Consolidated Financial Results for the Six-Month Period Ended September 30, 2016 [IFRS]

Tokyo, November 2, 2016 - Mitsui & Co., Ltd. announced its consolidated financial results for the six-month period ended September 30, 2016, based on International Financial Reporting Standards ("IFRS").

Mitsui & Co., Ltd. and subsidiaries
(Web Site : http://www.mitsui.com/jp/en/)

President and Chief Executive Officer : Tatsuo Yasunaga
Investor Relations Contacts : Yuji Mano, General Manager, Investor Relations Division TEL 81-3-3285-7533

1. Consolidated financial results
(1) Consolidated operating results information for the six-month period ended September 30, 2016
(from April 1, 2016 to September 30, 2016)

		Six-month period ended September 30,			
		2016	%	2015	%
Revenue	Millions of yen	2,032,136	△ 18.6	2,497,832	△ 9.1
Profit before income taxes	Millions of yen	186,022	△ 17.3	225,030	△ 27.9
Profit for the period	Millions of yen	128,986	△ 11.5	145,755	△ 37.4
Profit for the period attributable to owners of the parent	Millions of yen	121,977	△ 6.6	130,641	△ 41.3
Comprehensive income for the period	Millions of yen	(137,778)	-	(126,149)	-
Earnings per share attributable to owners of the parent, basic	Yen	68.05		72.88	
Earnings per share attributable to owners of the parent, diluted	Yen	68.01		72.86	

Note:
Percentage figures for Revenue, Profit before income taxes, Profit for the period, Profit for the period attributable to owners of the parent, and Comprehensive income for the period represent changes from the previous year.

(2) Consolidated financial position information

		September 30, 2016	March 31, 2016
Total assets	Millions of yen	10,481,179	10,910,511
Total equity	Millions of yen	3,435,317	3,666,536
Total equity attributable to owners of the parent	Millions of yen	3,192,846	3,379,725
Equity attributable to owners of the parent ratio	%	30.5	31.0

2. Dividend information

		Year ended March 31,		Year ending March 31, 2017 (Forecast)
		2017	2016	
Interim dividend per share	Yen	25	32	
Year-end dividend per share	Yen		32	25
Annual dividend per share	Yen		64	50

3. Forecast of consolidated operating results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

		Year ending March 31, 2017
Profit attributable to owners of the parent	Millions of yen	220,000
Earnings per share attributable to owners of the parent, basic	Yen	122.73

Note :
We have changed our forecast profit attributable to owners of the parent for the year ending March 31, 2017 from ¥200.0 billion to ¥220.0 billion.

4. Others

(1) Increase/decrease of important subsidiaries during the period : Yes
Excluded: 1 company (MBK Commercial Vehicles Inc.)
MBK Commercial Vehicles Inc. was absorbed by MBK USA Commercial Vehicles Inc. during the six-month period ended September 30, 2016.

(2) Changes in accounting policies and accounting estimate :

(i)	Changes in accounting policies required by IFRS	None
(ii)	Other changes	None
(iii)	Changes in accounting estimates	None

(3) Number of shares :

	September 30, 2016	March 31, 2016
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	4,007,390	4,004,857

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2015
Average number of shares of common stock outstanding	1,792,508,134	1,792,519,055

Disclosure Regarding Quarterly Review Procedures:
As of the date of disclosure of this quarterly earnings report, a review of the quarterly financial statements is being carried out in accordance with the Financial Instruments and Exchange Act.

A Cautionary Note on Forward-Looking Statements:
This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. ("Mitsui"), and those statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it. Various factors may cause Mitsui's actual results to be materially different from any future performance expressed or implied by these forward-looking statements. Therefore, these statements do not constitute a guarantee by Mitsui that such future performance will be realized.
For key assumptions on which the statements concerning future performance are based, please refer to (2) "Forecasts for the Year Ending March 31, 2017" on p.13. For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.15.

Supplementary materials and IR meeting on financial results:
Supplementary materials on financial results can be found on our web site.
We will hold an IR meeting on financial results for analysts and institutional investors on November 4, 2016.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

Table of Contents

1. Qualitative Information

As of the date of disclosure of this quarterly earnings report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are in progress.

(1) Operating Environment

In the six-month period ended September 30, 2016, the global economy saw a temporary period of turmoil in the financial markets after the U.K. decided by public referendum to leave the EU, but the return to more settled market conditions afterward, as well as the signs of bottoming out in the international commodities market, led to solid growth overall.

Going forward, in the U.S., recovery can be expected after the economic slowdown in the first half of the year as energy related investments appear to have stopped declining now that crude oil prices are rising. Meanwhile, in Japan, the economy continues to be trending flatly due to the downward pressure of yen appreciation on exports and capital expenditure. In Europe, a slow pace of economic recovery can be expected because uncertainty persists regarding matters concerning the U.K.'s departure from the EU and the public referendum in Italy. Among emerging countries, China's pace of economic growth, although it is currently showing signs of recovery, is expected to decline gradually amid an environment of excess capacity and adjustments of debts. Russia and Brazil, on the other hand, are expected to realize economic recovery on the back of rising resource prices.

Overall, the global economy continues to be at a standstill due to long lasting slowdown in emerging economies and limited resilience in developed economies. In addition, there is a concern that any escalation of global political and geopolitical risk could hamper economic recovery.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥2,032.1 billion for the six-month period ended September 30, 2016 ("current period"), a decline of ¥465.7 billion from ¥2,497.8 billion for the corresponding six-month period of the previous year ("previous period"). Revenue from sales of products for the current period was ¥1,772.5 billion, a decline of ¥448.0 billion from ¥2,220.5 billion for the previous period, and revenue from rendering of services for the current period was ¥193.2 billion, a decline of ¥3.5 billion from ¥196.7 billion for the previous period. Furthermore, other revenue for the current period was ¥66.4 billion, a decline of ¥14.3 billion from ¥80.7 billion for the previous period.

Gross Profit

Gross profit for the current period was ¥326.0 billion, a decline of ¥64.6 billion from ¥390.6 billion for the previous period. Mainly the Energy Segment, the Americas Segment and the Machinery & Infrastructure Segment reported declines in gross profit.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current period were ¥258.3 billion, a decline of ¥25.1 billion from ¥283.4 billion for the previous period.

Gain (Loss) on Securities and Other Investments—Net
Gain on securities and other investments for the current period was ¥18.4 billion, an increase of ¥2.3 billion from ¥16.1 billion for the previous period. For the current period, a gain on disposal of securities was recorded mainly in the Lifestyle Segment. For the previous period, a gain on valuation on securities was recorded mainly in the Innovation & Corporate Development Segment.

