Consolidated Financial Results for the Three-Month Period Ended June 30, 2017 [IFRS]

Tokyo, August 3, 2017 - Mitsui & Co., Ltd. announced its consolidated financial results for the three-month period ended June 30, 2017, 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, 2017 (from April 1, 2017 to June 30, 2017)

		Three-month period ended June 30,			
		2017	%	2016	%
Revenue	Millions of yen	1,181,660	15.9	1,019,971	Δ 20.5
Profit before income taxes	Millions of yen	153,924	79.6	85,714	Δ 43.9
Profit for the period	Millions of yen	116,533	81.2	64,303	Δ 38.6
Profit for the period attributable to owners of the parent	Millions of yen	110,756	81.1	61,145	Δ 36.9
Comprehensive income for the period	Millions of yen	122,755	-	(195,374)	-
Earnings per share attributable to owners of the parent, basic	Yen	62.79		34.11	
Earnings per share attributable to owners of the parent, diluted	Yen	62.75		34.10	

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, 2017	March 31, 2017
Total assets	Millions of yen	11,512,782	11,501,013
Total equity	Millions of yen	4,059,167	3,990,162
Total equity attributable to owners of the parent	Millions of yen	3,796,068	3,732,179
Equity attributable to owners of the parent ratio	%	33.0	32.5

2. Dividend information

		Year ended March 31,		Year ending March 31, 2018 (Forecast)
		2018	2017	
Interim dividend per share	Yen		25	30
Year-end dividend per share	Yen		30	30
Annual dividend per share	Yen		55	60

3. Forecast of consolidated operating results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

		Year ending March 31, 2018
Profit attributable to owners of the parent	Millions of yen	320,000
Earnings per share attributable to owners of the parent, basic	Yen	181.41

Note :
We maintain our forecast profit attributable to owners of the parent for the year ending March 31, 2018 of ¥320.0 billion announced together with the results of fiscal year ended March 2017. No updates have been made to this forecast.

4. Others
(1) Increase/decrease of important subsidiaries during the period : None

(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, 2017	March 31, 2017
Number of shares of common stock issued, including treasury stock	1,796,514,127	1,796,514,127
Number of shares of treasury stock	32,560,146	32,558,297

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2016
Average number of shares of common stock outstanding	1,763,954,938	1,792,508,856

This quarterly earnings report is not subject to quarterly review.

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.9.

Supplementary materials and IR meetings 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, 2017.
Contents of the meeting (English and Japanese) will be posted on our web site immediately after the meeting.

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1. Qualitative Information

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

(1) Operating Environment

In the three-month period ended June 30, 2017, the global economy was generally firm, supported by resilient consumer spending and coupled with a recovery in production.

In the U.S., although automotive sales are slowing down, production is recovering, particularly in the energy industry, and consumer spending is expected to be firm backed by the improving environment for employment and employee income. As such, continued economic recovery is expected. The economy is expected to be firm in Europe as well, following the recovery in exports and production. Also, in Japan, economic recovery is expected to continue as a result of consumer spending maintaining a trend of recovery following improvement in the employment environment, and because construction investment is at a high level as a result of construction projects related to the Olympic and Paralympic Games being in full swing. Meanwhile, in China, although there is currently stable growth as a result of increased infrastructure investment, growth is expected to weaken in the medium term following an environment of excess capacity and adjustments of debts. Also, economic recovery is expected in Russia and Brazil due in part to the reduction of policy interest rates.

The global economy is expected to follow a trend of gentle recovery going forward. However, careful watch is needed on the progress of policies under the new U.S. administration and policy trends under the Chinese government after the National Communist Party Congress, in addition to the escalation of geopolitical risk surrounding the Middle East and East Asia.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		1,181.7	1,020.0	+161.7
Gross profit		199.4	164.1	+35.3
Selling, general and administrative expenses		(132.1)	(130.5)	(1.6)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	3.3	2.9	+0.4
	Impairment Reversal (Loss) of Fixed Assets—Net	(1.3)	(0.1)	(1.2)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	6.5	0.1	+6.4
	Other Income (Expense)—Net	4.8	(8.3)	+13.1
Finance Income (Costs)	Interest Income	9.7	7.6	+2.1
	Dividend Income	17.4	11.9	+5.5
	Interest Expense	(16.1)	(12.7)	(3.4)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		62.3	50.7	+11.6
Income Taxes		(37.4)	(21.4)	(16.0)
Profit for the Period		116.5	64.3	+52.2
Profit for the Period Attributable to Owners of the Parent		110.8	61.1	+49.7

