Quarterly Securities Report

for the Three-Month Period Ended June 30, 2016

English translation of certain items disclosed in the Quarterly Securities Report for the three-month period ended June 30, 2016, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on August 12, 2016.

Mitsui & Co., Ltd.

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As used in this report, "Mitsui" is used to refer to Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha), "we", "us", and "our" are used to indicate Mitsui & Co., Ltd. and subsidiaries, unless otherwise indicated.

1. Overview of Mitsui and Its Subsidiaries

1. Selected Financial Data

As of or for the periods ended June 30, 2016 and 2015 and as of or for the year ended March 31, 2016

	In millions of Yen, except amounts per share and other					
		Three-month period ended June 30, 2016		Three-month period ended June 30, 2015		As of or for the year ended March 31, 2016
Consolidated financial data						
Revenue	¥	1,019,971	¥	1,283,689	¥	4,759,694
Gross profit	¥	164,121	¥	192,153	¥	726,622
Profit (loss) for the period attributable to owners of the parent	¥	61,145	¥	96,937	¥	(83,410)
Comprehensive income for the period attributable to owners of the parent	¥	(184,347)	¥	192,145	¥	(607,490)
Total equity attributable to owners of the parent	¥	3,137,606	¥	4,232,256	¥	3,379,725
Total assets	¥	10,509,237	¥	12,466,205	¥	10,910,511
Basic earnings per share attributable to owners of the parent (Yen)	¥	34.11	¥	54.08	¥	(46.53)
Diluted earnings per share attributable to owners of the parent (Yen)	¥	34.10	¥	54.07	¥	(46.54)
Equity attributable to owners of the parent ratio		29.86%		33.95%		30.98%
Cash flows from operating activities	¥	39,469	¥	174,107	¥	586,991
Cash flows from investing activities	¥	(122,662)	¥	(45,845)	¥	(408,059)
Cash flows from financing activities	¥	168,534	¥	(12,418)	¥	(50,548)
Cash and cash equivalents at the end of period	¥	1,534,585	¥	1,524,600	¥	1,490,775

(Notes) 1. The consolidated financial statements have been prepared on the basis of International Financial Reporting Standards (IFRS).

2. Revenue does not include consumption taxes.

2. Business Overview

We are a general trading company engaged in a range of global business activities including worldwide trading of various commodities, arranging financing for customers and suppliers in connection with our trading activities, organizing and coordinating international industrial projects by using the global office network and ability to gather information. Our business activities include the sale, import, export, offshore trading, production and a wide variety of comprehensive services such as retail, information and telecommunication, technology, logistics and finance in the areas of iron & steel, mineral & metal resources, machinery & infrastructure, chemicals, energy, lifestyle, innovation & corporate development. We also participate in the development of natural resources such as oil, gas, iron and steel raw materials. We have been proactively making strategic business investments in certain new industries such as IT, renewable energy and environmental solution businesses.

There has been no significant change in our business for the three-month period ended June 30, 2016.

Effective April 1, 2016, we transferred some businesses across reportable operating segments. For details, see Note 4, “SEGMENT INFORMATION.”

2. Operating and Financial Review and Prospects

1. Risk Factors

For the three-month period ended June 30, 2016, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2016.

2. Material Contracts

For the three-month period ended June 30, 2016, we have not been a party to any sales contract, license of franchise contract, or business tie-up contract that on its own has a significant effect on our operating results, and there has not been any assignment of a transfer of business that on its own has a significant effect on our total assets. There are no contracts or other items which are significant in terms of our operations.

3. Management’s Discussion and Analysis of Financial Position, Operating Results and Cash Flows

This quarterly securities 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.

Forward-looking statements were made as of June 30, 2016, unless otherwise indicated.

(1) <u>Operating Environment</u>

In the three-month period ended June 30, 2016, the global economy saw a gradual recovery in major developed countries driven by consumer spending, but the slowed growth in China due to reductions of excess production capacity and falling exports, as well as the continued economic slump in resource-reliant emerging countries, led to slow growth overall.

Going forward, a gradual increase in the pace of economic recovery is expected in the U.S., which is experiencing strong private consumption and expecting a bottoming out in capital expenditure and exports, as well as in Japan, which is anticipating economic from the support policy. However, slowed growth is expected in Europe due to the increasing uncertainty regarding the U.K.'s departure from the EU. Among emerging countries, while a gradual economic slowdown continues in China, the bottoming out in the international commodities market should stop the economic decline in Russia and Brazil, with slight changes expected on a country-by-country basis.

(2) <u>Results of Operations</u>

1) Analysis of Consolidated Income Statements

Revenue

Mitsui & Co., Ltd. ("Mitsui") and its subsidiaries (collectively "we") recorded total revenue of ¥1,020.0 billion for the three-month period ended June 30, 2016 ("current period"), a decline of ¥263.7 billion from ¥1,283.7 billion for the corresponding three-month period of the previous year ("previous period"). Revenue from sales of products for the current period was ¥893.4 billion, a decline of ¥255.3 billion from ¥1,148.7 billion for the previous period, and revenue from rendering of services for the current period was ¥91.6 billion, a decline of ¥5.3 billion from ¥96.9 billion for the previous period. Furthermore, other revenue for the current period was ¥34.9 billion, a decline of ¥3.2 billion from ¥38.1 billion for the previous period.

Gross Profit

Gross profit for the current period was ¥164.1 billion, a decline of ¥28.1 billion from ¥192.2 billion for the previous period. While the Innovation & Corporate Development Segment reported an increase, mainly the Energy Segment and the Americas Segment reported declines in gross profit.

Other Income (Expenses)

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the current period were ¥130.5 billion, a decline of ¥9.4 billion from ¥139.9 billion for the previous period.

Gain on Securities and Other Investments—Net

Gain on securities and other investments for the current period was ¥2.9 billion, a decline of ¥14.6 billion from ¥17.5 billion for the previous period. There were miscellaneous small transactions for the current period. For the previous period, a gain on valuation on securities was recorded mainly in the Innovation & Corporate Development Segment.

Impairment Loss of Fixed Assets

Impairment loss of fixed assets for the current period was ¥0.1 billion, a decline of ¥0.3 billion from ¥0.4 billion of loss for the previous period. There were miscellaneous small transactions both for the current and previous periods.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net

Gain on disposal or sales of fixed assets for the current period was ¥0.1 billion, a decline of ¥12.8 billion from ¥12.9 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 Expense—Net

Other expense for the current period was ¥8.3 billion, an increase of ¥6.8 billion from ¥1.5 billion for the previous 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 ¥7.6 billion, a decline of ¥0.8 billion from ¥8.4 billion for the previous period.

Dividend Income

Dividend income for the current period was ¥11.9 billion, a decline of ¥4.3 billion from ¥16.2 billion for the previous period.

Interest Expense

Interest expense for the current period was ¥12.7 billion, an increase of ¥0.3 billion from ¥12.4 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 ¥50.7 billion, a decline of ¥9.2 billion from ¥59.9 billion for the previous period. Mainly the Energy Segment and the Machinery & Infrastructure Segment recorded declines.

Income Taxes

Income taxes for the current period were ¥21.4 billion, a decline of ¥26.6 billion from ¥48.0 billion for the previous period. Profit before income taxes for the current period was ¥85.7 billion, a decline of ¥67.1 billion from ¥152.8 billion for the previous period. In response, applicable income taxes also declined. Furthermore, 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 25.0%, a decline of 6.4% from 31.4% for the previous period. The major factor for the decline was the aforementioned effects on appreciation of currency used to calculate tax profit.

