Consolidated Financial Results for the Nine-Month Period Ended December 31, 2016 [IFRS]

Tokyo, February 8, 2017 - Mitsui & Co., Ltd. announced its consolidated financial results for the nine-month period ended December 31, 2016, based on International Financial Reporting Standards ("IFRS").

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

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1. Consolidated financial results

(1) Consolidated operating results information for the nine-month period ended December 31, 2016
(from April 1, 2016 to December 31, 2016)

		Nine-month period ended December 31,			
		2016	%	2015	%
Revenue	Millions of yen	3,175,776	△ 13.6	3,674,115	△ 11.8
Profit before income taxes	Millions of yen	341,706	30.8	261,341	△ 29.2
Profit for the period	Millions of yen	243,229	60.7	151,381	△ 42.3
Profit for the period attributable to owners of the parent	Millions of yen	230,333	71.3	134,438	△ 47.2
Comprehensive income for the period	Millions of yen	383,061	-	(128,250)	-
Earnings per share attributable to owners of the parent, basic	Yen	128.50		75.00	
Earnings per share attributable to owners of the parent, diluted	Yen	128.43		74.98	

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

		December 31, 2016	March 31, 2016
Total assets	Millions of yen	11,657,969	10,910,511
Total equity	Millions of yen	3,912,496	3,666,536
Total equity attributable to owners of the parent	Millions of yen	3,642,947	3,379,725
Equity attributable to owners of the parent ratio	%	31.2	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	300,000
Earnings per share attributable to owners of the parent, basic	Yen	167.36

Note :
We have changed our forecast profit attributable to owners of the parent for the year ending March 31, 2017 from ¥220.0 billion to ¥300.0 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 nine-month period ended December 31, 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 :

	December 31, 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	4,009,538	4,004,857

	Nine-month period ended December 31, 2016	Nine-month period ended December 31, 2015
Average number of shares of common stock outstanding	1,792,507,356	1,792,514,974

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.14. For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.16.

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 February 8, 2017.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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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 nine-month period ended December 31, 2016, the global economy saw a temporary period of turmoil in the financial markets after the U.K. decided to leave the EU, but, thereafter, the international commodities market bottomed out and policy expectations rose with respect to the new U.S. president and, as a result, business confidence improved in the latter half of the period.

Going forward, notwithstanding the period of its economic expansion running into the long term, the U.S. is expected to continue such expansion for the immediate future because consumer spending is growing amid increased employment and rising wages, and domestic investment is expected to grow under the policies of the new administration. Europe faces uncertainty ahead concerning the U.K.'s negotiations for exiting the E.U. and elections in several major countries. The real European economy, meanwhile, appears to be continually weakening. In Japan, a gentle recovery is expected based on factors like a pickup in consumer spending due to improved employment and income environment, and Olympic investment getting into full swing. In China, a continuation of weakening growth is expected 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 is expected to follow a gentle trend of recovery. However, careful watch on the effect of policy changes under the new U.S. administration on the economies in other countries is needed.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥3,175.8 billion for the nine-month period ended December 31, 2016 ("current period"), a decline of ¥498.3 billion from ¥3,674.1 billion for the corresponding nine-month period of the previous year ("previous period"). Revenue from sales of products for the current period was ¥2,788.8 billion, a decline of ¥464.8 billion from ¥3,253.6 billion for the previous period, and revenue from rendering of services for the current period was ¥297.1 billion, a decline of ¥2.9 billion from ¥300.0 billion for the previous period. Furthermore, other revenue for the current period was ¥89.9 billion, a decline of ¥30.6 billion from ¥120.5 billion for the previous period.

Gross Profit

Gross profit for the current period was ¥508.2 billion, a decline of ¥57.0 billion from ¥565.2 billion for the previous period. Mainly the Energy Segment and the Americas Segment reported declines in gross profit, while the Mineral & Metal Resources Segment recorded an increase.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current period were ¥394.8 billion, a decline of ¥33.2 billion from ¥428.0 billion for the previous period.

Gain (Loss) on Securities and Other Investments—Net

Gain on securities and other investments for the current period was ¥51.6 billion, an increase of ¥20.4 billion from ¥31.2 billion for the previous period. For the current period, a gain on securities was recorded mainly in the Mineral & Metal Resources Segment and 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, an improvement of ¥0.3 billion from ¥0.6 billion for the previous period. There were miscellaneous small items for the current period. For the previous period, a loss on fixed assets as a result of changes in estimation of asset retirement costs was recorded in the Energy Segment and an impairment loss was reported in the Lifestyle Segment. Meanwhile, a reversal of impairment was recorded in the Machinery & Infrastructure Segment.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net
Gain on disposal or sales of fixed assets for the current period was ¥5.1 billion, an improvement of ¥14.4 billion from ¥9.3 billion of loss for the previous period. There were miscellaneous small transactions for the current period. For the previous period, a loss on disposal of fixed assets was recorded in the Energy Segment and an expense related to the demolition of the head office building was recorded. Meanwhile, a gain on disposal of fixed assets was recorded in the Lifestyle Segment.

Other Income (Expense)—Net
Other income for the current period was ¥6.7 billion, an improvement of ¥27.0 billion from ¥20.3 billion of loss for the previous period. For the previous period, an impairment loss on goodwill was recorded in the Lifestyle Segment. Furthermore, exploration expenses declined mainly in the Energy Segment, and the Innovation & Corporate Development Segment recorded an improvement 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 ¥24.3 billion, an increase of ¥1.1 billion from ¥23.2 billion for the previous period.

