Quarterly Securities Report

for the Nine-Month Period Ended December 31, 2017

English translation of certain items disclosed in the Quarterly Securities Report for the nine-month period ended December 31, 2017, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on February 13, 2018.

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 December 31, 2017 and 2016 and as of or for the year ended March 31, 2017

	In millions of Yen, except amounts per share and other				
	Nine-month period ended December 31, 2017	Nine-month period ended December 31, 2016	Three-month period ended December 31, 2017	Three-month period ended December 31, 2016	As of or for the year ended March 31, 2017
Consolidated financial data					
Revenue	¥ 3,653,010	¥ 3,175,776	¥ 1,258,977	¥ 1,143,640	¥ 4,363,969
Gross profit	¥ 609,906	¥ 508,181	¥ 205,965	¥ 182,153	¥ 719,295
Profit for the period attributable to owners of the parent	¥ 376,834	¥ 230,333	¥ 138,527	¥ 108,356	¥ 306,136
Comprehensive income for the period attributable to owners of the parent	¥ 566,077	¥ 365,421	¥ 279,511	¥ 494,698	¥ 503,025
Total equity attributable to owners of the parent	¥ -	¥ -	¥ 4,192,126	¥ 3,642,947	¥ 3,732,179
Total assets	¥ -	¥ -	¥ 11,861,630	¥ 11,657,969	¥ 11,501,013
Basic earnings per share attributable to owners of the parent (Yen)	¥ 213.63	¥ 128.50	¥ 78.53	¥ 60.45	¥ 171.20
Diluted earnings per share attributable to owners of the parent (Yen)	¥ 213.48	¥ 128.43	¥ 78.47	¥ 60.41	¥ 171.10
Equity attributable to owners of the parent ratio	-	-	35.34%	31.25%	32.45%
Cash flows from operating activities	¥ 402,980	¥ 221,047	¥ -	¥ -	¥ 404,171
Cash flows from investing activities	¥ (184,118)	¥ (244,204)	¥ -	¥ -	¥ (353,299)
Cash flows from financing activities	¥ (525,555)	¥ 98,113	¥ -	¥ -	¥ (50,265)
Cash and cash equivalents at end of period	¥ -	¥ -	¥ 1,209,753	¥ 1,585,518	¥ 1,503,820

(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 nine-month period ended December 31, 2017.

Effective April 1, 2017, the region-focused reporting segments were aggregated to product-focused reporting segments, and allocation of overhead costs and income taxes to reporting segments was changed. For details, see Note 5, "SEGMENT INFORMATION."

2. Operating and Financial Review and Prospects

1. Risk Factors

The following describes changes that occurred during the nine-month period ended December 31, 2017, in terms of risk factors in Annual Security Report for the fiscal year ended March 31, 2017.

Risks Associated with the Incorporation of Valepar S.A.

We had 15% share in Valepar S.A. ("Valepar"), a holding company of Vale S.A. ("Vale"). We have agreed that 1) conversion of Vale's preferred shares to common shares, 2) amendment to Vale bylaw and 3) incorporation of Valepar by Vale is to be executed subject to approval at Vale's extraordinary shareholders meeting and consent of at least 54.09% to the conversion of Vale's preferred shares to common shares, and Valepar has been incorporated by Vale on August 14, 2017.
Through this incorporation, we recognized ¥56.3 billion of profit from the difference between its book value of Valepar's shares and the fair value of its newly acquired Vale shares and ¥35.2 billion of the profit due to the reversal of deferred tax liabilities. A loss of ¥2.2 billion is included in Profit (Loss) of equity method investments for three-month period ended September 30, 2017.

For the nine-month period ended December 31, 2017, other than the changes described above, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2017.

2. Material Contracts

There are no contracts for which disclosure is required.

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 December 31, 2017, unless otherwise indicated.

(1) Operating Environment

In the global economy in the nine-month period ended December 31, 2017, a steady recovery continued in both developed countries and emerging countries supported by resilient spending and investment.

In the U.S., consumer spending continues to be firm supported by a favorable environment for employment and employee income. At the same time, tax reform is expected to drive capital investment. As such, economic recovery is expected to continue for the time being. In Europe as well, the economy is expected to continue to be firm following growth in spending and investment. Also, in Japan, consumer spending is expected to maintain a trend of recovery following improvement in the employment environment, and, driven by the firm global economy, increases are expected in exports and production. In addition, construction investment for the Olympic and Paralympic Games is in full swing. As such, economic recovery in Japan is expected to continue going forward. Meanwhile, although growth is expected to weaken in China in the medium term following an environment of excess capacity and adjustments of debts, future growth is expected in India due to the progress of economic reform such as the introduction of the Goods and Services Tax. Also, economic recovery is expected in Russia and Brazil due in part to a moderate increase in the price of international commodities.

The global economy is expected to follow a trend of gentle recovery going forward. However, careful watch continues to be needed on the future prospects for the U.S. economy, which has shown signs of maturity in some parts, and China's future policy trends, in addition to the escalation of geopolitical risk surrounding the Middle East and East Asia.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		3,653.0	3,175.8	+477.2
Gross Profit		609.9	508.2	+101.7
Selling, General and Administrative Expenses		(412.9)	(394.8)	(18.1)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments─Net	62.2	51.6	+10.6
	Impairment Reversal (Loss) of Fixed Assets─Net	(18.9)	(0.3)	(18.6)
	Gain (Loss) on Disposal or Sales of Fixed Assets─Net	14.9	5.1	+9.8
	Other Income (Expense)─Net	19.5	6.7	+12.8
	Provisioin Related to Multigrain Business	(30.4)	-	(30.4)
Finance Income (Costs)	Interest Income	24.5	24.3	+0.2
	Dividend Income	68.0	43.5	+24.5
	Interest Expense	(50.0)	(41.1)	(8.9)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		188.3	138.6	+49.7
Income Taxes		(80.8)	(98.5)	+17.7
Profit for the Period		394.2	243.2	+151.0
Profit for the Period Attributable to Owners of the Parent		376.8	230.3	+146.5

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

Revenue

Revenue from sales of products for the nine-month period ended December 31, 2017 (“current period”) was ¥3,212.4 billion, an increase of ¥423.6 billion from the corresponding nine-month period of the previous year (“previous period”), and revenue from rendering of services for the current period was ¥336.2 billion, an increase of ¥39.1 billion from the previous period. Furthermore, other revenue for the current period was ¥104.4 billion, an increase of ¥14.5 billion from the previous period.

Gross Profit

Mainly the Mineral & Metal Resources Segment, the Energy Segment and the Innovation & Corporate Development Segment reported an increase in gross profit, while the Chemicals Segment recorded a decline.

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

For the current period, a gain on securities was recorded in the Mineral & Metal Resources Segment, while a loss on securities was recorded in the Machinery & Infrastructure Segment. For the previous period, a gain on securities was recorded in the Mineral & Metal Resources Segment and the Lifestyle Segment.

Impairment Reversal (Loss) of Fixed Assets—Net
For the current period, an impairment loss on fixed assets was recorded in the Lifestyle Segment and the Machinery & Infrastructure Segment.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net
For the current period, a gain on disposal of fixed assets was recorded in the Lifestyle Segment and the Innovation & Corporate Development Segment.

Other Income (Expense)—Net
The Iron & Steel Products Segment recorded a valuation profit on the derivative in relation to a price adjustment clause for an investment in an equity accounted investee and exploration expenses declined mainly in the Energy Segment. Meanwhile, 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.

Provision Related to Multigrain Business
The Lifestyle Segment recorded a provision related to Multigrain business due to the deterioration of the business environment.

Finance Income (Costs)
Dividend Income
Mainly the Energy Segment reported an increase.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method
Mainly the Machinery & Infrastructure Segment, the Mineral & Metal Resources Segment and the Energy Segment recorded an increase.

Income Taxes
For the current period, deferred tax liabilities on the investment into Valepar S.A. were reversed. Furthermore, deferred tax liabilities on equity accounted investments were reversed upon receiving dividends from those investees, and deferred tax liabilities were reversed due to the U.S. tax reform. On the other hand, income taxes for the current period increased as profit before income taxes for the current period increased by ¥133.3 billion, and deferred tax assets on equity accounted investments as well as Multigrain Trading AG were reversed.
The effective tax rate for the current period was 17.0%, a decline of 11.8% from 28.8% for the previous period. The aforementioned reversal of deferred tax liabilities resulted in the decline, while the reversal of deferred tax assets caused the increase.

Profit for the Period Attributable to Owners of the Parent
Profit for the period attributable to owners of the parent was ¥376.8 billion, an increase of ¥146.5 billion from the previous period.

2) Operating Results by Operating Segment

Effective April 1, 2017, the region-focused reporting segments were aggregated into product-focused reporting segments, and the allocation of overhead costs and income taxes to reporting segments was changed. In accordance with the aforementioned changes, the operating segment information for the previous period has been restated to conform to the operating segments as of April 2017.

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	22.1	4.5	+17.6
Gross profit	33.3	25.3	+8.0
Profit (loss) of equity method investments	10.0	7.9	+2.1
Dividend income	2.2	2.5	(0.3)
Selling, general and administrative expenses	(24.2)	(25.4)	+1.2
Others	0.8	(5.8)	+6.6

● Gross profit increased mainly due to the following factor:
 ▷ Champions Cinco Pipe & Supply LLC reported an increase of ¥3.5 billion mainly due to market recovery.
● In addition to the above, the following factor also affected results:
 ▷ For the current period, a valuation profit on the derivative of ¥7.0 billion was recorded in relation to a price adjustment clause for the investment in Gestamp Automoción S.A.