Profit for the Period

As a result of the above factors, profit for the period was ¥64.3 billion, a decline of ¥40.5 billion from ¥104.8 billion of profit 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 ¥61.1 billion, a decline of ¥35.8 billion from ¥96.9 billion of profit 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) (*)		145.1	193.5	(48.4)
Gross profit	a	164.1	192.2	(28.1)
Selling, general and administrative expenses	b	(130.5)	(139.9)	+ 9.4
Dividend income	c	11.9	16.2	(4.3)
Profit (loss) of equity method investments	d	50.7	59.9	(9.2)
Depreciation and amortization	e	48.8	65.1	(16.3)

* 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 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	1.9	3.6	(1.7)
Gross profit	6.9	8.5	(1.6)
Selling, general and administrative expenses	(7.0)	(7.5)	+0.5
Dividend income	0.9	1.1	(0.2)
Profit (loss) of equity method investments	0.8	1.3	(0.5)
Depreciation and amortization	0.2	0.3	(0.1)
Profit for the period attributable to owners of the parent	1.5	2.2	(0.7)

EBITDA declined by ¥1.7 billion, mainly due to the following factors:

- Gross profit declined by ¥1.6 billion.
- Profit (loss) of equity method investments declined by ¥0.5 billion.

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

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	30.2	30.5	(0.3)
Gross profit	28.4	26.7	+1.7
Selling, general and administrative expenses	(8.2)	(9.3)	+1.1
Dividend income	0.2	0.4	(0.2)
Profit (loss) of equity method investments	1.7	(1.2)	+2.9
Depreciation and amortization	8.1	13.9	(5.8)
Profit for the period attributable to owners of the parent	16.7	13.6	+3.1

EBITDA declined by ¥0.3 billion, mainly due to the following factors:

- Gross profit increased by ¥1.7 billion.
- Profit (loss) of equity method investments improved by ¥2.9 billion.
- Depreciation and amortization declined by ¥5.8 billion.

Profit for the period attributable to owners of the parent increased by ¥3.1 billion.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	21.3	28.7	(7.4)
Gross profit	25.5	29.7	(4.2)
Selling, general and administrative expenses	(28.2)	(31.6)	+3.4
Dividend income	0.9	1.6	(0.7)
Profit (loss) of equity method investments	18.8	24.3	(5.5)
Depreciation and amortization	4.2	4.8	(0.6)
Profit for the period attributable to owners of the parent	18.6	17.7	+0.9

EBITDA declined by ¥7.4 billion, mainly due to the following factors:

- Gross profit declined by ¥4.2 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥0.9 billion.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥3.3 billion.
- Selling, general and administrative expenses declined by ¥3.4 billion.
- Profit (loss) of equity method investments declined by ¥5.5 billion.
  - The Infrastructure Projects Business Unit reported a decline of ¥5.4 billion.
    - For the previous period, the LNG receiving terminal project in Mexico recorded a decline of ¥4.4 billion mainly due to a change in lease accounting treatment.
    - For the previous period, a one-time positive impact in relation to Toyo Engineering Corporation was recorded reflecting the difference between loss estimates and actual amounts.
    - IPP businesses posted a profit of ¥6.7 billion in total, a decline of ¥0.5 billion from a profit of ¥7.2 billion for the previous period.
      - Mark-to-market valuation losses, such as those on long-term power derivative contracts and long-term fuel purchase contracts, were ¥0.5 billion both for the current and previous period.
  - The Integrated Transportation Systems Business Unit reported a decline of ¥0.1 billion.

Profit for the period attributable to owners of the parent increased by ¥0.9 billion.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	11.3	8.4	+2.9
Gross profit	20.7	20.0	+0.7
Selling, general and administrative expenses	(15.8)	(17.6)	+1.8
Dividend income	0.8	0.7	+0.1
Profit (loss) of equity method investments	3.0	2.0	+1.0
Depreciation and amortization	2.6	3.3	(0.7)
Profit for the period attributable to owners of the parent	5.2	1.8	+3.4

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

- Gross profit increased by ¥0.7 billion.
  - The Basic Materials Business Unit reported an increase of ¥1.5 billion.
  - The Performance Materials Business Unit reported a decline of ¥0.4 billion.
  - The Nutrition & Agriculture Business Unit reported a decline of ¥0.3 billion.
- Profit (loss) of equity method investments increased by ¥1.0 billion.

Profit for the period attributable to owners of the parent increased by ¥3.4 billion.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	34.3	73.4	(39.1)
Gross profit	13.9	35.9	(22.0)
Selling, general and administrative expenses	(11.7)	(12.7)	+1.0
Dividend income	2.8	4.5	(1.7)
Profit (loss) of equity method investments	4.5	11.9	(7.4)
Depreciation and amortization	25.0	33.8	(8.8)
Profit for the period attributable to owners of the parent	0.7	16.7	(16.0)

EBITDA declined by ¥39.1 billion, mainly due to the following factors:

- Gross profit declined by ¥22.0 billion.
  - Mitsui Oil Exploration Co., Ltd. reported a decline of ¥11.6 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 ¥5.7 billion mainly due to lower crude oil prices.
- Dividend income declined by ¥1.7 billion.
  - Dividends from six LNG projects (Abu Dhabi, Qatargas 1, Oman, Equatorial Guinea, Qatargas 3 and Sakhalin II) were ¥2.2 billion in total, a decline of ¥1.7 billion from ¥3.9 billion for the previous period.
- Profit (loss) of equity method investments declined by ¥7.4 billion.
  - Japan Australia LNG (MIMI) Pty. Ltd reported a decline due mainly to lower crude oil prices.
- Depreciation and amortization declined by ¥8.8 billion.
  - Oil and gas producing operations recorded a decline of ¥8.8 billion, including a decline of ¥5.1 billion at Mitsui E&P Middle East.

Profit for the period attributable to owners of the parent declined by ¥16.0 billion. In addition to the above, the following factors also affected results:

- For the current period, exploration expense of ¥4.1 billion in total was recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous period, exploration expense of ¥2.8 billion in total was recorded, including those recorded by Mitsui E&P Ghana Keta Ltd. and Mitsui E&P USA LLC.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	9.7	5.8	+3.9
Gross profit	28.6	28.9	(0.3)
Selling, general and administrative expenses	(32.8)	(33.3)	+0.5
Dividend income	2.6	2.2	+0.4
Profit (loss) of equity method investments	8.1	5.0	+3.1
Depreciation and amortization	3.2	3.0	+0.2
Profit for the period attributable to owners of the parent	3.6	8.2	(4.6)

EBITDA increased by ¥3.9 billion, mainly due to the following factors:

- Gross profit declined by ¥0.3 billion.

- The Food Business Unit reported a decline of ¥1.7 billion.
- The Food & Retail Management Business Unit reported a decline of ¥0.5 billion.
- The Healthcare & Service Business Unit reported an increase of ¥0.3 billion.
- The Consumer Business Unit reported an increase of ¥1.6 billion.

- Profit (loss) of equity method investments increased by ¥3.1 billion.
  - The Food Business Unit reported an increase of ¥2.8 billion.
  - The Food & Retail Management Business Unit reported a decline of ¥0.9 billion.
  - The Healthcare & Service Business Unit reported an increase of ¥0.5 billion.
  - The Consumer Business Unit reported an increase of ¥0.7 billion.