Dividend Income
Dividend income for the current period was ¥43.5 billion, a decline of ¥5.6 billion from ¥49.1 billion for the previous period. Mainly the Energy Segment reported a decline.

Interest Expense
Interest expense for the current period was ¥41.1 billion, an increase of ¥3.2 billion from ¥37.9 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 ¥138.6 billion, an increase of ¥50.0 billion from ¥88.6 billion for the previous period. Mainly the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded an increase. Meanwhile, the Energy Segment recorded a decline.

Income Taxes
Income taxes for the current period were ¥98.5 billion, a decline of ¥11.5 billion from ¥110.0 billion for the

previous period. Profit before income taxes for the current period was ¥341.7 billion, an increase of ¥80.4 billion from ¥261.3 billion for the previous period. In response, applicable income taxes also increased. Meanwhile, 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, and tax effects on equity accounted investees were reversed.
The effective tax rate for the current period was 28.8%, a decline of 13.3% from 42.1% for the previous period. The major factor for the decline was the aforementioned effects on appreciation of currency used to calculate tax profit and reversal of tax effects, as well as the non-recognition of tax effects on losses for the previous period.

Profit for the Period
As a result of the above factors, profit for the period was ¥243.2 billion, an increase of ¥91.8 billion from ¥151.4 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 ¥230.3 billion, an increase of ¥95.9 billion from ¥134.4 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) (*)		442.6	469.0	(26.4)
Gross profit	a	508.2	565.2	(57.0)
Selling, general and administrative expenses	b	(394.8)	(428.0)	+33.2
Dividend income	c	43.5	49.1	(5.6)
Profit (loss) of equity method investments	d	138.6	88.6	+50.0
Depreciation and amortization	e	147.1	194.0	(46.9)

* 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	6.7	8.9	(2.2)
Gross profit	22.0	25.1	(3.1)
Selling, general and administrative expenses	(21.1)	(21.9)	+0.8
Dividend income	2.5	2.0	+0.5
Profit (loss) of equity method investments	2.5	3.0	(0.5)
Depreciation and amortization	0.7	0.8	(0.1)
Profit for the period attributable to owners of the parent	2.7	3.9	(1.2)

EBITDA declined by ¥2.2 billion, mainly due to the following factors:

- Gross profit declined by ¥3.1 billion.
- Profit (loss) of equity method investments declined by ¥0.5 billion.

Profit for the period attributable to owners of the parent declined by ¥1.2 billion.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	113.2	61.0	+52.2
Gross profit	106.7	80.6	+26.1
Selling, general and administrative expenses	(23.9)	(27.4)	+3.5
Dividend income	1.1	1.0	+0.1
Profit (loss) of equity method investments	4.7	(29.0)	+33.7
Depreciation and amortization	24.7	35.9	(11.2)
Profit for the period attributable to owners of the parent	97.9	10.9	+87.0

EBITDA increased by ¥52.2 billion, mainly due to the following factors:

- Gross profit increased by ¥26.1 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported an increase of ¥21.6 billion reflecting higher coal prices.
  - Iron ore mining operations in Australia reported an increase of ¥11.0 billion due to higher iron ore prices.
- Selling, general and administrative expenses declined by ¥3.5 billion.
- Profit (loss) of equity method investments increased by ¥33.7 billion.
  - Valepar S.A. reported an increase of ¥18.0 billion mainly 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 an improvement of ¥14.5 billion mainly due to reversal effect of impairment loss in the previous period.
  - Mitsui Raw Material Development Pty. Limited reported an increase of ¥3.7 billion mainly due to reversal effect of a one-time loss in the previous period.
  - Allocation to other segments increased by ¥ 6.1 billion mainly due to the positive impact from higher coal prices on coal mining operations in Australia, jointly invested with the Asia Pacific Segment.
- Depreciation and amortization declined by ¥11.2 billion.
  - Mitsui Coal Holdings Pty. Ltd. reported a decline of ¥7.8 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 ¥87.0 billion. In addition to the above, the following factor also affected results:

- As a result of the deconsolidation of Sims Metal Management from an equity accounted investee, a profit of ¥26.9 billion on securities was recorded in the current period.
- 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. This tax effect was reversed in the Adjustments and Eliminations Segment, resulting in no impact on our profits.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	66.4	51.7	14.7
Gross profit	81.5	96.0	(14.5)
Selling, general and administrative expenses	(84.7)	(95.6)	+10.9
Dividend income	2.0	3.0	(1.0)
Profit (loss) of equity method investments	55.2	34.3	+20.9
Depreciation and amortization	12.5	14.1	(1.6)
Profit for the period attributable to owners of the parent	50.3	31.0	+19.3

EBITDA increased by ¥14.7 billion, mainly due to the following factors:

- Gross profit declined by ¥14.5 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥3.4 billion.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥11.1 billion.
    - Reclassification of a mining machinery sales and service subsidiary based in Mexico to an equity accounted investee resulted in a decline of ¥6.2 billion.
- Selling, general and administrative expenses declined by ¥10.9 billion.
- Profit (loss) of equity method investments increased by ¥20.9 billion.
  - The Infrastructure Projects Business Unit reported an increase of ¥17.6 billion.
    - IPP businesses posted a profit of ¥14.4 billion in total, an improvement of ¥20.9 billion from a loss of ¥6.5 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. Meanwhile, a loss in relation to closure of a power plant was recorded for the current period.
      - 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 ¥1.8 billion to ¥3.1 billion from ¥1.3 billion for the previous period.
    - The gas distribution business in Brazil recorded an increase of ¥4.1 billion mainly due to the increased interests.
    - The LNG receiving terminal project in Mexico recorded a decline of ¥5.0 billion mainly due to a change in lease accounting treatment for the previous period.
  - The Integrated Transportation Systems Business Unit reported an increase of ¥3.2 billion.

