Consolidated Financial Results for the Three-Month Period Ended June 30, 2019 [IFRS]

Tokyo, July 31, 2019 - Mitsui & Co., Ltd. announced its consolidated financial results for the three-month period ended June 30, 2019, based on International Financial Reporting Standards ("IFRS").

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

President and Chief Executive Officer : Tatsuo Yasunaga
Investor Relations Contacts : Masaya Inamuro, Investor Relations Division TEL 81-3-3285-1111

1. Consolidated financial results
(1) Consolidated operating results information for the three-month period ended June 30, 2019
(from April 1, 2019 to June 30, 2019)

		Three-month period ended June 30,			
		2019	%	2018	%
Revenue	Millions of yen	1,633,120	4.9	1,556,199	31.7
Profit before income taxes	Millions of yen	172,403	3.2	167,026	8.5
Profit for the period	Millions of yen	134,884	7.0	126,015	8.1
Profit for the period attributable to owners of the parent	Millions of yen	125,036	5.6	118,414	6.9
Comprehensive income for the period	Millions of yen	31,479	△80.3	160,060	30.4
Earnings per share attributable to owners of the parent, basic	Yen	71.94		68.14	
Earnings per share attributable to owners of the parent, diluted	Yen	71.88		68.08	

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, 2019	March 31, 2019
Total assets	Millions of yen	12,209,440	11,945,779
Total equity	Millions of yen	4,499,000	4,530,308
Total equity attributable to owners of the parent	Millions of yen	4,233,942	4,263,166
Equity attributable to owners of the parent ratio	%	34.7	35.7

2. Dividend information

		Year ended March 31,		Year ending March 31, 2020 (Forecast)
		2020	2019	
Interim dividend per share	Yen		40	40
Year-end dividend per share	Yen		40	40
Annual dividend per share	Yen		80	80

Note :
Change from the latest released dividend forecast: None

3. Forecast of consolidated operating results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

		Year ending March 31, 2020
Profit attributable to owners of the parent	Millions of yen	450,000
Earnings per share attributable to owners of the parent, basic	Yen	258.91

Note :

Change from the latest released earnings forecast: None

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	Yes
(ii)	Other changes	None
(iii)	Changes in accounting estimates	Yes

Note :

For further details please refer to page 15 "3. Condensed Consolidated Financial Statements (6) Changes in Accounting Policies and Changes in Accounting Estimates".

(3) Number of shares :

	June 30, 2019	March 31, 2019
Number of shares of common stock issued, including treasury stock	1,742,345,627	1,742,345,627
Number of shares of treasury stock	4,273,322	4,271,539

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2018
Average number of shares of common stock outstanding	1,738,073,023	1,737,884,041

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 page 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 July 31, 2019.

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, 2019, weakening growth continued in the global economy, reflecting a now-moderate pace of expansion of the U.S. economy and further slowdown in China as well.
In the U.S., although consumer spending continues to be resilient on account of a favorable environment for employment and employee income, the pace of economic expansion is projected to slow due to the prediction that the stimulus effect from lowered taxation will dwindle. In Europe, although exports are recovering, uncertainties hang over the region, particularly with respect to Brexit, and it is assumed that growth will continue to weaken. In Japan, a weakening trend in exports is continuing and there is concern that the economic growth will stall. Among the emerging economies, China’s economy is still expected to continue slowing partly due to the impact of trade friction with the U.S., although policy by its government is providing certain underlying support. In Brazil and Russia, meanwhile, consumer spending and capital investment are now hitting a ceiling and weakening growth is expected.
Overall, one can see growing signs of stagnation throughout the global economy, and careful attention should be given to future developments of such issues as the direction of the U.S.-China trade negotiations and the policy trends of major countries.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		1,633.1	1,556.2	+76.9
Gross profit		209.2	218.4	(9.2)
Selling, general and administrative expenses		(141.2)	(137.7)	(3.5)
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	6.3	1.3	+5.0
	Impairment Reversal (Loss) of Fixed Assets—Net	(1.7)	(1.0)	(0.7)
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	1.4	6.9	(5.5)
	Other Income (Expense)—Net	7.8	(2.8)	+10.6
	Reversal of Provision Related to Multigrain Business	-	11.1	(11.1)
Finance Income (Costs)	Interest Income	11.2	10.2	+1.0
	Dividend Income	24.8	21.1	+3.7
	Interest Expense	(23.8)	(19.0)	(4.8)
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		78.5	58.4	+20.1
Income Taxes		(37.5)	(41.0)	+3.5
Profit for the Period		134.9	126.0	+8.9
Profit for the Period Attributable to Owners of the Parent		125.0	118.4	+6.6

* 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, 2019 (“current period”) was ¥1,633.1 billion, an increase of ¥76.9 billion from the corresponding three-month period of the previous year (“previous period”).

