Quarterly Securities Report
for the Three-Month Period Ended June 30, 2018

English translation of certain items disclosed in the Quarterly Securities Report for the three-month period ended June 30, 2018, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on August 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 June 30, 2018 and 2017 and as of or for the year ended March 31, 2018

	In millions of Yen, except amounts per share and other		
	Three-month period ended June 30, 2018	Three-month period ended June 30, 2017	As of or for the year ended March 31, 2018
Consolidated financial data			
Revenue	¥ 1,556,199	¥ 1,181,660	¥ 4,892,149
Gross profit	¥ 218,499	¥ 199,392	¥ 790,705
Profit for the period attributable to owners of the parent	¥ 118,414	¥ 110,756	¥ 418,479
Comprehensive income for the period attributable to owners of the parent	¥ 154,421	¥ 117,397	¥ 416,113
Total equity attributable to owners of the parent	¥ 4,056,345	¥ 3,796,068	¥ 3,974,715
Total assets	¥ 11,379,486	¥ 11,512,782	¥ 11,306,660
Basic earnings per share attributable to owners of the parent (Yen)	¥ 68.14	¥ 62.79	¥ 237.67
Diluted earnings per share attributable to owners of the parent (Yen)	¥ 68.08	¥ 62.75	¥ 237.50
Equity attributable to owners of the parent ratio	35.65%	32.97%	35.15%
Cash flows from operating activities	¥ 134,615	¥ 202,762	¥ 553,645
Cash flows from investing activities	¥ (100,593)	¥ (20,582)	¥ (248,211)
Cash flows from financing activities	¥ (105,029)	¥ (103,944)	¥ (652,292)
Cash and cash equivalents at end of period	¥ 1,065,323	¥ 1,583,235	¥ 1,131,380

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

2. Revenue does not include consumption taxes.

2. Business Overview

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

There has been no significant change in our business for the three-month period ended June 30, 2018.

2. Operating and Financial Review and Prospects

1. Risk Factors

For the three-month period ended June 30, 2018, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2018.

2. Management's Discussion and Analysis of Financial Position, Operating Results and Cash Flows

This quarterly securities report contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual consolidated financial position, consolidated operating results or consolidated cash flows to be materially different from any future consolidated financial position, consolidated operating results or consolidated cash flows expressed or implied by these forward-looking statements.

Forward-looking statements were made as of June 30, 2018, unless otherwise indicated.

(1) Operating Environment

In the three-month period ended June 30, 2018, the global economy experienced an upturn compared to the temporary weak growth in the previous three-month period and continued to be resilient, particularly in developed countries, supported by a recovery in spending and investment.

In the U.S., consumer spending continues to be resilient supported by a favorable environment for employment and employee income, and tax reform is expected to drive capital investment. As such, economic recovery is expected to continue for the time being. In the meantime, in Europe, growth is expected to gradually weaken as corporate business confidence plateaus. In Japan, moderate economic recovery is expected to continue as a result of consumer spending supported by the improvement in the employment environment, and because of increases in both investment related to the Olympic and Paralympic Games, and in capital investment focused on labor-saving initiatives. However, there is concern regarding the impact of the disasters caused by heavy rainfall in western Japan in early July. As for emerging countries, growth is expected to weaken in China due to excess capacity and adjustments of debts in addition to the impact of the trade friction between the U.S. and China. In Brazil, the economy is expected to slow down following the impact of truck drivers going on strike and the depreciation of the Brazilian real. In Russia, limited growth is also expected to continue due in part to ongoing sanctions from the U.S. and other nations.

The global economy is expected to follow a trend of gentle recovery going forward. However, there is increased uncertainty and a careful watch is needed on a range of circumstances that include the escalation of geopolitical risk surrounding the Middle East, the future prospects for the European and U.S. economies, which have shown signs of maturity in some parts, the impact of the Federal Reserve Board’s monetary tightening on the economies of emerging countries, and the growing intensity of trade friction as a result of U.S. trade policy.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

<table>
<tr><th colspan="2">(Billions of Yen)</th><th>Current Period</th><th>Previous Period</th><th>Change</th></tr>
<tr><td colspan="2">Revenue</td><td>1,556.2</td><td>1,181.7</td><td>+374.5</td></tr>
<tr><td colspan="2">Gross profit</td><td>218.4</td><td>199.4</td><td>+19.0</td></tr>
<tr><td colspan="2">Selling, general and administrative expenses</td><td>(137.7)</td><td>(132.1)</td><td>(5.6)</td></tr>
<tr><td rowspan="5">Other Income (Expenses)</td><td>Gain (Loss) on Securities and Other Investments—Net</td><td>1.3</td><td>3.3</td><td>(2.0)</td></tr>
<tr><td>Impairment Reversal (Loss) of Fixed Assets—Net</td><td>(1.0)</td><td>(1.3)</td><td>+0.3</td></tr>
<tr><td>Gain (Loss) on Disposal or Sales of Fixed Assets—Net</td><td>6.9</td><td>6.5</td><td>+0.4</td></tr>
<tr><td>Other Income (Expense)—Net</td><td>(2.8)</td><td>4.8</td><td>(7.6)</td></tr>
<tr><td>Reversal of Provision Related to Multigrain Business</td><td>11.1</td><td>-</td><td>+11.1</td></tr>
<tr><td rowspan="3">Finance Income (Costs)</td><td>Interest Income</td><td>10.2</td><td>9.7</td><td>+0.5</td></tr>
<tr><td>Dividend Income</td><td>21.1</td><td>17.4</td><td>+3.7</td></tr>
<tr><td>Interest Expense</td><td>(19.0)</td><td>(16.1)</td><td>(2.9)</td></tr>
<tr><td colspan="2">Share of Profit (Loss) of Investments Accounted for Using the Equity Method</td><td>58.4</td><td>62.3</td><td>(3.9)</td></tr>
<tr><td colspan="2">Income Taxes</td><td>(41.0)</td><td>(37.4)</td><td>(3.6)</td></tr>
<tr><td colspan="2">Profit for the Period</td><td>126.0</td><td>116.5</td><td>+9.5</td></tr>
<tr><td colspan="2">Profit for the Period Attributable to Owners of the Parent</td><td>118.4</td><td>110.8</td><td>+7.6</td></tr>
</table>

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

Revenue

Revenue for the three-month period ended June 30, 2018 (“current period”) was ¥1,556.2 billion, an increase of ¥374.5 billion (including ¥385.0 billion due to the adoption of the new accounting treatment) from the corresponding three-month period of the previous year (“previous period”).

Gross Profit

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

Other Income (Expenses)

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 Iron & Steel Products Segment. For the previous period, a gain on disposal of fixed assets was recorded in the Innovation & Corporate Development Segment.

Reversal of Provision Related to Multigrain Business

The Lifestyle Segment recorded a gain on the reversal of the provision for the withdrawal from the business recognized in the previous year.

Finance Income (Costs)

Dividend Income

Mainly the Energy Segment recorded an increase.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method

Mainly the Mineral & Metal Resources Segment recorded a decline, while the Machinery & Infrastructure Segment and the Iron & Steel Products Segment recorded an increase.

Income Taxes

Income taxes for the current period increased as profit before income taxes for the current period increased by ¥13.1 billion. The effective tax rate for the current period was 24.6%, an increase of 0.3% from 24.3% for the previous period.

Profit for the Period Attributable to Owners of the Parent

Profit for the period attributable to owners of the parent was ¥118.4 billion, an increase of ¥7.6 billion from the previous period.

