Consolidated Financial Results for the Three-Month Period Ended June 30, 2016 [IFRS]

Tokyo, August 3, 2016 - Mitsui & Co., Ltd. announced its consolidated financial results for the three-month period ended June 30, 2016, based on International Financial Reporting Standards ("IFRS").

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

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1. Consolidated financial results

(1) Consolidated operating results information for the three-month period ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

		Three-month period ended June 30,			
		2016	%	2015	%
Revenue	Millions of yen	1,019,971	Δ 20.5	1,283,689	Δ 6.3
Profit before income taxes	Millions of yen	85,714	Δ 43.9	152,765	Δ 11.8
Profit for the period	Millions of yen	64,303	Δ 38.6	104,802	Δ 21.5
Profit for the period attributable to owners of the parent	Millions of yen	61,145	Δ 36.9	96,937	Δ 24.2
Comprehensive income for the period	Millions of yen	(195,374)	-	204,278	58.0
Earnings per share attributable to owners of the parent, basic	Yen	34.11		54.08	
Earnings per share attributable to owners of the parent, diluted	Yen	34.10		54.07	

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

(2) Consolidated financial position information

		June 30, 2016	March 31, 2016
Total assets	Millions of yen	10,509,237	10,910,511
Total equity	Millions of yen	3,378,895	3,666,536
Total equity attributable to owners of the parent	Millions of yen	3,137,606	3,379,725
Equity attributable to owners of the parent ratio	%	29.9	31.0

2. Dividend information

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

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

		Year ending March 31, 2017
Profit attributable to owners of the parent	Millions of yen	200,000
Earnings per share attributable to owners of the parent, basic	Yen	111.58

Note :
We maintain our forecast profit attributable to owners of the parent for the year ending March 31, 2017 of ¥200.0 billion announced together with the results of fiscal year ended March 2016. No updates have been made to this forecast.

4. Others

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

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

(3) Number of shares :

	June 30, 2016	March 31, 2016
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	4,005,772	4,004,857

	Three-month period ended June 30, 2016	Three-month period ended June 30, 2015
Average number of shares of common stock outstanding	1,792,508,856	1,792,522,815

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

A Cautionary Note on Forward-Looking Statements:
This report contains forward-looking statements including those concerning future performance of Mitsui & Co., Ltd. ("Mitsui"), and those statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it. Various factors may cause Mitsui's actual results to be materially different from any future performance expressed or implied by these forward-looking statements. Therefore, these statements do not constitute a guarantee by Mitsui that such future performance will be realized.
For cautionary notes with respect to forward-looking statements, please refer to the "Notice" section on p.12.

Supplementary materials and IR meeting on financial results:
Supplementary materials on financial results can be found on our web site.
We will hold an IR meeting on financial results for analysts and institutional investors on August 3, 2016.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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1. Qualitative Information

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

(1) Operating Environment

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

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

(2) Results of Operations

1) Analysis of Consolidated Income Statements

Revenue

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

Gross Profit

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

Other Income (Expenses)

Selling, General and Administrative Expenses

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

Gain on Securities and Other Investments—Net

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

Impairment Loss of Fixed Assets

Impairment loss of fixed assets for the current period was ¥0.1 billion, a decline of ¥0.3 billion from ¥0.4

billion of loss for the previous period. There were miscellaneous small transactions both for the current and previous periods.

Gain (Loss) on Disposal or Sales of Fixed Assets—Net
Gain on disposal or sales of fixed assets for the current period was ¥0.1 billion, a decline of ¥12.8 billion from ¥12.9 billion of gain for the previous period. There were miscellaneous small transactions for the current period. For the previous period, a gain on disposal of fixed assets was recorded mainly in the Lifestyle Segment.

Other Expense—Net
Other expense for the current period was ¥8.3 billion, an increase of ¥6.8 billion from ¥1.5 billion for the previous period. The Innovation & Corporate Development Segment recorded a deterioration of foreign exchange gains (losses) in the commodity derivatives trading business, which corresponded to related gross profit in the same segment.

Finance Income (Costs)
Interest Income
Interest income for the current period was ¥7.6 billion, a decline of ¥0.8 billion from ¥8.4 billion for the previous period.

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

Interest Expense
Interest expense for the current period was ¥12.7 billion, an increase of ¥0.3 billion from ¥12.4 billion for the previous period.

Share of Profit (Loss) of Investments Accounted for Using the Equity Method
Share of profit of investments accounted for using the equity method for the current period was ¥50.7 billion, a decline of ¥9.2 billion from ¥59.9 billion for the previous period. Mainly the Energy Segment and the Machinery & Infrastructure Segment recorded declines.