Profit for the period attributable to owners of the parent increased by ¥19.3 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	27.5	24.3	+3.2
Gross profit	59.6	61.0	(1.4)
Selling, general and administrative expenses	(45.9)	(52.6)	+6.7
Dividend income	1.3	1.2	+0.1
Profit (loss) of equity method investments	4.6	6.7	(2.1)
Depreciation and amortization	7.9	8.0	(0.1)
Profit for the period attributable to owners of the parent	9.9	8.6	+1.3

EBITDA increased by ¥3.2 billion, mainly due to the following factors:

- Gross profit declined by ¥1.4 billion.
  - The Basic Materials Business Unit reported a decline of ¥0.3 billion.
  - The Performance Materials Business Unit reported a decline of ¥0.9 billion.
  - The Nutrition & Agriculture Business Unit reported a decline of ¥0.1 billion.
- Selling, general and administrative expenses declined by ¥6.7 billion.
- Profit (loss) of equity method investments declined by ¥2.1 billion.

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

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	121.5	207.8	(86.3)
Gross profit	44.6	90.5	(45.9)
Selling, general and administrative expenses	(34.9)	(38.1)	+3.2
Dividend income	27.3	31.6	(4.3)
Profit (loss) of equity method investments	9.8	16.5	(6.7)
Depreciation and amortization	74.7	107.2	(32.5)
Profit for the period attributable to owners of the parent	25.0	24.9	+0.1

EBITDA declined by ¥86.3 billion, mainly due to the following factors:

- Gross profit declined by ¥45.9 billion.
  - Mitsui Oil Exploration Co., Ltd. reported a decline of ¥24.6 billion from lower crude oil and gas prices and the negative impact of exchange rate fluctuations despite effects from cost reduction and increased volume.
  - Mitsui E&P Middle East B.V. reported a decline of ¥13.8 billion mainly due to the decreased working interests.
  - MEP Texas Holdings LLC reported a decline of ¥4.8 billion mainly from lower crude oil prices which was partially offset by a decline of depreciation due to the impairment in the previous year.
- Selling, general and administrative expenses declined by ¥3.2 billion.
- Dividend income declined by ¥4.3 billion.
  - Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Equatorial Guinea and Qatargas 3) were ¥25.6 billion in total, a decline of ¥4.1 billion from ¥29.7 billion for the previous period.
- Profit (loss) of equity method investments declined by ¥6.7 billion.
  - Japan Australia LNG (MIMI) Pty. Ltd. reported a decline due mainly to lower crude oil prices.
  - Mitsui Oil Exploration Co. reported an increase of ¥ 6.4 billion due to the reversal effect of an impairment in relation to its Gulf of Thailand business for the previous period.
- Depreciation and amortization declined by ¥32.5 billion.

- In spite of increased capital expenditure at Mitsui Oil Exploration, oil and gas producing operations recorded a decline of ¥32.5 billion, including a decline at Mitsui E&P Middle East B.V., shale projects in the U.S. and Mitsui E&P Australia Pty Ltd.

Profit for the period attributable to owners of the parent increased by ¥0.1 billion. In addition to the above, the following factors also affected results:

- During the previous period, Mitsui E&P Middle East B.V. recorded a ¥21.5 billion loss on asset retirement.
- 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 ¥6.1 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous period, exploration expenses of ¥9.9 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	28.1	8.2	+19.9
Gross profit	101.4	88.0	+13.4
Selling, general and administrative expenses	(102.7)	(105.4)	+2.7
Dividend income	4.1	3.5	+0.6
Profit (loss) of equity method investments	14.9	12.6	+2.3
Depreciation and amortization	10.5	9.5	+1.0
Profit (loss) for the period attributable to owners of the parent	22.1	(9.9)	+32.0

EBITDA increased by ¥19.9 billion, mainly due to the following factors:

- Gross profit increased by ¥13.4 billion.
  - The Food Business Unit reported an increase of ¥4.5 billion.
  - The Food & Retail Management Business Unit reported an increase of ¥2.6 billion.
  - The Healthcare & Service Business Unit reported an increase of ¥0.2 billion.
  - The Consumer Business Unit reported an increase of ¥6.1 billion.
- Profit (loss) of equity method investments increased by ¥2.3 billion.
  - Mitsui Sugar Co., Ltd. reported an increase of ¥3.1 billion mainly due to a one-time positive impact.