Gross Profit

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

Other Income (Expenses)

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

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

Other Income (Expense)—Net

For the current period, the Innovation & Corporate Development Segment recorded a valuation profit on a derivative in relation to a put option of an investment.

Reversal of Provision Related to Multigrain Business

For the previous period, the Lifestyle Segment recorded a gain on the reversal of the provision for the withdrawal from business.

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 Energy Segment recorded an increase.

Income Taxes

Income taxes for the current period were ¥37.5 billion, a decline of ¥3.5 billion from ¥41.0 billion for the previous period. The effective tax rate for the current period was 21.8%, a decline of 2.8% from 24.6% for the previous period. The major factor for the decline was a decrease in the ratio of income tax effect against share of profit of investments accounted for using the equity method.

Profit for the Period Attributable to Owners of the Parent

Profit for the period attributable to owners of the parent was ¥125.0 billion, an increase of ¥6.6 billion from the previous period.

2) Operating Results by Operating Segment

Real estate business and materials business, which were part of the Lifestyle Segment, were transferred to the Innovation & Corporate Development Segment and Chemicals Segment, respectively, effective April 1, 2019. 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
Profit for the period attributable to owners of the parent	1.5	6.8	(5.3)
Gross profit	6.4	6.8	(0.4)
Profit (loss) of equity method investments	2.9	7.2	(4.3)
Dividend income	1.0	1.0	0
Selling, general and administrative expenses	(6.7)	(7.2)	+0.5
Others	(2.1)	(1.0)	(1.1)

・Others include the following factor:
  - For the previous 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	49.0	39.7	+9.3
Gross profit	61.8	45.8	+16.0
Profit (loss) of equity method investments	16.3	14.0	+2.3
Dividend income	2.2	0.6	+1.6
Selling, general and administrative expenses	(8.1)	(8.4)	+0.3
Others	(23.2)	(12.3)	(10.9)

・Gross profit increased mainly due to the following factor:
  - Iron ore mining operations in Australia reported an increase of ¥17.2 billion mainly due to higher iron ore sales prices.

・In addition to the above, the following factor also affected result:
  - For the current period, iron ore mining operations in Australia reported a decrease of profit amounting to ¥10.1 billion mainly due to the increase of income tax caused by gross profit increase.

Machinery & Infrastructure Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	16.8	15.4	+1.4
Gross profit	30.0	31.8	(1.8)
Profit (loss) of equity method investments	25.7	18.7	+7.0
Dividend income	1.7	2.0	(0.3)
Selling, general and administrative expenses	(31.9)	(30.9)	(1.0)
Others	(8.7)	(6.2)	(2.5)

Chemicals Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	4.1	9.9	(5.8)
Gross profit	31.8	37.4	(5.6)
Profit (loss) of equity method investments	3.5	4.3	(0.8)
Dividend income	1.4	1.1	+0.3
Selling, general and administrative expenses	(25.8)	(26.3)	+0.5
Others	(6.8)	(6.6)	(0.2)

Energy Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	40.9	17.1	+23.8
Gross profit	34.4	35.3	(0.9)
Profit (loss) of equity method investments	22.3	7.1	+15.2
Dividend income	12.9	11.1	+1.8
Selling, general and administrative expenses	(10.7)	(11.7)	+1.0
Others	(18.0)	(24.7)	+6.7

・Gross profit declined mainly due to the following factors:
- Mitsui E&P Australia Pty. Ltd. reported a decrease of ¥5.4 billion mainly due to decrease in oil production.
- Mitsui & Co. Energy Trading Singapore Pte. Ltd. reported an increase of ¥5.0 billion mainly due to good performance in the LNG and oil trading business.