Impairment Reversal (Loss) of Fixed Assets—Net
Impairment loss of fixed assets for the current period was ¥0.3 billion, a deterioration of ¥5.1 billion from ¥4.8 billion of gain for the previous period. There were miscellaneous small items for the current period. For the previous period, a reversal of impairment was recorded in the Machinery & Infrastructure Segment, while a loss on fixed assets as a result of changes in estimation of asset retirement costs was recorded in the Energy Segment.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net
Gain on disposal or sales of fixed assets for the current period was ¥0.7 billion, a decline of ¥10.8 billion from ¥11.5 billion of gain for the previous period. There were miscellaneous small transactions for the current period. For the previous period, a gain on disposal of fixed assets was recorded mainly in the Lifestyle Segment.

Other Income (Expense)—Net
Other expense for the current period was ¥6.2 billion, a decline of ¥13.0 billion from ¥19.2 billion for the previous period. For the previous period, an impairment loss on goodwill was recorded in the Lifestyle Segment. For the current period, the Innovation & Corporate Development Segment recorded a deterioration of foreign exchange gains (losses) in the commodity derivatives trading business, which corresponded to related gross profit in the same segment.

Finance Income (Costs)
Interest Income
Interest income for the current period was ¥14.7 billion, a decline of ¥1.2 billion from ¥15.9 billion for the previous period.

Dividend Income
Dividend income for the current period was ¥18.2 billion, a decline of ¥7.8 billion from ¥26.0 billion for the previous period.

Interest Expense
Interest expense for the current period was ¥26.0 billion, an increase of ¥0.4 billion from ¥25.6 billion for the previous period.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method
Share of profit of investments accounted for using the equity method for the current period was ¥98.8 billion, an increase of ¥10.5 billion from ¥88.3 billion for the previous period. Mainly the Machinery & Infrastructure Segment and the Mineral & Metal Resources Segment recorded an increase, while the Energy Segment recorded a decline.

Income Taxes
Income taxes for the current period were ¥57.0 billion, a decline of ¥22.3 billion from ¥79.3 billion for the previous period. Profit before income taxes for the current period was ¥186.0 billion, a decline of ¥39.0

billion from ¥225.0 billion for the previous period. In response, applicable income taxes also declined. Furthermore, tax effects on an equity accounted investee were reversed, and subsidiaries, whose functional currency and currency used to calculate tax profit differ, recorded a decline in tax burden on deductible temporary difference arising from appreciation of currency used to calculate tax profit against functional currency.

The effective tax rate for the current period was 30.7%, a decline of 4.5% from 35.2% for the previous period. The major factor for the decline was the aforementioned reversal of tax effects and effects on appreciation of currency used to calculate tax profit as well as disposal of securities with lower tax rates.

Profit for the Period

As a result of the above factors, profit for the period was ¥129.0 billion, a decline of ¥16.8 billion from ¥145.8 billion for the previous period.

Profit for the Period Attributable to Owners of the Parent

Profit for the period attributable to owners of the parent was ¥122.0 billion, a decline of ¥8.6 billion from ¥130.6 billion for the previous period.

2) EBITDA

We use EBITDA as a measure of underlying earning power.

EBITDA is the total of "gross profit," "selling, general and administrative expenses," "dividend income" and "share of profit (loss) of investments accounted for using the equity method" from the consolidated statements of income and "depreciation and amortization" from the consolidated statements of cash flows.

(Billions of Yen)		Current Period	Previous Period	Change
EBITDA (a+b+c+d+e) (*)		283.0	347.4	(64.4)
Gross profit	a	326.0	390.6	(64.6)
Selling, general and administrative expenses	b	(258.3)	(283.4)	+ 25.1
Dividend income	c	18.2	26.0	(7.8)
Profit (loss) of equity method investments	d	98.8	88.3	+10.5
Depreciation and amortization	e	98.3	125.9	(27.6)

* May not match with the total of items due to rounding off. The same shall apply hereafter.

3) Operating Results by Operating Segment

Part of the food business and food & retail management business included in the Lifestyle Segment was transferred to the Chemicals Segment, and part of the Americas Segment was transferred to the Lifestyle Segment, effective April 1, 2016. In accordance with the aforementioned changes, the operating segment information for the previous period has been restated to conform to the current period presentation.

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	3.3	5.6	(2.3)
Gross profit	14.4	16.5	(2.1)
Selling, general and administrative expenses	(14.4)	(15.4)	+1.0
Dividend income	1.0	1.3	(0.3)
Profit (loss) of equity method investments	1.7	2.7	(1.0)
Depreciation and amortization	0.5	0.5	0.0
Profit for the period attributable to owners of the parent	2.0	2.5	(0.5)

EBITDA declined by ¥2.3 billion, mainly due to the following factors:

- Gross profit declined by ¥2.1 billion.
- Profit (loss) of equity method investments declined by ¥1.0 billion.

Profit for the period attributable to owners of the parent declined by ¥0.5 billion.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	68.2	67.2	+1.0
Gross profit	58.5	57.1	+1.4
Selling, general and administrative expenses	(16.3)	(18.7)	+2.4
Dividend income	0.4	0.8	(0.4)
Profit (loss) of equity method investments	9.4	4.5	+4.9
Depreciation and amortization	16.3	23.4	(7.1)
Profit for the period attributable to owners of the parent	51.3	31.3	+20.0

EBITDA increased by ¥1.0 billion, mainly due to the following factors:

- Gross profit increased by ¥1.4 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥6.4 billion reflecting cost reduction.
  - Iron ore mining operations in Australia reported a decrease of ¥2.6 billion due to exchange rate fluctuations.
- Profit (loss) of equity method investments increased by ¥4.9 billion.
  - Valepar S.A. reported an increase of ¥10.0 billion due to reversal effect of foreign exchange valuation loss for the previous period and profit from foreign exchange valuation for the current period which was partially offset by reversal effect of recognition of a deferred tax asset reflecting the tax system revision in Brazil for the previous period.
  - SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported a decline of ¥3.9 billion due to copper prices lower than the production cost.
- Depreciation and amortization declined by ¥7.1 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported a decline of ¥5.7 billion mainly due to a decline in deprecation from the impairment in the previous year.
- Profit for the period attributable to owners of the parent increased by ¥20.0 billion. In addition to the above, the following factor also affected results:
  - For the current period, a decline of tax burden of ¥13.9 billion was recorded as a result of a tax effect on the decision to liquidate Mitsui Raw Material Development Pty. Limited, an investment company for oversea scrap businesses. Such tax effect was reversed in Adjustments and Eliminations Segment, resulting in no impact on our profits.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	43.7	31.6	12.1
Gross profit	51.5	64.5	(13.0)
Selling, general and administrative expenses	(55.6)	(63.9)	+8.3
Dividend income	1.5	2.1	(0.6)
Profit (loss) of equity method investments	37.6	19.7	+17.9
Depreciation and amortization	8.7	9.0	(0.3)
Profit for the period attributable to owners of the parent	34.2	18.8	+15.4