Profit (loss) for the period attributable to owners of the parent improved by ¥32.0 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 and ¥4.1 billion impairment loss on goodwill and fixed assets, respectively, were 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	1.6	5.0	(3.4)
Gross profit	31.1	35.2	(4.1)
Selling, general and administrative expenses	(38.8)	(44.7)	+5.9
Dividend income	3.0	4.8	(1.8)
Profit (loss) of equity method investments	2.9	6.3	(3.4)
Depreciation and amortization	3.4	3.5	(0.1)
Profit for the period attributable to owners of the parent	9.5	21.2	(11.7)

EBITDA decreased by ¥3.4 billion, mainly due to the following factors:

- Gross profit decreased by ¥4.1 billion.
  - The IT & Communication Business Unit reported an increase of ¥0.5 billion.
  - The Corporate Development Business Unit reported a decline of ¥4.6 billion.
    - There was a decline in gross profit corresponding to a ¥3.8 billion increase of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense
- Selling, general and administrative expenses declined by ¥5.9 billion.
- Profit (loss) of equity method investments declined by ¥3.4 billion.

Profit for the period attributable to owners of the parent declined by ¥11.7 billion. In addition to the above, the following factors also affected results:

- For the previous period, a ¥15.5 billion gain due to the valuation of fair value on shares in Hutchison China MediTech was recorded.
- For the previous period, a ¥6.2 billion reversal gain of impairment loss on investments for Relia, Inc. in total was recorded.
- For the current period and for the previous period, foreign exchange gains of ¥3.5 billion and losses of ¥0.3 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	35.8	58.2	(22.4)
Gross profit	59.0	91.0	(32.0)
Selling, general and administrative expenses	(36.3)	(47.0)	+10.7
Dividend income	0.0	0.0	0.0
Profit (loss) of equity method investments	7.6	7.5	+0.1
Depreciation and amortization	5.5	6.7	(1.2)
Profit for the period attributable to owners of the parent	21.2	25.0	(3.8)

EBITDA declined by ¥22.4 billion, mainly due to the following factors:

- Gross profit declined by ¥32.0 billion.
  - Novus International, Inc. reported a decline of ¥25.2 billion mainly due to a decline of methionine prices and the negative impact of exchange rate fluctuations.
- Selling, general and administrative expenses declined by ¥10.7 billion.
- Profit (loss) of equity method investments increased by ¥0.1 billion.

Profit for the period attributable to owners of the parent declined by ¥3.8 billion.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	3.1	4.1	(1.0)
Gross profit	15.0	15.8	(0.8)
Selling, general and administrative expenses	(14.7)	(15.0)	+0.3
Dividend income	0.2	0.1	+0.1
Profit (loss) of equity method investments	2.2	3.0	(0.8)
Depreciation and amortization	0.4	0.3	+0.1
Profit for the period attributable to owners of the parent	1.9	2.7	(0.8)

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

- Gross profit declined by ¥0.8 billion.
- Profit (loss) of equity method investments declined by ¥0.8 billion.

Profit for the period attributable to owners of the parent declined by ¥0.8 billion.

Asia Pacific Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	39.0	32.4	+6.6
Gross profit	16.5	17.9	(1.4)
Selling, general and administrative expenses	(14.0)	(15.5)	+1.5
Dividend income	0.7	0.7	0.0
Profit (loss) of equity method investments	34.4	28.0	+6.4
Depreciation and amortization	1.3	1.2	+0.1
Profit for the period attributable to owners of the parent	24.1	16.4	+7.7

EBITDA increased by ¥6.6 billion, mainly due to the following factors:

- Gross profit declined by ¥1.4 billion.
- Profit (loss) of equity method investments increased by ¥6.4 billion.
  - Coal mining operations in Australia, jointly invested with the Mineral & Metal Resources Segment increased by ¥6.1 billion mainly due to the positive impact from higher coal prices.

Profit for the period attributable to owners of the parent increased by ¥7.7 billion.

(3) Financial Condition and Cash Flows

1) Financial Condition

Total assets as of December 31, 2016 was ¥11,658.0 billion, an increase of ¥747.5 billion from ¥10,910.5 billion as of March 31, 2016.

Total current assets as of December 31, 2016 was ¥4,752.7 billion, an increase of ¥466.0 billion from ¥4,286.7 billion as of March 31, 2016. Other financial assets increased by ¥146.3 billion, mainly due to the increase in time deposit by ¥92.0 billion. Furthermore, trade and other receivables increased by ¥137.4 billion, mainly because December 31, 2016 fell under the financial institutions' holiday, as well as due to the seasonal increase in the Lifestyle Segment and increase in trading volume, and higher prices in the Mineral and Metal Resources Segment.

Total current liabilities as of December 31, 2016 was ¥2,670.3 billion, an increase of ¥107.5 billion from ¥2,562.8 billion as of March 31, 2016. Trade and other payables increased by ¥109.0 billion, corresponding to the increase in trade and other receivables.

As a result, working capital, or current assets less current liabilities, as of December 31, 2016, totaled ¥2,082.4 billion, an increase of ¥358.5 billion from ¥1,723.9 billion as of March 31, 2016.