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	229.3	100.0	+129.3
Gross profit	161.6	109.0	+52.6
Profit (loss) of equity method investments	48.5	36.3	+12.2
Dividend income	9.0	1.1	+7.9
Selling, general and administrative expenses	(24.3)	(23.5)	(0.8)
Others	34.5	(22.9)	+57.4

● Gross profit increased mainly due to the following factors:
 ▷ Coal mining operations in Australia reported an increase of ¥24.9 billion reflecting higher coal prices.
 ▷ Iron ore mining operations in Australia reported an increase of ¥22.5 billion due to higher iron ore prices.
● Profit (loss) of equity method investments increased mainly due to the following factors:
 ▷ Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported an increase of ¥6.1 billion, mainly due to a reversal of impairment loss.
 ▷ Robe River Mining Co. Pty. Ltd reported an increase of ¥3.7 billion mainly due to higher iron ore prices.
 ▷ BHP Billiton Mitsui Coal Pty Ltd. reported an increase of ¥3.5 billion reflecting higher coal prices.

▷ SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine, reported an improvement of ¥3.5 billion mainly due to higher copper prices.
▷ Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile, reported an increase of ¥3.5 billion mainly due to higher copper prices.
▷ Valepar S.A. declined by ¥7.5 billion mainly due to the incorporation by Vale S.A. in the three month period ended September 30, 2017.

● For the current period, a dividend from Vale S.A. of ¥4.1 billion was recorded.

● In addition to the above, the following factors also affected results:
▷ Following the incorporation of Valepar S.A. by Vale S.A., the Mineral & Metal Resources Business Unit reported a gain on securities of ¥56.3 billion and the reversal of deferred tax liability of ¥35.2 billion for the taxable temporary differences on the investment in Valepar S.A.
▷ For the current period, following the dividend received from Inner Mongolia Erdos Electric Power & Metallurgical Ltd, the reversal of deferred tax liability for the taxable temporary differences on the equity accounted investment was reported.
▷ For the previous period, 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.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	79.0	51.9	+27.1
Gross profit	91.9	84.5	+7.4
Profit (loss) of equity method investments	80.7	60.5	+20.2
Dividend income	2.7	2.4	+0.3
Selling, general and administrative expenses	(90.5)	(85.2)	(5.3)
Others	(5.8)	(10.3)	+4.5

● Gross profit increased mainly due to the following factor:
▷ Mitsui & Co. Plant Systems, Ltd. reported an increase of ¥3.1 billion reflecting a higher volume of sales in the electricity business.

● Profit (loss) of equity method investments increased mainly due to the following factors:
▷ IPP businesses recorded an increase of ¥24.0 billion.
◇ For the current period, ¥20.3 billion in gains on the sales of interests in the UK IPP business were recorded.
◇ For the previous period, a loss in relation to closure of a power plant in Australia was recorded.
◇ Mark-to-market valuation losses, such as those on long-term derivative contracts, were improved by ¥2.9 billion to ¥0.2 billion from ¥3.1 billion for the previous period.
◇ The IPP business in Indonesia recorded a decline of tax burden due to the Indonesian tax reform for the previous period, while it recorded a ¥3.9 billion gain due to its refinance for the current period.
▷ Penske Automotive Group, Inc. recorded an increase of ¥3.3 billion mainly due to the U.S. tax reform.
▷ For the current period, reserves of ¥5.3 billion for financing projects in Latin America were recorded.
▷ For the current period, a loss was recorded at an equity accounted investee due to an anticipated deterioration of overseas project.

● In addition to the above, the following factors also affected results:

▷ For the current period, following the dividend received from the IPP project, the reversal of deferred tax liability for the taxable temporary differences on the equity accounted investment was reported.

▷ For the current period, an impairment loss of ¥4.9 billion on fixed assets was recorded in relation to container terminal development and operation.

▷ For the current period, a financing subsidiary of the IPP business in Indonesia recorded a loss of ¥4.1 billion due to the refinance.

▷ For the current period, a holding company for UK IPP business recorded a valuation loss of ¥3.5 billion on securities, following the sales of the interests.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	27.5	24.6	+2.9
Gross profit	104.1	109.5	(5.4)
Profit (loss) of equity method investments	7.8	2.1	+5.7
Dividend income	1.9	1.7	+0.2
Selling, general and administrative expenses	(73.0)	(69.2)	(3.8)
Others	(13.3)	(19.5)	+6.2

● Gross profit declined mainly due to the following factor:

▷ Novus International, Inc. reported a decline of ¥15.4 billion mainly due to lower methionine prices.

● Profit (loss) of equity method investments increased mainly due to the following factor:

▷ International Methanol Company reported an increase of ¥3.0 billion mainly due to higher methanol prices.

● In addition to the above, the following factor also affected results:

▷ For the current period, Intercontinental Terminals Company LLC reported a gain of ¥8.2 billion due to a reversal of deferred tax liabilities upon the U.S. tax reform.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	35.0	23.6	+11.4
Gross profit	68.1	43.4	+24.7
Profit (loss) of equity method investments	16.8	10.1	+6.7
Dividend income	44.3	27.3	+17.0
Selling, general and administrative expenses	(31.8)	(31.5)	(0.3)
Others	(62.4)	(25.7)	(36.7)

● Gross profit increased mainly due to the following factors:

▷ Mitsui E&P USA LLC reported an increase of ¥8.8 billion mainly due to higher gas prices.

▷ Mitsui Oil Exploration Co., Ltd. recorded an increase of ¥8.3 billion mainly due to foreign currency fluctuation and cost reductions.

▷ Mitsui E&P Australia Pty Ltd reported an increase of ¥4.2 billion mainly due to higher crude oil prices and an increase in production.

▷ MEP Texas Holdings LLC reported an increase of ¥4.0 billion mainly due to higher crude oil prices.

▷ Mitsui E&P Middle East B.V. reported an increase of ¥3.9 billion mainly due to higher crude oil prices and an increase in production.

● Profit of equity method investment increased mainly due to the following factor:

▷ Japan Australia LNG (MIMI) Pty. Ltd. reported an increase due to higher crude oil prices.

● Dividends from six LNG projects (Sakhalin II, Abu Dhabi, Qatargas 1, Oman, Qatargas 3 and Equatorial Guinea) were ¥43.1 billion in total, an increase of ¥17.5 billion from the previous period.

● In addition to the above, the following factors also affected results:

▷ For the current period, MEPUS Holdings LLC, a holding company of U.S. shale gas and oil production business, reported a loss of ¥15.0 billion due to a reversal of deferred tax assets following the U.S. tax reform.

▷ For the current period, exploration expenses of ¥4.5 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous period, exploration expenses of ¥6.1 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit (loss) for the period attributable to owners of the parent	(26.7)	27.3	(54.0)
Gross profit	107.1	104.4	+2.7
Profit (loss) of equity method investments	18.3	19.1	(0.8)
Dividend income	4.0	4.1	(0.1)
Selling, general and administrative expenses	(112.5)	(103.3)	(9.2)
Others	(43.6)	3.0	(46.6)

● Gross profit increased mainly due to the following factors:

▷ XINGU AGRI AG reported an increase of ¥5.0 billion mainly due to the reversal effect of the drought in the previous period.

▷ Multigrain Trading AG reported a decline of ¥4.2 billion mainly due to the poor performance of the origination and merchandising business.

● Profit (loss) of equity method investments declined mainly due to the following factor:

▷ Ventura Foods LLC reported a decline of ¥3.3 billion mainly due to the poor performance of the edible oil products business.

● In addition to the above, the following factors also affected results:

▷ For the current period, Multigrain Trading AG recorded a provision of ¥32.5 billion due to the deterioration of the business environment and tax expenses of ¥8.6 billion mainly resulting from the reversal of deferred tax assets.

▷ For the previous 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 current period, XINGU AGRI AG recorded an impairment loss on fixed assets of ¥10.9 billion due to a decline in the value of land.

▷ For the current period, Mitsui & Co. Real Estate Ltd. recorded a gain on the sales of buildings in Japan.

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	5.3	6.9	(1.6)
Gross profit	41.5	30.4	+11.1
Profit (loss) of equity method investments	6.4	2.9	+3.5
Dividend income	2.6	3.1	(0.5)
Selling, general and administrative expenses	(37.8)	(37.2)	(0.6)
Others	(7.4)	7.7	(15.1)

● Gross profit increased mainly due to the following factors:

▷ A ¥12.7 billion gain was recorded due to the valuation gains of fair value on shares for the current period in Hutchison China MediTech Ltd.

▷ An increase in gross profit corresponding to a deterioration of ¥4.5 billion in foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current period and in the previous period.

▷ For the current period, a ¥6.5 billion loss was recorded due to the valuation losses of fair value on shares of a high speed mobile data network operator in developing countries.

● In addition to the above, the following factors also affected results:

▷ For the current period and for the previous period, foreign exchange losses of ¥1.0 billion and profits of ¥3.5 billion were posted, respectively, in other expense in relation to the commodity derivatives trading business.

▷ For the current period, a gain on the sales of warehouses in Japan was recorded.

(3) **Financial Condition and Cash Flows**

1) Financial Condition

(Billions of yen)	December 31, 2017	March 31, 2017	Change
Total Assets	11,861.6	11,501.0	+360.6
Current Assets	4,530.0	4,474.7	+55.3
Non-current Assets	7,331.6	7,026.3	+305.3
Current Liabilities	2,731.0	2,524.0	+207.0
Non-current Liabilities	4,667.0	4,986.9	(319.9)
Net Interest-bearing Debt	*3,163.9*	*3,282.1*	*(118.2)*
Total Equity Attributable to Owners of the Parent	4,192.1	3,732.2	+459.9
Net Debt-to-Equity Ratio (times) (*)	0.75	0.88	(0.13)

(*) 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

Assets

Current Assets:

● Cash and cash equivalents declined by ¥294.0 billion, mainly due to repayment of debt.

● Trade and other receivables increased by ¥173.2 billion, mainly because December 31, 2017 fell under the financial institutions' holiday and trading volume increased in the Mineral & Metal Resources Segment, the Energy Segment, and the Lifestyle Segment.

● Other financial assets increased by ¥67.5 billion, mainly due to price fluctuations and an increase in trading volume of the commodity derivatives trading business in the Innovation & Corporate Development Segment and oil trading business in the Energy Segment, as well as an increase in accrued income from infrastructure usage in iron ore mining operations in Australia.