・Profit of equity method investment increased mainly due to the following factor:
- Mitsui E&P Mozambique Area 1 Limited reported an increase of ¥12.0 billion due to the recognition of deferred tax assets in accordance with the Final Investment Decision for the project.

・Dividends from six LNG projects (Sakhalin II, Qatargas 1, Abu Dhabi, Oman, Qatargas 3 and Equatorial Guinea) were ¥12.4 billion in total, an increase of ¥1.7 billion from the previous period.

Lifestyle Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent	7.6	17.7	(10.1)
Gross profit	36.6	35.2	+1.4
Profit (loss) of equity method investments	4.5	5.8	(1.3)
Dividend income	2.3	1.9	+0.4
Selling, general and administrative expenses	(36.4)	(32.7)	(3.7)
Others	0.6	7.5	(6.9)

・Others include the following factor:
- For the previous period, Multigrain Trading AG recorded a gain of ¥11.6 billion on reversal of the provision for the withdrawal from business.

Innovation & Corporate Development Segment

(Billions of Yen)		Current Period	Previous Period	Change
Profit for the period attributable to owners of the parent		2.1	10.5	(8.4)
	Gross profit	8.4	25.9	(17.5)
	Profit (loss) of equity method investments	3.5	1.8	+1.7
	Dividend income	2.5	2.6	(0.1)
	Selling, general and administrative expenses	(16.5)	(15.9)	(0.6)
	Others	4.2	(3.9)	+8.1

- Gross profit declined mainly due to the following factors:
  - For the previous period, a ¥2.2 billion gain was recorded due to the valuation of fair value on shares in Hutchison China MediTech Ltd., while for the current period a ¥4.6 billion loss was recorded due to the valuation of fair value on shares.
  - A decline of ¥6.7 billion was recorded mainly due to the gain on the valuation and sales of the shares in Mercari, Inc., for the previous period.
- In addition to the above, the following factor also affected results:
  - For the current period, a valuation profit on the derivative of ¥3.9 billion was recorded in relation to a put option of an investment

(3) Financial Condition and Cash Flows

1) Financial Condition

(Billions of yen)		June 30, 2019	March 31, 2019	Change
Total Assets		12,209.4	11,945.8	+263.6
	Current Assets	4,023.8	3,996.3	+27.5
	Non-current Assets	8,185.6	7,949.5	+236.1
Current Liabilities		2,789.1	2,740.3	+48.8
Non-current Liabilities		4,921.4	4,675.2	+246.2
Net Interest-bearing Debt(*)		*3,620.8*	*3,592.0*	*+28.8*
Total Equity Attributable to Owners of the Parent		4,233.9	4,263.2	(29.3)
Net Debt-to-Equity Ratio (times)		0.86	0.84	+0.02

(*) Since current priod,Interest-bearing debt is calculated by excluding lease liability from short-term debt and long-term debt. As a result of this change, the Net Interest-bearing Debt at March 31, 2019 has been restated.

Assets

Current Assets:

- Cash and cash equivalents increased by ¥31.6 billion.
- Trade and other receivables declined by ¥66.5 billion, mainly due to a decline in trading volume in the Energy Segment and lower prices in the Chemical Segment.
- Inventories increased by ¥36.5 billion, mainly due to increases in trading volume in the Innovation & Corporate Development Segment and Machinery & Infrastructure Segment.

Non-current Assets:

- Investments accounted for using the equity method declined by ¥15.4 billion, mainly due to the following factors:
  - A decline of ¥71.8 billion resulting from foreign currency exchange fluctuations;
  - An increase of ¥36.5 billion due to correction of Mitsui E&P Mozambique Area 1 Limited's company category to investments accounted for using the equity method;
  - An increase of ¥16.9 billion due to an investment in Minh Phu Seafood Joint Stock Company, a shrimp producer and processor in Vietnam; and
  - An increase of ¥78.5 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥66.5 billion due to dividends received from equity accounted investees.
- Other investments declined by ¥1.2 billion, mainly due to the following factors:
  - A decline of ¥14.2 billion resulting from foreign currency exchange fluctuations; and
  - Fair value on financial assets measured at FVTOCI increased by ¥23.0 billion.
- Property, plant and equipment increased by ¥184.6 billion, mainly due to the following factors:
  - An increase of ¥257.6 billion corresponding to adoption of IFRS 16 "Leases"; and
  - A decline of ¥38.5 billion due to correction of Mitsui E&P Mozambique Area 1 Limited's company category to investments accounted for using the equity method.
- Intangible assets increased by ¥69.4 billion, mainly due to an increase of ¥72.6 billion for the Brazilian rail business restructuring.