EBITDA increased by ¥12.1 billion, mainly due to the following factors:

- Gross profit declined by ¥13.0 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥2.8 billion.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥10.2 billion.
    - Reclassification of a mining machinery sales and service subsidiary based in Mexico to an equity accounted investee resulted in a decline of ¥3.6 billion.
- Selling, general and administrative expenses declined by ¥8.3 billion.
- Profit (loss) of equity method investments increased by ¥17.9 billion.
  - The Infrastructure Projects Business Unit reported an increase of ¥15.6 billion.
    - IPP businesses posted a profit of ¥11.9 billion in total, an improvement of ¥18.9 billion from a loss of ¥7.0 billion for the previous period.
      - For the previous period, a one-time negative impact was recorded due to lower electricity prices and obsolete power plants.
      - For the current period, a decline of tax burden was recorded due to the Indonesian tax reform.
      - Mark-to-market valuation losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, deteriorated by ¥1.4 billion to ¥1.9 billion from ¥0.5 billion for the previous period.
    - The gas distribution business in Brazil recorded an increase of ¥3.1 billion mainly due to the increased interests.
    - The LNG receiving terminal project in Mexico recorded a decline of ¥4.7 billion mainly due to a change in lease accounting treatment for the previous period.
  - The Integrated Transportation Systems Business Unit reported an increase of ¥2.2 billion.

Profit for the period attributable to owners of the parent increased by ¥15.4 billion. In addition to the above, the following factor also affected results:

- For the previous period, an ¥11.8 billion reversal gain of impairment loss was recorded at Tokyo International Air Cargo Terminal Ltd.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	16.1	14.6	+1.5
Gross profit	38.2	40.5	(2.3)
Selling, general and administrative expenses	(30.9)	(36.3)	+5.4
Dividend income	0.8	0.8	0.0
Profit (loss) of equity method investments	2.4	4.3	(1.9)
Depreciation and amortization	5.5	5.3	+0.2
Profit for the period attributable to owners of the parent	7.2	5.3	+1.9

EBITDA increased by ¥1.5 billion, mainly due to the following factors:

- Gross profit declined by ¥2.3 billion.
  - The Basic Materials Business Unit reported a decline of ¥0.8 billion.
  - The Performance Materials Business Unit reported a decline of ¥0.9 billion.
  - The Nutrition & Agriculture Business Unit reported a decline of ¥0.6 billion.
- Selling, general and administrative expenses declined by ¥5.4 billion.
- Profit (loss) of equity method investments declined by ¥1.9 billion.

Profit for the period attributable to owners of the parent increased by ¥1.9 billion.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	69.0	140.4	(71.4)
Gross profit	31.1	69.9	(38.8)
Selling, general and administrative expenses	(24.2)	(25.5)	+1.3
Dividend income	7.3	12.5	(5.2)
Profit (loss) of equity method investments	5.0	15.0	(10.0)
Depreciation and amortization	49.8	68.6	(18.8)
Profit for the period attributable to owners of the parent	0.9	26.2	(25.3)

EBITDA declined by ¥71.4 billion, mainly due to the following factors:

- Gross profit declined by ¥38.8 billion.
  - Mitsui Oil Exploration Co., Ltd. reported a decline of ¥21.6 billion from lower crude oil and gas prices and the negative impact of exchange rate fluctuations.
  - Mitsui E&P Middle East B.V. reported a decline of ¥8.2 billion mainly due to the decreased working interests.
  - MEP Texas Holdings LLC reported a decline of ¥3.9 billion from lower crude oil prices which was partially offset by a decline of depreciation due to the impairment in the previous year.
  - Mitsui E&P Australia Pty Limited reported decline of ¥3.0 billion from lower crude oil prices.
- Dividend income declined by ¥5.2 billion.
  - Dividends from six LNG projects (Qatargas 1, Abu Dhabi, Oman, Equatorial Guinea, Qatargas 3 and Sakhalin II) were ¥6.1 billion in total, a decline of ¥5.0 billion from ¥11.1 billion for the previous period.
- Profit (loss) of equity method investments declined by ¥10.0 billion.
  - Japan Australia LNG (MIMI) Pty. Ltd. reported a decline due mainly to lower crude oil prices.
- Depreciation and amortization declined by ¥18.8 billion.
  - In spite of increased capital expenditure at Mitsui Oil Exploration, oil and gas producing operations recorded a decline of ¥18.8 billion, including a decline at Mitsui E&P Middle East B.V. and shale projects in the U.S.

Profit for the period attributable to owners of the parent declined by ¥25.3 billion. In addition to the above, the following factors also affected results:

- For the previous period, an impairment loss of ¥5.2 billion was recorded at Mitsui E&P UK Limited on fixed assets as a result of changes in the estimation of asset retirement costs at oil and gas fields in the North Sea.
- For the current period, exploration expenses of ¥5.1 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous period, exploration expenses of ¥7.6 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Limited.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	17.4	5.0	+12.4
Gross profit	63.4	55.4	+8.0
Selling, general and administrative expenses	(68.3)	(69.6)	+1.3
Dividend income	2.9	2.4	+0.5
Profit (loss) of equity method investments	12.4	10.6	+1.8
Depreciation and amortization	7.0	6.2	+0.8
Profit (loss) for the period attributable to owners of the parent	20.6	(4.4)	+25.0

EBITDA increased by ¥12.4 billion, mainly due to the following factors:

- Gross profit increased by ¥8.0 billion.
  - The Food Business Unit reported an increase of ¥2.1 billion.
  - The Food & Retail Management Business Unit reported an increase of ¥0.4 billion.
  - The Healthcare & Service Business Unit reported an increase of ¥0.5 billion.
  - The Consumer Business Unit reported an increase of ¥5.1 billion.
- Profit (loss) of equity method investments increased by ¥1.8 billion.