Profit for the period attributable to owners of the parent declined by ¥4.6 billion. In addition to the above, the following factors also affected results:

- 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	8.7	4.6	+4.1
Gross profit	15.8	11.3	+4.5
Selling, general and administrative expenses	(13.4)	(14.9)	+1.5
Dividend income	2.5	4.4	(1.9)
Profit (loss) of equity method investments	2.7	2.8	(0.1)
Depreciation and amortization	1.1	1.2	(0.1)
Profit for the period attributable to owners of the parent	6.4	14.3	(7.9)

EBITDA increased by ¥4.1 billion, mainly due to the following factors:

- Gross profit increased by ¥4.5 billion.
  - The IT & Communication Business Unit reported an increase of ¥0.4 billion.
  - The Corporate Development Business Unit reported an increase of ¥4.2 billion.
    - There was an increase in gross profit corresponding to a ¥5.0 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.
- Profit (loss) of equity method investments declined by ¥0.1 billion.

Profit for the period attributable to owners of the parent declined by ¥7.9 billion. In addition to the above, the following factors also affected results:

- For the previous period, a ¥9.7 billion gain due to the valuation of fair value on shares in Hutchison MediPharma Holdings was recorded.
- For the current period and for the previous period, foreign exchange losses of ¥4.6 billion and gains of ¥0.4 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	14.1	19.8	(5.7)
Gross profit	23.6	31.3	(7.7)
Selling, general and administrative expenses	(13.0)	(16.8)	+3.8
Dividend income	0.0	0.0	0.0
Profit (loss) of equity method investments	1.4	3.0	(1.6)
Depreciation and amortization	2.0	2.2	(0.2)
Profit for the period attributable to owners of the parent	6.0	9.2	(3.2)

EBITDA declined by ¥5.7 billion, mainly due to the following factors:

- Gross profit declined by ¥7.7 billion.
  - Novus International, Inc. reported a decline of ¥6.6 billion mainly due to a decline of the methionine prices.
- Selling, general and administrative expenses declined by ¥3.8 billion.
- Profit (loss) of equity method investments declined by ¥1.6 billion.

Profit for the period attributable to owners of the parent declined by ¥3.2 billion.

Europe, the Middle East and Africa Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	1.3	1.9	(0.6)
Gross profit	5.2	5.5	(0.3)
Selling, general and administrative expenses	(5.0)	(4.9)	(0.1)
Dividend income	0.0	0.0	0.0
Profit (loss) of equity method investments	1.0	1.2	(0.2)
Depreciation and amortization	0.1	0.1	0.0
Profit for the period attributable to owners of the parent	1.1	1.4	(0.3)

EBITDA declined by ¥0.6 billion, mainly due to the following factors:

- Gross profit declined by ¥0.3 billion.
- Profit (loss) of equity method investments declined by ¥0.2 billion.

Profit for the period attributable to owners of the parent declined by ¥0.3 billion.

Asia Pacific Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	10.7	11.2	(0.5)
Gross profit	5.6	5.8	(0.2)
Selling, general and administrative expenses	(4.6)	(5.0)	+0.4
Dividend income	0.3	0.5	(0.2)
Profit (loss) of equity method investments	8.9	9.8	(0.9)
Depreciation and amortization	0.4	0.2	+0.2
Profit for the period attributable to owners of the parent	6.1	6.3	(0.2)

EBITDA declined by ¥0.5 billion, mainly due to the following factors:

- Gross profit declined by ¥0.2 billion.
- Profit (loss) of equity method investments declined by ¥0.9 billion.

Profit for the period attributable to owners of the parent declined by ¥0.2 billion.

(3) <u>Financial Condition and Cash Flows</u>

1) Financial Condition

Total assets as of June 30, 2016 was ¥10,509.2 billion, a decline of ¥401.3 billion from ¥10,910.5 billion as of March 31, 2016.

Total current assets as of June 30, 2016 was ¥4,320.8 billion, an increase of ¥34.1 billion from ¥4,286.7 billion as of March 31, 2016. Other financial assets increased by ¥116.0 billion, mainly due to increase in time deposit by ¥63.3 billion and ¥20.1 billion at oil and gas operations other than U.S. shale gas and oil producing operations and at iron ore mining operations in Australia, respectively. Meanwhile, trade and other receivables declined by ¥120.4 billion, mainly due to the decline in trading volume in the Machinery & Infrastructure, Chemicals, and Mineral & Metal Resources Segments.

Total current liabilities as of June 30, 2016 was ¥2,395.2 billion, a decline of ¥167.6 billion from ¥2,562.8 billion as of March 31, 2016. Trade and other payables declined by ¥78.5 billion, corresponding to the decline in trade and other receivables. Furthermore, short-term debt and current portion of long-term debt declined by ¥44.3 billion and ¥38.5 billion, respectively, due to repayment.

As a result, working capital, or current assets less current liabilities, as of June 30, 2016, totaled ¥1,925.6 billion, an increase of ¥201.7 billion from ¥1,723.9 billion as of March 31, 2016.

Total non-current assets as of June 30, 2016 amounted to ¥6,188.4 billion, a decline of ¥435.4 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 June 30, 2016 was ¥2,345.2 billion, a decline of ¥170.1 billion from ¥2,515.3 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥172.1 billion resulting from foreign currency exchange fluctuations; and
  - A decline of ¥42.7 billion due to dividends received from equity accounted investees, despite an increase of ¥50.7 billion corresponding to the profit of equity method investments for the current period.
- Other investments as of June 30, 2016 were ¥1,090.4 billion, a decline of ¥89.3 billion from ¥1,179.7 billion as of

March 31, 2016. Fair value of financial assets measured at FVTOCI declined by ¥47.1 billion mainly due to the decline in fair value of listed securities due to lower share prices.

- Property, plant and equipment as of June 30, 2016 totaled ¥1,771.6 billion, a decline of ¥166.8 billion from ¥1,938.4 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥45.6 billion (including a foreign exchange translation loss of ¥40.5 billion) at iron ore mining operations in Australia;
  - A decline of ¥30.1 billion (including a foreign exchange translation loss of ¥26.9 billion) at oil and gas operations other than U.S. shale gas and oil producing operations; and
  - A decline of ¥21.5 billion (including a foreign exchange translation loss of ¥16.7 billion) at U.S. shale gas and oil projects.

Total non-current liabilities as of June 30, 2016 amounted to ¥4,735.1 billion, an increase of ¥53.9 billion from ¥4,681.2 billion as of March 31, 2016. Long-term debt, less current portion increased by ¥120.1 billion, mainly due to procurement of ¥350.0 billion subordinated syndicated loan, despite a decline due to repayment of debt.

Total equity attributable to owners of the parent as of June 30, 2016 was ¥3,137.6 billion, a decline of ¥242.1 billion from ¥3,379.7 billion as of March 31, 2016.

- Retained earnings increased by ¥2.7 billion.
- Other components of equity as of June 30, 2016 declined by ¥242.0 billion. Major components included:
  - Financial assets measured at FVTOCI declined by ¥33.6 billion. Fair value of listed securities declined due to lower share prices; and
  - Foreign currency translation adjustments declined by ¥197.0 billion mainly reflecting the depreciation of the Australian dollar and the U.S. dollar against the Japanese yen.

Net interest-bearing debt or interest-bearing debt less cash and cash equivalents and time deposits as of June 30, 2016 was ¥3,124.8 billion, a decline of ¥90.2 billion from ¥3,215.0 billion as of March 31, 2016. The net debt-to-equity ratio (DER) (*) as of June 30, 2016 was 1.00 times, 0.05 points higher compared to 0.95 times as of March 31, 2016.