Income Taxes
Income taxes for the current period were ¥21.4 billion, a decline of ¥26.6 billion from ¥48.0 billion for the previous period. Profit before income taxes for the current period was ¥85.7 billion, a decline of ¥67.1 billion from ¥152.8 billion for the previous period. In response, applicable income taxes also declined. Furthermore, subsidiaries, whose functional currency and currency used to calculate tax profit differ, recorded a decline in tax burden on deductible temporary difference arising from appreciation of currency used to calculate tax profit against functional currency.
The effective tax rate for the current period was 25.0%, a decline of 6.4% from 31.4% for the previous period. The major factor for the decline was the aforementioned effects on appreciation of currency used to calculate tax profit.

Profit for the Period
As a result of the above factors, profit for the period was ¥64.3 billion, a decline of ¥40.5 billion from ¥104.8 billion of profit for the previous period.

Profit for the Period Attributable to Owners of the Parent

Profit for the period attributable to owners of the parent was ¥61.1 billion, a decline of ¥35.8 billion from ¥96.9 billion of profit for the previous period.

2) EBITDA

We use EBITDA as a measure of underlying earning power.

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

(Billions of Yen)		Current Period	Previous Period	Change
EBITDA (a+b+c+d+e) (*)		145.1	193.5	(48.4)
Gross profit	a	164.1	192.2	(28.1)
Selling, general and administrative expenses	b	(130.5)	(139.9)	+ 9.4
Dividend income	c	11.9	16.2	(4.3)
Profit (loss) of equity method investments	d	50.7	59.9	(9.2)
Depreciation and amortization	e	48.8	65.1	(16.3)

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

3) Operating Results by Operating Segment

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

Iron & Steel Products Segment

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

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

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

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

Mineral & Metal Resources Segment

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

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

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

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

Machinery & Infrastructure Segment

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

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

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

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

Chemicals Segment

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

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

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

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

Energy Segment

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

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

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

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

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

Lifestyle Segment

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

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

- Gross profit declined by ¥0.3 billion.
  - The Food Business Unit reported a decline of ¥1.7 billion.
  - The Food & Retail Management Business Unit reported a decline of ¥0.5 billion.
  - The Healthcare & Service Business Unit reported an increase of ¥0.3 billion.
  - The Consumer Business Unit reported an increase of ¥1.6 billion.
- Profit (loss) of equity method investments increased by ¥3.1 billion.
  - The Food Business Unit reported an increase of ¥2.8 billion.
  - The Food & Retail Management Business Unit reported a decline of ¥0.9 billion.
  - The Healthcare & Service Business Unit reported an increase of ¥0.5 billion.
  - The Consumer Business Unit reported an increase of ¥0.7 billion.

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

- For the previous period, Bussan Real Estate Co., Ltd. (now called Mitsui & Co. Real Estate Ltd.) recorded a ¥13.1 billion gain on the sales of buildings in Japan.

Innovation & Corporate Development Segment

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

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

- Gross profit increased by ¥4.5 billion.
  - The IT & Communication Business Unit reported an increase of ¥0.4 billion.
  - The Corporate Development Business Unit reported an increase of ¥4.2 billion.
    - There was an increase in gross profit corresponding to a ¥5.0 billion deterioration of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current period and for the previous period.
- Profit (loss) of equity method investments declined by ¥0.1 billion.

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

- For the previous period, a ¥9.7 billion gain due to the valuation of fair value on shares in Hutchison MediPharma Holdings was recorded.
- For the current period and for the previous period, foreign exchange losses of ¥4.6 billion and gains of

¥0.4 billion, respectively, were posted in other expense in relation to the commodity derivatives trading business.

Americas Segment

(Billions of Yen)	Current Period	Previous Period	Change
EBITDA	14.1	19.8	(5.7)
Gross profit	23.6	31.3	(7.7)
Selling, general and administrative expenses	(13.0)	(16.8)	+3.8
Dividend income	0.0	0.0	0.0
Profit (loss) of equity method investments	1.4	3.0	(1.6)
Depreciation and amortization	2.0	2.2	(0.2)
Profit for the period attributable to owners of the parent	6.0	9.2	(3.2)

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

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

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

Europe, the Middle East and Africa Segment

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

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

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

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

Asia Pacific Segment

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

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

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

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

(3) Financial Condition and Cash Flows

1) Financial Condition

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

Total current assets as of June 30, 2016 was ¥4,320.8 billion, an increase of ¥34.1 billion from ¥4,286.7 billion as of March 31, 2016. Cash and cash equivalents increased by ¥107.1 billion, while trade and other receivables declined by ¥120.4 billion, mainly due to the decline in trading volume in the Machinery & Infrastructure, Chemicals, and Mineral & Metal Resources Segments.