2) Operating Results by Operating Segment

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	6.8	6.9	(0.1)
Gross profit	6.8	12.7	(5.9)
Profit (loss) of equity method investments	7.2	4.1	+3.1
Dividend income	1.0	1.2	(0.2)
Selling, general and administrative expenses	(7.2)	(9.1)	+1.9
Others	(1.0)	(2.0)	+1.0

● Profit (loss) of equity method investments increased mainly due to the following factor:
 ▷ For the current period, following the classification of NIPPON STEEL & SUMIKIN BUSSAN CORPORATION as an equity method investee, a profit of equity method investment of ¥3.6 billion was recorded.

● In addition to the above, the following factor also affected results:
 ▷ For the current period, a one-time gain of ¥5.9 billion was recorded due to the sale of land of an affiliated company.

Mineral & Metal Resources Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		39.7	54.4	(14.7)
	Gross profit	45.8	56.9	(11.1)
	Profit (loss) of equity method investments	14.0	27.0	(13.0)
	Dividend income	0.6	1.1	(0.5)
	Selling, general and administrative expenses	(8.4)	(9.3)	+0.9
	Others	(12.3)	(21.3)	+9.0

● Gross profit declined mainly due to the following factors:
 ▷ Iron ore mining operations in Australia reported a decline of ¥5.8 billion due to the change in the mining operation controlled by joint ventures as well as lower iron ore prices applied to the financial results.
 ▷ Coal mining operations in Australia reported a decline of ¥4.7 billion due to higher operational costs caused by the change in mining plans.

● Profit (loss) of equity method investments declined mainly due to the following factors:
 ▷ Valepar S.A. declined by ¥11.6 billion due to the deconsolidation following the incorporation by Vale S.A. in the three month period ended September 30, 2017.
 ▷ Inversiones Mineras Acrux SpA, a copper mining company in Chile, reported a decline of ¥3.9 billion mainly due to a reversal effect of impairment reversal for the previous period.

Machinery & Infrastructure Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		15.4	15.5	(0.1)
	Gross profit	31.8	31.2	+0.6
	Profit (loss) of equity method investments	18.7	14.9	+3.8
	Dividend income	2.0	1.3	+0.7
	Selling, general and administrative expenses	(30.9)	(32.0)	+1.1
	Others	(6.2)	0.1	(6.3)

● Profit (loss) of equity method investments increased mainly due to the following factor:
 ▷ IPP businesses recorded an increase of ¥0.7 billion.
  ◇ Mark-to-market valuation losses, such as those on long-term derivative contracts, were improved by ¥4.6 billion to ¥0.6 billion loss from a ¥5.2 billion loss for the previous period.

Chemicals Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		9.7	6.3	+3.4
	Gross profit	36.3	33.6	+2.7
	Profit (loss) of equity method investments	4.0	2.0	+2.0
	Dividend income	1.1	1.0	+0.1
	Selling, general and administrative expenses	(24.9)	(24.6)	(0.3)
	Others	(6.8)	(5.7)	(1.1)

Energy Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		17.1	16.3	+0.8
	Gross profit	35.3	27.5	+7.8
	Profit (loss) of equity method investments	7.1	5.6	+1.5
	Dividend income	11.1	7.6	+3.5
	Selling, general and administrative expenses	(11.7)	(11.6)	(0.1)
	Others	(24.7)	(12.8)	(11.9)

● Gross profit increased mainly due to the following factors:
- ▷ Mitsui Oil Exploration Co., Ltd. recorded an increase of ¥8.3 billion mainly due to an increase in the oil and gas prices and a decrease in costs.
- ▷ Westport Petroleum LLC reported a decline of ¥3.4 billion as a mark-to-market valuation loss related to its derivative contract for the hedging transaction.

● Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥10.7 billion in total, an increase of ¥3.6 billion from the previous period.

● In addition to the above, the following factor also affected results:
- ▷ For the current period, exploration expenses of ¥0.8 billion in total were recorded, including those recorded by Mitsui E&P Australia Pty Ltd. For the previous period, exploration expenses of ¥3.1 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 for the period attributable to owners of the parent		17.5	6.4	+11.1
	Gross profit	39.0	34.4	+4.6
	Profit (loss) of equity method investments	6.1	6.8	(0.7)
	Dividend income	2.1	2.2	(0.1)
	Selling, general and administrative expenses	(36.9)	(37.6)	+0.7
	Others	7.2	0.6	+6.6

● Others include the following factor:

▷ For the current period, Multigrain Trading AG recorded a gain of ¥11.6 billion on reversal of the provision for the withdrawal from the business recognized in the previous year.

Innovation & Corporate Development Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		10.9	5.8	+5.1
	Gross profit	23.2	12.6	+10.6
	Profit (loss) of equity method investments	1.8	2.0	(0.2)
	Dividend income	2.5	2.3	+0.2
	Selling, general and administrative expenses	(13.1)	(14.2)	+1.1
	Others	(3.5)	3.1	(6.6)

● Gross profit increased mainly due to the following factor:

▷ For the current period, a ¥5.6 billion gain was recorded due to the valuation and sales of shares in Mercari, Inc.

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

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

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

1) Financial Condition

(Billions of yen)	June 30, 2018	March 31, 2018	Change
Total Assets	11,379.5	11,306.7	+72.8
Current Assets	4,037.1	4,226.2	(189.1)
Non-current Assets	7,342.4	7,080.5	+261.9
Current Liabilities	2,645.7	2,698.8	(53.1)
Non-current Liabilities	4,427.0	4,389.8	+37.2
Net Interest-bearing Debt	*3,183.7*	*3,089.2*	*+94.5*
Total Equity Attributable to Owners of the Parent	4,056.3	3,974.7	+81.6
Net Debt-to-Equity Ratio (times) (*)	0.78	0.78	0.00

(*) 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 ¥66.1 billion.

● Advance payments to suppliers declined by ¥62.3 billion, mainly due to netting against advances from customers.

● Assets held for sale, which were expected to be transferred from Mitsui and Mitsui & Co. Steel Ltd. to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION and presented as a single line item as of March 31, 2018, declined by ¥108.9 billion due to completing the transfer in this period.

Non-current Assets:

● Investments accounted for using the equity method increased by ¥129.1 billion, mainly due to the following factors:

▷ An increase of ¥38.0 billion due to an additional acquisition of shares in NIPPON STEEL & SUMIKIN BUSSAN CORPORATION and reclassification to investments accounted for using the equity method corresponding to the additional acquisition;

▷ An increase of ¥21.9 billion due to an investment in ETC Group, which engages in businesses involving agricultural products, agricultural supplies, and food manufacturing and sales in East Africa;

▷ An increase due to an investment in MAERSK PRODUCT TANKERS A/S, a product tanker company (vessel owning);

▷ An increase due to an investment in Inversiones Mitta, the holding company for Chile's leading automobile operating lease and rental car business;

▷ An increase of ¥10.1 billion due to an additional acquisition of a stake in Axiata (Cambodia) Holdings Limited, the holding company for Smart Axiata Co., Ltd which is a telecommunication service provider in Cambodia; and

▷ An increase of ¥58.4 billion corresponding to the profit of equity method investments for the current year, despite a decline of ¥60.7 billion due to dividends received from equity accounted investees.