● Advance payments to suppliers increased by ¥75.0 billion, mainly due to an increase in trading volume in the Machinery & Infrastructure Segment.

Non-current Assets:

● Investments accounted for using the equity method declined by ¥146.3 billion, mainly due to the following factors:

▷ A decline of ¥250.8 billion corresponding to the incorporation of Valepar S.A. by Vale S.A.;

▷ An increase of ¥48.3 billion due to an additional acquisition of a stake in Penske Truck Leasing Co., L.P., which is engaged in truck leasing and rental business in North America;

▷ An increase of ¥12.7 billion due to an investment in Cameron LNG Holdings, LLC, which is engaged in the natural gas liquefaction business in the U.S.;

▷ An increase of ¥34.4 billion resulting from foreign currency exchange fluctuations; and

▷ An increase of ¥188.3 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥230.0 billion due to dividends received from equity accounted investees.

● Other investments increased by ¥575.1 billion, mainly due to the following factors:
  ▷ An increase of ¥307.1 billion corresponding to the incorporation of Valepar S.A. by Vale S.A.;
  ▷ Fair value on financial assets measured at FVTOCI increased by ¥211.8 billion mainly due to higher share prices; and
  ▷ An increase of ¥14.2 billion due to an investment in the Russian pharmaceutical company JSC R-Pharm.
● Trade and other receivables (Non-Current) declined by ¥59.4 billion, mainly due to the following factors:
  ▷ A decline of ¥28.0 billion due to collection of loan to the IPP business in Indonesia;
  ▷ A decline of ¥19.4 billion due to collection of loan to SUMIC Nickel Netherlands, an investment company for overseas Nickel businesses; and
  ▷ An increase of ¥15.0 billion due to execution of loan to the offshore energy business.
● Property, plant and equipment declined by ¥29.8 billion. Shale gas and oil projects in the U.S. declined by ¥24.2 billion (including a foreign exchange translation gain of ¥0.9 billion), mainly due to partial sale of interest in the Marcellus Shale Gas Project.
● Deferred tax assets declined by ¥39.0 billion, mainly due to a reduction in the corporate tax rate following the U.S. tax reform.

<u>Liabilities</u>

Current Liabilities:

● Short-term debt declined by ¥78.5 billion, mainly due to repayment of debt. Meanwhile, the current portion of long-term debt increased by ¥30.5 billion, mainly due to reclassification to current maturities, despite repayment of debt.
● Trade and other payables increased by ¥140.0 billion, corresponding to the increase in trade and other receivables. Furthermore, advances from customers increased by ¥68.4 billion, corresponding to the increase in advance payments to suppliers.

Non-current Liabilities:

● Long-term debt, less the current portion declined by ¥353.2 billion, mainly due to reclassification to current maturities and repayment of debt.
● Provisions increased by ¥19.0 billion, mainly due to the recording of a provision related to Multigrain business.
● Deferred tax liabilities increased by ¥12.8 billion, mainly due to the increase in financial assets measured at FVTOCI corresponding to higher share prices, despite the reversal of deferred tax liability for the retained earnings of Valepar S.A. corresponding to the incorporation of Valepar S.A. by Vale S.A., the reversal of deferred tax liability on undistributed profits corresponding to receipt of dividend from the equity accounted investees which are engaged in the IPP business, and a reduction in the corporate tax rate following the U.S. tax reform.

<u>Total Equity Attributable to Owners of the Parent</u>

● Retained earnings increased by ¥274.2 billion.
● Other components of equity increased by ¥186.5 billion, mainly due to the following factors:
  ▷ Financial assets measured at FVTOCI increased by ¥157.3 billion, mainly due to higher share prices.
  ▷ Foreign currency translation adjustments increased by ¥29.1 billion, mainly reflecting the appreciation of the Australian dollar against the Japanese yen.

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	403.0	221.0	+182.0
Cash Flows from Investing Activities	(184.1)	(244.2)	+60.1
Free Cash Flow	218.9	(23.2)	+242.1
Cash Flows from Financing Activities	(525.6)	98.1	(623.7)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	12.6	19.8	(7.2)
Change in Cash and Cash Equivalents	(294.1)	94.7	(388.8)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash Flows from Operating Activities	a	403.0	221.0	+182.0
Cash Flows from Change in Working Capital	b	(146.6)	(127.9)	(18.7)
Core Operating Cash Flow	a-b	549.6	348.9	+200.7

● Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥146.6 billion of net cash outflow mainly due to the effects of an increase in trade and other receivables. 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 ¥549.6 billion.
  - ▷ Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥290.1 billion, an increase of ¥134.3 billion from ¥155.8 billion for the previous period.
  - ▷ Depreciation and amortization for the current period was ¥146.8 billion, a decline of ¥0.3 billion from ¥147.1 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	19.3	(0.3)	+19.6
Mineral & Metal Resources	174.2	135.8	+38.4
Machinery & Infrastructure	128.8	52.0	+76.8
Chemicals	36.6	41.4	(4.8)
Energy	146.0	101.1	+44.9
Lifestyle	13.1	9.3	+3.8
Innovation & Corporate Development	5.7	0.9	+4.8
All Other and Adjustments and Eliminations	25.9	8.7	+17.2
Consolidated Total	549.6	348.9	+200.7

Cash Flows from Investing Activities

● Net cash outflows that corresponded to investments in equity accounted investees (net of sales of investments in equity accounted investees) were ¥114.4 billion, mainly due to the following factors:

- ▷ An additional acquisition of a stake in Penske Truck Leasing Co., L.P., which is engaged in the truck leasing and rental business in North America, for ¥48.3 billion;
- ▷ An investment in Cameron LNG Holdings, LLC, which is engaged in the natural gas liquefaction business in the U.S., for ¥12.7 billion; and
- ▷ An investment in CIM Group, LLC for ¥10.1 billion.

● Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥32.0 billion, mainly due to the following factors:
- ▷ An investment in the Russian pharmaceutical company JSC R-Pharm for ¥22.0 billion; and
- ▷ An acquisition of a healthcare staffing project in the U.S. for ¥13.3 billion.

● Net cash inflows that corresponded to collections of loan receivables (net of increases in loan receivables) were ¥67.6 billion, mainly due to the following factors:
- ▷ Collection of loan to the IPP business in Indonesia for ¥28.0 billion;
- ▷ Collection of loan to SUMIC Nickel Netherlands, an investment company for overseas Nickel businesses for ¥19.4 billion;
- ▷ Collection of loan corresponding to the sales of the interest in UK First Hydro power assets for ¥18.4 billion; and
- ▷ Execution of loan to the offshore energy business for ¥13.4 billion.

● Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥101.6 billion, mainly due to the following factors:
- ▷ An expenditure for the oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥58.5 billion;
- ▷ An expenditure for iron ore mining operations in Australia for ¥10.9 billion;
- ▷ An expenditure for coal mining operations in Australia for ¥10.9 billion; and
- ▷ A partial sale of interest in the Marcellus Shale Gas Project for ¥15.8 billion.

● Net cash inflows that corresponded to sales of investment property (net of purchases of investment property) were ¥7.3 billion. The major cash inflows included a sale of buildings in Japan by Mitsui & Co. Real Estate Ltd. for ¥10.5 billion.

Cash Flows from Financing Activities

● Net cash outflows from net change in short-term debt and long-term debt was ¥83.9 billion and ¥329.7 billion, respectively, mainly due to the repayment of debt.

● The cash outflow from payments of cash dividends was ¥105.8 billion.

(4) Management Issues

1) Forecasts for the Year Ending March 31, 2018

<Assumption>	3Q (Actual)	4Q (Forecast)	Revised Forecast	Previous Forecast
Exchange rate (JPY/USD)	111.78	110	110.34	110.65
Crude oil (JCC)	$54/bbl	$59/bbl	$55/bbl	$51/bbl
Consolidated oil price	$53/bbl	$56/bbl	$54/bbl	$51/bbl

(Billions of yen)

	Revised Forecast	Previous Forecast	Change	Description
Gross profit	780.0	760.0	+20.0	Higher coal and crude oil price
Selling, general and administrative expenses	(550.0)	(550.0)	0.0	
Gain on investments, fixed assets and other	50.0	50.0	0.0	
Interest expenses	(30.0)	(30.0)	0.0	
Dividend income	80.0	70.0	+10.0	LNG projects
Profit (loss) of equity method investments	240.0	240.0	0.0	
Profit before income taxes	570.0	540.0	+30.0	
Income taxes	(110.0)	(120.0)	+10.0	U.S. tax reform
Non-controlling Interests	(20.0)	(20.0)	0.0	
Profit for the year attributable to owners of the parent	440.0	400.0	+40.0	
Depreciation and amortization	200.0	200.0	0.0	
Core operating cash flow	670.0	600.0	+70.0	

We assume foreign exchange rates for the three-month period ending March 31, 2018 will be ¥110/US$, ¥85/AU$ and ¥35/BRL, while average foreign exchange rates for the nine-month period ended December 31, 2017 were ¥111.78/US$, ¥86.24/AU$ and ¥34.63/BRL. Also, we assume the annual average crude oil price applicable to our financial results for the year ending March 31, 2018 will be US$54/barrel, up US$3 from the previous assumption, based on the assumption that the crude oil price (JCC) will average US$59/barrel throughout the three-month period ending March 31, 2018.

