interim accounting period From April 1, 2005 To September 30, 2005	Current consolidated interim accounting period From April 1, 2006 To September 30, 2006	Gains or losses	Preceding consolidated accounting period From April 1, 2005 To March 31, 2006
	Amount	Amount	Amount	Amount
I Cash flow from sales activities				
Net profit for the interim fiscal term before adjustment for taxes (△ indicates net losses for the interim fiscal term (current fiscal term) before adjustment for taxes)	△5,460	1,279	6,739	△2,148
Depreciation cost	2,001	2,562	560	4,025
Losses from devaluation	5,401	178	△5,222	6,364
Increase or decrease in the allowance for bad debts	3,620	131	△3,488	△3,583
Increase or decrease in the allowance for employee bonuses	12	△49	△61	118
Increase or decrease in the allowance for losses due to liquidation of affiliated companies	367	△611	△978	7,217
Increase or decrease in the allowance for employee retirement benefits	52	148	95	44
Increase or decrease in the allowance for losses as a result of disruption of business	1,133	-	△1,133	-
Amount of increase or decrease of allowance for development of the environment	1,517	△12	△1,529	1,498
Amount of increase or decrease of allowance for withdrawal from businesses	-	△81	△81	516
Interest received and dividends received	△76	△57	19	△124
Interest paid	538	906	367	1,118
Loss from elimination of fixed assets	203	91	△112	382
Loss from sale of fixed assets	△223	△649	△425	△801
Loss from sales of investment in securities	△409	△5	404	△533
Evaluation loss of investment securities	79	6	△72	80
Increase or decrease of account receivable	2,639	473	△2,166	3,994
Increase or decrease of inventory assets	△5,280	368	5,648	△5,034
Increase or decrease of other business assets	△172	△2,410	△2,237	△170
Increase or decrease of account payable	△1,160	2,178	3,339	△3,132
Increase or decrease of accrued consumption tax	△193	8	201	△319
Increase or decrease of other business debts	△2,202	△839	1,363	△1,377
Others	104	22	△82	1,811
Subtotal	2,491	3,638	1,146	9,948
Interest and dividends received	77	56	△21	126
Interest paid	△540	△896	△355	△1,073
Corporate and other taxes paid	△289	△376	△87	△438
Cash flow from sales activities	1,739	2,421	682	8,562

Fiscal term Category	Preceding consolidated interim accounting period From April 1, 2005 To September 30, 2005	Current consolidated interim accounting period From April 1, 2006 To September 30, 2006	Gains or losses	Preceding consolidated accounting period From April 1, 2005 To March 31, 2006
	Amount	Amount	Amount	Amount
II Cash flow from investment activities				
Expenditure through deposit in term bank accounts	△107	△851	△743	△751
Income through withdrawal from term bank accounts	170	750	580	891
Expenditure through acquisition of fixed assets	△5,673	△6,836	△1,163	△10,279
Income through sale of fixed assets	1,541	1,077	△463	3,943
Expenditure through acquisition of investment securities	△22	△30	△8	△131
Income through sale of investment securities	1,454	7	△1,446	1,668
Expenditure through loans provided	△984	△548	436	△2,536
Income through recovery of loans	48	105	56	897
Income through recovery of other investment	119	112	△6	174
Others	△48	△57	△8	△10,213
Cash flow from investment activities	△3,502	△6,269	△2,766	△16,337
III Cash flow from financial activities				
Income through short term loan payable	18,515	52,237	33,721	65,581
Expenditure through repayment on short term loan payable	△13,424	△49,934	△36,510	△61,052
Income through long term loan payable	1,025	6,684	5,659	66,085
Expenditure through repayment on long term loan payable	△4,062	△4,811	△749	△63,247
Income through issue of corporate bands	40	-	△40	240
Expenditure through redemption of corporate bonds	-	△8	△8	△200
Others	△3	△62	△59	55
Cash flow from financial activities	2,090	4,104	2,014	7,462
IV Conversion difference on cash and cash equivalents	38	10	△27	68
V Increase or decrease of cash and cash equivalents	365	268	△97	△244
VI Balance at the beginning of the fiscal year of cash and cash equivalents	6,548	6,303	△244	6,548
VII Balance of cash and cash equivalents at the beginning of the interim fiscal term (current term)	6,913	6,572	△341	6,303