Total non-current assets as of December 31, 2016 amounted to ¥6,905.3 billion, an increase of ¥281.5 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 December 31, 2016 was ¥2,641.5 billion, an increase of ¥126.2 billion from ¥2,515.3 billion as of March 31, 2016, mainly due to the following factors:
  - An increase of ¥51.1 billion that corresponded to cash outflow for an acquisition of a 25% stake in Gestamp 2020, SL., a special purpose company established to purchase shares of Gestamp Automoción S.A., which is engaged in designing and manufacturing automotive stamping components in Spain;
  - An increase of ¥41.3 billion resulting from foreign currency exchange fluctuations;
  - An increase due to an additional acquisition of a stake in IPP businesses in Indonesia;
  - A decline due to the deconsolidation of Sims Metal Management, which is engaged in scrap businesses; and
  - A decline of ¥114.4 billion due to dividends received from equity accounted investees, despite an increase of ¥138.6 billion corresponding to the profit of equity method investments for the current period.
- Other investments as of December 31, 2016 were ¥1,333.9 billion, an increase of ¥154.2 billion from ¥1,179.7 billion as of March 31, 2016, due to the increase of fair value on financial assets measured at FVTOCI by ¥116.8 billion mainly in investments in LNG projects due to the costs reduction, as well as the increase due to the deconsolidation of Sims Metal Management.
- Property, plant and equipment as of December 31, 2016 totaled ¥1,890.1 billion, a decline of ¥48.3 billion from ¥1,938.4 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥22.9 billion (including a foreign exchange translation loss of ¥8.8 billion) at iron ore mining operations.
  - A decline of ¥9.2 billion (including a foreign exchange translation profit of ¥5.4 billion) at U.S. shale gas and oil projects.
  - A decline of ¥2.0 billion (including a foreign exchange translation profit of ¥10.4 billion) at oil and gas operations other than U.S. shale gas and oil producing operations; and
- Investment property as of December 31, 2016 totaled ¥184.7 billion, an increase of ¥36.9 billion from ¥147.8 billion as of March 31, 2016, due to an increase of ¥35.5 billion for the integrated development project in 2, Ohtemachi 1-Chome District.

Total non-current liabilities as of December 31, 2016 amounted to ¥5,075.2 billion, an increase of ¥394.0 billion from ¥4,681.2 billion as of March 31, 2016. Long-term debt, less current portion increased by ¥359.9 billion, mainly due to procurement of ¥555.0 billion in subordinated syndicated loans, despite a decline due to repayment of debt.

Total equity attributable to owners of the parent as of December 31, 2016 was ¥3,642.9 billion, an increase of ¥263.2 billion from ¥3,379.7 billion as of March 31, 2016.

- Retained earnings increased by ¥139.6 billion.
- Other components of equity as of December 31, 2016 increased by ¥126.2 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥79.1 billion. Fair value in investments in LNG projects increased reflecting the costs deduction; and
  - Foreign currency translation adjustments increased by ¥54.5 billion mainly reflecting the depreciation of the Japanese yen against the U.S. dollar and the Brazilian real.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of December 31, 2016 was ¥3,313.7 billion, an increase of ¥98.7 billion from ¥3,215.0 billion as of March 31, 2016. The net debt-to-equity ratio (DER) as of December 31, 2016 was 0.91 times, 0.04 points lower 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	221.0	401.9	(180.9)
Cash flows from change in working capital	b	(127.9)	(19.6)	(108.3)
Core operating cash flow	a-b	348.9	421.5	(72.6)

Net cash provided by operating activities for the current period was ¥221.0 billion, a decline of ¥180.9 billion from ¥401.9 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 ¥127.9 billion of net cash outflow mainly due to the effects of other-net and change in inventories, a deterioration of ¥108.3 billion from ¥19.6 billion of net cash outflow 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 ¥348.9 billion, a decline of ¥72.6 billion from ¥421.5 billion for the previous period.

- Depreciation and amortization for the current period was ¥147.1 billion, a decline of ¥46.9 billion from ¥194.0 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥155.8 billion, a decline of ¥31.8 billion from ¥187.6 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	2.7	4.6	(1.9)
Mineral & Metal Resources	138.8	113.6	+25.2
Machinery & Infrastructure	53.8	54.9	(1.1)
Chemicals	17.0	16.4	+0.6
Energy	103.8	170.0	(66.2)
Lifestyle	11.5	(1.1)	+12.6
Innovation & Corporate Development	4.6	3.9	+0.7
Americas	24.2	37.7	(13.5)
Europe, the Middle East and Africa	0.7	1.4	(0.7)
Asia Pacific	8.3	6.6	+1.7
All Other and Adjustments and Eliminations	(16.5)	13.5	(30.0)
Consolidated Total	348.9	421.5	(72.6)

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥244.2 billion, a decline of ¥31.6 billion from ¥275.8 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 ¥90.3 billion.
- Net cash outflows that corresponded to investments in and advances to equity accounted investees (net of sales of investment and collection of advances) were ¥54.6 billion, mainly due to the following

factors:

- ➢ An acquisition of a 25% stake in Gestamp 2020, SL., a special purpose company established to purchase shares of Gestamp Automoción S.A., which is engaged in designing and manufacturing automotive stamping components in Spain, for ¥51.1 billion;
- ➢ An additional acquisition of a stake in IPP businesses in Indonesia;
- ➢ 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 ¥5.5 billion, mainly due to the following factors:
  - ➢ A sale of shares in Tonen General Sekiyu K.K. for ¥20.1billion;
  - ➢ A sale of shares in Recruit Holdings Co., Ltd. for ¥11.0 billion; and
  - ➢ An acquisition of oil and gas projects in the U.S. Gulf of Mexico
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥115.1 billion. Major expenditures included:
  - ➢ Oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥47.0 billion; and
  - ➢ Integrated development project in 2, Ohtemachi 1-Chome District for ¥23.1 billion.