(*) We refer to “Net Debt-to-Equity Ratio” (“Net DER”) in this “Liquidity and Capital Resources” and elsewhere in this report. Net DER is comprised of “net interest bearing debt” divided by total equity attributable to owners of the parent. We define “net interest bearing debt” as follows:
- calculate interest bearing debt by adding up short-term debt and long-term debt
- calculate net interest bearing debt by subtracting cash and cash equivalents and time deposits with maturities within one year after three months from interest bearing debt

2) Cash Flows

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	39.5	174.1	(134.6)
Cash flows from change in working capital	b	(48.0)	23.7	(71.7)
Core operating cash flow	a-b	87.5	150.4	(62.9)

Net cash provided by operating activities for the current period was ¥39.5 billion, a decline of ¥134.6 billion from

¥174.1 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 ¥48.0 billion of net cash outflow, a deterioration of ¥71.7 billion from ¥23.7 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 ¥87.5 billion, a decline of ¥62.9 billion from ¥150.4 billion for the previous period.

- Depreciation and amortization for the current period was ¥48.8 billion, a decline of ¥16.3 billion from ¥65.1 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥48.9 billion, a decline of ¥15.6 billion from ¥64.5 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	1.2	1.9	(0.7)
Mineral & Metal Resources	31.2	44.3	(13.1)
Machinery & Infrastructure	16.2	13.6	+2.6
Chemicals	6.3	6.5	(0.2)
Energy	23.1	54.6	(31.5)
Lifestyle	(0.6)	(0.9)	+0.3
Innovation & Corporate Development	3.5	3.5	0.0
Americas	11.1	12.8	(1.7)
Europe, the Middle East and Africa	0.7	0.8	(0.1)
Asia Pacific	4.2	1.4	+2.8
All Other and Adjustments and Eliminations	(9.4)	11.9	(21.3)
Consolidated Total	87.5	150.4	(62.9)

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥122.7 billion, an increase of ¥76.9 billion from ¥45.8 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 ¥85.1 billion, mainly due to the following factors:
  - An increase of ¥63.3 billion cash outflows in oil and gas projects other than the U.S. shale gas and oil projects; and
  - An increase of ¥20.1 billion cash outflows in iron ore mining projects in Australia.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥36.9 billion. Major expenditures included oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥14.0 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 ¥83.2 billion.

Cash Flows from Financing Activities

For the current period, net cash provided by financing activities was ¥168.5 billion, an increase of ¥180.9 billion from ¥12.4 billion of net cash used for the previous period. The cash inflow from the borrowing of long-term debt was ¥282.5 billion, mainly due to procurement of ¥350.0 billion subordinated syndicated loan. Meanwhile, the cash outflow from payments of cash dividends was ¥57.4 billion and the cash outflow from the short-term debt was ¥26.7 billion.

In addition to the changes discussed above, there was a decline in cash and cash equivalents of ¥41.5 billion due to foreign exchange translation. Cash and cash equivalents as of June 30, 2016 totaled ¥1,534.6 billion, an increase of ¥43.8 billion from ¥1,490.8 billion as of March 31, 2016.

(4) Management Issues

For the three-month period ended June 30, 2016, there is no significant change in management issues. We maintain our profit forecast for the year ending March 31, 2017 attributable to owners of the parent of ¥200.0 billion which were described on our Annual Securities Report for the year ended March 31, 2016. No updates have been made to this forecast.

(5) Research & Development

Research and development (“R&D”) expenses were insignificant for the three-month period ended June 30, 2016.

3. Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Financial Position

Mitsui & Co., Ltd. and subsidiaries
June 30, 2016 and March 31, 2016

	Millions of Yen	
	June 30, 2016	March 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	¥ 1,534,585	¥ 1,490,775
Trade and other receivables	1,487,503	1,607,885
Other financial assets (Note 12)	411,122	295,064
Inventories (Note 12)	528,088	533,697
Advance payments to suppliers	222,180	220,711
Other current assets	137,331	138,563
Total current assets	4,320,809	4,286,695
Non-current Assets:		
Investments accounted for using the equity method	2,345,225	2,515,340
Other investments (Note 12)	1,090,373	1,179,696
Trade and other receivables (Note 12)	348,511	382,176
Other financial assets (Note 12)	196,756	159,384
Property, plant and equipment (Note 5)	1,771,584	1,938,448
Investment property	147,600	147,756
Intangible assets	147,386	157,450
Deferred tax assets	92,546	92,231
Other non-current assets	48,447	51,335
Total non-current assets	6,188,428	6,623,816
Total assets	¥10,509,237	¥10,910,511

Condensed Consolidated Statements of Financial Position—(Continued)

Mitsui & Co., Ltd. and subsidiaries
June 30, 2016 and March 31, 2016

	Millions of Yen	
	June 30, 2016	March 31, 2016
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term debt	¥ 308,934	¥ 353,203
Current portion of long-term debt (Note 7)	480,667	519,161
Trade and other payables	1,028,674	1,107,238
Other financial liabilities (Notes 11 and 12)	299,293	298,329
Income tax payables	22,892	22,309
Advances from customers	198,387	207,419
Provisions	12,933	14,959
Other current liabilities	43,433	40,161
Total current liabilities	2,395,213	2,562,779
Non-current Liabilities:		
Long-term debt, less current portion (Notes 7 and 12)	3,958,254	3,838,156
Other financial liabilities (Notes 11 and 12)	113,686	109,520
Retirement benefit liabilities	76,742	78,176
Provisions	202,722	219,330
Deferred tax liabilities	357,532	409,695
Other non-current liabilities	26,193	26,319
Total non-current liabilities	4,735,129	4,681,196
Total liabilities	7,130,342	7,243,975
Equity:		
Common stock	341,482	341,482
Capital surplus	409,105	412,064
Retained earnings	2,316,943	2,314,185
Other components of equity (Note 8)	76,038	317,955
Treasury stock	(5,962)	(5,961)
Total equity attributable to owners of the parent	3,137,606	3,379,725
Non-controlling interests	241,289	286,811
Total equity	3,378,895	3,666,536
Total liabilities and equity	¥10,509,237	¥10,910,511

Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2016 and 2015

	Millions of Yen	
	Three-month Period Ended June 30, 2016	Three-month Period Ended June 30, 2015
Revenue (Note 4):		
Sale of products	¥ 893,411	¥ 1,148,741
Rendering of services	91,644	96,874
Other revenue	34,916	38,074
Total revenue	1,019,971	1,283,689
Cost:		
Cost of products sold	(802,713)	(1,036,863)
Cost of services rendered	(38,269)	(38,672)
Cost of other revenue	(14,868)	(16,001)
Total cost	(855,850)	(1,091,536)
Gross Profit	164,121	192,153
Other Income (Expenses):		
Selling, general and administrative expenses	(130,509)	(139,850)
Gain (loss) on securities and other investments—net (Note 12)	2,900	17,474
Impairment loss of fixed assets	(74)	(429)
Gain (loss) on disposal or sales of fixed assets—net	120	12,939
Other income (expense)—net	(8,341)	(1,543)
Total other income (expenses)	(135,904)	(111,409)
Finance Income (Costs):		
Interest income	7,622	8,408
Dividend income	11,875	16,164
Interest expense	(12,726)	(12,426)
Total finance income (costs)	6,771	12,146
Share of Profit(Loss)of Investments Accounted for Using the Equity Method (Note 4)	50,726	59,875
Profit before Income Taxes	85,714	152,765
Income Taxes	(21,411)	(47,963)
Profit for the Period	¥ 64,303	¥ 104,802
Profit for the Period Attributable to:		
Owners of the parent	¥ 61,145	¥ 96,937
Non-controlling interests	3,158	7,865