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 System Co., Ltd., Sun Ariake Electric Co., Ltd., Mitsui Mining Materials Co., Ltd., Suntech Co., Ltd., Chiba Suncohort Transportation Co., Ltd., Ariake Machinery Co., Ltd., The Barrel Oil PTE Ltd.

Number of non-consolidated subsidiaries: 13 companies

Mitsui Coal Mining Co., Ltd. has insignificant de facto impact on the consolidated financial statements and for this reason, this company is not included among the consolidated companies.

Moreover, the total assets, sales turnover, interim 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

Number of affiliated companies to which the equity method is not applied: 14 companies

For the reasons Mitsui Coal Mining Co., Ltd. that is non-consolidated subsidiary has been excluded from the scope of consolidation, the 11 companies to which the equity method has not been applied and 11 affiliated companies including Mitsui Miike Machinery Co., Ltd. do not pose a significant impact on the consolidated interim financial statements due to their interim 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 in these companies, the equity method is not applied and evaluation is by the cost method.

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

With respect to important transactions between the date of consolidated interim financial settlement, adjustments that are necessary will be made for consolidated financial settlement due to the date of interim financial settlement of a consolidated subsidiary being different in producing the consolidated interim 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 interim 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 production amount proportion method is applied to mining rights and for other intangible fixed assets, the fixed amount method is applied.

However, with respect to goodwill acquired prior to April 2006, a five year equal amount depreciation is applied.

For software (used within the company), the fixed amount method over the expected useful life within the company (5 years) is being used.
- (3) 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, the amount that is recognized to be generated by the end of the current interim consolidated accounting period 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) Allowance for losses from disruption of business: In order to provide for losses that can be expected during the period of disruption of business of affiliated companies, the corresponding expected amount of loss is included in the accounts.
- 7) Allowance for environment development: In order to provide for the expenditure of costs for developing the environment related to business properties owned by this company, the expected amount of such cost as of the end of this interim consolidated fiscal term has been included in the accounts.
- 8) Allowance for withdrawal from businesses: In order to provide for the loss resulting from the withdrawal of a consolidated subsidiary from the power generation business, the expected amount of loss has been including in the accounts.

(4) 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.

(5) 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.

(6) 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 forward currency transactions, the forward currency contract of a given day is allocated to a given foreign currency denominated amount and future correlation is thus ensured, effectiveness is determined through evaluation of whether or not such requirements are satisfied.
In the case of interest cap transactions and interest swap transactions that satisfy the requirements for special processing, effectiveness is determined through evaluation of whether or not such requirements are satisfied.

(7) Other important matters for production of the interim consolidated financial statements

- 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. Scope of Funds in the Interim 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 Interim Fiscal Term

(Generally accepted accounting principles with respect to the statement on net assets in the balance sheet)

From this interim consolidated fiscal term, "Generally accepted accounting principles with respect to the statement on the net assets in the balance sheet" (Corporate Generally accepted accounting principles Number 5 of December 9, 2005) and "Guideline for application of generally accepted accounting principles with respect to the statement on net assets in the balance sheet" (Guideline Number 8 for the Application of Corporate Generally accepted accounting principles of December 9, 2005) have been applied.

The amount that corresponds to the total of shareholders' equity in the past was 28,139 million yen.

Net assets in the interim consolidated fiscal balance sheet in this interim consolidated fiscal year, with the amendment of the regulations on the interim consolidated financial settlement, have been produced based on these regulations on the interim consolidated financial statements as amended.

Change in the method of statement

(Interim consolidated balance sheet)

The item that was stated as "business rights" in the interim consolidated fiscal term of the preceding year has been stated as "goodwill" from the current interim consolidated fiscal term.