● Other investments increased by ¥36.9 billion, mainly due to the following factors:

▷ Fair value on financial assets measured at FVTOCI increased by ¥46.5 billion mainly due to higher share prices;

▷ An increase of ¥17.4 billion resulting from foreign currency exchange fluctuations; and

▷ A decline of ¥29.9 billion due to reclassification to investments accounted for using the equity method corresponding to an additional acquisition of shares in NIPPON STEEL & SUMIKIN BUSSAN CORPORATION.

● Property, plant and equipment increased by ¥92.2 billion, mainly due to the following factors:

▷ An increase of ¥74.1 billion (including the consolidation of AWE Limited, oil and gas company in Australia, of ¥56.5 billion and foreign exchange translation profit of ¥9.5 billion) at oil and gas operations other than U.S. shale gas and oil producing operations.

Liabilities

Current Liabilities:

● Advances from customers declined by ¥63.9 billion, corresponding to netting against advance payments to suppliers.

● Liabilities directly associated with assets held for sale, which were expected to be transferred from Mitsui and Mitsui & Co. Steel Ltd. to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION and presented as a single line item as of March 31, 2018, declined by ¥40.3 billion due to completing the transfer in the current period.

Non-current Liabilities:

● Long-term debt, less the current portion, increased by ¥26.1 billion, mainly reflecting the appreciation of the U.S. dollar against the Japanese yen.

● Provisions kept the same level as on March 31, 2018, mainly due to an increase caused by the consolidation of AWE Limited, an oil and gas company in Australia, and a decline caused by the recognition of a reversal of a provision related to the Multigrain business.

● Deferred tax liabilities increased by ¥21.0 billion, mainly due to the increase in financial assets measured at FVTOCI corresponding to higher share prices.

Total Equity Attributable to Owners of the Parent

● Retained earnings declined by ¥43.3 billion.

● Other components of equity increased by ¥28.1 billion, mainly due to the following factors:

▷ Financial assets measured at FVTOCI increased by ¥31.0 billion, mainly due to higher share prices; and

▷ Foreign currency translation adjustments declined by ¥11.4 billion, mainly reflecting the depreciation of the Brazilian real, despite the appreciation of the U.S. dollar against the Japanese yen.

● Treasury stock which is a subtraction item in shareholders' equity declined by ¥96.5 billion, due to the cancellation of treasury stock.

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	134.6	202.8	(68.2)
Cash Flows from Investing Activities	(100.6)	(20.6)	(80.0)
Free Cash Flow	34.0	182.2	(148.2)
Cash Flows from Financing Activities	(105.0)	(103.9)	(1.1)
Effect of Exchange Rate Changes on Cash and Cash Equivalents etc.	5.0	1.2	+3.8
Change in Cash and Cash Equivalents	(66.1)	79.4	(145.5)

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash Flows from Operating Activities	a	134.6	202.8	(68.2)
Cash Flows from Change in Working Capital	b	(19.9)	47.4	(67.3)
Core Operating Cash Flow	a-b	154.5	155.4	(0.9)

● Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current year was ¥19.9 billion of net cash outflow. 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 ¥154.5 billion.

▷ Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥75.1 billion, a decline of ¥0.7 billion from ¥75.8 billion for the previous period.

▷ Depreciation and amortization for the current period was ¥43.6 billion, a decline of ¥3.9 billion from ¥47.5 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Iron & Steel Products	0.6	6.2	(5.6)
Mineral & Metal Resources	48.3	70.4	(22.1)
Machinery & Infrastructure	21.2	20.1	+1.1
Chemicals	15.2	11.8	+3.4
Energy	52.9	44.0	+8.9
Lifestyle	8.8	1.7	+7.1
Innovation & Corporate Development	13.6	1.0	+12.6
All Other and Adjustments and Eliminations	(6.1)	0.2	(6.3)
Consolidated Total	154.5	155.4	(0.9)

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 ¥75.5 billion, mainly due to the following factors:
  - ▷ An investment in ETC Group, which engages in businesses involving agricultural products, agricultural supplies, and food manufacturing and sales in East Africa, for ¥21.9 billion;
  - ▷ An investment in MAERSK PRODUCT TANKERS A/S, a product tanker company (vessel owning);
  - ▷ An investment in Inversiones Mitta, the holding company for Chile's leading automobile operating lease and rental car business; and.
  - ▷ An additional acquisition of a stake in Axiata (Cambodia) Holdings Limited, the holding company for Smart Axiata Co., Ltd which is a telecommunication service provider in Cambodia, for ¥10.1 billion.
- Net cash inflows that corresponded to other investments (net of sales and maturities of other investments) were ¥17.9 billion, mainly due to the following factors:
  - ▷ A transfer of the iron & steel products business to NIPPON STEEL & SUMIKIN BUSSAN CORPORATION for ¥64.4 billion; and
  - ▷ An acquisition of an oil and gas business in Australia for ¥48.2 billion.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥31.8 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 ¥21.5 billion; and
  - ▷ Net cash inflows for the lease transactions of ¥12.6 billion.

Cash Flows from Financing Activities

- Net cash inflows from net change in short-term debt were ¥10.6 billion and net cash outflows from net change in long-term debt were ¥47.7 billion.
- The cash outflow from payments of cash dividends was ¥69.5 billion.

(4) Management Issues

For the three-month period ended June 30, 2018, there is no significant change in management issues. We maintain our profit forecast attributable to owners of the parent of ¥420.0 billion and core operating cash flow forecast of ¥570.0 billion for the year ending March 31, 2019, as announced together with the results of the year ended March 31, 2018. No updates have been made to these forecasts.

(5) Research & Development

There are no contracts for which disclosure is required.

3. Material Contracts

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
June 30, 2018 and March 31, 2018

	Millions of Yen	
	June 30, 2018	March 31, 2018
ASSETS		
Current Assets:		
Cash and cash equivalents	¥ 1,065,323	¥ 1,131,380
Trade and other receivables	1,721,608	1,766,017
Other financial assets (Note 13)	297,317	243,915
Inventories (Note 13)	566,608	550,699
Advance payments to suppliers	244,999	307,339
Assets held for sale (Note 4)	—	108,920
Other current assets	141,200	117,886
Total current assets	4,037,055	4,226,156
Non-current Assets:		
Investments accounted for using the equity method	2,632,073	2,502,994
Other investments (Note 13)	1,861,900	1,825,026
Trade and other receivables(Note 13)	402,013	400,079
Other financial assets (Note 13)	141,676	153,149
Property, plant and equipment (Note 6)	1,822,062	1,729,897
Investment property	201,583	188,953
Intangible assets	170,797	173,207
Deferred tax assets	56,267	49,474
Other non-current assets	54,060	57,725
Total non-current assets	7,342,431	7,080,504
Total assets	¥ 11,379,486	¥ 11,306,660

Condensed Consolidated Statements of Financial Position—(Continued)
Mitsui & Co., Ltd. and subsidiaries
June 30, 2018 and March 31, 2018