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, 2018 Revised Forecast	Year ending March 31, 2018 Previous Forecast	Change	Description
Iron & Steel Products	25.0	15.0	+10.0	Valuation gain on derivative
Mineral & Metal Resources	270.0	250.0	+20.0	Higher coal price, tax effect on equity accounted investee
Machinery & Infrastructure	90.0	90.0	0.0	
Chemicals	35.0	30.0	+5.0	U.S. tax reform
Energy	45.0	55.0	(10.0)	U.S. tax reform, higher LNG dividend
Lifestyle	(20.0)	(30.0)	+10.0	Tax effect on equity accounted investee
Innovation & Corporate Development	5.0	10.0	(5.0)	Valuation loss
All Other and Adjustments and Eliminations	(10.0)	(20.0)	+10.0	U.S. tax reform
Consolidated Total	440.0	400.0	+40.0	

The revised forecast for core operation cash flow by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2018 Revised Forecast	Year ending March 31, 2018 Previous Forecast	Change	Description
Iron & Steel Products	25.0	15.0	+10.0	Valuation gain on derivative
Mineral & Metal Resources	235.0	210.0	+25.0	Higher dividend from equity accounted investee, higher coal price
Machinery & Infrastructure	160.0	150.0	+10.0	Higher dividend from equity accounted investee
Chemicals	50.0	50.0	0.0	
Energy	175.0	150.0	+25.0	Cost reduction/increase in production volume, higher LNG dividend
Lifestyle	10.0	10.0	0.0	
Innovation & Corporate Development	5.0	5.0	0.0	
All Other and Adjustments and Eliminations	10.0	10.0	0.0	
Consolidated Total	670.0	600.0	+70.0	

2) Key commodity prices and other parameters for the year ending March 31, 2018

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2018. 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, 2018 (Announced in May 2017)			Previous Forecast (Announced in Nov 2017)		March 2018			Revised Forecast (Announced in Feb 2018)
					1-3Q (Result)	4Q (Assumption)		
Commodity	Crude Oil/JCC	¥ 2.8 bn (US$1/bbl)	51		54	59		55
	Consolidated Oil Price(*1)		51		53	56		54
	U.S. Natural Gas(*2)	¥ 0.4 bn (US$0.1/mmBtu)	3.05		3.06(*3)	2.93(*4)		3.03
	Iron Ore	¥ 2.5 bn (US$1/ton)	(*5)	→	66(*6)	(*5)	→	(*5)
	Copper	¥ 1.0 bn (US$100/ton)	6,079		5,948(*7)	6,808		6,163
Forex (*8)	USD	¥ 2.0 bn (¥1/USD)	110.65		111.78	110		111.34
	AUD	¥ 1.7 bn (¥1/AUD)	86.52		86.24	85		85.93
	BRL	¥ 0.4 bn (¥1/BRL)	34.88		34.63	35		34.72

(*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, 2018, 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, 38%; no time lag, 31%.

(*2) US natural gas is 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 2017 to September 2017.

(*4) For natural gas sold in the US on HH linked prices, the assumed HH price used is US$2.93/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 2017 to December 2017

(*7) Average of LME cash settlement price during January 2017 to September 2017

(*8) Impact of currency fluctuation on profit for the year attributable to owners of the parent of overseas subsidiaries and equity accounted investees (denomination in functional currency) against the Japanese yen. Impact of currency fluctuation between their functional currencies against revenue currencies and exchange rate hedging are not included.

3) Profit Distribution Policy

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

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

For the period of the Medium-term Management Plan, we have established a target minimum annual dividend amount of ¥100 billion, based on our assessment of achievable stable core operating cash flow, with the aim of ensuring a certain level of return to shareholders regardless of changes in the external environment. While our principal intention is to steadily increase dividends through improvements in corporate performance, we will also consider flexible ways to address shareholder compensation, provided that sufficient retained earnings is secured for future business development.

For the year ending March 31, 2018, we currently envisage an annual dividend of ¥70 per share (including the interim dividend of ¥30 per share), a ¥15 increase from the year ended March 31, 2017, taking into consideration of core operating cash flow and profit for the year attributable to owners of the parent as well as stability and continuity of the amount of dividend.

(5) Research & Development

There are no contracts for which disclosure is required.

3. Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Financial Position
Mitsui & Co., Ltd. and subsidiaries
December 31, 2017 and March 31, 2017

	Millions of Yen			
		December 31, 2017		March 31, 2017
ASSETS				
Current Assets:				
Cash and cash equivalents	¥	1,209,753	¥	1,503,820
Trade and other receivables (Note 4)		1,912,635		1,739,402
Other financial assets (Note 13)		335,236		267,680
Inventories (Note 13)		629,324		589,539
Advance payments to suppliers		300,434		225,442
Other current assets		142,605		148,865
Total current assets		4,529,987		4,474,748
Non-current Assets:				
Investments accounted for using the equity method (Note 16)		2,595,409		2,741,741
Other investments (Note 13 and 16)		1,912,324		1,337,164
Trade and other receivables(Note 13)		417,681		477,103
Other financial assets (Note 13)		149,624		145,319
Property, plant and equipment (Note 6)		1,793,721		1,823,492
Investment property (Note 6)		177,527		179,789
Intangible assets		173,984		168,677
Deferred tax assets		53,590		92,593
Other non-current assets		57,783		60,387
Total non-current assets		7,331,643		7,026,265
Total assets	¥	11,861,630	¥	11,501,013

Condensed Consolidated Statements of Financial Position—(Continued)
Mitsui & Co., Ltd. and subsidiaries
December 31, 2017 and March 31, 2017

	Millions of Yen	
	December 31, 2017	March 31, 2017
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term debt	¥ 226,128	¥ 304,563
Current portion of long-term debt (Note 8)	418,762	388,347
Trade and other payables (Note 4)	1,343,722	1,203,707
Other financial liabilities (Notes 12 and 13)	329,809	315,986
Income tax payables	64,652	52,177
Advances from customers	280,528	212,142
Provisions (Note 17)	25,087	13,873
Other current liabilities	42,339	33,172
Total current liabilities	2,731,027	2,523,967
Non-current Liabilities:		
Long-term debt, less current portion (Notes 8 and 13)	3,755,510	4,108,674
Other financial liabilities (Notes 12 and 13)	107,361	111,289
Retirement benefit liabilities	67,241	60,358
Provisions (Note 17)	215,714	196,718
Deferred tax liabilities	494,208	481,358
Other non-current liabilities	26,929	28,487
Total non-current liabilities	4,666,963	4,986,884
Total liabilities	7,397,990	7,510,851
Equity:		
Common stock	341,482	341,482
Capital surplus	408,776	409,528
Retained earnings	2,824,292	2,550,124
Other components of equity (Note 9)	671,935	485,447
Treasury stock	(54,359)	(54,402)
Total equity attributable to owners of the parent	4,192,126	3,732,179
Non-controlling interests	271,514	257,983
Total equity	4,463,640	3,990,162
Total liabilities and equity	¥ 11,861,630	¥ 11,501,013

Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income
Mitsui & Co., Ltd. and subsidiaries
For the Nine-Month Periods Ended December 31, 2017 and 2016

	Millions of Yen	
	Nine-month Period Ended December 31, 2017	Nine-month Period Ended December 31, 2016
Revenue (Note 5 and 13):		
Sale of products	¥ 3,212,425	¥ 2,788,780
Rendering of services	336,247	297,144
Other revenue	104,338	89,852
Total revenue	3,653,010	3,175,776
Cost:		
Cost of products sold	(2,855,591)	(2,501,575)
Cost of services rendered	(142,074)	(125,745)
Cost of other revenue	(45,439)	(40,275)
Total cost	(3,043,104)	(2,667,595)
Gross Profit	609,906	508,181
Other Income (Expenses):		
Selling, general and administrative expenses	(412,871)	(394,790)
Gain (loss) on securities and other investments—net (Note 13 and 16)	62,185	51,556
Impairment reversal (loss) of fixed assets—net (Note 7)	(18,858)	(300)
Gain (loss) on disposal or sales of fixed assets—net	14,906	5,116
Provision related to Multigrain business(Note 17)	(30,432)	−
Other income (expense)—net	19,457	6,657
Total other income (expenses)	(365,613)	(331,761)
Finance Income (Costs):		
Interest income	24,497	24,314
Dividend income	67,973	43,513
Interest expense	(49,993)	(41,115)
Total finance income (costs)	42,477	26,712
Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Note 5 and 16)	188,270	138,574
Profit before Income Taxes	475,040	341,706
Income Taxes(Note 15 and 16)	(80,825)	(98,477)
Profit for the Period	¥ 394,215	¥ 243,229
Profit for the Period Attributable to:		
Owners of the parent	¥ 376,834	¥ 230,333
Non-controlling interests	17,381	12,896

	Yen	
Earnings per Share Attributable to Owners of the Parent (Note 11):		
Basic	¥ 213.63	¥ 128.50
Diluted	¥ 213.48	¥ 128.43

Condensed Consolidated Statements of Income and Comprehensive Income—(Continued)

Condensed Consolidated Statements of Comprehensive Income

Mitsui & Co., Ltd. and subsidiaries

For the Nine-Month Periods Ended December 31, 2017 and 2016

	Millions of Yen	
	Nine-month Period Ended December 31, 2017	Nine-month Period Ended December 31, 2016
Comprehensive Income:		
Profit for the period	¥ 394,215	¥ 243,229
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	215,342	135,435
Remeasurements of defined benefit pension plans	(1,127)	(1,896)
Share of other comprehensive income of investments accounted for using the equity method	4,544	(2,031)
Income tax relating to items not reclassified	(56,398)	(38,446)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	585	9,488
Cash flow hedges	4,700	11,490
Share of other comprehensive income of investments accounted for using the equity method	40,875	7,778
Income tax relating to items that may be reclassified	(15,048)	18,014
Total other comprehensive income	193,473	139,832
Comprehensive Income for the Period	¥ 587,688	¥ 383,061
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 566,077	¥ 365,421
Non-controlling interests	21,611	17,640

Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended December 31, 2017 and 2016