  The major cash inflows included ¥10.2 billion from sales of leasing aircraft engines.

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 ¥23.2 billion.

Cash Flows from Financing Activities

For the current period, net cash provided by financing activities was ¥98.1 billion, an increase of ¥201.1 billion from ¥103.0 billion of net cash used for the previous period. The cash inflow from the borrowing of long-term debt was ¥280.5 billion, mainly due to the procurement of ¥555.0 billion in subordinated syndicated loans. Meanwhile, the cash outflow from payments of cash dividends was ¥102.2 billion and the cash outflow from short-term debt was ¥49.3 billion.

In addition to the changes discussed above, there was an increase in cash and cash equivalents of ¥19.8 billion due to foreign exchange translation. Cash and cash equivalents as of December 31, 2016 totaled ¥1,585.5 billion, an increase of ¥94.7 billion from ¥1,490.8 billion as of March 31, 2016.

2. Management Policies

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

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

＜Assumption＞	3Q (Actual)	4Q (Forecast)	Mar-17 Revised Forecast	Mar-17 Previous Forecast
Exchange rate (JPY/USD)	107.57	110.00	108.17	102.86
Crude oil (JCC)	$45/bbl	$49/bbl	$46/bbl	$46/bbl
Consolidated oil price	$42/bbl	$48/bbl	$44/bbl	$44/bbl

(Billions of yen)

	March 31, 2017 Revised forecast	March 31, 2017 Previous forecast	Change	Description
Gross profit	690.0	650.0	40.0	Higher iron ore and coal prices
Selling, general and administrative expenses	(530.0)	(540.0)	10.0	Cost reduction
Gain on investments, fixed assets and other	80.0	50.0	30.0	Gain on deconsolidation of SIMS, gain on partial disposal of Marcellus, decline in exploration expenses
Interest expenses	(20.0)	(30.0)	10.0	
Dividend income	50.0	50.0	0.0	
Profit (loss) of equity method investments	180.0	170.0	10.0	Recovery of commodity prices
Profit before income taxes	450.0	350.0	100.0	
Income taxes	(130.0)	(120.0)	(10.0)	
Non-controlling Interests	(20.0)	(10.0)	(10.0)	
Profit for the year attributable to owners of the parent	300.0	220.0	80.0	
Depreciation and amortization	200.0	210.0	(10.0)	
EBITDA	590.0	540.0	50.0	
Core operating cash flow	450.0	360.0	90.0	

We assume foreign exchange rates for the three-month period ending March 31, 2017 will be ¥110/US$, ¥80/AU$ and ¥32/BRL, while average foreign exchange rates for the nine-month period ended December 31, 2016 were ¥107.57/US$, ¥80.30/AU$ and ¥32.33/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, same as the previous assumption, based on the assumption that the crude oil price (JCC) will average US$49/barrel throughout the three-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 Previous Forecast	Change	Description
Iron & Steel Products	5.0	5.0	0.0	
Mineral & Metal Resources	135.0	75.0	+60.0	Higher iron ore and coal prices, gain on deconsolidation of SIMS
Machinery & Infrastructure	65.0	55.0	+10.0	Solid performance of IPP/FPSO businesses
Chemicals	15.0	15.0	0.0	
Energy	30.0	15.0	+15.0	Decline in costs, FX fluctuation
Lifestyle	20.0	25.0	(5.0)	Structural reform expenses in subsidiary
Innovation & Corporate Development	10.0	10.0	0.0	
Americas	25.0	20.0	+5.0	Decline in tax expenses
Europe, the Middle East and Africa	5.0	5.0	0.0	
Asia Pacific	35.0	30.0	+5.0	Higher coal and iron ore prices
All Other and Adjustments and Eliminations	(45.0)	(35.0)	(10.0)	Increase in tax expenses
Consolidated Total	300.0	220.0	+80.0	

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)			Previous Forecast (Announced in Nov 2016)	March 2017 1-3Q (Result)	March 2017 4Q (Assumption)	Revised Forecast (Announced in Feb 2017)
Commodity	Crude Oil/JCC	¥2.9 bn (US$1/bbl)	46	45	49	46
	Consolidated Oil Price(*1)		44	42	48	44
	U.S. Natural Gas(*2)	¥0.8 bn (US$0.1/mmBtu)	2.49	2.34(*3)	3.18(*4)	2.55
	Iron Ore	¥3.2 bn (US$1/ton)	(*5)	61(*6)	(*5)	(*5)
	Copper	¥1.0 bn (US$100/ton)	4,700	4,724(*7)	5,800	4,993
Forex (*8)	USD	¥1.4 bn (¥1/USD)	102.86	107.57	110	108.17
	AUD	¥0.8 bn (¥1/AUD)	78.05	80.30	80	80.22
	BRL	¥0.3 bn (¥1/BRL)	30.78	32.33	32	32.25

(*1) The oil price trend is reflected in profit for the year attributable to owners of the parent with a 0-6 month time lag. For the year ending March 31, 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 - September 2016.

(*4) For natural gas sold in the US on HH linked prices, the assumed price used is US$3.18/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 December 2016

(*7) Average of LME cash settlement price during January 2016 to September 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.