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

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

Total non-current assets as of June 30, 2016 amounted to ¥6,188.4 billion, a decline of ¥435.4 billion from ¥6,623.8 billion as of March 31, 2016, mainly due to the following factors:

- Investments accounted for using the equity method as of June 30, 2016 was ¥2,345.2 billion, a decline of ¥170.1 billion from ¥2,515.3 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥172.1 billion resulting from foreign currency exchange fluctuations; and
  - A decline of ¥42.7 billion due to dividends received from equity accounted investees, despite an increase of ¥50.7 billion corresponding to the profit of equity method investments for the current period.
- Other investments as of June 30, 2016 were ¥1,090.4 billion, a decline of ¥89.3 billion from ¥1,179.7 billion as of March 31, 2016. Fair value of financial assets measured at FVTOCI declined by ¥47.1 billion mainly due to the decline in fair value of listed securities due to lower share prices.
- Property, plant and equipment as of June 30, 2016 totaled ¥1,771.6 billion, a decline of ¥166.8 billion from ¥1,938.4 billion as of March 31, 2016, mainly due to the following factors:
  - A decline of ¥45.6 billion (including a foreign exchange translation loss of ¥40.5 billion) at iron ore mining operations in Australia;
  - A decline of ¥30.1 billion (including a foreign exchange translation loss of ¥26.9 billion) at oil and gas operations other than U.S. shale gas and oil producing operations; and
  - A decline of ¥21.5 billion (including a foreign exchange translation loss of ¥16.7 billion) at U.S. shale gas and oil projects.

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

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

- Retained earnings increased by ¥2.7 billion.
- Other components of equity as of June 30, 2016 declined by ¥242.0 billion. Major components included:
  - Financial assets measured at FVTOCI declined by ¥33.6 billion. Fair value of listed securities

declined due to lower share prices; and

- Foreign currency translation adjustments declined by ¥197.0 billion mainly reflecting the depreciation of the Australian dollar and the U.S. dollar against the Japanese yen.

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

2) Cash Flows

Cash Flows from Operating Activities

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

Net cash provided by operating activities for the current period was ¥39.5 billion, a decline of ¥134.6 billion from ¥174.1 billion for the previous period.

Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥48.0 billion of net cash outflow, a deterioration of ¥71.7 billion from ¥23.7 billion of net cash inflow for the previous period.

Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current period amounted to ¥87.5 billion, a decline of ¥62.9 billion from ¥150.4 billion for the previous period.

- Depreciation and amortization for the current period was ¥48.8 billion, a decline of ¥16.3 billion from ¥65.1 billion for the previous period.
- Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥48.9 billion, a decline of ¥15.6 billion from ¥64.5 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Iron & Steel Products	1.2	1.9	(0.7)
Mineral & Metal Resources	31.2	44.3	(13.1)
Machinery & Infrastructure	16.2	13.6	+2.6
Chemicals	6.3	6.5	(0.2)
Energy	23.1	54.6	(31.5)
Lifestyle	(0.6)	(0.9)	+0.3
Innovation & Corporate Development	3.5	3.5	0.0
Americas	11.1	12.8	(1.7)
Europe, the Middle East and Africa	0.7	0.8	(0.1)
Asia Pacific	4.2	1.4	+2.8
All Other and Adjustments and Eliminations	(9.4)	11.9	(21.3)
Consolidated Total	87.5	150.4	(62.9)

Cash Flows from Investing Activities

Net cash used in investing activities for the current period was ¥59.4 billion, an increase of ¥13.6 billion from ¥45.8 billion for the previous period. The net cash used in investing activities consisted of:

- Net cash outflows that corresponded to change in time deposit were ¥21.8 billion, mainly due to ¥20.1 billion cash outflows in iron ore mining projects in Australia.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥36.9 billion. Major expenditures included oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥14.0 billion.

Free cash flow, or the sum of net cash provided by operating activities and net cash used in investing activities, for the current period was a net outflow of ¥19.9 billion.

Cash Flows from Financing Activities

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

In addition to the changes discussed above, there was a decline in cash and cash equivalents of ¥41.5 billion due to foreign exchange translation. Cash and cash equivalents as of June 30, 2016 totaled ¥1,597.9 billion, an increase of ¥107.1 billion from ¥1,490.8 billion as of March 31, 2016.