Liabilities

Current Liabilities:

- Short-term debt increased by ¥127.1 billion. Meanwhile, the current portion of long-term debt declined by ¥49.1 billion, mainly due to repayment of debt, despite reclassification to current maturities.
- Trade and other payables declined by ¥61.3 billion, corresponding to the decline in trade and other receivables.

Non-current Liabilities:

- Long-term debt, less the current portion, increased by ¥249.1 billion, mainly due to adoption of IFRS 16 "Leases".

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥51.0 billion.
- Other components of equity declined by ¥95.8 billion, mainly due to the following factors:
  - Financial assets measured at FVTOCI increased by ¥16.4 billion; and
  - Foreign currency translation adjustments declined by ¥95.7 billion, mainly reflecting the appreciation of the Japanese yen against the U.S. dollar and Australian dollar.

2) Cash Flows

(Billions of yen)	Current Period	Previous Period	Change
Cash flows from operating activities	127.9	134.6	(6.7)
Cash flows from investing activities	(110.5)	(100.6)	(9.9)
Free cash flow	17.4	34.0	(16.6)
Cash flows from financing activities	22.1	(105.0)	+127.1
Effect of exchange rate changes on cash and cash equivalents etc.	(7.9)	5.0	(12.9)
Change in cash and cash equivalents	31.6	(66.1)	+97.7

Cash Flows from Operating Activities

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	127.9	134.6	(6.7)
Cash flows from change in working capital	b	(28.0)	(19.9)	(8.1)
Core operating cash flow	a-b	155.9	154.5	+1.4

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥28.0 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 ¥155.9 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥75.7 billion, an increase of ¥0.6 billion from ¥75.1 billion for the previous period.
  - Depreciation and amortization for the current period was ¥60.5 billion, an increase of ¥16.9 billion from ¥43.6 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	0.3	0.6	(0.3)
Mineral & Metal Resources	57.9	48.3	+9.6
Machinery & Infrastructure	20.1	21.2	(1.1)
Chemicals	7.2	15.9	(8.7)
Energy	61.8	52.9	+8.9
Lifestyle	11.6	8.5	+3.1
Innovation & Corporate Development	(1.1)	13.2	(14.3)
All Other and Adjustments and Eliminations	(1.9)	(6.1)	+4.2
Consolidated Total	155.9	154.5	+1.4

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 ¥23.4 billion, mainly due to an investment in Minh Phu Seafood Joint Stock Company, a shrimp producer and processor in Vietnam, for ¥16.9 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥6.3 billion.
- Net cash outflows that corresponded to increase in loan receivables (net of collections of loan receivables) were ¥10.4 billion, mainly due to the execution of loans to the IPP project in Middle East for ¥14.3 billion.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥60.8 billion, mainly due to an expenditure for the oil and gas projects other than the U.S. shale gas and oil projects for a total of ¥18.5 billion.

Cash Flows from Financing Activities

- Net cash inflows from net change in short-term debt were ¥131.5 billion and net cash outflows from net change in long-term debt were ¥45.2 billion.
- The cash outflow from payments of cash dividends was ¥69.5 billion.