	Millions of Yen	
	June 30, 2018	March 31, 2018
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term debt	¥ 213,253	¥ 201,556
Current portion of long-term debt (Note 8)	479,243	482,550
Trade and other payables	1,286,559	1,264,285
Other financial liabilities (Notes 12 and 13)	318,549	300,284
Income tax payables	68,702	62,546
Advances from customers	223,910	287,779
Provisions (Notes 14)	16,199	28,036
Liabilities directly associated with assets held for sale (Note 4)	—	40,344
Other current liabilities	39,274	31,392
Total current liabilities	2,645,689	2,698,772
Non-current Liabilities:		
Long-term debt, less current portion (Notes 8 and 13)	3,568,923	3,542,829
Other financial liabilities (Notes 12 and 13)	94,530	103,162
Retirement benefit liabilities	49,627	50,872
Provisions (Note 14)	201,228	200,649
Deferred tax liabilities	487,991	467,003
Other non-current liabilities	24,709	25,250
Total non-current liabilities	4,427,008	4,389,765
Total liabilities	7,072,697	7,088,537
Equity:		
Common stock	341,482	341,482
Capital surplus	386,632	386,165
Retained earnings	2,860,084	2,903,432
Other components of equity (Note 9)	476,069	448,035
Treasury stock	(7,922)	(104,399)
Total equity attributable to owners of the parent	4,056,345	3,974,715
Non-controlling interests	250,444	243,408
Total equity	4,306,789	4,218,123
Total liabilities and equity	¥ 11,379,486	¥ 11,306,660

Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2018 and 2017

	Millions of Yen	
	Three-month Period Ended June 30, 2018	Three-month Period Ended June 30, 2017
Revenue (Note 2, 5, 13 and 15):		
Sale of products	¥ −	¥ 1,042,347
Rendering of services	−	103,058
Other revenue	−	36,255
Revenue	1,556,199	−
Total revenue	1,556,199	1,181,660
Cost (Note 2):		
Cost of products sold	−	(923,331)
Cost of services rendered	−	(43,571)
Cost of other revenue	−	(15,366)
Cost	(1,337,750)	−
Total cost	(1,337,750)	(982,268)
Gross Profit	218,449	199,392
Other Income (Expenses):		
Selling, general and administrative expenses	(137,749)	(132,070)
Gain (loss) on securities and other investments—net	1,345	3,295
Impairment reversal (loss) of fixed assets—net	(984)	(1,282)
Gain (loss) on disposal or sales of fixed assets—net	6,862	6,461
Reversal of provision related to Multigrain business(Note 14)	11,083	−
Other income (expense)—net	(2,777)	4,758
Total other income (expenses)	(122,220)	(118,838)
Finance Income (Costs):		
Interest income	10,233	9,682
Dividend income	21,098	17,429
Interest expense	(18,960)	(16,053)
Total finance income (costs)	12,371	11,058
Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Note 5)	58,426	62,312
Profit before Income Taxes	167,026	153,924
Income Taxes	(41,011)	(37,391)
Profit for the Period	¥ 126,015	¥ 116,533
Profit for the Period Attributable to:		
Owners of the parent	¥ 118,414	¥ 110,756
Non-controlling interests	7,601	5,777

	Yen	
Earnings per Share Attributable to Owners of the Parent (Note 11):		
Basic	¥ 68.14	¥ 62.79
Diluted	¥ 68.08	¥ 62.75

Condensed Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2018 and 2017

	Millions of Yen	
	Three-month Period Ended June 30, 2018	**Three-month Period Ended June 30, 2017**
Comprehensive Income:		
Profit for the period	¥ 126,015	¥ 116,533
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	50,933	31,109
Remeasurements of defined benefit pension plans	709	(408)
Share of other comprehensive income of investments accounted for using the equity method	(47)	2,258
Income tax relating to items not reclassified	(13,846)	(10,679)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(23,911)	(11,269)
Cash flow hedges	186	(1,998)
Share of other comprehensive income of investments accounted for using the equity method	18,384	(2,917)
Income tax relating to items that may be reclassified	1,637	126
Total other comprehensive income	34,045	6,222
Comprehensive Income for the Period	¥ 160,060	¥ 122,755
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 154,421	¥ 117,397
Non-controlling interests	5,639	5,358

Condensed Consolidated Statements of Changes in Equity
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2018 and 2017

	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			110,756			110,756	5,777	116,533
Other comprehensive income for the period				6,641		6,641	(419)	6,222
Comprehensive income for the period						117,397	5,358	122,755
Transaction with owners:								
Dividends paid to owners of the parent (per share: ¥30)			(52,922)			(52,922)		(52,922)
Dividends paid to non-controlling interest shareholders							(4,825)	(4,825)
Acquisition of treasury stock					(3)	(3)		(3)
Sales of treasury stock			(0)		0	0		0
Equity transactions with non-controlling interest shareholders		(561)		(22)		(583)	4,583	4,000
Transfer to retained earnings			2,823	(2,823)		―		―
Balance as at June 30, 2017	¥ 341,482	¥ 408,967	¥ 2,610,781	¥ 489,243	¥ (54,405)	¥ 3,796,068	¥ 263,099	¥ 4,059,167

	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, 2018	¥ 341,482	¥ 386,165	¥ 2,903,432	¥ 448,035	¥ (104,399)	¥ 3,974,715	¥ 243,408	¥ 4,218,123
Cumulative effect of changes in accounting policies (Note 2).......			(3,535)			(3,535)		(3,535)
Balance as at April 1, 2018 after changes in accounting policies	341,482	386,165	2,899,897	448,035	(104,399)	3,971,180	243,408	4,214,588
Profit for the period			118,414			118,414	7,601	126,015
Other comprehensive income for the period				36,007		36,007	(1,962)	34,045
Comprehensive income for the period						154,421	5,639	160,060
Transaction with owners:								
Dividends paid to owners of the parent (per share: ¥40)			(69,516)			(69,516)		(69,516)
Dividends paid to non-controlling interest shareholders							(5,999)	(5,999)
Acquisition of treasury stock					(3)	(3)		(3)
Sales of treasury stock		(6)	(7)		13	0		0
Cancellation of treasury stock.........			(96,467)		96,467	―		―
Equity transactions with non-controlling interest shareholders		473		(210)		263	7,396	7,659
Transfer to retained earnings			7,763	(7,763)		―		―
Balance as atJune 30, 2018	¥ 341,482	¥ 386,632	¥ 2,860,084	¥ 476,069	¥ (7,922)	¥ 4,056,345	¥ 250,444	¥ 4,306,789

Condensed Consolidated Statements of Cash Flows
Mitsui & Co., Ltd. and subsidiaries
For the Three-Month Periods Ended June 30, 2018 and 2017