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

Revenue
Revenue from sales of products for the three-month period ended June 30, 2017 ("current period") was ¥1,042.3 billion, an increase of ¥148.9 billion from the corresponding three-month period of the previous year ("previous period"), and revenue from rendering of services for the current period was ¥103.1 billion, an increase of ¥11.5 billion from the previous period. Furthermore, other revenue for the current period was ¥36.3 billion, an increase of ¥1.3 billion from the previous period.

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

Other Income (Expense)—Net
The Innovation & Corporate Development Segment recorded an improvement of foreign exchange gains (losses) in the commodity derivatives trading business, which corresponded to related gross profit, and exploration expenses declined mainly in the Energy Segment.

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

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

Income Taxes
Income taxes for the current period increased as profit before income taxes for the current period increased by ¥68.2 billion. The effective tax rate for the current period was 24.3%, a decline of 0.7% from 25.0% 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 ¥110.8 billion, an increase of ¥49.7 billion from the previous period.

2) Operating Results by Operating Segment

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

Iron & Steel Products Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	6.9	2.1	+4.8
Gross profit	12.7	8.7	+4.0
Profit (loss) of equity method investments	4.1	2.5	+1.6
Dividend income	1.2	0.9	+0.3
Selling, general and administrative expenses	(9.1)	(8.8)	(0.3)
Others	(2.0)	(1.2)	(0.8)

Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	54.4	19.3	+35.1
Gross profit	56.9	30.5	+26.4
Profit (loss) of equity method investments	27.0	9.8	+17.2
Dividend income	1.1	0.2	+0.9
Selling, general and administrative expenses	(9.3)	(9.2)	(0.1)
Others	(21.3)	(12.0)	(9.3)

- Gross profit increased mainly due to the following factors:
  - Coal mining operations in Australia reported an increase of ¥13.6 billion reflecting higher coal prices.
  - Iron ore mining operations in Australia reported an increase of ¥9.2 billion due to higher iron ore prices.
- Profit (loss) of equity method investments increased mainly due to the following factors:
  - Valepar S.A. increased by ¥8.2 billion, mainly due to higher iron ore prices and a reversal effect of a provision in the previous period, which was partially offset by a reversal effect of foreign exchange valuation profit in the previous period.
  - Inversiones Mineras Acrux SpA, a copper mining company in Chile, increased by ¥3.4 billion, mainly due to a reversal of impairment loss.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	15.5	18.3	(2.8)
Gross profit	31.2	28.5	+2.7
Profit (loss) of equity method investments	14.9	20.2	(5.3)
Dividend income	1.3	1.1	+0.2
Selling, general and administrative expenses	(32.0)	(30.4)	(1.6)
Others	0.1	(1.1)	+1.2

- Profit (loss) of equity method investments declined mainly due to the following factors:

- IPP businesses recorded a decline of ¥4.4 billion.
  - Mark-to-market valuation losses, such as those on long-term power derivative contracts, deteriorated by ¥4.7 billion to ¥5.2 billion from ¥0.5 billion for the previous period.

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	6.3	11.5	(5.2)
Gross profit	33.6	40.5	(6.9)
Profit (loss) of equity method investments	2.0	2.2	(0.2)
Dividend income	1.0	0.9	+0.1
Selling, general and administrative expenses	(24.6)	(24.4)	(0.2)
Others	(5.7)	(7.7)	+2.0

- Gross profit declined mainly due to the following factor:
  - Novus International, Inc. reported a decline of ¥7.6 billion mainly due to lower methionine prices.