(4) Information Concerning Profit Forecast for the Year Ending March 31, 2020

We maintain our profit forecast attributable to owners of the parent of ¥450.0 billion and core operating cash flow forecast of ¥640.0 billion for the year ending March 31, 2020, as announced together with the results of the year ended March 31, 2019. 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)risks of changes in global macroeconomic factors, (2)market of risks of 1)commodity market risk, 2)foreign currency risk, 3)interest rate risk, 4)stock price risk, 5)risks regarding pension cost and defined benefit obligations, (3)credit risks, (4)risks regarding impairment loss on fixed assets, (5)risks regarding fund procurement, (6)risks regarding deferred tax assets, (7)concentrated risk exposures, (8)business investment risk, (9)risks regarding exploration, development and production of mineral resources and oil and gas, (10)risks due to competition, (11)risk regarding limitation of resources on business, (12) environmental risks, (13)risks associated with laws and regulations, (14)risks regarding employee's compliance with laws, regulations, and internal policies, (15)risks regarding internal control, (16)risks regarding climate changes and natural disasters, (17)risks regarding information systems and information securities, (18)risks relating to terrorists and violent groups. 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, 2019	March 31, 2019
Current Assets:		
Cash and cash equivalents	¥ 987,662	¥ 956,107
Trade and other receivables	1,737,657	1,804,227
Other financial assets	300,542	254,507
Inventories	644,211	607,675
Advance payments to suppliers	208,181	219,849
Other current assets	145,555	153,957
Total current assets	4,023,808	3,996,322
Non-current Assets:		
Investments accounted for using the equity method	2,960,328	2,975,674
Other investments	1,946,395	1,947,565
Trade and other receivables	453,468	458,809
Other financial assets	156,479	154,886
Property, plant and equipment	2,129,976	1,945,381
Investment property	206,040	203,102
Intangible assets	243,463	174,085
Deferred tax assets	34,584	40,763
Other non-current assets	54,899	49,192
Total non-current assets	8,185,632	7,949,457
Total	¥ 12,209,440	¥ 11,945,779

(Millions of Yen)

Liabilities and Equity		
	June 30, 2019	March 31, 2019
Current Liabilities:		
Short-term debt	¥ 464,078	¥ 337,028
Current portion of long-term debt	430,329	479,390
Trade and other payables	1,261,035	1,322,274
Other financial liabilities	300,560	278,472
Income tax payables	51,803	47,197
Advances from customers	202,400	201,444
Provisions	30,032	34,458
Other current liabilities	48,842	40,012
Total current liabilities	2,789,079	2,740,275
Non-current Liabilities:		
Long-term debt, less current portion	4,058,196	3,809,057
Other financial liabilities	69,979	72,095
Retirement benefit liabilities	56,621	57,203
Provisions	210,017	212,396
Deferred tax liabilities	496,433	499,756
Other non-current liabilities	30,115	24,689
Total non-current liabilities	4,921,361	4,675,196
Total liabilities	7,710,440	7,415,471
Equity:		
Common stock	341,482	341,482
Capital surplus	402,834	387,335
Retained earnings	3,129,705	3,078,655
Other components of equity	367,500	463,270
Treasury stock	(7,579)	(7,576)
Total equity attributable to owners of the parent	4,233,942	4,263,166
Non-controlling interests	265,058	267,142
Total equity	4,499,000	4,530,308
Total	¥ 12,209,440	¥ 11,945,779

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Millions of Yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2018
Revenue	¥ 1,633,120	¥ 1,556,199
Cost	(1,423,889)	(1,337,750)
Gross Profit	209,231	218,449
Other Income (Expenses):		
Selling, general and administrative expenses	(141,243)	(137,749)
Gain (loss) on securities and other investments－net	6,310	1,345
Impairment reversal (loss) of fixed assets－net	(1,695)	(984)
Gain (loss) on disposal or sales of fixed assets－net	1,366	6,862
Reversal of provision related to Multigrain business	-	11,083
Other income (expense) －net	7,772	(2,777)
Total other income (expenses)	(127,490)	(122,220)
Finance Income (Costs):		
Interest income	11,183	10,233
Dividend income	24,766	21,098
Interest expense	(23,760)	(18,960)
Total finance income (costs)	12,189	12,371
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	78,473	58,426
Profit before Income Taxes	172,403	167,026
Income Taxes	(37,519)	(41,011)
Profit for the Period	¥ 134,884	¥ 126,015
Profit for the Period Attributable to:		
Owners of the parent	¥ 125,036	¥ 118,414
Non-controlling interests	9,848	7,601

Condensed Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2018
Profit for the Period	¥ 134,884	¥ 126,015
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	21,468	50,933
Remeasurements of defined benefit plans	(131)	709
Share of other comprehensive income of investments accounted for using the equity method	(503)	(47)
Income tax relating to items not reclassified	(4,393)	(13,846)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	(33,923)	(23,911)
Cash flow hedges	(7,103)	186
Share of other comprehensive income of investments accounted for using the equity method	(80,370)	18,384
Income tax relating to items that may be reclassified	1,550	1,637
Total other comprehensive income	(103,405)	34,045
Comprehensive Income for the Period	¥ 31,479	¥ 160,060
Comprehensive Income for the Period Attributable to:		
Owners of the parent	¥ 30,648	¥ 154,421
Non-controlling interests	831	5,639