Profit (loss) for the period attributable to owners of the parent increased by ¥25.0 billion. In addition to the above, the following factors also affected results:

- For the current period, a ¥14.6 billion gain on sale of shares was recorded due to the partial sale of shares in IHH Healthcare Berhad.
- For the previous period, a ¥6.3 billion impairment loss on goodwill was recorded at Multigrain Trading AG.
- For the previous period, Bussan Real Estate Co., Ltd. (now called Mitsui & Co. Real Estate Ltd.) recorded a ¥13.1 billion gain on the sales of buildings in Japan.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	10.1	7.2	+2.9
Gross profit	27.0	24.7	+2.3
Selling, general and administrative expenses	(26.4)	(30.1)	+3.7
Dividend income	2.7	4.5	(1.8)
Profit (loss) of equity method investments	4.6	5.4	(0.8)
Depreciation and amortization	2.2	2.8	(0.6)
Profit for the period attributable to owners of the parent	6.9	13.0	(6.1)

EBITDA increased by ¥2.9 billion, mainly due to the following factors:

- Gross profit increased by ¥2.3 billion.
  - The IT & Communication Business Unit reported an increase of ¥0.3 billion.
  - The Corporate Development Business Unit reported an increase of ¥2.0 billion.

- ✧ There was an increase in gross profit corresponding to a ¥4.1 billion deterioration of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current period and for the previous period.

- Selling, general and administrative expenses declined by ¥3.7 billion.
- Profit (loss) of equity method investments declined by ¥0.8 billion.

Profit for the period attributable to owners of the parent declined by ¥6.1 billion. In addition to the above, the following factors also affected results:

- For the previous period, a ¥9.9 billion gain due to the valuation of fair value on shares in Hutchison China MediTech was recorded.
- For the current period and for the previous period, foreign exchange losses of ¥4.6 billion and losses of ¥0.5 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business.

Americas Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	25.8	39.8	(14.0)
Gross profit	40.7	62.8	(22.1)
Selling, general and administrative expenses	(23.5)	(31.6)	+8.1
Dividend income	0.0	0.0	0.0
Profit (loss) of equity method investments	4.9	4.2	+0.7
Depreciation and amortization	3.5	4.4	(0.9)
Profit for the period attributable to owners of the parent	11.6	16.9	(5.3)

EBITDA declined by ¥14.0 billion, mainly due to the following factors:

- Gross profit declined by ¥22.1 billion.
  - Novus International, Inc. reported a decline of ¥16.0 billion mainly due to a decline of methionine prices.
- Selling, general and administrative expenses declined by ¥8.1 billion.
- Profit (loss) of equity method investments increased by ¥0.7 billion.

Profit for the period attributable to owners of the parent declined by ¥5.3 billion.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	2.8	3.9	(1.1)
Gross profit	10.2	10.9	(0.7)
Selling, general and administrative expenses	(9.7)	(9.9)	+0.2
Dividend income	0.1	0.1	0.0
Profit (loss) of equity method investments	1.9	2.5	(0.6)
Depreciation and amortization	0.3	0.2	+0.1
Profit for the period attributable to owners of the parent	1.6	2.9	(1.3)

EBITDA declined by ¥1.1 billion, mainly due to the following factors:

- Gross profit declined by ¥0.7 billion.
- Profit (loss) of equity method investments declined by ¥0.6 billion.

Profit for the period attributable to owners of the parent declined by ¥1.3 billion.

Asia Pacific Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	22.5	22.6	(0.1)
Gross profit	11.1	12.0	(0.9)
Selling, general and administrative expenses	(9.2)	(10.3)	+1.1
Dividend income	0.6	0.7	(0.1)
Profit (loss) of equity method investments	19.1	19.5	(0.4)
Depreciation and amortization	0.9	0.7	+0.2
Profit for the period attributable to owners of the parent	13.4	12.7	+0.7

EBITDA declined by ¥0.1 billion, mainly due to the following factors:

- Gross profit declined by ¥0.9 billion.
- Profit (loss) of equity method investments declined by ¥0.4 billion.

Profit for the period attributable to owners of the parent increased by ¥0.7 billion.

(3) Financial Condition and Cash Flows

1) Financial Condition

Total assets as of September 30, 2016 was ¥10,481.2 billion, a decline of ¥429.3 billion from ¥10,910.5 billion as of March 31, 2016.

Total current assets as of September 30, 2016 was ¥4,310.3 billion, an increase of ¥23.6 billion from ¥4,286.7 billion as of March 31, 2016. Other financial assets increased by ¥131.8 billion, mainly due to the increase in time deposit by ¥145.8 billion. Meanwhile, trade and other receivables declined by ¥119.1 billion, mainly due to the decline in trading volume in the Chemicals, Americas, and Machinery & Infrastructure Segments.

Total current liabilities as of September 30, 2016 was ¥2,254.6 billion, a decline of ¥308.2 billion from ¥2,562.8 billion as of March 31, 2016. Trade and other payables declined by ¥105.3 billion, corresponding to the decline in trade and other receivables. Furthermore, short-term debt and current portion of long-term debt declined by ¥113.4 billion and ¥38.8 billion, respectively, due to repayment.

As a result, working capital, or current assets less current liabilities, as of September 30, 2016, totaled ¥2,055.7 billion, an increase of ¥331.8 billion from ¥1,723.9 billion as of March 31, 2016.

Total non-current assets as of September 30, 2016 amounted to ¥6,170.9 billion, a decline of ¥452.9 billion from ¥6,623.8 billion as of March 31, 2016, mainly due to the following factors:

- Investments accounted for using the equity method as of September 30, 2016 was ¥2,319.5 billion, a decline of ¥195.8 billion from ¥2,515.3 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥226.5 billion resulting from foreign currency exchange fluctuations; and
  - A decline of ¥60.7 billion due to dividends received from equity accounted investees, despite an increase of ¥98.8 billion corresponding to the profit of equity method investments for the current period.
- Other investments as of September 30, 2016 were ¥1,127.2 billion, a decline of ¥52.5 billion from ¥1,179.7 billion as of March 31, 2016, due to a decline of 36.8 billion resulting from foreign currency exchange fluctuations.
- Property, plant and equipment as of September 30, 2016 totaled ¥1,721.8 billion, a decline of ¥216.6 billion from ¥1,938.4 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥49.0 billion (including a foreign exchange translation loss of ¥39.2 billion) at iron ore mining operations in Australia;

- A decline of ¥43.6 billion (including a foreign exchange translation loss of ¥31.8 billion) at oil and gas operations other than U.S. shale gas and oil producing operations; and
- A decline of ¥29.3 billion (including a foreign exchange translation loss of ¥19.7 billion) at U.S. shale gas and oil projects.