	Yen	
Earnings per Share Attributable to Owners of the Parent(Note 10):		
Basic	¥ 34.11	¥ 54.08
Diluted	¥ 34.10	¥ 54.07

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2016 and 2015

	Millions of Yen	
	Three-month Period Ended June 30, 2016	Three-month Period Ended June 30, 2015
Comprehensive Income:		
Profit for the period	¥ 64,303	¥ 104,802
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	(45,704)	29,083
Remeasurements of defined benefit pension plans	(877)	1,262
Share of other comprehensive income of investments accounted for using the equity method	(2,260)	(1,982)
Income tax relating to items not reclassified	13,890	(9,226)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(60,845)	9,198
Cash flow hedges	(5,221)	5,286
Share of other comprehensive income of investments accounted for using the equity method	(181,509)	75,873
Income tax relating to items that may be reclassified	22,849	(10,018)
Total other comprehensive income	(259,677)	99,476
Comprehensive Income for the Period	¥ (195,374)	¥ 204,278
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ (184,347)	¥ 192,145
Non-controlling interests	(11,027)	12,133

See Notes to Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Changes in Equity

Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2016 and 2015

	Attributable to owners of the parent							
Millions of Yen	**Common Stock**	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity (Note 8)**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
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			96,937			96,937	7,865	104,802
Other comprehensive income for the period				95,208		95,208	4,268	99,476
Comprehensive income for the period						192,145	12,133	204,278
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							(6,858)	(6,858)
Acquisition of treasury stock					(5)	(5)		(5)
Sales of treasury stock		0			0	0		0
Compensation costs related to stock options...............................		6				6		6
Equity transactions with non-controlling interest shareholders............................		(2,627)		303		(2,324)	732	(1,592)
Transfer to retained earnings............			5,812	(5,812)		-		-
Balance as at June 30, 2015	¥ 341,482	¥ 409,260	¥ 2,583,203	¥ 904,262	¥ (5,951)	¥ 4,232,256	¥ 303,586	¥ 4,535,842

	Attributable to owners of the parent							
Millions of Yen	**Common Stock**	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity (Note 8)**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
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			61,145			61,145	3,158	64,303
Other comprehensive income for the period				(245,492)		(245,492)	(14,185)	(259,677)
Comprehensive income for the period						(184,347)	(11,027)	(195,374)
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							(32,976)	(32,976)
Acquisition of treasury stock					(1)	(1)		(1)
Sales of treasury stock			(0)		0	0		0
Equity transactions with non-controlling interest shareholders............................		(2,959)		2,556		(403)	(1,519)	(1,922)
Transfer to retained earnings............			(1,019)	1,019		-		-
Balance as at June 30, 2016	¥ 341,482	¥ 409,105	¥ 2,316,943	¥ 76,038	¥ (5,962)	¥ 3,137,606	¥ 241,289	¥ 3,378,895

Condensed Consolidated Statements of Cash Flows

Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2016 and 2015

	Millions of Yen	
	Three -Month Period Ended June 30, 2016	Three -Month Period Ended June 30, 2015
Operating Activities:		
Profit for the Period	¥ 64,303	¥ 104,802
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	48,847	65,131
Change in retirement benefit liabilities	(193)	(25)
Provision for doubtful receivables	1,599	2,300
(Gain) loss on securities and other investments—net	(2,900)	(17,474)
Impairment loss of fixed assets	74	429
(Gain) loss on disposal or sales of fixed assets—net	(120)	(12,939)
Finance (income) costs—net	(5,063)	(9,631)
Income taxes	21,411	47,963
Share of (profit) loss of investments accounted for using the equity method	(50,726)	(59,875)
Changes in operating assets and liabilities:		
Change in trade and other receivables	54,654	81,084
Change in inventories	(24,629)	(39,611)
Change in trade and other payables	(45,546)	(31,469)
Other—net	(32,544)	13,721
Interest received	6,591	9,890
Interest paid	(20,129)	(12,108)
Dividends received	48,872	64,542
Income taxes paid	(25,032)	(32,623)
Cash flows from operating activities	39,469	174,107
Investing Activities:		
Change in time deposits	(85,118)	(563)
Investments in and advances to equity accounted investees	(13,959)	(22,730)
Proceeds from sales of investments in and collection of advances from equity accounted investees	8,949	38,027
Purchases of other investments	(10,489)	(4,220)
Proceeds from sales and maturities of other investments	10,173	13,900
Increase in long-term loan receivables	(608)	(1,036)
Collections of long-term loan receivables	5,256	5,124
Purchases of property, plant, equipment and investment property	(41,138)	(92,527)
Proceeds from sales of property, plant, equipment and investment property	4,272	18,180
Cash flows from investing activities	(122,662)	(45,845)
Financing Activities:		
Change in short-term debt	(26,716)	67,262
Proceeds from long-term debt	414,280	141,829
Repayments of long-term debt	(131,769)	(159,761)
Purchases and sales of treasury stock	(1)	(5)
Dividends paid	(57,368)	(57,369)
Transactions with non-controlling interests shareholders	(29,892)	(4,374)
Cash flows from financing activities	168,534	(12,418)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(41,531)	7,986
Change in Cash and Cash Equivalents	43,810	123,830
Cash and Cash Equivalents at Beginning of Period	1,490,775	1,400,770
Cash and Cash Equivalents at End of Period	¥ 1,534,585	¥ 1,524,600

See Notes to Condensed Consolidated Financial Statements

Notes to Condensed Consolidated Financial Statements

Mitsui & Co., Ltd. and subsidiaries

1. REPORTING ENTITY

Mitsui & Co., Ltd. (the "Company") is a company incorporated in Japan. Condensed Consolidated Financial Statements of the Company have a quarterly closing date as of June 30 and comprises the financial statements of the Company and its subsidiaries (collectively, the "companies"), and the interests in associated companies and joint ventures (collectively, the "equity accounted investees").

The companies, as sogo shosha or general trading companies, are engaged in business activities, such as trading in various commodities, financing for customers and suppliers relating to such trading activities worldwide, and organizing and coordinating industrial projects through their worldwide business networks.

The companies conduct sales, export, import, offshore trades and manufacture of products in the areas of "Iron & Steel Products," "Mineral & Metal Resources," "Machinery & Infrastructure," "Chemicals," "Energy," "Lifestyle," and "Innovation & Corporate Development," while providing general services for retailing, information and communications, technical support, transportation, and logistics and financing.

In addition to the above, the companies are also engaged in the development of natural resources such as oil and gas, and iron and steel raw materials and in strategic business investments in new areas such as information technology, renewable energy, and environmental solution business.

2. BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I. BASIS OF PREPARATION

Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard No.34 ("IAS34") and not all information required in Consolidated Financial Statements as of the end of fiscal year is included. Therefore, Condensed Consolidated Financial Statements should be used with Consolidated Financial Statements of the previous fiscal year.

II. USE OF ESTIMATES AND JUDGMENTS

The preparation of Condensed Consolidated Financial Statements requires management to make judgments based on assumptions and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these judgments based on assumptions and estimates.