	Millions of Yen	
	Three-month Period Ended December 31, 2017	Three-month Period Ended December 31, 2016
Revenue (Note 5 and 13):		
Sale of products	¥ 1,104,270	¥ 1,016,233
Rendering of services	115,710	103,936
Other revenue	38,997	23,471
Total revenue	1,258,977	1,143,640
Cost:		
Cost of products sold	(987,760)	(905,773)
Cost of services rendered	(49,856)	(43,977)
Cost of other revenue	(15,396)	(11,737)
Total cost	(1,053,012)	(961,487)
Gross Profit	205,965	182,153
Other Income (Expenses):		
Selling, general and administrative expenses	(141,284)	(136,457)
Gain (loss) on securities and other investments—net (Note 13)	3,210	33,140
Impairment reversal (loss) of fixed assets—net (Note 7)	(10,160)	0
Gain (loss) on disposal or sales of fixed assets—net	2,993	4,425
Reversal of provision related to Multigrain business	1,094	–
Other income (expense)—net	11,191	12,862
Total other income (expenses)	(132,956)	(86,030)
Finance Income (Costs):		
Interest income	9,476	9,578
Dividend income	36,047	25,292
Interest expense	(16,627)	(15,070)
Total finance income (costs)	28,896	19,800
Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Note 5)	61,104	39,761
Profit before Income Taxes	163,009	155,684
Income Taxes (Note 15)	(17,514)	(41,441)
Profit for the Period	¥ 145,495	¥ 114,243
Profit for the Period Attributable to:		
Owners of the parent	¥ 138,527	¥ 108,356
Non-controlling interests	6,968	5,887

	Yen	
Earnings per Share Attributable to Owners of the Parent (Note 11):		
Basic	¥ 78.53	¥ 60.45
Diluted	¥ 78.47	¥ 60.41

Condensed Consolidated Statements of Income and Comprehensive Income—(Continued)

Condensed Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended December 31, 2017 and 2016

	Millions of Yen	
	Three-month Period Ended December 31, 2017	**Three-month Period Ended December 31, 2016**
Comprehensive Income:		
Profit for the period	¥ 145,495	¥ 114,243
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	193,152	121,178
Remeasurements of defined benefit pension plans	(1,215)	2,754
Share of other comprehensive income of investments accounted for using the equity method	1,722	(1,241)
Income tax relating to items not reclassified	(49,642)	(37,553)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(2,844)	66,018
Cash flow hedges	2,520	13,712
Share of other comprehensive income of investments accounted for using the equity method	4,338	255,145
Income tax relating to items that may be reclassified	(5,169)	(13,417)
Total other comprehensive income	142,862	406,596
Comprehensive Income for the Period	¥ 288,357	¥ 520,839
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 279,511	¥ 494,698
Non-controlling interests	8,846	26,141

Condensed Consolidated Statements of Changes in Equity

Mitsui & Co., Ltd. and subsidiaries

For the Nine-Month Periods Ended December 31, 2017 and 2016

	Attributable to owners of the parent							
Millions of Yen	**Common Stock**	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity (Note 9)**	**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			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)	(35,729)
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

	Attributable to owners of the parent							
Millions of Yen	**Common Stock**	**Capital Surplus**	**Retained Earnings**	**Other Components of Equity (Note 9)**	**Treasury Stock**	**Total**	**Non-controlling Interests**	**Total Equity**
Balance as at April 1, 2017	¥ 341,482	¥ 409,528	¥ 2,550,124	¥ 485,447	¥ (54,402)	¥ 3,732,179	¥ 257,983	¥ 3,990,162
Profit for the period			376,834			376,834	17,381	394,215
Other comprehensive income for the period				189,243		189,243	4,230	193,473
Comprehensive income for the period						566,077	21,611	587,688
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥60)			(105,844)			(105,844)		(105,844)
Dividends paid to non-controlling interest shareholders							(14,140)	(14,140)
Acquisition of treasury stock					(16)	(16)		(16)
Sales of treasury stock		(29)	(30)		59	0		0
Compensation costs related to stock options		247				247		247
Equity transactions with non-controlling interest shareholders		(970)		453		(517)	6,060	5,543
Transfer to retained earnings			3,208	(3,208)		-		-
Balance as at December 31, 2017	¥ 341,482	¥ 408,776	¥ 2,824,292	¥ 671,935	¥ (54,359)	¥ 4,192,126	¥ 271,514	¥ 4,463,640

Condensed Consolidated Statements of Cash Flows

Mitsui & Co., Ltd. and subsidiaries

For the Nine-Month Periods Ended December 31, 2017 and 2016

	Millions of Yen	
	Nine-month Period Ended December 31, 2017	Nine-month Period Ended December 31, 2016
Operating Activities:		
Profit for the period	¥ 394,215	¥ 243,229
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	146,816	147,100
Change in retirement benefit liabilities	3,844	(1,264)
Provision for doubtful receivables	4,472	5,153
Provision related to Multigrain business	30,432	-
(Gain) loss on securities and other investments—net	(62,185)	(51,556)
Impairment (reversal) loss of fixed assets—net	18,858	300
(Gain) loss on disposal or sales of fixed assets—net	(14,906)	(5,116)
Finance (income) costs	(39,395)	(21,966)
Income taxes	80,825	98,477
Share of (profit) loss of investments accounted for using the equity method	(188,270)	(138,574)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(223,600)	(101,113)
Change in inventories	(28,262)	(63,861)
Change in trade and other payables	128,638	114,806
Other—net	(23,396)	(77,702)
Interest received	25,859	20,742
Interest paid	(53,628)	(49,352)
Dividends received	290,079	155,782
Income taxes paid	(113,819)	(82,369)
Income taxes refunded	26,403	28,331
Cash flows from operating activities	402,980	221,047
Investing Activities:		
Change in time deposits	(11,062)	(90,262)
Investments in equity accounted investees	(176,220)	(112,852)
Proceeds from sales of investments in equity accounted investees	61,803	70,274
Purchases of other investments	(58,927)	(59,906)
Proceeds from sales and maturities of other investments	26,943	65,441
Increases in loan receivables	(31,492)	(22,745)
Collections of loan receivables	99,084	20,908
Purchases of property, plant and equipment	(128,403)	(117,796)
Proceeds from sales of property, plant and equipment	26,819	14,835
Purchases of investment property	(7,899)	(22,033)
Proceeds from sales of investment property	15,236	9,932
Cash flows from investing activities	(184,118)	(244,204)
Financing Activities:		
Change in short-term debt	(83,917)	(49,294)
Proceeds from long-term debt	175,653	682,047
Repayments of long-term debt	(505,332)	(401,512)
Purchases and sales of treasury stock	13	(7)
Dividends paid	(105,844)	(102,187)
Transactions with non-controlling interests shareholders	(6,128)	(30,934)
Cash flows from financing activities	(525,555)	98,113
Effect of Exchange Rate Changes on Cash and Cash Equivalents	12,626	19,787
Change in Cash and Cash Equivalents	(294,067)	94,743
Cash and Cash Equivalents at Beginning of Period	1,503,820	1,490,775
Cash and Cash Equivalents at End of Period	¥ 1,209,753	¥ 1,585,518

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 December 31 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 except for the following.

- Note 7 " IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS"
- Note 13 "FAIR VALUE MEASUREMENT"
- Note 15 "INCOME TAXES"
- Note 17 "PROVISION RELATED TO MULTIGRAIN BUSINESS"

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.

Effective April 1, 2017, the companies apply the following new standard for Condensed Consolidated Financial Statements. There are no impacts on Condensed Consolidated Financial Statements due to the application of the following.

IFRS	Title	Summaries
IAS 7 (Amended)	Statement of Cash Flows	Disclosures about changes in liabilities arising from financing activities in the Consolidated Statement of Cash Flows.

IV. RECLASSIFICATION

Certain reclassifications and format changes have been made to amounts of the Condensed Cosolidated Statements of Cash Flows for the nine-month period ended December 31, 2016 to conform to the current period presentation.

3. BUSINESS COMBINATIONS

No material business combinations were completed during the nine-month periods ended December 31, 2017 and 2016.

4. ASSETS HELD FOR SALE

Mitsui and Mitsui & Co. Steel Ltd. (“Mitsui Steel”), a 100% owned subsidiary of Mitsui, reached an agreement to transfer a part of the iron and steel products business of Mitsui and Mitsui Steel to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION (“NSSB”) along with Mitsui's additional acquisition of shares in NSSB. This restructuring exercise will strengthen the revenue base and enhance the iron and steel business. Execution of the definitive agreement took place on September 29, 2017. Assets and liabilities expected to be transferred from Mitsui and Mitsui Steel mainly consist of “Trade and other receivables” and “Trade and other payables”. The effective date of the business transfer is April 1, 2018. As the turnover period of assets and liabilities expected to be transferred is short, the assets and liabilities that will remain on the effective date of the transfer are immaterial as of December 31, 2017. Therefore, they are not presented separately as single line items in the Assets held for sale and Liabilities directly associated with assets held for sale accounts within the condensed consolidated statements of financial position. This transaction is included in the Iron & Steel Products Segment.

5. SEGMENT INFORMATION

The components of deciding resources to be allocated to the segments and assessing their performance by the Company's chief operating decision-maker have been changed to the components where the regional operating segments were consolidated by the product operating segments. Since the three-month period ended June 30, 2017, the previous 10 reportable segments that include 7 product segments of "Iron & Steel Products", "Mineral & Metal Resources", "Machinery & Infrastructure", "Chemicals", "Energy", "Lifestyle" and "Innovation & Corporate Development" along with 3 regional segments of "Americas", "Europe, the Middle East and Africa" and "Asia Pacific", have been changed to 7 reportable segments of "Iron & Steel Products", "Mineral & Metal Resources", "Machinery & Infrastructure", "Chemicals", "Energy", "Lifestyle" and "Innovation & Corporate Development", where the regional segments were consolidated by the product segments. In addition, part of each of the regional segments have been consolidated to "All Other". In accordance with these changes, the segment information for the nine-month and the three-month periods ended December 31, 2016 has been restated to conform to the current period presentation.