(2) 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 the year ending March 31, 2017, we currently envisage an annual dividend of ¥50 per share (a ¥14 decrease from the year ended March 31, 2016, and including the interim dividend of ¥25 per share), the same amount as we announced in November 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 ¥450 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		
	December 31, 2016	March 31, 2016
Current Assets:		
Cash and cash equivalents	¥ 1,585,518	¥ 1,490,775
Trade and other receivables	1,745,292	1,607,885
Other financial assets	441,421	295,064
Inventories	601,662	533,697
Advance payments to suppliers	239,255	220,711
Other current assets	139,515	138,563
Total current assets	4,752,663	4,286,695
Non-current Assets:		
Investments accounted for using the equity method	2,641,541	2,515,340
Other investments	1,333,934	1,179,696
Trade and other receivables	377,077	382,176
Other financial assets	154,791	159,384
Property, plant and equipment	1,890,079	1,938,448
Investment property	184,710	147,756
Intangible assets	161,711	157,450
Deferred tax assets	103,708	92,231
Other non-current assets	57,755	51,335
Total non-current assets	6,905,306	6,623,816
Total	¥ 11,657,969	¥ 10,910,511

(Millions of Yen)

Liabilities and Equity		
	December 31, 2016	March 31, 2016
Current Liabilities:		
Short-term debt	¥ 309,754	¥ 353,203
Current portion of long-term debt	487,971	519,161
Trade and other payables	1,216,201	1,107,238
Other financial liabilities	354,044	298,329
Income tax payables	47,604	22,309
Advances from customers	199,401	207,419
Provisions	12,941	14,959
Other current liabilities	42,344	40,161
Total current liabilities	2,670,260	2,562,779
Non-current Liabilities:		
Long-term debt, less current portion	4,198,134	3,838,156
Other financial liabilities	114,207	109,520
Retirement benefit liabilities	78,588	78,176
Provisions	207,652	219,330
Deferred tax liabilities	448,930	409,695
Other non-current liabilities	27,702	26,319
Total non-current liabilities	5,075,213	4,681,196
Total liabilities	7,745,473	7,243,975
Equity:		
Common stock	341,482	341,482
Capital surplus	409,428	412,064
Retained earnings	2,453,787	2,314,185
Other components of equity	444,218	317,955
Treasury stock	(5,968)	(5,961)
Total equity attributable to owners of the parent	3,642,947	3,379,725
Non-controlling interests	269,549	286,811
Total equity	3,912,496	3,666,536
Total	¥ 11,657,969	¥ 10,910,511

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Nine-month period ended December 31, 2016	Nine-month period ended December 31, 2015
Revenue:		
Sale of products	¥ 2,788,780	¥ 3,253,581
Rendering of services	297,144	300,026
Other revenue	89,852	120,508
Total revenue	3,175,776	3,674,115
Cost:		
Cost of products sold	(2,501,575)	(2,939,370)
Cost of services rendered	(125,745)	(121,539)
Cost of other revenue	(40,275)	(47,975)
Total cost	(2,667,595)	(3,108,884)
Gross Profit	508,181	565,231
Other Income (Expenses):		
Selling, general and administrative expenses	(394,790)	(428,040)
Gain (loss) on securities and other investments—net	51,556	31,176
Impairment reversal (loss) of fixed assets—net	(300)	(565)
Gain (loss) on disposal or sales of fixed assets—net	5,116	(9,291)
Other income (expense)—net	6,657	(20,279)
Total other income (expenses)	(331,761)	(426,999)
Finance Income (Costs):		
Interest income	24,314	23,235
Dividend income	43,513	49,107
Interest expense	(41,115)	(37,854)
Total finance income (costs)	26,712	34,488
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	138,574	88,621
Profit before Income Taxes	341,706	261,341
Income Taxes	(98,477)	(109,960)
Profit for the Period	¥ 243,229	¥ 151,381
Profit for the Period Attributable to:		
Owners of the parent	¥ 230,333	¥ 134,438
Non-controlling interests	12,896	16,943

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine-month period ended December 31, 2016	Nine-month period ended December 31, 2015
Profit for the Period	¥ 243,229	¥ 151,381
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	135,435	(203,062)
Remeasurements of defined benefit plans	(1,896)	1,577
Share of other comprehensive income of investments accounted for using the equity method	(2,031)	(3,247)
Income tax relating to items not reclassified	(38,446)	48,252
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	9,488	(64,275)
Cash flow hedges	11,490	6,549
Share of other comprehensive income of investments accounted for using the equity method	7,778	(77,739)
Income tax relating to items that may be reclassified	18,014	12,314
Total other comprehensive income	139,832	(279,631)
Comprehensive Income for the Period	¥ 383,061	¥ (128,250)
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 365,421	¥ (137,102)
Non-controlling interests	17,640	8,852

(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			134,438			134,438	16,943	151,381
Other comprehensive income for the period				(271,540)		(271,540)	(8,091)	(279,631)
Comprehensive income for the period						(137,102)	8,852	(128,250)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥64)			(114,722)			(114,722)		(114,722)
Dividends paid to non-controlling interest shareholders							(12,014)	(12,014)
Acquisition of treasury stock					(14)	(14)		(14)
Sales of treasury stock		0			0	0		0
Compensation costs related to stock options		181				181		181
Equity transactions with non-controlling interest shareholders		(1,818)		142		(1,676)	7,561	5,885
Transfer to retained earnings			13,137	(13,137)		―		―
Balance as at December 31, 2015	¥ 341,482	¥ 410,244	¥ 2,570,668	¥ 530,028	¥ (5,960)	¥ 3,846,462	¥ 301,978	¥ 4,148,440