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	16.3	0.2	+16.1
Gross profit	27.5	14.7	+12.8
Profit (loss) of equity method investments	5.6	4.6	+1.0
Dividend income	7.6	2.8	+4.8
Selling, general and administrative expenses	(11.6)	(11.9)	+0.3
Others	(12.8)	(10.0)	(2.8)

- Gross profit increased mainly due to the following factor:
  - Mitsui E&P USA LLC reported an increase of ¥4.0 billion mainly due to higher gas prices.
- In addition to the above, the following factors also affected results:
  - Dividends from six LNG projects (Abu Dhabi, Qatargas 1, Equatorial Guinea, Oman, Qatargas 3 and Sakhalin II) were ¥7.1 billion in total, an increase of ¥4.9 billion from the previous period.
  - For the current period, exploration expenses of ¥3.1 billion in total were recorded, including those recorded by Mitsui Oil Exploration Co., Ltd. For the previous period, exploration expenses of ¥4.1 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	6.4	3.7	+2.7
Gross profit	34.4	33.3	+1.1
Profit (loss) of equity method investments	6.8	8.9	(2.1)
Dividend income	2.2	2.6	(0.4)
Selling, general and administrative expenses	(37.6)	(36.4)	(1.2)
Others	0.6	(4.7)	+5.3

Innovation & Corporate Development Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	5.8	5.7	+0.1
Gross profit	12.6	16.8	(4.2)
Profit (loss) of equity method investments	2.0	2.7	(0.7)
Dividend income	2.3	2.5	(0.2)
Selling, general and administrative expenses	(14.2)	(14.1)	(0.1)
Others	3.1	(2.2)	+5.3

- Gross profit declined mainly due to the following factor:
  - A decline in gross profit corresponding to an improvement of ¥4.8 billion of foreign exchange gains and losses related to the commodity derivatives trading business at Mitsui posted in other expense for the current period and in the previous period.
- In addition to the above, the following factors also affected results:
  - For the current period and for the previous period, foreign exchange gains of ¥0.2 billion and losses of ¥4.6 billion were posted, respectively, in other expense in relation to the commodity derivatives trading business.
  - For the current period, a gain on the sales of warehouses in Japan was recorded.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of yen)	June 30, 2017	March 31, 2017	Change
Total Assets	11,512.8	11,501.0	+11.8
Current Assets	4,496.7	4,474.7	+22.0
Non-current Assets	7,016.1	7,026.3	(10.2)
Current Liabilities	2,533.5	2,524.0	+9.5
Non-current Liabilities	4,920.1	4,986.9	(66.8)
Net Interest-bearing Debt	*3,148.8*	*3,282.1*	*(133.3)*
Total Equity Attributable to Owners of the Parent	3,796.1	3,732.2	+63.9
Net Debt-to-Equity Ratio (times)	0.83	0.88	(0.05)

Assets

Current Assets:

- Trade and other receivables declined by ¥83.3 billion, mainly due to the decrease in trading volume in the Machinery & Infrastructure, Chemicals, and Lifestyle Segment. Meanwhile, cash and cash equivalents increased by ¥79.4 billion following the decrease in trade and other receivables.

Non-current Assets:

- Investments accounted for using the equity method increased by ¥3.3 billion, mainly due to an increase of ¥62.3 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥60.2 billion due to dividends received from equity accounted investees.
- Other investments increased by ¥43.2 billion. Fair value on financial assets measured at FVTOCI increased by ¥30.0 billion mainly due to higher share prices.
- Trade and other receivables (Non-Current) declined by ¥28.1 billion. Loan to SUMIC Nickel

Netherlands, an investment company for oversea Nickel businesses, declined by ¥19.4 billion due to collection.

- Property, plant and equipment declined by ¥26.7 billion. Shale gas and oil projects in the U.S. declined by ¥20.9 billion (including a foreign exchange translation loss of ¥0.4 billion), mainly due to partial sale of interest in the Marcellus Shale Gas Project.

Liabilities

Current Liabilities:

- Trade and other payables declined by ¥25.7 billion, corresponding to the decline in trade and other receivables. Meanwhile, the current portion of long-term debt increased by 41.7 billion mainly due to reclassification to current maturities, despite a decline due to repayment of debt.

Non-current Liabilities:

- Long-term debt, less the current portion declined by ¥77.3 billion mainly due to reclassification to current maturities.