- Investment property as of September 30, 2016 totaled ¥182.3 billion, an increase of ¥34.5 billion from ¥147.8 billion as of March 31, 2016, due to an increase of ¥34.1 billion for the integrated development project in 2, Ohtemachi 1-Chome District.

Total non-current liabilities as of September 30, 2016 amounted to ¥4,791.3 billion, an increase of ¥110.1 billion from ¥4,681.2 billion as of March 31, 2016. Long-term debt, less current portion increased by ¥165.0 billion, mainly due to procurement of ¥555.0 billion in subordinated syndicated loans, despite a decline due to foreign currency exchange fluctuations and repayment of debt.

Total equity attributable to owners of the parent as of September 30, 2016 was ¥3,192.8 billion, a decline of ¥186.9 billion from ¥3,379.7 billion as of March 31, 2016.

- Retained earnings increased by ¥70.4 billion.
- Other components of equity as of September 30, 2016 declined by ¥254.5 billion. Foreign currency translation adjustments declined by ¥242.6 billion mainly reflecting the appreciation of the Japanese yen against the Australian dollar and the U.S. dollar.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of September 30, 2016 was ¥3,055.0 billion, a decline of ¥160.0 billion from ¥3,215.0 billion as of March 31, 2016. The net debt-to-equity ratio (DER) as of September 30, 2016 was 0.96 times, 0.01 points higher compared to 0.95 times as of March 31, 2016.

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	73.1	325.5	(252.4)
Cash flows from change in working capital	b	(108.2)	56.9	(165.1)
Core operating cash flow	a-b	181.3	268.6	(87.3)

Net cash provided by operating activities for the current period was ¥73.1 billion, a decline of ¥252.4 billion from ¥325.5 billion for the previous period.

Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥108.2 billion of net cash outflow mainly due to the effects of other-net and change in inventories, a deterioration of ¥165.1 billion from ¥56.9 billion of net cash inflow for the previous period.

Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current period amounted to ¥181.3 billion, a decline of ¥87.3 billion from ¥268.6 billion for the previous period.

- Depreciation and amortization for the current period was ¥98.3 billion, a decline of ¥27.6 billion from ¥125.9 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥78.6 billion, a decline of ¥33.8 billion from ¥112.4 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Iron & Steel Products	2.2	2.4	(0.2)
Mineral & Metal Resources	67.2	71.6	(4.4)
Machinery & Infrastructure	30.0	34.5	(4.5)
Chemicals	11.3	10.0	+1.3
Energy	55.7	111.5	(55.8)
Lifestyle	4.1	(0.3)	+4.4
Innovation & Corporate Development	2.5	3.0	(0.5)
Americas	18.1	26.4	(8.3)
Europe, the Middle East and Africa	0.7	1.6	(0.9)
Asia Pacific	1.5	3.7	(2.2)
All Other and Adjustments and Eliminations	(12.0)	4.2	(16.2)
Consolidated Total	181.3	268.6	(87.3)

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥190.7 billion, an increase of ¥39.0 billion from ¥151.7 billion for the previous period. The net cash used in investing activities consisted of:

- Net cash outflows that corresponded to change in time deposit were ¥147.1 billion.
- Net cash inflows corresponded to investments in and advances to equity accounted investees (net of sales of investment and collection of advances) were ¥37.0 billion, mainly due to the following factors:
  - A partial sale of MBK Healthcare Partners's shares in IHH Healthcare Berhad for ¥24.9 billion;
  - A sale of a stake in relation to chemicals business in Brazil for ¥24.0 billion; and
  - A sale of a stake in Galaxy NewSpring Pte. Ltd., which operates water infrastructure business in China, for ¥10.2 billion.
- Net cash inflows corresponded to other investments (net of sales and maturities of other investments) were ¥8.0 billion, mainly due to a sale of shares in Recruit Holdings Co., Ltd. for ¥11.0 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥96.0 billion. Major expenditures included:
  - Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥30.7 billion; and
  - Integrated development project in 2, Ohtemachi 1-Chome District for ¥22.8 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current period was a net outflow of ¥117.6 billion.

Cash Flows from Financing Activities

For the current period, net cash provided by financing activities was ¥193.0 billion, an increase of ¥290.1 billion from ¥97.1 billion of net cash used for the previous period. The cash inflow from the borrowing of long-term debt was ¥374.8 billion, mainly due to procurement of ¥555.0 billion in subordinated syndicated loans. Meanwhile, the cash outflow from payments of cash dividends was ¥57.4 billion and the cash outflow from short-term debt was ¥92.6 billion.

In addition to the changes discussed above, there was a decline in cash and cash equivalents of ¥48.3 billion due to foreign exchange translation. Cash and cash equivalents as of September 30, 2016 totaled ¥1,518.0 billion, an increase of ¥27.2 billion from ¥1,490.8 billion as of March 31, 2016.

2. Management Policies

(1) Result and Forecast for Investment and Loan Plan

We implemented investments and loans of approximately ¥125.0 billion to existing businesses and projects in the pipeline (*). In addition, we made new investments and loans of approximately ¥40.0 billion for further growth. The resulting sum of investments and loans for the current period was approximately ¥165.0 billion. On the other hand, we collected approximately ¥120.0 billion through disposal of assets and investments.

To realize "Evolution of portfolio strategy," which is one of the key initiatives of the Medium-term Management Plan, we will continue with improvement and modification of our portfolio adjustment and achieve positive free cash flow during the Medium-term Management Plan by ensuring discipline in investments.

* Projects in which our participation has been decided and announced as of May 2014 and profit contributions from such projects are expected within several years.