	Millions of Yen							
Nine-month period ended December 31, 2017:	**Iron & Steel Products**	**Mineral & Metal Resources**	**Machinery & Infrastructure**	**Chemicals**	**Energy**	**Lifestyle**	**Innovation & Corporate Development**	**Total**
Revenue	¥ 187,983	¥ 713,298	¥ 335,065	¥ 857,727	¥ 395,509	¥ 1,061,956	¥ 99,294	¥ 3,650,832
Gross Profit	¥ 33,338	¥ 161,621	¥ 91,897	¥ 104,147	¥ 68,126	¥ 107,144	¥ 41,470	¥ 607,743
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 10,011	¥ 48,500	¥ 80,726	¥ 7,849	¥ 16,837	¥ 18,314	¥ 6,396	¥ 188,633
Profit (Loss) for the Period Attributable to Owners of the parent	¥ 22,098	¥ 229,327	¥ 79,009	¥ 27,463	¥ 35,010	¥ (26,727)	¥ 5,307	¥ 371,487
Core Operating Cash Flow	¥ 19,293	¥ 174,182	¥ 128,760	¥ 36,621	¥ 145,962	¥ 13,107	¥ 5,690	¥ 523,615
Total Assets at December 31, 2017	¥ 667,284	¥ 2,186,754	¥ 2,293,512	¥ 1,212,225	¥ 1,957,860	¥ 1,954,164	¥ 645,658	¥ 10,917,457

	Millions of Yen		
Nine-month period ended December 31, 2017:	**All Other**	**Adjustments and Eliminations**	**Consolidated Total**
Revenue	¥ 1,749	¥ 429	¥ 3,653,010
Gross Profit	¥ 1,734	¥ 429	¥ 609,906
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ (129)	¥ (234)	¥ 188,270
Profit (Loss) for the Period Attributable to Owners of the parent	¥ 9,555	¥ (4,208)	¥ 376,834
Core Operating Cash Flow	¥ 9,159	¥ 16,826	¥ 549,600
Total Assets at December 31, 2017	¥ 6,273,619	¥ (5,329,446)	¥ 11,861,630

Nine-month period ended December 31, 2016 (As restated):	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total
	Millions of Yen							
Revenue	¥ 145,483	¥ 509,989	¥ 303,816	¥ 750,556	¥ 355,327	¥ 1,019,759	¥ 88,205	¥ 3,173,135
Gross Profit	¥ 25,277	¥ 109,020	¥ 84,518	¥ 109,499	¥ 43,361	¥ 104,353	¥ 30,416	¥ 506,444
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 7,865	¥ 36,304	¥ 60,527	¥ 2,102	¥ 10,104	¥ 19,094	¥ 2,939	¥ 138,935
Profit (Loss) for the Period Attributable to Owners of the parent	¥ 4,493	¥ 100,012	¥ 51,912	¥ 24,600	¥ 23,552	¥ 27,335	¥ 6,902	¥ 238,806
Core Operating Cash Flow	¥ (282)	¥ 135,797	¥ 51,974	¥ 41,386	¥ 101,081	¥ 9,318	¥ 905	¥ 340,179
Total Assets at Martch 31, 2017	¥ 612,632	¥ 1,962,236	¥ 2,238,142	¥ 1,175,205	¥ 1,905,252	¥ 1,723,399	¥ 611,395	¥ 10,228,261

Nine-month period ended December 31, 2016 (As restated):	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen		
Revenue	¥ 878	¥ 1,763	¥ 3,175,776
Gross Profit	¥ (26)	¥ 1,763	¥ 508,181
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ (76)	¥ (285)	¥ 138,574
Profit (Loss) for the Period Attributable to Owners of the parent	¥ (2,456)	¥ (6,017)	¥ 230,333
Core Operating Cash Flow	¥ 7,979	¥ 759	¥ 348,917
Total Assets at March 31, 2017	¥ 5,798,648	¥ (4,525,896)	¥ 11,501,013

Three-month period ended December 31, 2017:	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total
	Millions of Yen							
Revenue	¥ 59,458	¥ 249,741	¥ 118,960	¥ 303,309	¥ 150,822	¥ 334,441	¥ 41,592	¥ 1,258,323
Gross Profit	¥ 8,524	¥ 45,908	¥ 31,645	¥ 35,819	¥ 22,839	¥ 38,679	¥ 21,642	¥ 205,056
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 2,544	¥ 14,302	¥ 24,666	¥ 3,400	¥ 7,591	¥ 6,407	¥ 2,311	¥ 61,221
Profit for the Period Attributable to Owners of the parent	¥ 11,015	¥ 42,629	¥ 32,041	¥ 14,573	¥ 11,895	¥ 10,213	¥ 3,753	¥ 126,119
Core Operating Cash Flow	¥ 11,705	¥ 61,186	¥ 81,346 4	¥ 11,253	¥ 64,520	¥ 8,593	¥ 12,055	¥ 250,658

Three-month period ended December 31, 2017:	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen		
Revenue	¥ 412	¥ 242	¥ 1,258,977
Gross Profit	¥ 667	¥ 242	¥ 205,965
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ (95)	¥ (22)	¥ 61,104
Profit for the Period Attributable to Owners of the parent	¥ 17,958	¥ (5,550)	¥ 138,527
Core Operating Cash Flow	¥ 5,678	¥ (11,315)	¥ 245,021

Three-month period ended December 31, 2016 (As restated):	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total
	Millions of Yen							
Revenue	¥ 50,680	¥ 206,769	¥ 103,262	¥ 271,621	¥ 133,696	¥ 353,031	¥ 22,783	¥ 1,141,842
Gross Profit	¥ 8,824	¥ 49,021	¥ 30,947	¥ 36,628	¥ 13,129	¥ 38,593	¥ 3,937	¥ 181,079
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 2,376	¥ 9,607	¥ 19,241	¥ 1,200	¥ 4,885	¥ 4,231	¥ (1,728)	¥ 39,812
Profit for the Period Attributable to Owners of the parent	¥ 838	¥ 55,496	¥ 19,294	¥ 7,331	¥ 23,693	¥ 4,257	¥ 1,528	¥ 112,437
Core Operating Cash Flow	¥ (432)	¥ 71,378	¥ 23,306	¥ 13,332	¥ 46,843	¥ 6,992	¥ 712	¥ 162,131

Three-month period ended December 31, 2016 (As restated):	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen		
Revenue	¥ 274	¥ 1,524	¥ 1,143,640
Gross Profit	¥ (450)	¥ 1,524	¥ 182,153
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 14	¥ (65)	¥ 39,761
Profit for the Period Attributable to Owners of the parent	¥ 1,575	¥ (5,656)	¥ 108,356
Core Operating Cash Flow	¥ 10,982	¥ (5,509)	¥ 167,604

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, 2017 and December 31, 2017 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

(2)Transfers between reportable segments are made at cost plus a markup.

(3)Profit (Loss) for the Period Attributable to Owners of the parent of “Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.

(4)Since the three-month period ended June 30, 2017, Core Operating Cash Flow has been identified as the performance indicator that is more important than EBITDA, therefore, Core Operating Cash Flow has been disclosed by reportable segments instead of EBITDA. Core Operating Cash Flow is calculated by eliminating the sum of the “Changes in Operating Assets and Liabilities” from “Cash Flows from Operating Activities” as presented in the Condensed Consolidated Statements of Cash Flows.

(5)Previously, there was a difference between the Company's actual income taxes and the reportable segments' income taxes that were calculated using the internal tax rate and the difference was included in the “Adjustments and Eliminations”. Since the three-month period ended June 30, 2017, the internal tax rate has been made the same as the external tax rate. In addition, since the three-month period ended June 30, 2017, the scope of allocation of expenses incurred at Corporate Staff Unit to reportable segments was reviewed, and part of the expenses which were previously allocated to the reportable segments have been excluded from the scope of allocation.

(6)Previously, the profit and loss of consolidated subsidiaries that are jointly held by numerous operating segments were allocated from the supervising to non-supervising operating segments based on the profit share of each of the segments using the Share of Profit (Loss) of Investments Accounted for Using the Equity Method and Income for the Period Attributable to Non-controlling Interests. Since the three-month period ended June 30, 2017, these allocations are made based on the profit share of each of the segments in each of the accounts disclosed in the segment information to reflect the performance of the operating segments more properly.

(7)In accordance with the changes in 4-6 above, the segment information for the nine-month and the three-month periods ended December 31, 2016 has been restated to conform to the current period presentation.

(8)Profit (Loss) for the Period Attributable to Owners of the parent of each operating segment during the nine-month and the three-month periods ended December 31, 2017 include the following impacts, mainly due to the reversal of deferred tax assets and liabilities which reflect the lower federal corporate income tax rate set by the "Tax Cuts and Jobs Act" in the US enacted on December 22, 2017.
The following includes impact to "Income taxes" which is disclosed in Note 15, "Share of Profit (Loss) of Investment Accounted for Using Equity Method" and other accounts.

	Millions of Yen						
Nine-month and the three-month period ended December 31, 2017:	**Iron & Steel Products**	**Mineral & Metal Resources**	**Machinery & Infrastructure**	**Chemicals**	**Energy**	**Lifestyle**	**Innovation & Corporate Development**
Profit (Loss) for the Period Attributable to Owners of the parent............................	¥ 422	¥ —	¥ 3,877	¥ 7,031	¥ (17,925)	¥ 2,884	¥ (4)

	Millions of Yen		
Nine-month and the three-month period ended December 31, 2017:	**All Other**	**Adjustments and Eliminations**	**Consolidated Total**
Profit (Loss) for the Period Attributable to Owners of the parent............................	¥ 19,589	¥ —	¥ 15,874

6. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Property, plant and equipment

The amounts of acquisitions and disposals of property, plant and equipment for the nine-month period ended December 31, 2017 were ¥160,209 million, ¥73,699 million, respectively.
The amount of transfers to and from investment property for the nine-month period ended December 31, 2017 was not material.
The amounts of acquisitions and disposals of property, plant and equipment for the nine-month period ended December 31, 2016 were ¥181,285 million, ¥59,683 million, respectively.
The amount of transfers to and from investment property for the nine-month period ended December 31, 2016 was ¥17,183 million.
The changes in commitments for the purchase of property, plant and equipment for the nine-month period ended December 31, 2017 were not material.
The amount of commitments for the purchase of property, plant and equipment as of March 31, 2017 was ¥134,568 million.