(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, 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			(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			118,414	36,007		154,421	5,639	160,060
Transaction with owners:								
Dividends paid to the owners of the parent			(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 at June 30, 2018	¥ 341,482	¥ 386,632	¥ 2,860,084	¥ 476,069	¥ (7,922)	¥ 4,056,345	¥ 250,444	¥ 4,306,789

(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, 2019	¥ 341,482	¥ 387,335	¥ 3,078,655	¥ 463,270	¥ (7,576)	¥ 4,263,166	¥ 267,142	¥ 4,530,308
Cumulative effect of changes in accounting policies			(5,306)			(5,306)		(5,306)
Balance as at April 1, 2019 after changes in accounting policies	341,482	387,335	3,073,349	463,270	(7,576)	4,257,860	267,142	4,525,002
Profit for the period			125,036			125,036	9,848	134,884
Other comprehensive income for the period				(94,388)		(94,388)	(9,017)	(103,405)
Comprehensive income for the period			125,036	(94,388)		30,648	831	31,479
Transaction with owners:								
Dividends paid to the owners of the parent			(69,524)			(69,524)		(69,524)
Dividends paid to non-controlling interest shareholders							(4,482)	(4,482)
Acquisition of treasury stock					(3)	(3)		(3)
Equity transactions with non-controlling interest shareholders		15,499		(538)		14,961	1,567	16,528
Transfer to retained earnings			844	(844)		−		−
Balance as at June 30, 2019	¥ 341,482	¥ 402,834	¥ 3,129,705	¥ 367,500	¥ (7,579)	¥ 4,233,942	¥ 265,058	¥ 4,499,000

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	Three-month period ended June 30, 2019	Three-month period ended June 30, 2018
Operating Activities:		
Profit for the period	¥ 134,884	¥ 126,015
Adjustments to reconcile profit for the period to cash flows		
from operating activities:		
Depreciation and amortization	60,537	43,573
Change in retirement benefit liabilities	367	637
Loss allowance	3,625	2,604
Reversal of provision related to Multigrain business	-	(11,083)
(Gain) loss on securities and other investments—net	(6,310)	(1,345)
Impairment (reversal) loss of fixed assets—net	1,695	984
(Gain) loss on disposal or sales of fixed assets—net	(1,366)	(6,862)
Finance (income) costs	(10,860)	(11,098)
Income taxes	37,519	41,011
Share of (profit) loss of investments accounted for using the equity method	(78,473)	(58,426)
Valuation gain (loss) related to contingent considerations and others	(2,809)	4,135
Changes in operating assets and liabilities:		
Change in trade and other receivables	50,966	(27,098)
Change in inventories	(49,495)	(8,570)
Change in trade and other payables	(76,767)	32,698
Other—net	47,279	(16,880)
Interest received	11,064	8,834
Interest paid	(25,385)	(19,045)
Dividends received	75,747	75,071
Income taxes paid	(44,339)	(40,540)
Cash flows from operating activities	127,879	134,615
Investing Activities:		
Net change in time deposits	(5,701)	(5,873)
Net change in investments in equity accounted investees	(23,353)	(75,499)
Net change in other investments	(6,282)	17,893
Net change in loan receivables	(10,446)	5,009
Net change in property, plant and equipment	(60,826)	(31,764)
Net change in investment property	(3,895)	(10,359)
Cash flows from investing activities	(110,503)	(100,593)
Financing Activities:		
Net change in short-term debt	131,543	10,590
Net change in long-term debt	(45,167)	(47,708)
Purchases and sales of treasury stock	(3)	(3)
Dividends paid	(69,524)	(69,516)
Transactions with non-controlling interest shareholders	5,262	1,608
Cash flows from financing activities	22,111	(105,029)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(7,932)	4,950
Change in Cash and Cash Equivalents	31,555	(66,057)
Cash and Cash Equivalents at Beginning of Period	956,107	1,131,380
Cash and Cash Equivalents at End of Period	¥ 987,662	¥ 1,065,323

(5) Assumption for Going Concern: None

(6) Changes in Accounting Policies and Changes in Accounting Estimates

1) Changes in Accounting Policies

Significant accounting policies applied in the Condensed Consolidated Financial Statements for the period ended June 30, 2019 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 Condensed Consolidated Financial Statements from April 1, 2019.