Cautionary Notes

(With respect to the interim consolidated balance sheet)

	End of the preceding interim consolidated accounting period (million yen)		End of the current interim consolidated accounting period (million yen)		End of the preceding consolidated accounting year (million yen)	
1. Cumulative depreciation of tangible fixed assets	45,120		44,806		44,625	
2. Collateral assets and debts backed by collateral						
Amount of assets provided as collateral (book value)						
Cash and cash equivalents	1,164	(-)	1,169	(-)	972	(-)
Notes receivable	200	(-)	100	(-)	100	(-)
Inventory assets	6,309	(2,651)	1,237	(923)	1,337	(1,022)
Deposits paid	-	(-)	1,560	(-)	-	(-)
Buildings and structures	5,975	(4,318)	6,024	(4,355)	5,765	(4,333)
Machinery, equipment and transportation devices	8,742	(8,051)	20,305	(8,130)	7,970	(7,407)
Land	36,455	(26,105)	35,658	(29,028)	35,318	(29,112)
Tangible fixed assets "others"	84	(79)	92	(86)	95	(89)
Investment in securities	1,113	(-)	90	(-)	93	(-)
Investment and other assets "others"	247	(-)	47	(-)	47	(-)
Total	60,292 (41,206)		66,286 (42,524)		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	1,239	484	1,083
Long term loans payable (Including long term loans scheduled to be repaid within one year)	61,592	71,305	60,633
Others	113	20	-
Total	62,945	71,809	61,716

As secured mortgage,
collateral is also
provided for the loans
payable of 2 billion 569
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.

Same as on the left

3. Contingent liabilities

Guarantee liability	16,721	5,646	5,731
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4. Promissory notes reaching maturity as of the last day of the interim consolidated fiscal term (consolidated accounting year) (promissory notes reaching maturity as of the last day)

With respect to the accounting of promissory notes reaching maturity as of the last day of the interim consolidated fiscal term, accounting is undertaken on the date of clearing of the promissory notes. Since the last day of this interim consolidated fiscal term was a holiday for financial institutions, the following promissory notes reaching maturity on the last day of the interim consolidated fiscal term have been included as balance as of the end of the interim consolidated fiscal term. Promissory notes receivable: 261 million yen
Promissory notes payable: 526 million yen

(With respect to interim consolidated statement of profit and loss)

	End of the preceding interim consolidated accounting period (million yen)	End of the current interim consolidated accounting period (million yen)	End of the preceding consolidated accounting year (million yen)
1. Selling, general and administrative expenses			
Depreciation cost	1,110	1,086	2,209
Salary and wages	991	958	1,981
Loading site expenses	957	760	1,710
Ocean freight	436	722	1,122
2. Non-operating income and other principal items			
Gain as a result of currency exchange difference	72	177	-
Charge for rental of fixed assets	54	77	106
3. Principal items of extraordinary income and extraordinary losses			
Extraordinary income			
Gain as a result of sales of fixed assets	501	756	1,390
Disposition of allowance for bad debts	125	353	141
Extraordinary loss			
Loss as a result of depletion	5,401	178	6,364
Loss from sale of real estate	277	106	589
Loss from retirement of real estate	239	91	382

4. Loss as a result of depletion of assets

During the current interim fiscal term

In the current interim 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	Building and structures, machinery, equipment and transportation devices, land, tangible fixed assets "others"	1 billion 203 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
Total			5 billion 401 million yen

* Breakdown of losses from depletion by type of fixed asset

Buildings and structures:	376 million yen	Machinery, equipment and transportation devices:	774 million yen
Land:	4 billion 245 million yen	Tangible fixed assets "others":	5 million yen

Based on the segmentation by type of business, the Mitsui Mining group undertakes grouping of assets using categorization under administrative accounting that grasps income and expenditure primarily in a continuous manner. Moreover, with respect to assets that not used for business purposes, categorization is undertaken by individual asset units.