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥60.7 billion.
- Other components of equity increased by ¥3.8 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥19.5 billion, mainly due to higher share prices.
  - Foreign currency translation adjustments declined by ¥13.5 billion mainly reflecting the depreciation of the Brazilian real against the Japanese yen.

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash Flows from Operating Activities	202.8	39.5	+163.3
Cash Flows from Investing Activities	(20.6)	(122.7)	+102.1
Free Cash Flow	182.2	(83.2)	+265.4
Cash Flows from Financing Activities	(103.9)	168.5	(272.4)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1.2	(41.5)	+42.7
Change in Cash and Cash Equivalents	79.4	43.8	+35.6

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	202.8	39.5	+163.3
Cash flows from change in working capital	b	47.4	(48.0)	+95.4
Core operating cash flow	a-b	155.4	87.5	+67.9

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥47.4 billion of net cash inflow mainly due to the effects of decline in trade and other receivables. Core operating cash flow, cash flows from operating activities without the net cash flow from an increase or a decrease in working capital, for the current period amounted to ¥155.4 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥75.8 billion, an increase of ¥26.9 billion from ¥48.9

billion for the previous period.

- Depreciation and amortization for the current period was ¥47.5 billion, a decline of ¥1.3 billion from ¥48.8 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	6.2	0.6	+5.6
Mineral & Metal Resources	70.4	29.2	+41.2
Machinery & Infrastructure	20.1	16.4	+3.7
Chemicals	11.8	14.0	(2.2)
Energy	44.0	22.5	+21.5
Lifestyle	1.7	(0.6)	+2.3
Innovation & Corporate Development	1.0	2.5	(1.5)
All Other and Adjustments and Eliminations	0.2	2.9	(2.7)
Consolidated Total	155.4	87.5	+67.9

Cash Flows from Investing Activities

- Net cash inflows that corresponded to investments in and advances to equity accounted investees (net of sales of investment and collection of advances) were ¥6.2 billion. The major cash inflows included the collection of loan to SUMIC Nickel Netherlands, an investment company for oversea Nickel businesses for ¥18.8 billion.
- Net cash outflows that corresponded to purchases of property, plant, equipment and investment property (net of sales of those assets) were ¥21.7 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 ¥19.8 billion; and
  - A partial sale of interest in the Marcellus Shale Gas Project for ¥16.2 billion.

Cash Flows from Financing Activities

- Net cash outflows from the borrowing of long-term debt was ¥33.9 billion, mainly due to the repayment of debt.
- Meanwhile, the cash outflow from payments of cash dividends was ¥52.9 billion.

(4) Information Concerning Profit Forecast for the Year Ending March 31, 2018

We maintain our profit forecast attributable to owners of the parent of ¥320.0 billion and core operating cash flow forecast of ¥500.0 billion for the year ending March 31, 2018 announced together with the results of the year ended March 31, 2017. No updates have been made to these forecasts.

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, 2017	March 31, 2017
Current Assets:		
Cash and cash equivalents	¥ 1,583,235	¥ 1,503,820
Trade and other receivables	1,656,137	1,739,402
Other financial assets	270,525	267,680
Inventories	596,741	589,539
Advance payments to suppliers	241,523	225,442
Other current assets	148,507	148,865
Total current assets	4,496,668	4,474,748
Non-current Assets:		
Investments accounted for using the equity method	2,744,965	2,741,741
Other investments	1,380,389	1,337,164
Trade and other receivables	449,021	477,103
Other financial assets	137,502	145,319
Property, plant and equipment	1,796,752	1,823,492
Investment property	183,767	179,789
Intangible assets	173,504	168,677
Deferred tax assets	89,615	92,593
Other non-current assets	60,599	60,387
Total non-current assets	7,016,114	7,026,265
Total	¥ 11,512,782	¥ 11,501,013

(Millions of Yen)