(4) Information Concerning Profit Forecast for the Year Ending March 31, 2017

We maintain our profit forecast for the year ending March 31, 2017 attributable to owners of the parent of ¥200.0 billion announced together with the results of the year ended March 31, 2016. No updates have been made to this forecast.

2. Other Information

Notice:
This flash report contains forward-looking statements about Mitsui and its consolidated subsidiaries. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently possessed by it and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Mitsui's actual consolidated financial position, consolidated operating results or consolidated cash flows to be materially different from any future consolidated financial position, consolidated operating results or consolidated cash flows expressed or implied by these forward-looking statements.
These risks, uncertainties and other factors include, among others, (1) economic downturns worldwide or at specific regions, (2) fluctuations in commodity prices, (3) fluctuations in exchange rates, (4) credit risks from clients with which Mitsui and its consolidated subsidiaries have business transactions or financial dealings and/or from various projects, (5) declines in the values of non-current assets, (6) changes in the financing environment, (7) declines in market value of equity and/or debt securities, (8) changes in the assessment for recoverability of deferred tax assets, (9) inability to successfully restructure or eliminate subsidiaries or associated companies as planned, (10) unsuccessful joint ventures and strategic investments, (11) risks of resource related businesses not developing in line with assumed costs and schedules and uncertainty in reserves and performance of third party operators, (12) loss of opportunities to enter new business areas due to limitations on business resources, (13) environmental laws and regulations, (14) changes in laws and regulations or unilateral changes in contractual terms by governmental entities, (15) employee misconduct, (16) failure to maintain adequate internal control over financial reporting, and (17) climate change and natural disaster. For further information on the above, please refer to Mitsui's Annual Securities Report.
Forward-looking statements may be included in Mitsui's Annual Securities Report and Quarterly Securities Reports or in its other disclosure documents, press releases or website disclosures. Mitsui undertakes no obligation to publicly update or revise any forward-looking statements.

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

Assets	June 30, 2016	March 31, 2016
Current Assets:		
Cash and cash equivalents	¥ 1,597,884	¥ 1,490,775
Trade and other receivables	1,487,503	1,607,885
Other financial assets	347,823	295,064
Inventories	528,088	533,697
Advance payments to suppliers	222,180	220,711
Other current assets	137,331	138,563
Total current assets	4,320,809	4,286,695
Non-current Assets:		
Investments accounted for using the equity method	2,345,225	2,515,340
Other investments	1,090,373	1,179,696
Trade and other receivables	348,511	382,176
Other financial assets	196,756	159,384
Property, plant and equipment	1,771,584	1,938,448
Investment property	147,600	147,756
Intangible assets	147,386	157,450
Deferred tax assets	92,546	92,231
Other non-current assets	48,447	51,335
Total non-current assets	6,188,428	6,623,816
Total	¥ 10,509,237	¥ 10,910,511

(Millions of Yen)

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

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

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

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

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

(3) Condensed Consolidated Statements of Changes in Equity

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2015	¥ 341,482	¥ 411,881	¥ 2,537,815	¥ 814,563	¥ (5,946)	¥ 4,099,795	¥ 297,579	¥ 4,397,374
Profit for the period			96,937			96,937	7,865	104,802
Other comprehensive income for the period				95,208		95,208	4,268	99,476
Comprehensive income for the period						192,145	12,133	204,278
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥32)			(57,361)			(57,361)		(57,361)
Dividends paid to non-controlling interest shareholders							(6,858)	(6,858)
Acquisition of treasury stock					(5)	(5)		(5)
Sales of treasury stock		0			0	0		0
Compensation costs related to stock options		6				6		6
Equity transactions with non-controlling interest shareholders		(2,627)		303		(2,324)	732	(1,592)
Transfer to retained earnings			5,812	(5,812)		—		—
Balance as at June 30, 2015	¥ 341,482	¥ 409,260	¥ 2,583,203	¥ 904,262	¥ (5,951)	¥ 4,232,256	¥ 303,586	¥ 4,535,842

(Millions of Yen)

	Attributable to owners of the parent						Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings	Other Components of Equity	Treasury Stock	Total		
Balance as at April 1, 2016	¥ 341,482	¥ 412,064	¥ 2,314,185	¥ 317,955	¥ (5,961)	¥ 3,379,725	¥ 286,811	¥ 3,666,536
Profit for the period			61,145			61,145	3,158	64,303
Other comprehensive income for the period				(245,492)		(245,492)	(14,185)	(259,677)
Comprehensive income for the period						(184,347)	(11,027)	(195,374)
Transaction with owners:								
Dividends paid to the owners of the parent (per share: ¥32)			(57,368)			(57,368)		(57,368)
Dividends paid to non-controlling interest shareholders							(32,976)	(32,976)
Acquisition of treasury stock					(1)	(1)		(1)
Sales of treasury stock			(0)		0	0		0
Equity transactions with non-controlling interest shareholders		(2,959)		2,556		(403)	(1,519)	(1,922)
Transfer to retained earnings			(1,019)	1,019		—		—
Balance as at June 30, 2016	¥ 341,482	¥ 409,105	¥ 2,316,943	¥ 76,038	¥ (5,962)	¥ 3,137,606	¥ 241,289	¥ 3,378,895