Investment property

The amount of acquisitions and transfers to and from property, plant and equipment for the nine-month period ended December 31, 2017 were not material.
The amount of acquisitions and transfers to and from property, plant and equipment for the nine-month period ended December 31, 2016 were ¥25,702 million and ¥17,183 million, respectively.

7. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS

For the nine-month period ended December 31, 2017, XINGU AGRI AG, a subsidiary in the Lifestyle Segment, recognized an impairment loss of ¥10,876 million in “impairment loss of fixed assets” by reducing the carrying amount of assets such as the goodwill and the farmland to the recoverable amount of ¥70,470 million. The impairment loss mainly related to a decline in the soybean price and decreased demand for the farmland in the area where the assets are located. The recoverable amount above represents the fair value less costs of disposal, which is based on a valuation conducted by independent valuation appraisers who have recent experience in the locations and categories of the asset being valued, and the fair value is classified as level 2.
The amount of impairment losses for assets for the nine-month period ended December 31, 2016 was not material.

The amount of reversals of impairment losses for assets for the nine-month period ended December 31, 2017 and 2016 were not material.

8. BONDS AND LOANS

Bonds

The total amount of repaid bonds for the nine-month period ended December 31, 2017 was ¥15,000 million.
The total amount of issued bonds for the nine-month period ended December 31, 2017 was none.
The total amount of repaid bonds for the nine-month period ended December 31, 2016 was ¥75,000 million.
The total amount of issued bonds for the nine-month period ended December 31, 2016 was none.

Loans

The loans executed for the nine-month period ended December 31, 2017 were not material.

The loans executed for the nine-month period ended December 31, 2016 include subordinated syndicated loans of ¥350.0 billion and ¥205.0 billion. The maturity dates are June 15, 2076 and August 15, 2076, respectively. The prepayments will be enabled from June 15, 2023 and August 15, 2028, respectively.

9. EQUITY

Changes in other components of equity for the nine-month periods ended December 31, 2017 and 2016 were as follows:

	Millions of Yen			
	Nine-month period ended December 31, 2017		Nine-month period ended December 31, 2016	
Financial Assets Measured at FVTOCI:				
Balance at beginning of period	¥	204,100	¥	80,427
Increase (decrease) during the period		159,776		93,987
Transfer to retained earnings		(2,494)		(14,910)
Balance at end of period	¥	361,382	¥	159,504
Remeasurements of Defined Benefit Pension Plans:				
Balance at beginning of period	¥	-	¥	-
Increase (decrease) during the period		714		(3,454)
Transfer to retained earnings		(714)		3,454
Balance at end of period	¥	-	¥	-
Foreign Currency Translation Adjustments:				
Balance at beginning of period	¥	308,054	¥	279,858
Increase (decrease) during the period		29,187		54,502
Balance at end of period	¥	337,241	¥	334,360
Cash Flow Hedges:				
Balance at beginning of period	¥	(26,707)	¥	(42,330)
Increase (decrease) during the period		19		(7,316)
Balance at end of period	¥	(26,688)	¥	(49,646)
Total:				
Balance at beginning of period	¥	485,447	¥	317,955
Increase (decrease) during the period		189,696		137,719
Transfer to retained earnings		(3,208)		(11,456)
Balance at end of period	¥	671,935	¥	444,218

10. DIVIDENDS

During the nine-month periods ended December 31, 2017 and 2016, the Company paid dividends of ¥60 per share (total dividend of ¥105,844 million) and ¥57 per share (total dividend of ¥102,187 million), respectively.

11. 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 nine-month and three-month periods ended December 31, 2017 and 2016:

	Nine-month Period Ended December 31, 2017			Nine-month Period Ended December 31, 2016		
	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:	¥ 376,834	1,763,969	¥ 213.63	¥ 230,333	1,792,507	¥ 128.50
Effect of dilutive securities:						
Adjustment of effect of:						
Dilutive securities of associated companies.	(43)	―		(31)	―	
Stock options ……………………	―	1,006		―	720	
Diluted earnings per share attributable to owners of the parent:	¥ 376,791	1,764,975	¥ 213.48	¥ 230,302	1,793,227	¥ 128.43

	Three-month Period Ended December 31, 2017			Three-month Period Ended December 31, 2016		
	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:	¥ 138,527	1,763,984	¥ 78.53	¥ 108,356	1,792,506	¥ 60.45
Effect of dilutive securities:						
Adjustment of effect of:						
Dilutive securities of associated companies.	(15)	―		(11)	―	
Stock options ……………………	―	1,135		―	877	
Diluted earnings per share attributable to owners of the parent:	¥ 138,512	1,765,119	¥ 78.47	¥ 108,345	1,793,383	¥ 60.41

12. CONTINGENT LIABILITIES

Ⅰ. GUARANTEES

The companies provide various types of guarantees for 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 December 31, 2017 and March 31, 2017. 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 results, or cash flows of the companies is remote at December 31, 2017.

	Millions of Yen			
	Maximum potential amount of future payments	**Amount outstanding (a)**	**Recourse provisions/ Collateral (b)**	**Net amount outstanding (a)-(b)**
December 31, 2017				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties …………………	¥ 100,152	¥ 57,391	¥ 6,682	¥ 50,709
Guarantees for the investments accounted for using the equity method ………………	982,396	549,171	105,834	443,337
Performance guarantees				
Guarantees for third parties …………………	51,636	47,525	6,347	41,178
Guarantees for the investments accounted for using the equity method ………………	97,308	58,977	3,558	55,419
Total ………………	¥ 1,231,492	¥ 713,064	¥ 122,421	¥ 590,643

	Millions of Yen			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2017				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties …………………	¥ 113,305	¥ 66,313	¥ 5,966	¥ 60,347
Guarantees for the investments accounted for using the equity method ………………	825,871	557,606	128,966	428,640
Performance guarantees				
Guarantees for third parties …………………	57,308	45,702	4,836	40,866
Guarantees for the investments accounted for using the equity method ………………	36,171	31,361	3,866	27,495
Total ………………	¥ 1,032,655	¥ 700,982	¥ 143,634	¥ 557,348

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 December 31, 2017 and March 31, 2017 will expire through 2029 and 2022, 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 December 31, 2017 and March 31, 2017 will expire through 2024 and 2025, respectively..

The table below summarizes the maximum potential amount of future payments for the companies’ guarantees by the remaining contractual period as of December 31, 2017 and March 31, 2017.

	Millions of Yen	
	December 31, 2017	March 31, 2017
Within 1 year ………………………………	¥ 383,508	¥ 433,318
After 1 to 5 years ……………………………	540,947	357,070
After 5 years ………………………………	307,037	242,267
Total ……………………………………	¥ 1,231,492	¥ 1,032,655

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.

13. 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 assets or liabilities, 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 assets or liabilities
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3:
Unobservable inputs for the assets or liabilities.

(1) Valuation techniques

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

Trades and other receivables
- Trades and other receivables other than measured at amortized cost are measured at fair value.
- Trades and other receivables other than measured at amortized cost are measured at fair value principally using the discounted cash flow method and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risks of the customer. They are classified as level 3, considering the degree to which the inputs are observable in the relevant markets.

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 in an active market 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. They are classified as level 3, considering the degree to which the inputs are observable in the relevant markets.

Derivative Instruments
- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments.
- Exchange-traded derivative commodity instruments measured using quoted market prices in an active market are classified as level 1. Certain derivative commodity instruments measured using observable inputs of the quoted prices obtained from markets, 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 December 31, 2017 and March 31, 2017 were not material.

(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 of the Company. All of the valuations, including those performed by the external experts, are reviewed and approved by the responsible personnel of the Company.

(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 December 31, 2017 and March 31, 2017 were as follows. No assets or liabilities were transferred between level 1 and 2 for the nine-month period ended December 31, 2017 and for the nine-month period ended December 31, 2016.

	Millions of Yen				
December 31, 2017	**Fair value measurements using**				
	Level 1	**Level 2**	**Level 3**	**Netting adjustments***	**Total fair value**
Assets:					
Trades and other receivables:					
Loan measured at FVTPL ………………	－	－	¥ 32,946		
Total trades and other receivables	－	－	¥ 32,946	－	¥ 32,946
Other investments:					
Financial assets measured at FVTPL ……	¥ 32,817	－	¥ 105,817		
Financial assets measured at FVTOCI …	1,105,517	－	663,930		
Total other investments	¥ 1,138,334	－	¥ 769,747	－	¥ 1,908,081
Derivative assets:					
Foreign exchange contracts ……………	－	¥ 43,110	－		
Interest rate contracts ……………………	－	66,956	－		
Commodity contracts ……………………	¥ 16,474	546,894	¥ 619		
Others ……………………………………	1,356	－	16,686		
Total derivative assets	¥ 17,830	¥ 656,960	¥ 17,305	¥ (477,894)	¥ 214,201
Inventories…………………………………	－	¥ 117,198	－	－	¥ 117,198
Total assets …………………………………	¥ 1,156,164	¥ 774,158	¥ 819,998	¥ (477,894)	¥ 2,272,426
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts ……………	－	¥ 58,104	－		
Interest rate contracts ……………………	－	4,499	－		
Commodity contracts ……………………	¥ 23,767	551,524	¥ 575		
Others ……………………………………	－	－	11,147		
Total derivative liabilities	¥ 23,767	¥ 614,127	¥ 11,722	¥ (485,506)	¥ 164,110
Total liabilities ……………………………	¥ 23,767	¥ 614,127	¥ 11,722	¥ (485,506)	¥ 164,110

March 31, 2017	Millions of Yen				
	Fair value measurements using				
	Level 1	Level 2	Level 3	Netting adjustments*	Total fair value
Assets:					
Trades and other receivables:					
Loan measured at FVTPL ………………	—	—	¥ 32,710		
Total trades and other receivables	—	—	¥ 32,710	—	¥ 32,710
Other investments:					
Financial assets measured at FVTPL ……	¥ 21,432	—	¥ 86,352		
Financial assets measured at FVTOCI …	579,133	—	646,034		
Total other investments	¥ 600,565	—	¥ 732,386	—	¥ 1,332,951
Derivative assets:					
Foreign exchange contracts ……………	—	¥ 69,128	—		
Interest rate contracts ……………………	—	68,066	—		
Commodity contracts ……………………	¥ 19,920	356,547	¥ 546		
Others ……………………………………	—	—	3,306		
Total derivative assets	¥ 19,920	¥ 493,741	¥ 3,852	¥ (317,426)	¥ 200,087
Inventories …………………………………	—	¥ 133,120	—	—	¥ 133,120
Total assets …………………………………	¥ 620,485	¥ 626,861	¥ 768,948	¥ (317,426)	¥ 1,698,868
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts ……………	—	¥ 50,976	—		
Interest rate contracts ……………………	—	6,138	—		
Commodity contracts ……………………	¥ 13,161	363,296	¥ 649		
Others ……………………………………	—	—	22,875		
Total derivative liabilities	¥ 13,161	¥ 420,410	¥ 23,524	¥ (313,498)	¥ 143,597
Total liabilities ……………………………	¥ 13,161	¥ 420,410	¥ 23,524	¥ (313,498)	¥ 143,597

*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, and 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 balance at beginning of period of the loan measured at FVTPL was ¥32,710 million and the balance of period of it was ¥32,946 million for the nine-month period ended December 31, 2017. There was no material movement other than its exchange rate change during the nine-month period ended December 31, 2017.
The Company did not have any loans' movement measured at FVTPL for the nine-month period ended December 31, 2016.