With respect to equipment for the thermal electric power generation business, since profitability deteriorated significantly due to suspension of business caused by a breakdown in the equipment, the book value has been reduced to the amount of value that can be retrieved. The amount that can be retrieved is determined by the net sales value based on the evaluation value of the fixed asset.

With respect to assets that are not used for business purposes, based on the policy to accelerate disposal of real estate with no plan for business use, a review was undertaken of the expected sales value and the book value was reduced to the value that can be retrieved. The amount that can be retrieved is determined by the net sales value and for the most part is evaluated by the scheduled disposal value based on evaluation through appraisal of the real estate.

Current interim consolidated fiscal term

In the current interim consolidated fiscal term, depletion and losses have been accounted for the following asset groups.

Purpose	Location	Type	Amount of depletion or losses
Asset related to the environment business	Tochigi City, Tochigi Prefecture and other locations	Machines, facilities and transport equipment, "Others" under tangible fixed assets	43 million yen
Asset related to the rental of real estate business	Omuta City, Fukuoka Prefecture	Land	75 million yen
Asset related to the port and transport business	Omuta City, Fukuoka Prefecture	Land	21 million yen
Asset not related to business	Tagawa City, Fukuoka Prefecture	Land	39 million yen
Total			178 million yen

* Breakdown of depletion or losses by the type of fixed assets

Machines, facilities and transport equipment:	27 million yen
Land:	135 million yen
"Others" under tangible fixed assets:	16 million yen

Based on the segmentation by type of business, the Mitsui Mining group undertakes grouping of assets using categorization under administrative accounting that grasps income and expenditure primarily in a continuous manner. Moreover, with respect to assets that are not used for business purposes, categorization is undertaken by individual asset units.

With respect to assets related to the environment business, since a decision has been taken to withdraw from the business, the book value has been reduced to the amount of value that can be retrieved. The amount of value that can be retrieved is determined by the net sales price based on the expected value of disposal.

With respect to the rental of real estate business, for assets that are partially scheduled for assignment among assets for the port and transport business and assets not related to business the book value has been reduced to the value that can be retrieved. The value that can be retrieved has been determined as the net sales price based on the expected price of assignment taking into consideration negotiations with the assignee.

Previous consolidated fiscal term

Depletion and losses for the following asset groups were accounted in this consolidated fiscal term.

Purpose	Location	Type	Amount of depletion or losses
Assets for the thermal electric power generation business	Omuta City, Fukuoka Prefecture	Buildings and structures, machines, and facilities, transport equipment, land, "Others" under tangible fixed assets and "Others" under intangible fixed assets	1,505 million yen
Assets not used for business purposes	Bibai City, Hokkaido and other locations	Land	1,013 million yen
Assets not used for business purposes	Omuta City, Fukuoka Prefecture and other locations	Land	2,719 million yen
Assets not used for business purposes	Tagawa City, Fukuoka Prefecture and other locations	Land	465 million yen
Assets not used for business purposes	Wakamatsu Ward, Kita Kyushu City	Buildings and structures, land	53 million yen
Assets not used for business purposes	Amagasaki City, Hyogo Prefecture	Machines and facilities and equipment for transport, Land	607 million yen
Total			6,364 million yen

* Breakdown of depletion and losses of fixed assets

Buildings and structure:	376 million yen
Machines, facilities and transport equipment:	853 million yen
Land:	5,125 million yen
"Others" under tangible fixed assets:	5 million yen
"Others" under intangible fixed assets:	3 million yen

Based on the segmentation by type of business, the Mitsui Mining group undertakes grouping of assets using categorization under administrative accounting that grasps income and expenditure primarily in a continuous manner. Moreover, with respect to assets that not used for business purposes, categorization is undertaken by individual asset units.

With respect to equipment for the thermal electric power generation business, since a decision was made to withdraw from this business, the book value has been reduced to the amount of value that can be retrieved. The value that can be retrieved is determined by the net sales price based on the expected value of disposal.