	Millions of Yen	
	Three-month Period Ended June 30, 2018	Three-month Period Ended June 30, 2017
Operating Activities:		
Profit for the period	¥ 126,015	¥ 116,533
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	43,573	47,462
Change in retirement benefit liabilities	637	344
Provision for doubtful receivables	2,604	2,177
Reversal of provision related to Multigrain business	(11,083)	-
(Gain) loss on securities and other investments—net	(1,345)	(3,295)
Impairment (reversal) loss of fixed assets—net	984	1,282
(Gain) loss on disposal or sales of fixed assets—net	(6,862)	(6,461)
Finance (income) costs	(11,098)	(9,220)
Income taxes	41,011	37,391
Share of (profit) loss of investments accounted for using the equity method	(58,426)	(62,312)
Valuation gain (loss) related to contingent considerations and others	4,135	-
Changes in operating assets and liabilities:		
Change in trade and other receivables	(27,098)	52,745
Change in inventories	(8,570)	(2,858)
Change in trade and other payables	32,698	(32,625)
Other—net	(16,880)	30,100
Interest received	8,834	7,840
Interest paid	(19,045)	(18,340)
Dividends received	75,071	75,797
Income taxes paid	(41,246)	(35,467)
Income taxes refunded	706	1,669
Cash flows from operating activities	134,615	202,762
Investing Activities:		
Change in time deposits	(5,873)	(1,945)
Investments in equity accounted investees	(80,186)	(39,463)
Proceeds from sales of investments in equity accounted investees	4,687	26,847
Purchases of other investments	(8,394)	(12,139)
Proceeds from sales and maturities of other investments	10,119	4,806
Increases in loan receivables	(4,714)	(2,906)
Collections of loan receivables	9,723	25,937
Purchases of property, plant and equipment	(67,803)	(39,194)
Proceeds from sales of property, plant and equipment	36,039	22,271
Purchases of investment property	(10,359)	(4,796)
Acquisition of subsidiaries or other businesses (Note 3)	(48,240)	-
Proceeds from sales of subsidiaries or other businesses (Note 4)	64,408	-
Cash flows from investing activities	(100,593)	(20,582)
Financing Activities:		
Change in short-term debt	10,590	(18,764)
Proceeds from long-term debt	224,901	68,044
Repayments of long-term debt	(272,609)	(101,923)
Purchases and sales of treasury stock	(3)	(3)
Dividends paid	(69,516)	(52,922)
Transactions with non-controlling interests shareholders	1,608	1,624
Cash flows from financing activities	(105,029)	(103,944)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4,950	1,179
Change in Cash and Cash Equivalents	(66,057)	79,415
Cash and Cash Equivalents at Beginning of Period	1,131,380	1,503,820
Cash and Cash Equivalents at End of Period	¥ 1,065,323	¥ 1,583,235

Notes to Condensed Consolidated Financial Statements
Mitsui & Co., Ltd. and subsidiaries

1. REPORTING ENTITY

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

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

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

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

2. BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Ⅰ. BASIS OF PREPARATION

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

Ⅱ. USE OF ESTIMATES AND JUDGMENTS

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

The judgments based on assumptions and estimates which could affect the accompanying Condensed Consolidated Financial Statements are the same as those of the previous fiscal year except for the following.
- Note 14 “REVARSAL of PROVISION RELATED TO MULTIGRAIN BUSINESS”

Ⅲ. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the Condensed Consolidated Financial Statements for the period ended June 30, 2018 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year except for the following.

The companies applied the following new standards for the Condensed Consolidated Financial Statements from April 1, 2018.

IFRS	Title	Summaries
IFRS 9	Financial Instruments (amended in July 2014)	Implementation of expected credit loss model for the recognition of impairment losses of financial instruments
IFRS 15	Revenue from Contracts with Customers	Acounting for recognizing revenue from contracts with customers

IFRS 9 "Financial Instruments" (amended in July 2014)

Upon the adoption of this standard, the companies measure the loss allowance at an amount equal to 12-month expected credit losses if the credit risk on a financial asset has not increased significantly since initial recognition, and measure the loss allowance at an amount equal to lifetime expected credit losses if the credit risk on a financial asset has increased significantly since initial recognition for financial assets that are measured at amortized costs. However, for trade receivables and contract assets, the loss allowance is measured at an amount equal to the lifetime expected credit loss without assessing whether the credit risk on a financial asset has increased significantly since initial recognition.

When determining significant increases in the credit risk and measuring expected credit losses, both quantitative and qualitative information are considered to provide reason and support. These information include reasonable and available forward-looking information, as well as internal information such as historical credit loss experience, past due information and internal credit ratings.

Information such as significant financial difficulty of the issuer or the borrower or a breach of contract such as payments past due are used as evidence that a financial asset is credit-impaired. As for credit-impaired financial assets as of the reporting date, if the debtor is under legal reorganization and in financial failure or has issues repaying debts due to financial difficulty, although it may not yet be in financial failure, the loss allowance for the financial asset is individually measured by the estimation of expected credit losses based on considering the latest information and events.

The retrospective restatement of prior periods has not been applied in accordance with the adoption of this standard. The impact of the application of this standard on the Condensed Consolidated Financial Statements are immaterial.

IFRS 15 “Revenue from contracts with customers”

Since the three-month period ended June 30, 2018, in accordance with IFRS15, revenue is recognized at the timing of the satisfaction of the performance obligations, based on the 5 step approach (1. Identifying the contract with a customer, 2. Identifying the performance obligations of the contract, 3. Determining the transaction price, 4. Allocating the transaction price to performance obligations in the contract and 5. Recognizing the revenue when the entity satisfied a performance obligation). Upon the identification of the performance obligations of the contract, a consideration of whether an entity is a principal or an agent is made, and if the nature of its promise is a performance obligation to provide the specified goods or services as a principal, the revenue is recognized in the gross amount, and if the nature of its promise is a performance obligation to arrange for the provision of goods or services by another party, then the revenues received as an agent is recognized in the amount of any fee or commission to which it expects to be entitled or as a net amount.

In regards to the sale of goods, the companies recognize revenue based on the transfer, the acceptance of customer or the dispatch of goods for domestic transactions, and based the transfer of risks and rewards according to the condition of Incoterms for foreign trading transactions. For rendering of services, revenue is recognized at the timing of the satisfaction of performance obligations of services identified from the contract or as the performance obligations of the performance obligations are satisfied.

For transactions where the performance obligation is satisfied over time, and only if its progress towards complete satisfaction of the performance obligation can be reasonably measured, revenue is recognized by measuring the progress towards complete of satisfaction of the performance obligation. Even though the progress of satisfaction of a performance obligation may not be able to reasonably measured, if the cost incurred in satisfying the performance obligation are expected to be recovered, revenue is recognized only to the extent of the costs incurred until such time that the progress can be reasonably measured.

The cumulative effects due to the application of this standard were recognized on the commencement date of adoption in accordance with the transitional arrangements, however, impacts of the application on the Condensed Consolidated Financial Statements are immaterial except for the followings.

From the revenues for transactions of agents originally recognized as a net amount since it does not have exposure to the significant risks and rewards associated with the sale of goods or rendering of services in accordance with IAS 18 “Revenue”, transactions in which the company controls the goods or services before the goods or services are transferred to the customer, are considered transactions as a principal based on the standard above, these revenues are recognized as a gross amount. As a result, revenue and cost respectively increased by ¥385,014 million in the Condensed Consolidated Financial Statement of Income for the three-month ended June 30, 2018 when compared to the figures under the former accounting standards.

The amounts of economic influence classified based on the characteristics of revenues and cash flows for revenues from contracts with customers during the three-month period ended June 30, 2018, are disclosed in note 15 “revenues”. Therefore, "Sales of products", "Rendering of services" and "Other revenue", and "Cost of products sold", "Cost of service rendered" and "Cost of other revenue" were separately presented on prior Condensed Consolidated Financial Statement of Income. Since the three-month period ended June 30, 2018, their line of items are presented single line of items as "Revenue" and "Cost", respectively.

<u>Breakdown of “Cumulative effect of changes in accounting policies” in the Condensed Consolidated Statements of Changes in Equity</u>

As a result of the adoption of IFRS 9 and IFRS 15, the balance of retained earnings as at April 1, 2018 decreased by ¥2,857 million and ¥678 million, respectively. These impacts are included under “Cumulative effect of changes in accounting policies” in the Condensed Consolidated Statement of Changes in Equity for the three-month ended June 30, 2018.

IV. RECLASSIFICATION

Certain reclassifications and format changes have been made to amounts of the Condensed Consolidated Statements of Cash Flows for the three-month period ended June 30, 2017 to conform to the current period presentation.