(2) Forecasts for the Year Ending March 31, 2017

1) Revised forecasts for the year ending March 31, 2017

＜Assumption＞	1st Half (Actual)	2nd Half (Forecast)	Revised Forecast	Original Forecast
Exchange rate (JPY/USD)	105.72	100	102.86	110
Crude oil (JCC)	$44/bbl	$49/bbl	$46/bbl	$49/bbl
Consolidated oil price	$41/bbl	$47/bbl	$44/bbl	$45/bbl

(Billions of yen)

	Revised Forecast	Original Forecast	Change	Description
Gross profit	650.0	640.0	10.0	Decline in costs, FX fluctuation
Selling, general and administrative expenses	-540.0	-550.0	10.0	Cost reduction
Gain on investments, fixed assets and other	50.0	50.0	0.0	
Interest expenses	-30.0	-30.0	0.0	
Dividend income	50.0	50.0	0.0	
Profit (loss) of equity method investments	170.0	170.0	0.0	
Profit before income taxes	350.0	330.0	20.0	
Income taxes	-120.0	-120.0	0.0	
Non-controlling Interests	-10.0	-10.0	0.0	
Profit for the year attributable to owners of the parent	220.0	200.0	20.0	
Depreciation and amortization	210.0	230.0	-20.0	Change in depreciation, FX fluctuation
EBITDA	540.0	540.0	0.0	
Core operating cash flow	360.0	360.0	0.0	

We assume foreign exchange rates for the six-month period ending March 31, 2017 (2nd half) will be ¥100/US$, ¥77/AU$ and ¥30/BRL, while average foreign exchange rates for the six-month period ended

September 30, 2016 (1st half) were ¥105.72/US$, ¥79.10/AU$ and ¥31.55/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2017 will be US$44/barrel, down US$1 from the original assumption, based on the assumption that the crude oil price (JCC) will average US$49/barrel throughout the six-month period ending March 31, 2017.

The revised forecast for profit for the year attributable to owners of the parent by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2017 Revised Forecast	Year ending March 31, 2017 Original Forecast	Change	Description
Iron & Steel Products	5.0	5.0	0.0	
Mineral & Metal Resources	75.0	45.0	+30.0	Higher coal price, tax effect on liquidation of subsidiary
Machinery & Infrastructure	55.0	60.0	(5.0)	Loss at IPP business
Chemicals	15.0	15.0	0.0	
Energy	15.0	0.0	+15.0	Decline in costs, higher production
Lifestyle	25.0	15.0	+10.0	Increase in gain on sale of IHH shares
Innovation & Corporate Development	10.0	10.0	0.0	
Americas	20.0	25.0	(5.0)	Decline in Novus profit
Europe, the Middle East and Africa	5.0	5.0	0.0	
Asia Pacific	30.0	20.0	+10.0	Higher coal price
All Other and Adjustments and Eliminations	(35.0)	0.0	(35.0)	Adjustment of tax effect at the Mineral & Metal Resources and Lifestyle, etc.
Consolidated Total	220.0	200.0	+20.0	

2) Key commodity prices and other parameters for the year ending March 31, 2017

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2017. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on profit for the year attributable to owners of the parent for the Year ending March 31, 2017 (Announced in May 2016)			Original Forecast (Announced in May 2016)	March 2017 1st Half (Result)	March 2017 2nd Half (Assumption)	Revised Forecast (Announced in November 2016)
Commodity	Crude Oil/JCC	¥2.9 bn (US$1/bbl)	49	44	49	46
	Consolidated Oil Price(*1)		45	41	47	44
	U.S. Natural Gas(*2)	¥0.8 bn (US$0.1/mmBtu)	2.40	2.12(*3)	2.86(*4)	2.49
	Iron Ore	¥3.2 bn (US$1/ton)	(*5)	57(*6)	(*5)	(*5)
	Copper	¥1.0 bn (US$100/ton)	5,500	4,700(*7)	4,700	4,700
Forex (*8)	USD	¥1.4 bn (¥1/USD)	110	105.72	100	102.86
	AUD	¥0.8 bn (¥1/AUD)	85	79.10	77	78.05
	BRL	¥0.3 bn (¥1/BRL)	30	31.55	30	30.78

(*1) The oil price trend is reflected in profit for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March31, 2017, we assume the annual average price applicable to our financial results as the Consolidated Oil Price based on the estimation: 4-6 month time lag, 31%; 1-3 month time lag, 35%; no time lag, 34%.

(*2) US shale gas are not all sold at Henry Hub (HH) linked prices. Therefore the sensitivity does not represent the direct impact of HH movement, but rather the impact from the movement of weighted average gas sales price.
(*3) Daily average of settlement price for prompt month Henry Hub Natural Gas Futures contracts reported by NYMEX during January 2016 - June 2016.
(*4) For natural gas sold in the US on HH linked prices, the assumed price used is US$2.49/mmBtu.
(*5) We refrain from disclosing the iron ore price assumptions.
(*6) Daily average of representative reference prices (Fine, Fe 62% CFR North China) during April 2016 to September 2016
(*7) Average of LME cash settlement price during January 2016 to June 2016
(*8) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

(3) Profit Distribution Policy

Our profit distribution policy has been resolved as follows at the board of directors through discussion in which external directors were also involved:

- In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, in relation to share buyback toward improving capital efficiency, we judge that the decision by the board of directors in a prompt and flexible manner as needed concerning its timing and amount by taking into consideration of the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity, continues to contribute to enhancement of corporate value.

For six-month period ended September 30, 2016, we have decided to pay an interim dividend of ¥25 per share, a ¥7 decrease from the corresponding six-month period of the previous year. For the year ending March 31, 2017, we currently envisage an annual dividend of ¥50 per share (including the interim dividend of ¥25 per share), a ¥14 decrease from the year ended March 31, 2016, taking into consideration of profit for the year attributable to owners of the parent and EBITDA as well as stability and continuity of the amount of dividend, on the assumption that core operating cash flow will be ¥360 billion, as mentioned in our forecast for the year ending March 31, 2017.

3. Other Information

Notice:
This flash report contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual consolidated financial position, consolidated operating results or consolidated cash flows to be materially different from any future consolidated financial position, consolidated operating results or consolidated cash flows expressed or implied by these forward-looking statements.
These risks, uncertainties and other factors include, among others, (1) economic downturns worldwide or at specific regions, (2) fluctuations in commodity prices, (3) fluctuations in exchange rates, (4) credit risks from clients with which Mitsui and its consolidated subsidiaries have business transactions or financial dealings and/or from various projects, (5) declines in the values of non-current assets, (6) changes in the financing environment, (7) declines in market value of equity and/or debt securities, (8) changes in the

assessment for recoverability of deferred tax assets, (9) inability to successfully restructure or eliminate subsidiaries or associated companies as planned, (10) unsuccessful joint ventures and strategic investments, (11) risks of resource related businesses not developing in line with assumed costs and schedules and uncertainty in reserves and performance of third party operators, (12) loss of opportunities to enter new business areas due to limitations on business resources, (13) environmental laws and regulations, (14) changes in laws and regulations or unilateral changes in contractual terms by governmental entities, (15) employee misconduct, (16) failure to maintain adequate internal control over financial reporting, and (17) climate change and natural disaster. For further information on the above, please refer to Mitsui's Annual Securities Report.