With respect to assets not used for business, based on the policy to accelerate disposal of real estate and other assets not intended for business use, a review was undertaken of the expected price of disposal and the book value was reduced to the amount of value that can be retrieved. The value that can be retrieved is determined by the net sales price based on the expected value of disposal and for the most part is evaluated by the scheduled disposal value based on evaluation through appraisal of the real estate.

(Matters related to the Variation in Shareholders' Equity during the interim consolidated fiscal term)

Current interim consolidated fiscal term (from April 1, 2006 to September 30, 2006)

Matters having to do with the type and total number of outstanding shares and the type and number of shares of treasury shares

	Number of shares as of the end of the previous consolidated fiscal term (1,000 shares)	Increase in the number of shares during the current interim consolidated fiscal term (1,000 shares)	Decrease in the number of shares during the current interim consolidated fiscal term (1,000 shares)	Number of shares as of the end of the current interim consolidated fiscal term (1,000 shares)
Number of shares outstanding				
Common shares	230,716	-	-	230,716
Class B preferred shares	40,000	-	-	40,000
Class C preferred shares	68,000	-	-	68,000
Total	338,716	-	-	338,716
Treasury shares				
Common shares (note)	463	12	3	472
Total	463	12	3	472

(Note) The increase is through buy back of shares that are less than the unit amount and decrease is the result of having responded to demand for additional purchase of shares that are less than the unit amount.

(With respect to the interim consolidated statement of cash flow)

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

	Preceding interim consolidated accounting period (million yen) As of September 30, 2005	Current interim consolidated accounting period (million yen) As of September 30, 2006	Preceding consolidated accounting year (million yen) As of March 31, 2006
Cash and cash equivalents	8,107	7,800	7,417
Term deposits with the period of deposit in excess of three months	△1,193	△1,227	△1,113
<u>Cash and cash equivalents</u>	<u>6,913</u>	<u>6,572</u>	<u>6,303</u>

(With respect to lease transactions)

This item is abridged as it is disclosed through EDINET.

(With respect to investment in securities)

End of the preceding interim consolidated accounting term (as of September 30, 2005)

Securities

1. Other securities with market valuation

(Units: Million yen)

	Cost of acquisition	Amount included in the interim consolidated balance sheet	Difference
(1) Shares	369	592	223
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	369	592	223

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

Other securities

(Units: Million yen)

	Amount included in the interim consolidated balance sheet
Non-listed shares (excluding shares that are traded through over the counter transactions)	239
Others	1

End of the current interim consolidated accounting term (as of September 30, 2006)

Securities

1. Other securities with market valuation

(Units: Million yen)

	Cost of acquisition	Amount included in the interim consolidated balance sheet	Difference
(1) Shares	271	373	102
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	271	373	102

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

Other securities

(Units: Million yen)

	Amount included in the interim consolidated balance sheet
Non-listed shares (excluding shares that are traded through over the counter transactions)	258
Others	1

(With respect to investment in securities)

End of the preceding accounting year (as of March 31, 2006)

Securities

1. Other securities with market valuation

(Units: Million yen)

	Cost of acquisition	Amount included in the consolidated balance sheet	Difference
(1) Shares	273	438	164
(2) Bonds	-	-	-
(3) Others	-	-	-
Total	273	438	164

2. Content of principal securities without market valuation and amounts included in the interim 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)	234
Others	0

(With respect to derivative transactions)

This item is abridged as it is disclosed through EDINET.

(Segment information)

1. Information on segments by type of the business

Preceding interim consolidated accounting term (from April 1, 2005 to September 30, 2005)

(Units: Million yen)

	Coal chain business unit	Material service business unit	Comprehensive engineering business unit	Other business units	Total	Deletion or total company	Consolidated
Sales turnover							
(1) Sales turnover to external customers	43,469	29,294	7,047	6,826	86,627	-	86,627
(2) Internal sales turnover among segments and amount transferred	98	337	520	413	1,369	(1,369)	-
Total	43,568	29,631	7,567	7,229	87,997	(1,369)	86,627
Cost of sales	34,608	29,514	6,987	7,119	78,230	762	78,992
Operating income	8,959	116	580	110	9,767	(2,132)	7,634

- (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, plants and ceramics
 - 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 2,079 million yen.