(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			230,333			230,333	12,896	243,229
Other comprehensive income for the period				135,088		135,088	4,744	139,832
Comprehensive income for the period						365,421	17,640	383,061
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥57)			(102,187)			(102,187)		(102,187)
Dividends paid to non-controlling interest shareholders							(37,729)	(37,729)
Acquisition of treasury stock					(7)	(7)		(7)
Sales of treasury stock			(0)		0	0		0
Compensation costs related to stock options		164				164		164
Equity transactions with non-controlling interest shareholders		(2,800)		2,631		(169)	2,827	2,658
Transfer to retained earnings			11,456	(11,456)		―		―
Balance as at December 31, 2016	¥ 341,482	¥ 409,428	¥ 2,453,787	¥ 444,218	¥ (5,968)	¥ 3,642,947	¥ 269,549	¥ 3,912,496

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine-month period ended December 31, 2016	Nine-month period ended December 31, 2015
Operating Activities:		
Profit for the period	¥ 243,229	¥ 151,381
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	147,100	194,040
Change in retirement benefit liabilities	(1,264)	(13)
Provision for doubtful receivables	5,153	10,511
(Gain) loss on securities and other investments—net	(51,556)	(31,176)
Impairment (reversal) loss of fixed assets—net	300	565
(Gain) loss on disposal or sales of fixed assets—net	(5,116)	9,291
Finance (income) costs—net	(21,966)	(27,508)
Income taxes	98,477	109,960
Share of (profit) loss of investments accounted for using the equity method	(138,574)	(88,621)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(101,113)	171,769
Change in inventories	(63,861)	16,708
Change in trade and other payables	114,806	(66,709)
Other—net	(77,702)	(141,414)
Interest received	20,742	28,731
Interest paid	(49,352)	(37,800)
Dividends received	155,782	187,584
Income taxes paid	(54,038)	(85,438)
Cash flows from operating activities	221,047	401,861
Investing Activities:		
Net change in time deposits	(90,262)	(833)
Net change in investments in and advances to equity accounted investees	(54,602)	(97,410)
Net change in other investments	5,535	26,898
Net change in long-term loan receivables	10,187	10,797
Net change in property, plant, equipment and investment property	(115,062)	(215,273)
Cash flows from investing activities	(244,204)	(275,821)
Financing Activities:		
Net change in short-term debt	(49,294)	36,337
Net change in long-term debt	280,535	(13,136)
Purchases and sales of treasury stock	(7)	(14)
Dividends paid	(102,187)	(114,737)
Transactions with non-controlling interest shareholders	(30,934)	(11,488)
Cash flows from financing activities	98,113	(103,038)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	19,787	(15,022)
Change in Cash and Cash Equivalents	94,743	7,980
Cash and Cash Equivalents at Beginning of Period	1,490,775	1,400,770
Cash and Cash Equivalents at End of Period	¥ 1,585,518	¥ 1,408,750

(5) Assumption for Going Concern: None

(6) Segment Information

Nine-month period ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	66,998	499,599	293,057	533,357	356,225	733,771	89,193
Gross Profit	22,031	106,656	81,452	59,558	44,550	101,390	31,128
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	2,497	4,681	55,157	4,558	9,818	14,865	2,919
Profit for the Period Attributable to Owners of the parent	2,719	97,946	50,348	9,916	25,004	22,137	9,503
EBITDA	6,683	113,185	66,446	27,476	121,477	28,094	1,626
Total Assets at December 31, 2016	511,534	1,699,854	2,085,727	832,847	1,987,033	1,658,366	569,796

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	471,950	74,240	85,668	3,204,058	6,098	(34,380)	3,175,776
Gross Profit	59,028	15,007	16,515	537,315	5,246	(34,380)	508,181
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	7,646	2,244	34,444	138,829	30	(285)	138,574
Profit for the Period Attributable to Owners of the parent	21,207	1,942	24,072	264,794	2,782	(37,243)	230,333
EBITDA	35,839	3,149	38,993	442,968	1,000	(1,390)	442,578
Total Assets at December 31, 2016	610,742	151,670	429,576	10,537,145	5,523,128	(4,402,304)	11,657,969

Nine-month period ended December 31, 2015 (from April 1, 2015 to December 31, 2015) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
Revenue	86,617	535,663	303,467	632,739	551,634	787,839	100,016
Gross Profit	25,109	80,615	95,958	60,982	90,520	87,998	35,245
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	2,956	(29,035)	34,296	6,698	16,540	12,614	6,254
Profit (Loss) for the Period Attributable to Owners of the parent	3,856	10,861	30,959	8,601	24,902	(9,894)	21,241
EBITDA	8,878	61,044	51,703	24,322	207,843	8,153	5,037
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	547,039	79,791	83,659	3,708,464	2,022	(36,371)	3,674,115
Gross Profit	90,965	15,767	17,940	601,099	1,192	(37,060)	565,231
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	7,515	2,967	28,047	88,852	45	(276)	88,621
Profit (Loss) for the Period Attributable to Owners of the parent	24,978	2,672	16,417	134,593	3,683	(3,838)	134,438
EBITDA	58,157	4,134	32,367	461,638	(1,880)	9,201	468,959
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 December 31, 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. 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 nine-month period ended December 31, 2015 has been restated to conform to the current period presentation.