Liabilities and Equity		
	June 30, 2017	March 31, 2017
Current Liabilities:		
Short-term debt	¥ 287,786	¥ 304,563
Current portion of long-term debt	429,972	388,347
Trade and other payables	1,178,014	1,203,707
Other financial liabilities	291,099	315,986
Income tax payables	50,616	52,177
Advances from customers	235,480	212,142
Provisions	13,342	13,873
Other current liabilities	47,183	33,172
Total current liabilities	2,533,492	2,523,967
Non-current Liabilities:		
Long-term debt, less current portion	4,031,433	4,108,674
Other financial liabilities	106,351	111,289
Retirement benefit liabilities	62,251	60,358
Provisions	196,043	196,718
Deferred tax liabilities	495,369	481,358
Other non-current liabilities	28,676	28,487
Total non-current liabilities	4,920,123	4,986,884
Total liabilities	7,453,615	7,510,851
Equity:		
Common stock	341,482	341,482
Capital surplus	408,967	409,528
Retained earnings	2,610,781	2,550,124
Other components of equity	489,243	485,447
Treasury stock	(54,405)	(54,402)
Total equity attributable to owners of the parent	3,796,068	3,732,179
Non-controlling interests	263,099	257,983
Total equity	4,059,167	3,990,162
Total	¥ 11,512,782	¥ 11,501,013

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2016
Revenue:		
Sale of products	¥ 1,042,347	¥ 893,411
Rendering of services	103,058	91,644
Other revenue	36,255	34,916
Total revenue	1,181,660	1,019,971
Cost:		
Cost of products sold	(923,331)	(802,713)
Cost of services rendered	(43,571)	(38,269)
Cost of other revenue	(15,366)	(14,868)
Total cost	(982,268)	(855,850)
Gross Profit	199,392	164,121
Other Income (Expenses):		
Selling, general and administrative expenses	(132,070)	(130,509)
Gain (loss) on securities and other investments—net	3,295	2,900
Impairment reversal (loss) of fixed assets—net	(1,282)	(74)
Gain (loss) on disposal or sales of fixed assets—net	6,461	120
Other income (expense)—net	4,758	(8,341)
Total other income (expenses)	(118,838)	(135,904)
Finance Income (Costs):		
Interest income	9,682	7,622
Dividend income	17,429	11,875
Interest expense	(16,053)	(12,726)
Total finance income (costs)	11,058	6,771
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	62,312	50,726
Profit before Income Taxes	153,924	85,714
Income Taxes	(37,391)	(21,411)
Profit for the Period	¥ 116,533	¥ 64,303
Profit for the Period Attributable to:		
Owners of the parent	¥ 110,756	¥ 61,145
Non-controlling interests	5,777	3,158

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2016
Profit for the Period	¥ 116,533	¥ 64,303
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	31,109	(45,704)
Remeasurements of defined benefit plans	(408)	(877)
Share of other comprehensive income of investments accounted for using the equity method	2,258	(2,260)
Income tax relating to items not reclassified	(10,679)	13,890
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(11,269)	(60,845)
Cash flow hedges	(1,998)	(5,221)
Share of other comprehensive income of investments accounted for using the equity method	(2,917)	(181,509)
Income tax relating to items that may be reclassified	126	22,849
Total other comprehensive income	6,222	(259,677)
Comprehensive Income for the Period	¥ 122,755	¥ (195,374)
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 117,397	¥ (184,347)
Non-controlling interests	5,358	(11,027)

(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, 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

(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, 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 the 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

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Three-month period ended June 30, 2017	Three-month period ended June 30, 2016
Operating Activities:		
Profit for the period	¥ 116,533	¥ 64,303
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	47,462	48,847
Change in retirement benefit liabilities	344	(193)
Provision for doubtful receivables	2,177	1,599
(Gain) loss on securities and other investments—net	(3,295)	(2,900)
Impairment (reversal) loss of fixed assets—net	1,282	74
(Gain) loss on disposal or sales of fixed assets—net	(6,461)	(120)
Finance (income) costs	(9,220)	(5,063)
Income taxes	37,391	21,411
Share of (profit) loss of investments accounted for using the equity method	(62,312)	(50,726)
Changes in operating assets and liabilities:		
Change in trade and other receivables	52,745	54,654
Change in inventories	(2,858)	(24,629)
Change in trade and other payables	(32,625)	(45,546)
Other—net	30,100	(32,544)
Interest received	7,840	6,591
Interest paid	(18,340)	(20,129)
Dividends received	75,797	48,872
Income taxes paid	(33,798)	(25,032)
Cash flows from operating activities	202,762	39,469
Investing Activities:		
Net change in time deposits	(1,945)	(85,118)
Net change in investments in and advances to equity accounted investees	6,198	(5,010)
Net change in other investments	(7,333)	(316)
Net change in long-term loan receivables	4,217	4,648
Net change in property, plant, equipment and investment property	(21,719)	(36,866)
Cash flows from investing activities	(20,582)	(122,662)
Financing Activities:		
Net change in short-term debt	(18,764)	(26,716)
Net change in long-term debt	(33,879)	282,511
Purchases and sales of treasury stock	(3)	(1)
Dividends paid	(52,922)	(57,368)
Transactions with non-controlling interest shareholders	1,624	(29,892)
Cash flows from financing activities	(103,944)	168,534
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,179	(41,531)
Change in Cash and Cash Equivalents	79,415	43,810
Cash and Cash Equivalents at Beginning of Period	1,503,820	1,490,775
Cash and Cash Equivalents at End of Period	¥ 1,583,235	¥ 1,534,585