The judgments based on assumptions and estimates which could affect the accompanying Condensed Consolidated Financial Statements are the same as those of the previous fiscal year.

III. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the accompanying Condensed Consolidated Financial Statements are the same as those applied in the Consolidated Financial Statements of the previous fiscal year except for the following.

The companies apply the following new standards and interpretation for Condensed Consolidated Financial Statements from the beginning of three-month period ended June 30, 2016. Potential impacts on Condensed Consolidated Financial Statements of application of these are immaterial.

IFRS	Title	Summaries
IFRS11	Joint Arrangements	Clarification of accounting for acquisitions of interests in joint operations
IAS 16	Property, Plant and Equipment	Clarification that revenues cannot be the basis of depreciation and amortization
IAS 38	Intangible Assets	

3. BUSINESS COMBINATIONS

For the three-month period ended June 30, 2016

No material business combinations were completed during the three-month period ended June 30, 2016.

For the three-month period ended June 30, 2015

No material business combinations were completed during the three-month period ended June 30, 2015.

The purchase price allocation for the following business combinations occurred during the year ended March 31, 2016 has not been completed yet.

Interest in an offshore gas and condensate field in Australia

On November 6, 2015, Mitsui E&P Australia Pty Limited, a 100% owned subsidiary of the Company, entered into a definitive agreement with Santos Offshore Pty Limited, a 100% owned subsidiary of Santos Limited, to acquire Santos' 35% working interest in the Kipper gas and condensate field, for the purpose of establishing a well-balanced business portfolio and to contribute to the stable supply of energy resources in the region. This acquisition was closed on March 3, 2016. As a result of a post-closing purchase price adjustment, the acquisition cost was ¥46,723 million (A$530 million). The adjusting payment of ¥872 million (A$10 million) was paid on April 26, 2016.

Since the purchase price allocation has not been completed yet, the assets acquired and liabilities assumed have been booked provisionally in the Condensed Consolidated Statements of Financial Position. The following table summarizes the provisional fair values of the assets acquired and liabilities assumed at the acquisition date. The provisional fair values recorded at June 30, 2016 have not changed since March 31, 2016.

	Millions of Yen
Property, plant and equipment	¥ 48,856
Total assets acquired	48,856
Current liabilities	(8)
Non-current liabilities	(2,125)
Total liabilities assumed	¥ (2,133)

4. SEGMENT INFORMATION

Three-month period ended June 30, 2016 :	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
	Millions of Yen						
Revenue	¥ 22,069	¥ 144,691	¥ 104,829	¥ 181,752	¥ 106,762	¥ 215,816	¥ 35,078
Gross Profit	¥ 6,857	¥ 28,445	¥ 25,488	¥ 20,696	¥ 13,863	¥ 28,634	¥ 15,762
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 825	¥ 1,684	¥ 18,812	¥ 2,964	¥ 4,478	¥ 8,114	¥ 2,706
Profit for the Period Attributable to Owners of the parent	¥ 1,533	¥ 16,677	¥ 18,648	¥ 5,155	¥ 729	¥ 3,623	¥ 6,355
EBITDA	¥ 1,921	¥ 30,210	¥ 21,270	¥ 11,258	¥ 34,328	¥ 9,717	¥ 8,686
Total Assets at June 30, 2016	¥ 377,905	¥ 1,488,838	¥ 1,857,522	¥ 711,554	¥ 1,807,218	¥ 1,492,148	¥ 505,691

Three-month period ended June 30, 2016 :	Americas	Europe the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen						
Revenue	¥ 171,860	¥ 25,759	¥ 22,694	¥ 1,031,310	¥ 594	¥ (11,933)	¥ 1,019,971
Gross Profit	¥ 23,646	¥ 5,201	¥ 5,581	¥ 174,173	¥ 1,656	¥ (11,708)	¥ 164,121
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 1,364	¥ 980	¥ 8,943	¥ 50,870	¥ 10	¥ (154)	¥ 50,726
Profit for the Period Attributable to Owners of the parent	¥ 5,964	¥ 1,076	¥ 6,081	¥ 65,841	¥ 717	¥ (5,413)	¥ 61,145
EBITDA	¥ 14,067	¥ 1,348	¥ 10,687	¥ 143,492	¥ (678)	¥ 2,246	¥ 145,060
Total Assets at June 30, 2016	¥ 538,948	¥ 144,165	¥ 359,140	¥ 9,283,129	¥ 5,419,788	¥ (4,193,680)	¥ 10,509,237

Three-month period ended June 30, 2015(As restated):	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development
	Millions of Yen						
Revenue	¥ 30,286	¥ 190,089	¥ 85,106	¥ 228,231	¥ 205,760	¥ 255,108	¥ 30,939
Gross Profit	¥ 8,544	¥ 26,659	¥ 29,709	¥ 19,970	¥ 35,948	¥ 28,893	¥ 11,262
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 1,253	¥ (1,195)	¥ 24,259	¥ 2,012	¥ 11,859	¥ 5,016	¥ 2,750
Profit for the Period Attributable to Owners of the parent	¥ 2,196	¥ 13,589	¥ 17,650	¥ 1,811	¥ 16,695	¥ 8,211	¥ 14,312
EBITDA	¥ 3,641	¥ 30,514	¥ 28,735	¥ 8,359	¥ 73,409	¥ 5,829	¥ 4,630
Total Assets at March 31, 2016	¥ 392,174	¥ 1,591,364	¥ 2,009,812	¥ 756,997	¥ 1,973,464	¥ 1,499,281	¥ 510,529

Three-month period ended June 30, 2015(As restated):	Americas	Europe the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen						
Revenue	¥ 203,901	¥ 29,966	¥ 35,492	¥ 1,294,878	¥ 636	¥ (11,825)	¥ 1,283,689
Gross Profit	¥ 31,263	¥ 5,494	¥ 5,800	¥ 203,542	¥ 393	¥ (11,782)	¥ 192,153
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 3,036	¥ 1,172	¥ 9,844	¥ 60,006	¥ 16	¥ (147)	¥ 59,875
Profit for the Period Attributable to Owners of the parent	¥ 9,192	¥ 1,436	¥ 6,253	¥ 91,345	¥ 1,607	¥ 3,985	¥ 96,937
EBITDA	¥ 19,754	¥ 1,916	¥ 11,244	¥ 188,031	¥ (901)	¥ 6,343	¥ 193,473
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 June 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 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 three-month period ended June 30, 2015 has been restated to conform to the current period presentation.

5. ACQUISITIONS, DISPOSALS AND COMMITMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

The amounts of acquisitions of property, plant and equipment for the three-month periods ended June 30, 2016 and 2015 were ¥51,570 million and ¥104,024 million, respectively.
The amounts of disposals of property, plant and equipment for the three-month periods ended June 30, 2016 and 2015 were ¥31,959 million and ¥5,134 million, respectively.
The amounts of commitments for the purchase of property, plant and equipment as of June 30, 2016 was ¥155,414 million, and the amounts as of March 31, 2015 was immaterial.

6. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS

The amounts of impairment losses for assets for the three-month periods ended June 30, 2016 and 2015 were not material.
The amounts of reversals of impairment losses for assets for the three-month periods ended June 30, 2016 and 2015 were not material.

7. BONDS AND LOANS

Bonds
The total amount of repaid bonds for the three-month period ended June 30, 2016 was ¥25,000 million.
The total amount of issued bonds for the three-month period ended June 30, 2016 was none.

The total amount of repaid bonds for the three-month period ended June 30, 2015 was ¥20,000 million.
The total amount of issued bonds for the three-month period ended June 30, 2015 was none.