Forward-looking statements may be included in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other disclosure documents, press releases or website disclosures. Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

4. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

Assets		
	September 30, 2016	March 31, 2016
Current Assets:		
Cash and cash equivalents	¥ 1,517,993	¥ 1,490,775
Trade and other receivables	1,488,802	1,607,885
Other financial assets	426,902	295,064
Inventories	538,829	533,697
Advance payments to suppliers	205,559	220,711
Other current assets	132,214	138,563
Total current assets	4,310,299	4,286,695
Non-current Assets:		
Investments accounted for using the equity method	2,319,474	2,515,340
Other investments	1,127,189	1,179,696
Trade and other receivables	340,590	382,176
Other financial assets	190,766	159,384
Property, plant and equipment	1,721,763	1,938,448
Investment property	182,272	147,756
Intangible assets	143,692	157,450
Deferred tax assets	93,669	92,231
Other non-current assets	51,465	51,335
Total non-current assets	6,170,880	6,623,816
Total	¥ 10,481,179	¥ 10,910,511

(Millions of Yen)

Liabilities and Equity	September 30, 2016	March 31, 2016
Current Liabilities:		
Short-term debt	¥ 239,828	¥ 353,203
Current portion of long-term debt	480,426	519,161
Trade and other payables	1,001,946	1,107,238
Other financial liabilities	270,444	298,329
Income tax payables	30,881	22,309
Advances from customers	181,145	207,419
Provisions	15,371	14,959
Other current liabilities	34,551	40,161
Total current liabilities	2,254,592	2,562,779
Non-current Liabilities:		
Long-term debt, less current portion	4,003,236	3,838,156
Other financial liabilities	114,151	109,520
Retirement benefit liabilities	77,419	78,176
Provisions	197,805	219,330
Deferred tax liabilities	372,890	409,695
Other non-current liabilities	25,769	26,319
Total non-current liabilities	4,791,270	4,681,196
Total liabilities	7,045,862	7,243,975
Equity:		
Common stock	341,482	341,482
Capital surplus	409,226	412,064
Retained earnings	2,384,554	2,314,185
Other components of equity	63,549	317,955
Treasury stock	(5,965)	(5,961)
Total equity attributable to owners of the parent	3,192,846	3,379,725
Non-controlling interests	242,471	286,811
Total equity	3,435,317	3,666,536
Total	¥ 10,481,179	¥ 10,910,511

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2015
Revenue:		
Sale of products	¥ 1,772,547	¥ 2,220,451
Rendering of services	193,208	196,715
Other revenue	66,381	80,666
Total revenue	2,032,136	2,497,832
Cost:		
Cost of products sold	(1,595,802)	(1,996,097)
Cost of services rendered	(81,768)	(79,014)
Cost of other revenue	(28,538)	(32,130)
Total cost	(1,706,108)	(2,107,241)
Gross Profit	326,028	390,591
Other Income (Expenses):		
Selling, general and administrative expenses	(258,333)	(283,371)
Gain (loss) on securities and other investments—net	18,416	16,070
Impairment reversal (loss) of fixed assets—net	(300)	4,808
Gain (loss) on disposal or sales of fixed assets—net	691	11,517
Other income (expense)—net	(6,205)	(19,185)
Total other income (expenses)	(245,731)	(270,161)
Finance Income (Costs):		
Interest income	14,736	15,945
Dividend income	18,221	25,977
Interest expense	(26,045)	(25,597)
Total finance income (costs)	6,912	16,325
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	98,813	88,275
Profit before Income Taxes	186,022	225,030
Income Taxes	(57,036)	(79,275)
Profit for the Period	¥ 128,986	¥ 145,755
Profit for the Period Attributable to:		
Owners of the parent	¥ 121,977	¥ 130,641
Non-controlling interests	7,009	15,114

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2015
Profit for the Period	¥ 128,986	¥ 145,755
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	14,257	(117,234)
Remeasurements of defined benefit plans	(4,650)	1,479
Share of other comprehensive income of investments accounted for using the equity method	(790)	(3,289)
Income tax relating to items not reclassified	(893)	29,759
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(56,530)	(66,031)
Cash flow hedges	(2,222)	3,818
Share of other comprehensive income of investments accounted for using the equity method	(247,367)	(147,140)
Income tax relating to items that may be reclassified	31,431	26,734
Total other comprehensive income	(266,764)	(271,904)
Comprehensive Income for the Period	¥ (137,778)	¥ (126,149)
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ (129,277)	¥ (132,039)
Non-controlling interests	(8,501)	5,890

(3) Condensed Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2015	¥ 341,482	¥ 411,881	¥ 2,537,815	¥ 814,563	¥ (5,946)	¥ 4,099,795	¥ 297,579	¥ 4,397,374
Profit for the period			130,641			130,641	15,114	145,755
Other comprehensive income for the period				(262,680)		(262,680)	(9,224)	(271,904)
Comprehensive income for the period						(132,039)	5,890	(126,149)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥32)			(57,361)			(57,361)		(57,361)
Dividends paid to non-controlling interest shareholders							(11,111)	(11,111)
Acquisition of treasury stock					(10)	(10)		(10)
Sales of treasury stock		0			0	0		0
Compensation costs related to stock options		181				181		181
Equity transactions with non-controlling interest shareholders		(4,490)		510		(3,980)	2,615	(1,365)
Transfer to retained earnings			11,122	(11,122)		–		–
Balance as at September 30, 2015	¥ 341,482	¥ 407,572	¥ 2,622,217	¥ 541,271	¥ (5,956)	¥ 3,906,586	¥ 294,973	¥ 4,201,559

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2016	¥ 341,482	¥ 412,064	¥ 2,314,185	¥ 317,955	¥ (5,961)	¥ 3,379,725	¥ 286,811	¥ 3,666,536
Profit for the period			121,977			121,977	7,009	128,986
Other comprehensive income for the period				(251,254)		(251,254)	(15,510)	(266,764)
Comprehensive income for the period						(129,277)	(8,501)	(137,778)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥32)			(57,368)			(57,368)		(57,368)
Dividends paid to non-controlling interest shareholders							(35,922)	(35,922)
Acquisition of treasury stock					(4)	(4)		(4)
Sales of treasury stock			△ 0		0	0		0
Compensation costs related to stock options		164				164		164
Equity transactions with non-controlling interest shareholders		(3,002)		2,608		(394)	83	(311)
Transfer to retained earnings			5,760	(5,760)		–		–
Balance as at September 30, 2016	¥ 341,482	¥ 409,226	¥ 2,384,554	¥ 63,549	¥ (5,965)	¥ 3,192,846	¥ 242,471	¥ 3,435,317