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Three-month period ended June 30, 2016	Three-month period ended June 30, 2015
Operating Activities:		
Profit for the Period	¥ 64,303	¥ 104,802
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	48,847	65,131
Change in retirement benefit liabilities	(193)	(25)
Provision for doubtful receivables	1,599	2,300
(Gain) loss on securities and other investments—net	(2,900)	(17,474)
Impairment loss of fixed assets	74	429
(Gain) loss on disposal or sales of fixed assets—net	(120)	(12,939)
Finance (income) costs—net	(5,063)	(9,631)
Income taxes	21,411	47,963
Share of (profit) loss of investments accounted for using the equity method	(50,726)	(59,875)
Changes in operating assets and liabilities:		
Change in trade and other receivables	54,654	81,084
Change in inventories	(24,629)	(39,611)
Change in trade and other payables	(45,546)	(31,469)
Other—net	(32,544)	13,721
Interest received	6,591	9,890
Interest paid	(20,129)	(12,108)
Dividends received	48,872	64,542
Income taxes paid	(25,032)	(32,623)
Cash flows from operating activities	39,469	174,107
Investing Activities:		
Net change in time deposits	(21,819)	(563)
Net change in investments in and advances to equity accounted investees	(5,010)	15,297
Net change in other investments	(316)	9,680
Net change in long-term loan receivables	4,648	4,088
Net change in property, plant, equipment and investment property	(36,866)	(74,347)
Cash flows from investing activities	(59,363)	(45,845)
Financing Activities:		
Net change in short-term debt	(26,716)	67,262
Net change in long-term debt	282,511	(17,932)
Purchases and sales of treasury stock	(1)	(5)
Dividends paid	(57,368)	(57,369)
Transactions with non-controlling interest shareholders	(29,892)	(4,374)
Cash flows from financing activities	168,534	(12,418)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(41,531)	7,986
Change in Cash and Cash Equivalents	107,109	123,830
Cash and Cash Equivalents at Beginning of Period	1,490,775	1,400,770
Cash and Cash Equivalents at End of Period	¥ 1,597,884	¥ 1,524,600

(5) Assumption for Going Concern: None

(6) Segment Information

Three-month period ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(Millions of Yen)

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

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

Three-month period ended June 30, 2015 (from April 1, 2015 to June 30, 2015) (As restated)

(Millions of Yen)

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

	Americas	Europe, the Middle East and Africa	Asia Pacific	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	203,901	29,966	35,492	1,294,878	636	(11,825)	1,283,689
Gross Profit	31,263	5,494	5,800	203,542	393	(11,782)	192,153
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	3,036	1,172	9,844	60,006	16	(147)	59,875
Profit for the Period Attributable to Owners of the parent	9,192	1,436	6,253	91,345	1,607	3,985	96,937
EBITDA	19,754	1,916	11,244	188,031	(901)	6,343	193,473
Total Assets at March 31, 2016	648,787	151,328	402,889	9,936,625	5,590,315	(4,616,429)	10,910,511

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

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

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

4. Since the year ended March 31, 2015, EBITDA has been disclosed by reportable segments as the information of the operating segments periodically reviewed by the entity's chief operating decision maker. EBITDA is comprised of the companies' (a) Gross Profit, (b) Selling, general and administrative expenses, (c) Dividend income, (d) Share of Profit (Loss) of Investments Accounted for Using the Equity Method as presented in the Condensed Consolidated Statements of Income and (e) Depreciation and amortization as presented in the Condensed Consolidated Statements of Cash Flows.

5. During the three-month period ended June 30, 2016, Food Science Division was transferred from the "Lifestyle" segment to the "Chemicals" segment, in conjunction with the creation of the Nutrition & Agriculture Business Unit. In addition, the United Grain Corporation of Oregon, which was formerly operating under the "Americas" segment, was transferred to the "Lifestyle" segment with the aim to optimize global grain trading strategy. In accordance with these changes, the operating segment information for the three-month period ended June 30, 2015 has been restated to conform to the current period presentation.