3. BUSINESS COMBINATIONS

For the three-month period ended June 30, 2018

Oil and GasCompany in Australia

The Company made a takeover bid for all of the issued shares of AWE Limited ("AWE"). On April 4, 2018, the bid was declared unconditional, as the Company satisfied the 50.1% minimum acceptance condition, and the bid completed on May 2, 2018. The number of Target Shares accepted was 610,500,574 shares (Percentage of total issued shares: 96.48%).
The Company has commenced the compulsory acquisition of all the remaining Target Shares to delist AWE from the Australian Securities Exchange ("ASX") by taking the necessary procedures in accordance with ASX rules and relevant regulations in Australia. Those procedures were completed on May 28, 2018, and the total consideration paid was ¥49,568 million (A$601 million).
AWE belongs to the energy industry focusing on oil and gas. Mitsui acquired AWE to invest in high-quality oil and gas assets in Australia as well as to obtain an operational platform for extending its business in the Australia oil and gas sector.
The purchase price allocation has not been completed. The following table summarizes the provisional fair values of the assets acquired and liabilities assumed at the acquisition date:

		Millions of Yen
Current assets	¥	2,686
Property, plant and equipment		56,586
Other non-current assets		8,046
Total assets acquired	¥	67,318
Current liabilities		(2,031)
Non-current liabilities		(15,719)
Total liabilities assumed	¥	(17,750)
Net assets acquired	¥	49,568

Pro forma results of operations for the above business combination have not been presented because the effects were not material to the consolidated financial statements. A net cash outflow in cash flows from investing activities of ¥48,240 million arising from the above business combination is included in "Acquisition of subsidiaries or other businesses" in the Condensed Consolidated Statements of Cash Flows for the three-month period ended June 30, 2018.

For the three-month period ended June 30, 2017

No material business combinations were completed during the three-month period ended June 30, 2017.

4. ASSETS HELD FOR SALE

During the year ended March 31, 2018, 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 this transfer was closed on April 1, 2018. Therefore, the related assets and liabilities transferred from Mitsui and Mitsui Steel are presented as single line items under “Assets held for sale” and “Liabilities directly associated with assets held for sale” within the Consolidated Statements of Financial Position as of the year ended March 31, 2018. These accounts mainly consist of accounts receivable-trade and notes receivable-trade, and accounts payable-trade. This transaction was included in the Iron & Steel Products Segment. As of the three-month period ended June 30, 2018, “Assets held for sale” and “Liabilities directly associated with assets held for sale” are immaterial, and 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.

5. SEGMENT INFORMATION

Three-month period ended June 30, 2018:	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total
	Millions of Yen							
Revenue	¥ 48,550	¥ 246,738	¥ 193,206	¥ 391,183	¥ 172,131	¥ 458,310	¥ 44,951	¥ 1,555,069
Gross Profit	¥ 6,805	¥ 45,761	¥ 31,778	¥ 36,256	¥ 35,349	¥ 38,986	¥ 23,228	¥ 218,163
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 7,168	¥ 13,980	¥ 18,655	¥ 3,980	¥ 7,139	¥ 6,108	¥ 1,820	¥ 58,850
Profit (Loss) for the Period Attributable to Owners of the parent	¥ 6,779	¥ 39,722	¥ 15,449	¥ 9,735	¥ 17,058	¥ 17,501	¥ 10,886	¥ 117,130
Core Operating Cash Flow	¥ 606	¥ 48,325	¥ 21,182	¥ 15,175	¥ 52,928	¥ 8,844	¥ 13,581	¥ 160,641
Total Assets at June 30, 2018	¥ 608,865	¥ 2,253,346	¥ 2,273,830	¥ 1,236,640	¥ 2,237,900	¥ 2,032,722	¥ 697,690	¥ 11,340,993

Three-month period ended June 30, 2018:	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen		
Revenue	¥ 1,130	¥ -	¥ 1,556,199
Gross Profit	¥ 670	¥ (384)	¥ 218,449
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ -	¥ (424)	¥ 58,426
Profit (Loss) for the Period Attributable to Owners of the parent	¥ (3,957)	¥ 5,241	¥ 118,414
Core Operating Cash Flow	¥ (2,660)	¥ (3,516)	¥ 154,465
Total Assets at June 30, 2018	¥ 6,419,620	¥ (6,381,127)	¥ 11,379,486

Three-month period ended June 30, 2017: (As restated)	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total
	Millions of Yen							
Revenue	¥ 65,338	¥ 218,482	¥ 108,024	¥ 274,189	¥ 122,560	¥ 369,753	¥ 30,191	¥ 1,188,537
Gross Profit	¥ 12,650	¥ 56,897	¥ 31,236	¥ 33,552	¥ 27,522	¥ 34,350	¥ 12,596	¥ 208,803
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ 4,123	¥ 27,029	¥ 14,886	¥ 2,012	¥ 5,606	¥ 6,833	¥ 2,035	¥ 62,524
Profit (Loss) for the Period Attributable to Owners of the parent	¥ 6,870	¥ 54,378	¥ 15,474	¥ 6,258	¥ 16,324	¥ 6,410	¥ 5,815	¥ 111,529
Core Operating Cash Flow	¥ 6,194	¥ 70,360	¥ 20,108	¥ 11,787	¥ 44,022	¥ 1,736	¥ 975	¥ 155,182
Total Assets at March 31, 2018	¥ 680,257	¥ 2,260,050	¥ 2,364,616	¥ 1,228,773	¥ 2,083,766	¥ 1,987,306	¥ 662,192	¥ 11,266,960

Three-month period ended June 30, 2017: (As restated)	All Other	Adjustments and Eliminations	Consolidated Total
	Millions of Yen		
Revenue	¥ 6,059	¥ (12,936)	¥ 1,181,660
Gross Profit	¥ 3,525	¥ (12,936)	¥ 199,392
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	¥ (19)	¥ (193)	¥ 62,312
Profit (Loss) for the Period Attributable to Owners of the parent	¥ (5,634)	¥ 4,861	¥ 110,756
Core Operating Cash Flow	¥ 3,948	¥ (3,730)	¥ 155,400
Total Assets at March 31, 2018	¥ 6,506,907	¥ (6,467,207)	¥ 11,306,660

Notes: (1)“All Other” includes of the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total Assets of “All Other” at March 31, 2018 and June 30, 2018 includes cash, 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)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)Since the three-month period ended June 30, 2018, due to implementation of the new consolidated accounting system, the elimination method of intercompany receivables and payables, which was simplified, is refined and Total Assets at March 31, 2018 are more appropriately calculated as a measurement of the asset size and the asset efficiency. As a result of this change, Total Assets at March 31, 2018 are restated and increase in each operating segment and decrease in "Adjustments and Eliminations" as follows.

	Millions of Yen							
Three-month period ended June 30, 2017:	**Iron & Steel Products**	**Mineral & Metal Resources**	**Machinery & Infrastructure**	**Chemicals**	**Energy**	**Lifestyle**	**Innovation & Corporate Development**	**Total**
Total Assets at March 31, 2018	¥ 25,532	¥ 167,142	¥ 108,966	¥ 42,519	¥ 166,079	¥ 85,484	¥ 39,483	¥ 635,205

	Millions of Yen		
Three-month period ended June 30, 2017:	**All Other**	**Adjustments and Eliminations**	**Consolidated Total**
Total Assets at March 31, 2018	¥ 267,019	¥ (902,224)	¥ -

(6)"Revenue" in each operating segment for three-month period ended June 30, 2018 includes the impact of the adoption of IFRS 15 which is disclosed in Note.2. The impacts are as follows.