Loans
The loans executed for the three-month period ended June 30, 2016 include a subordinated syndicated loan of ¥350.0 billion (Maturity Date : June 15, 2076), whose prepayment will be enabled on and after June 15, 2023.

8. EQUITY

Changes in other components of equity for the three-month periods ended June 30, 2016 and 2015 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2016	Three-month period ended June 30, 2015
Financial Assets Measured at FVTOCI:		
Balance at beginning of period	¥ 80,427	¥ 318,810
Increase (decrease) during the period	(32,534)	17,180
Transfer to retained earnings	(1,044)	(4,911)
Balance at end of period	¥ 46,849	¥ 331,079
Remeasurements of Defined Benefit Pension Plans:		
Balance at beginning of period	¥ -	¥ -
Increase (decrease) during the period	(2,063)	901
Transfer to retained earnings	2,063	(901)
Balance at end of period	¥ -	¥ -
Foreign Currency Translation Adjustments:		
Balance at beginning of period	¥ 279,858	¥ 538,728
Increase (decrease) during the period	(196,993)	77,017
Balance at end of period	¥ 82,865	¥ 615,745
Cash Flow Hedges:		
Balance at beginning of period	¥ (42,330)	¥ (42,975)
Increase (decrease) during the period	(11,346)	413
Balance at end of period	¥ (53,676)	¥ (42,562)
Total:		
Balance at beginning of period	¥ 317,955	¥ 814,563
Increase (decrease) during the period	(242,936)	95,511
Transfer to retained earnings	1,019	(5,812)
Balance at end of period	¥ 76,038	¥ 904,262

9. DIVIDENDS

During the three-month periods ended June 30, 2016 and 2015, the Company paid dividends of ¥32 per share (total dividend of ¥57,368 million) and ¥32 per share (total dividend of ¥57,369 million), respectively.

10. EARNINGS PER SHARE

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the three-month periods ended June 30, 2016 and 2015:

	Three-month Period Ended June 30, 2016			Three-month Period Ended June 30, 2015		
	Profit (numerator)	Shares (denominator)	Per share amount	Profit (numerator)	Shares (denominator)	Per share amount
	Millions of Yen	In Thousands	Yen	Millions of Yen	In Thousands	Yen
Basic earnings per share attributable to owners of the parent:	¥ 61,145	1,792,509	¥ 34.11	¥ 96,937	1,792,523	¥ 54.08
Effect of dilutive securities:						
Adjustment of effect of:						
Dilutive securities of associated companies…	(10)	-		(3)	-	
Stock options…	-	514		-	264	
Diluted earnings per share attributable to owners of the parent:	¥ 61,135	1,793,023	¥ 34.10	¥ 96,934	1,792,787	¥ 54.07

11. CONTINGENT LIABILITIES

I. GUARANTEES

The companies provide various types of guarantees to the benefit of third parties and related parties principally to enhance their credit standings, and would be required to execute payments if a guaranteed party failed to fulfill its obligation with respect to a borrowing or trade payable.

The table below summarizes the maximum potential amount of future payments, amount outstanding and recourse provisions/collateral of the companies' guarantees as of June 30, 2016 and March 31, 2016. The maximum potential amount of future payments represents the amount without consideration of possible recoveries under recourse provisions or from collateral held or pledged that the companies could be obliged to pay if there were defaults by guaranteed parties. Such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications, and, in the aggregate, they greatly exceed anticipated losses.
The companies evaluate risks involved for each guarantee in an internal screening procedure before issuing a guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements. The companies believe that the likelihood to perform guarantees which would materially affect the consolidated financial position, operating result, or cash flows of the companies is remote at June 30, 2016.

	Millions of Yen			
	Maximum potential amount of future payments	**Amount outstanding (a)**	**Recourse provisions/ Collateral (b)**	**Net amount outstanding (a)-(b)**
June 30, 2016				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties.....	¥ 83,143	¥ 42,352	¥ 1,831	¥ 40,521
Guarantees for the investments accounted for using the equity method	760,363	457,942	99,872	358,070
Performance guarantees				
Guarantees for third parties.....	51,646	37,518	1,302	36,216
Guarantees for the investments accounted for using the equity method	41,562	34,653	4,206	30,447
Total..................................	¥ 936,714	¥ 572,465	¥ 107,211	¥ 465,254

	Millions of Yen			
	Maximum potential amount of future payments	**Amount outstanding (a)**	**Recourse provisions/ Collateral (b)**	**Net amount outstanding (a)-(b)**
March 31, 2016				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties.....	¥ 128,737	¥ 61,840	¥ 7,168	¥ 54,672
Guarantees for the investments accounted for using the equity method	802,899	478,570	88,201	390,369
Performance guarantees				
Guarantees for third parties.....	57,119	43,936	1,391	42,545
Guarantees for the investments accounted for using the equity method	43,025	36,492	4,605	31,887
Total..................................	¥ 1,031,780	¥ 620,838	¥ 101,365	¥ 519,473

Guarantees for third parties

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities. Most of these guarantees outstanding as of June 30, 2016 and March 31, 2016 will expire through 2023 and 2033, respectively.

Guarantees for the investments accounted for using the equity method

The companies, severally or jointly with others, issue guarantees for the investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing. Most of these guarantees outstanding as of June 30, 2016 and March 31, 2016 will expire through 2023 and 2019, respectively.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of June 30, 2016 and March 31, 2016.

	Millions of Yen	
	June 30, 2016	**March 31, 2016**
Within 1 year	¥ 264,711	¥ 294,292
After 1 to 5 years	433,242	481,755
After 5 years	238,761	255,733
Total	¥ 936,714	¥ 1,031,780

II. LITIGATION

Various claims and legal actions are pending against the companies in respect of contractual obligations and other matters arising out of the conduct of the companies' business. Appropriate provision has been recorded for the estimated loss on claims and legal actions. In the opinion of management, any additional liabilities will not materially affect the consolidated financial position, operating results, or cash flows of the companies.

12. FAIR VALUE MEASUREMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows. The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur.

Level 1:
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2:
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3:
Unobservable inputs for the asset or liability.

(1)Valuation techniques

Primary valuation techniques used for each financial instrument and non-financial asset measured at fair value are as follows:

Other Investments

- Other investments other than measured at amortized cost are measured at fair value.
- Publicly-traded Other investments are measured using quoted market prices and classified as level 1.
- Non-marketable Other investments are measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various

assumptions, including expected future cash flows and discount rates reflecting the related risks of the investee. The degree to which these inputs are observable in the relevant markets determines whether the investment is classified as level 2 or 3.

Derivative Instruments

- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments.
- Exchange-traded derivative commodity instruments measured using quoted market prices are classified as level 1. Certain derivative commodity instruments measured using observable inputs of the quoted prices obtained from the market, financial information providers, and brokers, are classified as level 2. Also, the derivative commodity instruments measured using unobservable inputs are classified as level 3.
- Derivative financial instruments are mainly measured by discounted cash flow analysis using foreign exchange and interest rates or quoted prices currently available for similar types of agreements and are classified as level 2.

Inventories

- Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value based on quoted prices with certain adjustment and classified as level 2. The amounts of costs to sell as of June 30, 2016 and March 31, 2016 were immaterial.