(5) Assumption for Going Concern: None

(6) Segment Information

Three-month period ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	65,338	218,482	108,024	274,189	122,560	369,753	30,191	1,188,537	6,059	(12,936)	1,181,660
Gross Profit	12,650	56,897	31,236	33,552	27,522	34,350	12,596	208,803	3,525	(12,936)	199,392
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	(19)	(193)	62,312
Profit 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	(5,634)	4,861	110,756
Core Operating Cash Flow	6,194	70,360	20,108	11,787	44,022	1,736	975	155,182	3,948	(3,730)	155,400
Total Assets at June 30, 2017	657,241	1,939,484	2,210,959	1,110,866	1,879,563	1,816,259	603,699	10,218,071	5,892,678	(4,597,967)	11,512,782

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

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total	All Other	Adjustments and Eliminations	Consolidated Total
Revenue	48,745	148,116	108,821	253,011	107,373	325,083	36,012	1,027,161	4,743	(11,933)	1,019,971
Gross Profit	8,717	30,476	28,549	40,495	14,709	33,315	16,766	173,027	2,802	(11,708)	164,121
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	2,548	9,774	20,244	2,161	4,579	8,853	2,747	50,906	(26)	(154)	50,726
Profit for the Period Attributable to Owners of the parent	2,124	19,315	18,285	11,480	247	3,689	5,700	60,840	(3,513)	3,818	61,145
Core Operating Cash Flow	617	29,206	16,449	14,018	22,492	(627)	2,511	84,666	1,559	1,309	87,534
Total Assets at March 31, 2017	612,632	1,962,236	2,238,142	1,175,205	1,905,252	1,723,399	611,395	10,228,261	5,798,648	(4,525,896)	11,501,013

Notes:1. "All Other" principally consisted of the Corporate Staff Unit which provides financing services and operations services to external customers and/or to the companies and affiliated companies. Total assets of "All Other" at March 31, 2017 and June 30, 2017 consisted primarily of cash and cash equivalents and time deposits related to financing activities, and assets of the Corporate Staff Unit and certain subsidiaries related to the above services.

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

3. Profit 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 transfers between reportable segments.

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

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

6. The components of deciding resources to be allocated to the segments and assessing their performance by the Company's chief operating decision-maker have been changed to the components where the regional segments were consolidated by the product operating segments. During the three-month period ended June 30, 2017, the previously reported 10 segments that include 7 product operating segments of "Iron & Steel Products", "Mineral & Metal Resources", "Machinery & Infrastructure", "Chemicals", "Energy", "Lifestyle" and "Innovation & Corporate Development" along with 3 regional segments of "Americas", "Europe the Middle East and Africa" and "Asia Pacific", have been changed to 7 reportable segments of "Iron & Steel Products", "Mineral & Metal Resources", "Machinery & Infrastructure", "Chemicals", "Energy", "Lifestyle" and "Innovation & Corporate Development", where the regional segments were consolidated by the product segments. In addition, part of each of the regional segments have been consolidated to "All Other" depending on their nature.

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

8. In accordance with the changes in 4-7 above, the operating segment information for the three-month period ended June 30, 2016 has been restated to conform to the current period presentation.