Current interim consolidated accounting term (from April 1, 2006 to September 30, 2006)

(Units: Million yen)

	Coal chain business unit	Material service business unit	Comprehensive engineering business unit	Other business units	Total	Deletion or total company	Consolidated
Sales turnover							
(1) Sales turnover to external customers	48,786	23,162	10,748	6,991	89,689	-	89,689
(2) Internal sales turnover among segments and amount transferred	69	543	704	234	1,551	(1,551)	-
Total	48,855	23,706	11,453	7,225	91,241	(1,551)	89,689
Cost of sales	46,998	23,672	10,335	7,111	88,117	379	88,497
Operating income	1,857	33	1,117	114	3,123	(1,931)	1,191

- (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, plants and ceramics
 - 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 1,945 million yen.
 - In the past, the business segments have been determined based on the business headquarter division that are the administrative unit organizations of this company but from this current interim consolidated fiscal term, in order to further efficiency of management, the effects of synergy of the various business units have been reviewed and the business headquarter division has been reconsidered.
Based on this, from this current interim consolidated fiscal term, consideration was given to products and goods handled based on the business headquarter division that has been reviewed and the business units in the segmentation information by type of the business have been changed to coal, coke related petroleum related, comprehensive engineering and other businesses.
Categorization by business category applied to the current interim consolidated fiscal term from information on the type of segment of the business in the previous interim consolidated fiscal term and the previous consolidated fiscal year is stated after the information on the type of segment of the business for the previous consolidated fiscal year.

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

(Units: Million yen)

	Coal chain business unit	Material service business unit	Comprehensive engineering business unit	Other business units	Total	Deletion or total company	Consolidated
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

- (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, plants and ceramics
 - 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 3 billion 965 million yen.

(After change in the business categories)

Previous interim consolidated fiscal term (from April 1, 2005 to September 30, 2005)

(Units: Million yen)

	Coal and coke business unit	Petroleum business unit	Comprehensive engineering business unit	Other businesses	Total	Deletion or total company	Consolidated
Sales turnover							
(1) Sales turnover to external customers	42,365	24,267	7,955	12,039	86,627	-	86,627
(2) Internal sales turnover among segments and amount transferred	61	376	1,626	670	2,734	(2,734)	-
Total	42,426	24,643	9,581	12,709	89,362	(2,734)	86,627
Cost of sales	33,683	24,569	8,907	12,456	79,618	(625)	78,992
Operating income	8,743	73	674	253	9,744	(2,109)	7,634

Previous consolidated fiscal term (from April 1, 2005 to March 31, 2006)

(Units: Million yen)

	Coal and coke business unit	Petroleum business unit	Comprehensive engineering business unit	Other businesses	Total	Deletion or total company	Consolidated
Sales turnover							
(1) Sales turnover to external customers	87,764	50,120	16,795	24,775	179,457	-	179,457
(2) Internal sales turnover among segments and amount transferred	151	911	2,486	1,255	4,805	(4,805)	-
Total	87,916	51,032	19,281	26,031	184,262	(4,805)	179,457
Cost of sales	73,073	50,923	17,671	24,892	166,560	(787)	165,772
Operating income	14,843	109	1,609	1,139	17,702	(4,017)	13,684

2. Information on Segments by Location

Preceding interim consolidated accounting term (from April 1, 2005 to September 30, 2005)

(Units: Million yen)

	Japan	Asia	Oceania	Total	Deletion or total company	Consolidated
Sales turnover						
(1) Sales turnover to external customers	69,791	16,531	305	86,627	-	86,627
(2) Internal sales turnover among segments and amounts transferred	5,073	1,607	-	6,680	(6,680)	-
Total	74,864	18,138	305	93,308	(6,680)	86,627
Cost of sales	65,307	18,069	231	83,607	(4,614)	78,992
Operating income	9,557	69	73	9,700	(2,065)	7,634