	Millions of Yen							
Three-month period ended June 30, 2018:	**Iron & Steel Products**	**Mineral & Metal Resources**	**Machinery & Infrastructure**	**Chemicals**	**Energy**	**Lifestyle**	**Innovation & Corporate Development**	**Total**
Revenue	¥ 4,790	¥ 4,995	¥ 96,198	¥ 58,924	¥ 32,232	¥ 187,740	¥ 135	¥ 385,014

	Millions of Yen		
Three-month period ended June 30, 2018:	**All Other**	**Adjustments and Eliminations**	**Consolidated Total**
Revenue	¥ -	¥ -	¥ 385,014

6. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

The amounts of acquisitions and disposals of property, plant and equipment for the three-month period ended June 30, 2018 were ¥73,084 million, ¥30,599 million, respectively.
The amounts of acquisitions and disposals of property, plant and equipment for the three-month period ended June 30, 2017 were ¥47,506 million, ¥38,560 million, respectively.

7. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS

The amount of impairment losses for assets for the three-month periods ended June 30, 2018 and 2017 were not material.

The amount of reversals of impairment losses for assets for the three-month periods ended June 30, 2018 and 2017 were not material.

8. BONDS AND LOANS

Bonds
The total amount of repaid bonds for the three-month period ended June 30, 2018 was ¥30,990 million.
The total amount of issued bonds for the three-month period ended June 30, 2018 was ¥11,033 million.
The total amount of repaid bonds for the three-month period ended June 30, 2017 was none.
The total amount of issued bonds for the three-month period ended June 30, 2017 was none.

Loans
The loans executed for the three-month period ended June 30, 2018 were not material.
The loans executed for the three-month period ended June 30, 2017 were not material.

9. EQUITY

Changes in other components of equity for the three-month periods ended June 30, 2018 and 2017 were as follows:

	Millions of Yen			
		Three-month period ended June 30, 2018		Three-month period ended June 30, 2017
Financial Assets Measured at FVTOCI:				
Balance at beginning of period	¥	306,911	¥	204,100
Increase (decrease) during the period		37,830		21,327
Transfer to retained earnings		(6,818)		(1,785)
Balance at end of period	¥	337,923	¥	223,642
Remeasurements of Defined Benefit Pension Plans:				
Balance at beginning of period	¥	-	¥	-
Increase (decrease) during the period		945		1,038
Transfer to retained earnings		(945)		(1,038)
Balance at end of period	¥	-	¥	-
Foreign Currency Translation Adjustments:				
Balance at beginning of period	¥	161,488	¥	308,054

	Millions of Yen	
	Three-month period ended June 30, 2018	Three-month period ended June 30, 2017
Increase (decrease) during the period	(11,383)	(13,495)
Balance at end of period	¥ 150,105	¥ 294,559
Cash Flow Hedges:		
Balance at beginning of period	¥ (20,364)	¥ (26,707)
Increase (decrease) during the period	8,405	(2,251)
Balance at end of period	¥ (11,959)	¥ (28,958)
Total:		
Balance at beginning of period	¥ 448,035	¥ 485,447
Increase (decrease) during the period	35,797	6,619
Transfer to retained earnings	(7,763)	(2,823)
Balance at end of period	¥ 476,069	¥ 489,243

10. DIVIDENDS

During the three-month periods ended June 30, 2018 and 2017, the Company paid dividends of ¥40 per share (total dividend of ¥69,516 million) and ¥30 per share (total dividend of ¥52,922 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 three-month periods ended June 30, 2018 and 2017:

	Three-month Period Ended June 30, 2018			Three-month Period Ended June 30, 2017		
	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:	¥ 118,414	1,737,884	¥ 68.14	¥ 110,756	1,763,955	¥ 62.79
Effect of dilutive securities:						
Adjustment of effect of:						
Dilutive securities of associated companies.	(20)	—		(18)	—	
Stock options	—	1,128		—	877	
Diluted earnings per share attributable to owners of the parent:	¥ 118,394	1,739,012	¥ 68.08	¥ 110,738	1,764,832	¥ 62.75

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 June 30, 2018 and March 31, 2018. The maximum potential amount of future payments represents the amount without consideration of possible recovery 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 through 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 of performing guarantees which would materially affect the consolidated financial position, operating results, or cash flows of the companies is remote at June 30, 2018.

	Millions of Yen			
	Maximum potential amount of future payments	**Amount outstanding (a)**	**Recourse provisions/ Collateral (b)**	**Net amount outstanding (a)-(b)**
Jnue 30, 2018				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties …………………	¥ 149,963	¥ 50,815	¥ 6,724	¥ 44,091
Guarantees for investments accounted for using the equity method ………………	942,976	636,815	76,941	559,874
Performance guarantees				
Guarantees for third parties …………………	38,244	36,176	7,628	28,548
Guarantees for investments accounted for using the equity method ………………	99,397	93,210	3,083	90,127
Total ………………	¥ 1,230,580	¥ 817,016	¥ 94,376	¥ 722,640

	Millions of Yen			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2018				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties …………………	¥ 94,524	¥ 57,041	¥ 6,076	¥ 50,965
Guarantees for investments accounted for using the equity method ………………	903,904	615,804	66,276	549,528
Performance guarantees				
Guarantees for third parties …………………	47,924	45,023	6,983	38,040
Guarantees for investments accounted for using the equity method ………………	87,040	81,489	2,986	78,503
Total ………………	¥ 1,133,392	¥ 799,357	¥ 82,321	¥ 717,036

Guarantees for third parties

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities. Most of these guarantees outstanding as of June 30, 2018 and March 31, 2018 will expire through 2029.

Guarantees for investments accounted for using the equity method

The companies, severally or jointly with others, issue guarantees for investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing. Most of these guarantees outstanding as of June 30, 2018 and March 31, 2018 will expire through 2025.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of June 30, 2018 and March 31, 2018.

	Millions of Yen	
	June 30, 2018	March 31, 2018
Within 1 year ………………………………	¥ 321,659	¥ 303,079
After 1 to 5 years ……………………………	604,793	540,359
After 5 years ………………………………	304,128	289,954
Total ……………………………………	¥ 1,230,580	¥ 1,133,392

Ⅱ. LITIGATION

Various claims and legal actions are pending against the companies in respect of contractual obligations and other matters arising from the conduct of the companies' businesses. 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:

Trade and other receivables
- Trade and other receivables other than measured at amortized cost are measured at fair value.
- Trade 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 these 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 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 these 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 June 30, 2018 and June 30, 2017 were immaterial.

(2) Valuation process

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

<u>*Information by fair value hierarchy*</u>

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2018 and March 31, 2018 were as follows. No assets or liabilities were transferred between level 1 and 2 for the three-month period ended June 30, 2018 and 2017.