(2)Valuation process

The valuation process involved in level 3 measurements for each applicable asset and liability is governed by the model validation policy and related procedures pre-approved by appropriate personnel. Based on the policy and procedures, the personnel determine the valuation model to be utilized to measure each asset and liability at fair value. We engage independent external experts of valuation to assist in the valuation process for certain assets over a specific amount, and their results of valuations are reviewed by the responsible personnel. All of the valuations, including those performed by the external experts, are reviewed and approved by appropriate personnel.

(3)Assets and liabilities measured at fair value on a recurring basis

Information by fair value hierarchy

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and March 31, 2016 were as follows. No assets or liabilities were transferred between level 1 and 2 for the three-month period ended June 30, 2016 and for the year ended March 31, 2016.

	Millions of Yen				
June 30, 2016	**Fair value measurements using**				
	Level 1	**Level 2**	**Level 3**	**Netting adjustments***	**Total fair value**
Assets:					
Other investments:					
Financial assets measured at FVTPL	¥ 11,849	–	¥ 69,722		
Financial assets measured at FVTOCI	488,659	–	516,276		
Total other investments	¥ 500,508	–	¥ 585,998	–	¥ 1,086,506
Derivative assets:					
Foreign exchange contracts	–	¥ 131,712	–		
Interest rate contracts	–	92,268	–		
Commodity contracts	¥ 25,197	444,019	¥ 855		
Others	–	–	2,917		
Total derivative assets	¥ 25,197	¥ 667,999	¥ 3,772	¥ (388,918)	¥ 308,050
Inventories	–	¥ 121,304	–	–	¥ 121,304
Total assets	¥ 525,705	¥ 789,303	¥ 589,770	¥ (388,918)	¥ 1,515,860
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts	–	¥ 89,108	–		
Interest rate contracts	–	13,214	–		
Commodity contracts	¥ 26,563	433,239	¥ 916		
Others	–	–	1,960		
Total derivative liabilities	¥ 26,563	¥ 535,561	¥ 2,876	¥ (399,402)	¥ 165,598
Total liabilities	¥ 26,563	¥ 535,561	¥ 2,876	¥ (399,402)	¥ 165,598

March 31, 2016	Millions of Yen				
	Fair value measurements using				
	Level 1	Level 2	Level 3	Netting adjustments*	Total fair value
Assets:					
Other investments:					
Financial assets measured at FVTPL	¥ 13,460	–	¥ 67,567		
Financial assets measured at FVTOCI	533,428	–	561,011		
Total other investments	¥ 546,888	–	¥ 628,578	–	¥ 1,175,466
Derivative assets:					
Foreign exchange contracts	–	¥ 88,518	–		
Interest rate contracts	–	71,879	–		
Commodity contracts	¥ 25,327	542,293	¥ 550		
Others	–	–	3,392		
Total derivative assets	¥ 25,327	¥ 702,690	¥ 3,942	¥ (488,212)	¥ 243,747
Inventories	–	¥ 100,348	–	–	¥ 100,348
Total assets	¥ 572,215	¥ 803,038	¥ 632,520	¥ (488,212)	¥ 1,519,561
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts	–	¥ 70,096	–		
Interest rate contracts	–	12,101	–		
Commodity contracts	¥ 23,370	535,701	¥ 668		
Others	–	–	1,009		
Total derivative liabilities	¥ 23,370	¥ 617,898	¥ 1,677	¥ (508,576)	¥ 134,369
Total liabilities..	¥ 23,370	¥ 617,898	¥ 1,677	¥ (508,576)	¥ 134,369

*Amounts of netting adjustments include the net amount when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts as well as intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The reconciliation of financial assets measured at FVTOCI for the three-month period ended June 30, 2016 and 2015 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2016	**Three-month period ended June 30, 2015**
Balance at beginning of period	¥ 561,011	¥ 850,880
Other comprehensive income	(6,685)	(7,347)
Purchases	1,965	3,791
Sales	(2,616)	(1,681)
Transfers into Level 3	–	–
Transfers out of Level 3	–	–
Others (Note)	(37,399)	(3,626)
Balance at end of period	¥ 516,276	¥ 842,017

Note: "Others" includes the effect of changes in foreign exchange rates and in scope of consolidation.

Other comprehensive income related to financial assets measured at FVTOCI was included in "Financial assets measured at FVTOCI" in the Condensed Consolidated Statements of Comprehensive Income.

The reconciliation of financial assets measured at FVTPL for the three-month period ended June 30, 2016 and 2015 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2016	**Three-month period ended June 30, 2015**
Balance at beginning of period	¥ 67,567	¥ 36,446
Gains (losses)	(1,355)	9,664
Purchases	5,543	354
Sales	(800)	(186)
Transfers into Level 3	–	–
Transfers out of Level 3	–	(10,221)
Others (Note)	(1,233)	1,305
Balance at end of period	¥ 69,722	¥ 37,362
Net change in unrealized gains (losses) still held at end of period	¥ (1,355)	¥ (48)

Note: "Others" includes the effect of changes in foreign exchange rates and in scope of consolidation.

Gains (losses) related to financial assets measured at FVTPL was included in "Gain (loss) on securities and other investments—net" in the Condensed Consolidated Statements of Income.

Quantitative information about level 3 fair value measurements

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of June 30, 2016 and March 31, 2016 were as follows:

June 30, 2016	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	6.7%~17.4%

March 31, 2016	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	6.7%~17.4%

Information about sensitivity to changes in significant unobservable inputs

For recurring fair value measurements of financial assets measured at FVTOCI using the income approach, increases (decreases) in discount rates would result in a lower (higher) fair value.

(4) Fair value of non-current financial assets and liabilities

The fair values of non-current receivables with floating rates, including long-term loans receivable, and long-term debt with floating rates approximately equal their respective carrying amounts. The fair values of non-current receivables with fixed rate and long-term debt with fixed rate are estimated by discount cash flow analysis, using interest rates currently available for similar types of loans, accounts receivable and borrowings with similar terms and remaining maturities.

The fair values of financial instruments as of June 30, 2016 and March 31, 2016 were as follows. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts are approximately the same as their fair values on a reasonable basis.

	Millions of Yen			
	June 30, 2016		**March 31, 2016**	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current receivables				
Trade and other receivables and other financial assets (*).	¥ 545,267	¥ 546,117	¥ 541,560	¥ 542,582
Non-current liabilities				
Long-term debts, less current portion and other financial liabilities (*)	¥ 4,071,940	¥ 4,164,602	¥ 3,947,676	¥ 3,999,237

(*)The fair values of other financial assets and other financial liabilities approximate their respective carrying amounts.

Trade and other receivables include loans receivable. Long-term debts include borrowings and bonds.

13. SUBSEQUENT EVENTS

Significant borrowing

On August 9, 2016, the Company signed a subordinated syndicated loan agreement of ¥205.0 billion with its main life insurance companies. The maturity of the loan is 60 years and the prepayment will be enabled in and after 2028.

Stock options

The Company approved at the meeting of the Board of Directors held on July 13, 2016, to allot the stock option scheme as stock-based compensation with stock price conditions to the Company's Directors (excluding External Directors) and Executive Officers to purchase up to 362,700 shares of the Company's common stock in the period from July 29, 2019 to July 28, 2046 with payment due upon the exercise of offered subscription rights to shares being ¥1 per share.

14. AUTHORIZATION OF THE ISSUE OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The issue of Condensed Consolidated Financial Statements was authorized by Tatsuo Yasunaga, Representative Director, President and CEO, and Keigo Matsubara, Representative Director, Executive Managing Officer and CFO, on August 12, 2016.