- (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 interim consolidated accounting term (from April 1, 2006 to September 30, 2006)

(Units: Million yen)

	Japan	Asia	Oceania	Total	Deletion or total company	Consolidated
Sales turnover						
(1) Sales turnover to external customers	75,346	14,008	333	89,689	-	89,689
(2) Internal sales turnover among segments and amounts transferred	2,981	2,671	-	5,652	(5,652)	-
Total	78,328	16,679	333	95,342	(5,652)	89,689
Cost of sales	75,278	16,653	272	92,204	(3,707)	88,497
Operating income	3,049	26	61	3,137	(1,945)	1,191

- (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

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

(Units: Million yen)

	Japan	Asia	Oceania	Total	Deletion or total company	Consolidated
Sales turnover						
(1) Sales turnover to external customers	146,513	32,217	726	179,457	-	179,457
(2) Internal sales turnover among segments and amounts 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

- (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 interim consolidated accounting term (from April 1, 2005 to September 30, 2005)

(Units: Million yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales turnover	2,803	10,892	7,234	2,472	23,403
II. Consolidated sales turnover					86,627
III. Ratio of overseas sales turnover in total consolidated sales turnover (%)	3.2	12.6	8.3	2.9	27.0

- (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

Preceding interim consolidated accounting term (from April 1, 2006 to September 30, 2006)

(Units: Million yen)

	North America	Asia	Europe	Others	Total
I. Overseas sales turnover	4,268	13,166	2,125	2,123	21,683
II. Consolidated sales turnover					89,689
III. Ratio of overseas sales turnover in total consolidated sales turnover (%)	4.7	14.7	2.4	2.4	24.2

- (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.

Preceding 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 interim consolidated accounting term	Current interim consolidated accounting term	Preceding consolidated accounting year
Net assets per share	△ 97 yen 55 sen	4 yen 76 sen	△ 9 yen 06 sen
Amount of interim (current fiscal term) net profit per share (△ indicates the amount of net interim net loss per share)	20 yen 28 sen	14 yen 13 sen	1 yen 23 sen
Amount of interim (current fiscal term) net profit per share after adjustment for latent shares	* -	7 yen 68 sen	0 yen 60 sen

* While there are latent shares, these are not listed as interim net loss per share is listed in the accounts.

(Note) The bases for calculating the amount interim (current fiscal term) net profit per share or the amount of interim (current fiscal term) net loss per share (△) and the amount interim (current fiscal term) net profit per share after adjustment for latent shares are as follows.

	Preceding interim consolidated accounting term	Current interim consolidated accounting term	Preceding consolidated accounting year
Amount of interim (current fiscal term) net profit per share or amount if interim (current fiscal term) net loss (△) per share			
Amount of interim (current fiscal term) net profit per share (△ indicated an amount of interim net loss) (million yen)	3,217	3,252	224
Amounts not vested in ordinary shares (million yen)	-	-	-
Amount of interim (current fiscal term) net profit corresponding to ordinary shares (△ indicates an amount of interim loss) (million yen)	3,217	3,252	224
Average number of shares during the term (shares)	158,631,770	230,249,247	182,178,129
Amount of interim (current fiscal term) net profit after adjustment for latent shares			
Amount of interim (current fiscal term) net profit after the adjustment (million yen)	-	-	-
Increase in the number of ordinary shares (shares)	-	193,409,741	193,409,741
(Type B preferred shares in the above with the right of conversion into ordinary shares)	(-)	(71,633,237)	(71,633,237)
(type C preferred shares in the above with the right of conversion into ordinary shares)	(-)	(121,776,504)	(121,776,504)
Overview of latent shares that were not included in the calculation of the amount of interim (current fiscal term) net profits after adjustment for latent shares due to the shares not having a diluting effect	Type A preferred shares with the right of conversion into ordinary shares: 40,000,000 shares Type B preferred shares with the right of conversion into ordinary shares: 40,000,000 shares Type C preferred shares with the right of conversion into ordinary shares: 68,000,000 shares		