	Millions of Yen				
June 30, 2018	**Fair value measurements using**				
	Level 1	**Level 2**	**Level 3**	**Netting adjustments***	**Total fair value**
Assets:					
Trades and other receivables:					
Loan measured at FVTPL ………………	—	—	¥ 22,245		
Total trades and other receivables	—	—	¥ 22,245	—	¥ 22,245
Other investments:					
Financial assets measured at FVTPL ……	¥ 34,769	—	¥ 104,473		
Financial assets measured at FVTOCI …	1,054,089	—	664,435		
Total other investments	¥ 1,088,858	—	¥ 768,908	—	¥ 1,857,766
Derivative assets:					
Foreign exchange contracts ……………	—	¥ 39,284	—		
Interest rate contracts ……………………	—	71,563	—		
Commodity contracts ……………………	¥ 11,985	645,417	¥ 1,112		
Others ……………………………………	—	—	12,384		
Total derivative assets	¥ 11,985	¥ 756,264	¥ 13,496	¥ (587,110)	¥ 194,635
Inventories…………………………………	—	¥ 98,494	—	—	¥ 98,494
Total assets …………………………………	¥ 1,100,843	¥ 854,758	¥ 804,649	¥ (587,110)	¥ 2,173,140
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts ……………	—	¥ 55,625	—		
Interest rate contracts ……………………	—	3,422	—		
Commodity contracts ……………………	¥ 17,363	652,732	¥ 537		
Others ……………………………………	—	—	13,178		
Total derivative liabilities	¥ 17,363	¥ 711,779	¥ 13,715	¥ (562,399)	¥ 180,458
Total liabilities ……………………………	¥ 17,363	¥ 711,779	¥ 13,715	¥ (562,399)	¥ 180,458

March 31, 2018	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	−	−	¥ 21,380		
Total trades and other receivables	−	−	¥ 21,380	−	¥ 21,380
Other investments:					
Financial assets measured at FVTPL	¥ 24,774	−	¥ 110,827		
Financial assets measured at FVTOCI	1,046,586	−	638,851		
Total other investments	¥ 1,071,360	−	¥ 749,678	−	¥ 1,821,038
Derivative assets:					
Foreign exchange contracts	−	¥ 54,191	−		
Interest rate contracts	−	70,121	−		
Commodity contracts	¥ 10,690	420,030	¥ 1,116		
Others	−	−	15,715		
Total derivative assets	¥ 10,690	¥ 544,342	¥ 16,831	¥ (364,135)	¥ 207,728
Inventories	−	¥ 103,780	−	−	¥ 103,780
Total assets	¥ 1,082,050	¥ 648,122	¥ 787,889	¥ (364,135)	¥ 2,153,926
Liabilities:					
Derivative liabilities:					
Foreign exchange contracts	−	¥ 55,633	−		
Interest rate contracts	−	3,058	−		
Commodity contracts	¥ 15,147	417,299	¥ 613		
Others	−	−	13,344		
Total derivative liabilities	¥ 15,147	¥ 475,990	¥ 13,957	¥ (354,496)	¥ 150,598
Total liabilities	¥ 15,147	¥ 475,990	¥ 13,957	¥ (354,496)	¥ 150,598

*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 the beginning of period of the loan measured at FVTPL was ¥21,380 million and the balance at the end of the period was ¥22,245 million for the three-month period ended June 30, 2018.
The balance at the beginning of period of the loan measured at FVTPL was ¥32,710 million and the balance at the end of the period was ¥32,654 million for the three-month period ended June 30, 2017.
There was no material movement other than its exchange rate change during both periods.

The reconciliation of financial assets measured at FVTPL for the three-month period ended June 30, 2018 and 2017 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2018	**Three-month period ended June 30, 2017**
Balance at beginning of period	¥ 110,827	¥ 86,352
Gains (losses)	2,073	990
Purchases	5,718	13,696
Sales	(802)	(2,777)
Transfers into Level 3	—	—
Transfers out of Level 3	(7,033)	—
Others (Note)	(6,310)	(1,570)
Balance at end of period	¥ 104,473	¥ 96,690
Net change in unrealized gains (losses) still held at end of period	¥ 3,734	¥ 990

Note 1: "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 three-month period ended June 30, 2018 were included in "Revenue" in the Condensed Consolidated Statements of Income.
FVTPL gains(losses) for the three-month period ended June 30, 2017 were included in "Other revenue" in the Condensed Consolidated Statements of Income.

The reconciliation of financial assets measured at FVTOCI for the three-month period ended June 30, 2018 and 2017 were as follows:

	Millions of Yen	
	Three-month period ended June 30, 2018	**Three-month period ended June 30, 2017**
Balance at beginning of period	¥ 638,851	¥ 646,034
Other comprehensive income	7,315	(2,427)
Purchases	6,625	4,082
Sales	(1,962)	(1,349)
Transfers into Level 3	—	—
Transfers out of Level 3	—	—
Others (Note 1)	13,606	(3,928)
Balance at end of period	¥ 664,435	¥ 642,412

Note 1: "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 June 30, 2018 and March 31, 2018 were as follows:

June 30, 2018	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	6.6% ~ 15.2%

March 31, 2018	**Valuation Technique**	**Principal Unobservable Input**	**Range**
Financial assets measured at FVTOCI	Income approach	Discount rate	6.5% ~ 15.1%

Information about sensitivity to changes in significant unobservable inputs

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

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

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

The fair values of financial instruments as of June 30, 2018 and March 31, 2018 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			
	June 30, 2018		**March 31, 2018**	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current receivables				
Trade and other receivables and Other financial assets (*) ………………………	¥ 543,689	¥ 543,689	¥ 553,228	¥ 553,483
Non-current liabilities				
Long-term debts, less current portion and Other financial liabilities (*) ……………	¥ 3,663,453	¥ 3,717,724	¥ 3,645,991	¥ 3,714,586

(*)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. REVERSAL OF PROVISION RELATED TO MULTIGRAIN BUSINESS

Regarding the provisions which Multigrain Trading AG (“Multigrain” a 100% owned subsidiary of the Company) recognized as losses of ¥25,006 million expected to arise from meeting the obligations under some of the long-term contracts in the previous fiscal year, the contracts have been terminated and this resulted in gains of ¥11,083 million for the three-month period ended June 30, 2018, which was the deference between their termination costs and the provisions.
The gains are presented as “Reversal of provision related to Multigrain business” within the Condensed Consolidated Statements of Income and included in the “Profit (Loss) for the Period Attributable to Owners of the parent” in the Lifestyle segment for the three-month period ended June 30, 2018. Please see “5. *SEGMENT INFORMATION*”.

15. REVENUE

Among "Revenue", the disaggregation of revenue recognized from contracts with customers by product segment is as follows. The following categories are same as in Note.5 "Segment Information". Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial insruments, etc.

	Millions of Yen								
Three-month period ended June 30, 2018:	**Iron & Steel Products**	**Mineral & Metal Resources**	**Machinery & Infrastructure**	**Chemicals**	**Energy**	**Lifestyle**	**Innovation & Corporate Development**	**All Others**	**Total**
Revenue recognized from contracts with customers	¥ 48,545	¥ 103,459	¥ 176,561	¥ 387,015	¥ 57,773	¥ 323,650	¥ 27,860	¥ 886	¥ 1,125,749

16. SUBSEQUENT EVENTS

Stock options

The Company approved at the meeting of the Board of Directors held on July 4, 2018, to allot the stock option scheme as stock-based compensation with stock price conditions to the Company's Directors (excluding External Directors) and Executive Officers to purchase up to 249,100 shares of the Company's common stock in the period from July 25, 2021 to July 24, 2048 with payment due upon the exercise of offered subscription rights to shares being ¥1 per share.

17. 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 Takakazu Uchida, Representative Director, Executive Managing Officer and CFO, on August 13, 2018.