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Six-month period ended September 30, 2016	Six-month period ended September 30, 2015
Operating Activities:		
Profit for the period	¥ 128,986	¥ 145,755
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	98,309	125,929
Change in retirement benefit liabilities	(1,170)	(675)
Provision for doubtful receivables	2,848	6,456
(Gain) loss on securities and other investments—net	(18,416)	(16,070)
Impairment (reversal) loss of fixed assets—net	300	(4,808)
(Gain) loss on disposal or sales of fixed assets—net	(691)	(11,517)
Finance (income) costs—net	(3,605)	(11,555)
Income taxes	57,036	79,275
Share of (profit) loss of investments accounted for using the equity method	(98,813)	(88,275)
Changes in operating assets and liabilities:		
Change in trade and other receivables	67,657	267,409
Change in inventories	(39,176)	(22,712)
Change in trade and other payables	(69,780)	(124,494)
Other—net	(66,884)	(63,251)
Interest received	12,456	20,018
Interest paid	(32,444)	(25,555)
Dividends received	78,560	112,350
Income taxes paid	(42,043)	(62,737)
Cash flows from operating activities	73,130	325,543
Investing Activities:		
Net change in time deposits	(147,132)	89
Net change in investments in and advances to equity accounted investees	36,977	(10,106)
Net change in other investments	8,036	6,769
Net change in long-term loan receivables	7,444	5,730
Net change in property, plant, equipment and investment property	(95,994)	(154,175)
Cash flows from investing activities	(190,669)	(151,693)
Financing Activities:		
Net change in short-term debt	(92,583)	46,968
Net change in long-term debt	374,776	(77,080)
Purchases and sales of treasury stock	(4)	(10)
Dividends paid	(57,368)	(57,369)
Transactions with non-controlling interest shareholders	(31,797)	(9,603)
Cash flows from financing activities	193,024	(97,094)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(48,267)	(22,881)
Change in Cash and Cash Equivalents	27,218	53,875
Cash and Cash Equivalents at Beginning of Period	1,490,775	1,400,770
Cash and Cash Equivalents at End of Period	¥ 1,517,993	¥ 1,454,645

(5) Assumption for Going Concern: None

(6) Segment Information

Six-month period ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	43,664	297,421	193,282	341,686	222,252	477,345	66,185
Gross Profit	14,445	58,493	51,483	38,240	31,056	63,396	26,986
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	1,737	9,427	37,566	2,390	5,024	12,357	4,575
Profit for the Period Attributable to Owners of the parent	1,961	51,317	34,229	7,182	896	20,558	6,889
EBITDA	3,323	68,189	43,690	16,066	69,034	17,375	10,141
Total Assets at September 30, 2016	388,872	1,488,054	1,829,887	696,942	1,745,228	1,575,756	496,304

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	306,762	50,398	52,723	2,051,718	4,040	(23,622)	2,032,136
Gross Profit	40,721	10,233	11,098	346,151	3,499	(23,622)	326,028
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4,948	1,863	19,126	99,013	20	(220)	98,813
Profit for the Period Attributable to Owners of the parent	11,610	1,633	13,364	149,639	1,238	(28,900)	121,977
EBITDA	25,759	2,779	22,525	278,881	(908)	5,065	283,038
Total Assets at September 30, 2016	527,057	141,725	364,647	9,254,472	5,577,878	(4,351,171)	10,481,179

Six-month period ended September 30, 2015 (from April 1, 2015 to September 30, 2015) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	58,147	373,916	199,788	444,422	375,148	511,614	66,027
Gross Profit	16,493	57,120	64,535	40,549	69,855	55,409	24,675
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	2,732	4,533	19,742	4,289	15,019	10,603	5,366
Profit (Loss) for the Period Attributable to Owners of the parent	2,548	31,297	18,800	5,256	26,172	(4,366)	13,041
EBITDA	5,575	67,221	31,608	14,600	140,438	4,998	7,188
Total Assets at March 31, 2016	392,174	1,591,364	2,009,812	756,997	1,973,464	1,499,281	510,529

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	374,589	54,852	62,805	2,521,308	1,323	(24,799)	2,497,832
Gross Profit	62,825	10,913	11,994	414,368	836	(24,613)	390,591
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	4,150	2,499	19,532	88,465	30	(220)	88,275
Profit (Loss) for the Period Attributable to Owners of the parent	16,937	2,877	12,697	125,259	753	4,629	130,641
EBITDA	39,828	3,887	22,608	337,951	(3,242)	12,692	347,401
Total Assets at March 31, 2016	648,787	151,328	402,889	9,936,625	5,590,315	(4,616,429)	10,910,511

Notes:1. "All Other" principally consisted of the Corporate Staff Unit which provides financing services and operations services to external customers and/or to the companies and affiliated companies. Total assets of "All Other" at March 31, 2016 and September 30, 2016 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

2. Transfers between reportable segments are made at cost plus a markup.
3. Profit (Loss) for the Period Attributable to Owners of the parent of "Adjustments and Eliminations" includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Since the year ended March 31, 2015, EBITDA has been disclosed by reportable segments as the information of the operating segments periodically reviewed by the entity's chief operating decision maker. EBITDA is comprised of the companies' (a) Gross Profit, (b) Selling, general and administrative expenses, (c) Dividend income, (d) Share of Profit (Loss) of Investments Accounted for Using the Equity Method as presented in the Condensed Consolidated Statements of Income and (e) Depreciation and amortization as presented in the Condensed Consolidated Statements of Cash Flows.
5. During the three-month period ended June 30, 2016, Food Science Division was transferred from the "Lifestyle" segment to the "Chemicals" Segment, in conjunction with the creation of the Nutrition & Agriculture Business Unit. In addition, the United Grain Corporation of Oregon, which was formerly operating under the "Americas" Segment, was transferred to the "Lifestyle" Segment with the aim to optimize global grain trading strategy. In accordance with these changes, the operating segment information for the six-month period ended September 30, 2015 has been restated to conform to the current period presentation.