The reconciliation of financial assets measured at FVTPL for the nine-month period ended December 31, 2017 and 2016 were as follows:

	Millions of Yen	
	Nine-month period ended December 31, 2017	**Nine-month period ended December 31, 2016**
Balance at beginning of period	¥ 86,352	¥ 67,567
Gains (losses)	(6,089)	(95)
Purchases	26,104	21,326
Sales	(6,241)	(1,308)
Transfers into Level 3	−	−
Transfers out of Level 3	(250)	−
Others (Note)	5,941	4,169
Balance at end of period	¥ 105,817	¥ 91,659
Net change in unrealized gains (losses) still held at end of period	¥ (6,051)	¥ (95)

Note: "Others" includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments) and in scope of consolidation.

Gains (losses) related to financial assets measured at FVTPL ("FVTPL gains(losses)") for the nine-month period ended December 31, 2016 were included in "Gain (loss) on securities and other investments—net" and FVTPL gains(losses) for the nine-month period ended December 31, 2017 were included in "Other revenue" in the Condensed Consolidated Statements of Income respectively.

The reconciliation of financial assets measured at FVTOCI for the nine-month period ended December 31, 2017 and 2016 were as follows:

	Millions of Yen	
	Nine-month period ended December 31, 2017	**Nine-month period ended December 31, 2016**
Balance at beginning of period	¥ 646,034	¥ 561,011
Other comprehensive income (Note1)	(11,811)	58,930
Purchases	26,249	11,695
Sales	(3,193)	(17,827)
Transfers into Level 3	−	−
Transfers out of Level 3	−	−
Others (Note2)	6,651	1,454
Balance at end of period	¥ 663,930	¥ 615,263

Note1: For "Other comprehensive income" for the nine-month period ended December 31, 2016, fair value in investments in LNG projects increased reflecting the costs deduction. For "Other comprehensive income" for the nine-month period ended December 31, 2017, fair value in investments in LNG projects declined

reflecting the change of future oil price forecast, despite the increase of sales quantity due to the revision of business plan.

Note2: "Others" includes the effect of changes in foreign exchange rates (Including in the foreign currency translation adjustments) and in scope of consolidation.

Other comprehensive income related to financial assets measured at FVTOCI was included in "Financial assets measured at FVTOCI" in Condensed Consolidated Statements of Comprehensive 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 December 31, 2017 and March 31, 2017 were as follows:

December 31, 2017	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	6.2% ~ 16.6%

March 31, 2017	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	5.6% ~ 14.3%

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 December 31, 2017 and March 31, 2017 were as follows. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts reasonably approximate their fair values.

	Millions of Yen			
	December 31, 2017		**March 31, 2017**	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current receivables				
Trade and other receivables and Other financial assets (*)	¥ 567,305	¥ 567,649	¥ 622,422	¥ 622,943
Non-current liabilities				
Long-term debts, less current portion and Other financial liabilities (*)	¥ 3,862,871	¥ 3,936,737	¥ 4,219,963	¥ 4,317,549

(*)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.

14. TRANSACTIONS WITH RELATED PARTIES

In relation to the Company's liquefaction business in the United States, the Company has completed the procurement of eight LNG ships intended to be used for the delivery of LNG mainly to its customers in Japan by the end of March 2017.

As of the end of March 2017, among the time charter contracts for the eight LNG ships for which the Company has completed procurement, four LNG ships including contracts for one ship with ship-owning companies in which the Company has investments accounted for as joint ventures, have a total maximum charter period of 25 years starting from 2018, three ships including contracts for one ship with ship-owning companies in which the Company has investments accounted for as joint ventures, have a total maximum charter period of 25 years starting from 2019, and the remaining ship with ship-owning companies in which the Company has investments accounted for as joint ventures, has a total maximum charter period of 25 years starting from 2020.

In the three-month period ended December 31, 2017, the Company has cancelled the time charter contract for the ship which has a total maximum charter period of 25 years starting from 2020. Consequently, the total maximum hire amount for the remaining seven ships is approximately ¥615 billion.

15. INCOME TAXES

Income Taxes in the Condensed Consolidated Statements of Income for the nine-month and the three-month periods ended December 31, 2017 include the gain of ¥11,589 million mainly due to the reversal of deferred tax assets and liabilities which reflect the lower federal corporate income tax rate set by the "Tax Cuts and Jobs Act" in the US enacted on December 22, 2017.

16. THE INCORPORATION OF VALEPAR S.A.

We had 15% share in Valepar S.A. ("Valepar"), a holding company of Vale S.A. ("Vale"). We had agreed that 1) conversion of Vale's preferred shares to common shares, 2) amendment to Vale bylaw and 3) incorporation of Valepar by Vale was to be executed subject to approval at Vale's extraordinary shareholders meeting and consent of at least 54.09% to the conversion of Vale's preferred shares to common shares, and Valepar was incorporated by Vale on August 14, 2017.
Through this incorporation, the companies recognized ¥56,296 million of profit from the difference between its book value of Valepar's shares and the fair value of its newly acquired Vale shares and ¥35,204 million of the profit due to the reversal of deferred tax liabilities. A loss of ¥2,169 million was included in Profit (Loss) of equity method investments for three-month period ended September 30, 2017 and a gain of ¥9,444 million was included in Profit (Loss) of equity method investments for nine-month period ended December 31, 2017. The profit (loss) belongs to Mineral & Metal Resources segment for the nine-month period ended December 31, 2017, please refer to "5. SEGMENT INFORMATION"
¥260,238 million of book value of Valepar was included in the Investments accounted for using equity method on Consolidated Statements of Financial Position for the year ended March 31, 2017.
Through this incorporation, the company acquired ¥307,072 million in share of Vale and ¥393,245 million is included in Other investment (financial assets measured at FVTOCI) on Condensed Consolidated Statement of Financial Position for nine-month period ended December 31, 2017.

17. PROVISION RELATED TO MULTIGRAIN BUSINESS

Multigrain Trading AG ("Multigrain" a 100% owned subsidiary of the Company), which is engaged in origination and merchandising of agricultural products in Brazil, has concluded several long-term contracts mainly related to the export trading business of soybean and corn. Due to the recent deterioration of the business environment, losses of ¥30,432 million expected to arise from meeting the obligations under some of the contracts have been recognized for the nine-month period ended December 31, 2017.

According to IAS 37, the corresponding provisions were measured based on the unavoidable costs under the contracts that reflect the least net cost of exiting from the contracts, which is the lower of the costs of fulfilling them and the costs arising from failure to fulfill them. Regarding to amounts of these estimations, the costs of meeting the obligations and expected benefits under the contracts depend on changes of the margin on the business of origination and merchandising of agricultural products in future, while the costs arising from failure of fulfilment depend on negotiations with the counterparties of the contracts. Among the contracts, the longest expected timing of outflows related to these provisions is 8 years.

Such provisions are presented as "Provisions" within the Condensed Consolidated Statements of Financial Position, and the related losses are presented as "Provision related to Multigrain business" within the Condensed Consolidated Statements of Income respectively. The losses are also included in the "Profit (Loss) for the Period Attributable to Owners of the parent" in the Lifestyle segment for the nine-month period ended December 31, 2017. Please see "*5. SEGMENT INFORMATION*".

18. SUBSEQUENT EVENTS

Stock Repurchase and Cancellation of Treasury Stock

At the meeting of the Board of Directors held on February 2, 2018, the Company resolved to repurchase its stock in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to paragraph 3 of Article 165 of the Companies Act of Japan and to cancel a part of its treasury stock in accordance with Article 178 of the said Act. Details of the repurchase and cancellation are as follows.

1. Purpose of stock repurchase and cancellation of treasury stock
   To enhance shareholder return and to improve capital efficiency

2. Details of repurchase
   (1) Class of share
   Common stock of the Company
   (2) Total number of shares of common stock to be repurchased
   Up to 30 million shares（1.7% of the total number of shares outstanding excluding treasury stock）
   (3) Total amount
   Up to ￥50,000 million
   (4) Period
   From February 5, 2018 to March 23, 2018
   (5) Repurchase method
   Auction market on Tokyo Stock Exchange

3. Details of cancellation
   (1) Class of share
   Common stock of the Company
   (2) Total number of shares of treasury stock to be cancelled
   All of the shares of common stock to be repurchased pursuant to 2 above（up to 1.7% of the total number of shares outstanding）and 28 million shares（1.6% of the total number of shares outstanding）
   (3) Scheduled date of cancellation
   April 20, 2018

19. 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, Senior Executive Managing Officer and CFO, on February 13, 2018.