IFRS	Title	Summaries
IFRS 16	Leases	Fundamental amendment of accounting for lease transactions

In adopting IFRS 16, the companies recognized lease liabilities in relation to leases as a lessee, which had previously been classified as operating leases under the principles of IAS 17 "Leases". These liabilities are measured at the present value discounted using the group's incremental borrowing rate as of April 1, 2019, and are presented as "long-term debt" (including current portion). The associated rights-of-use assets are measured either at the carrying amount as if the Standard had been applied since the commencement date or at the amount equal to the lease liability, and are presented as "Property, plant and equipment".
In transitioning to IFRS 16, the practical expedient was chosen, the companies have adopted this standard to contracts that were previously identified as leases under the principles of IAS 17 and IFRIC 4 "Determining whether an Arrangement Contains a Lease" (hereinafter referred to as "IFRIC 4") without reassessing whether a contract is, or contains, a lease at the date of initial application. The companies have not adopted this standard to contracts that were not previously identified as containing a lease under the principles of IAS 17 and IFRIC 4.
After the date of initial application, if a contract is, or contains, a lease, leases are recognized as a lease liability and a corresponding right-of-use asset at the date at which the asset is available for use by the companies. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to interest expense over the lease term at a constant rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease term includes periods of an option to extend the lease if the lessee is reasonably certain to exercise that option and an option to terminate the lease if the lessee is reasonably certain not to exercise that option. Note that short-term leases and leases for which the underlying asset is of low value apply exemption rules of the standards, and recognize the lease payments associated with those leases as an expense mainly on straight-line basis over the lease term.
The cumulative effects due to the application of this standard were recognized on the commencement date of adoption in accordance with the transitional arrangements, the retrospective restatement of prior periods have not been applied.
"Long-term debt" (including current portion) and "Property, plant and equipment" newly recognized at the date of initial application in the Condensed Consolidated Statement of financial position were JPY 272,321 million and JPY 257,624 million, respectively.
In applying IFRS 16 for the first time, the companies have used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the reliance on assessment of whether leases are onerous applying IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" immediately before the date of initial application as an alternative to performing an impairment review
- the accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2) Changes in Accounting Estimates

The significant changes in accounting estimates in the Condensed Consolidated Financial Statements are as follows:

(Recoverability of Deferred Tax Assets in the joint venture)
The Company, together with its business partners, has made a final investment decision on the Mozambique LNG project through Mitsui E&P Mozambique Area 1 Limited, its joint venture in the Energy Segment which owns an interest in the LNG project.
Due to this final investment decision, the joint venture recognized deferred tax assets mainly for the exploration expenses occurred in prior years, and gain of ¥13,158 million have been recognized in "Share of Profit (Loss) of Investments Accounted for Using the Equity Method".

(7) Segment Information

Three-month period ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	58,099	277,919	173,856	403,695	177,799	504,802	36,636	1,632,806	314	1,633,120
Gross Profit	6,413	61,792	29,976	31,834	34,413	36,602	8,400	209,430	△199	209,231
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	2,927	16,279	25,704	3,497	22,262	4,487	3,461	78,617	△144	78,473
Profit for the Period Attributable to Owners of the parent	1,531	48,990	16,847	4,086	40,860	7,572	2,108	121,994	3,042	125,036
Core Operating Cash Flow	272	57,891	20,055	7,170	61,764	11,570	△1,095	157,627	△1,731	155,896
Total Assets at June 30, 2019	594,920	2,216,336	2,538,599	1,286,468	2,460,497	2,057,204	1,025,895	12,179,919	29,521	12,209,440

Three-month period ended June 30, 2018 (from April 1, 2018 to June 30, 2018) (As restated)

(Millions of Yen)

	Iron & Steel Products	Mineral & Metal Resources	Machinery & Infrastructure	Chemicals	Energy	Lifestyle	Innovation & Corporate Development	Total	Others / Adjustments and Eliminations	Consolidated Total
Revenue	48,550	246,738	193,206	396,225	172,131	442,120	56,100	1,555,070	1,129	1,556,199
Gross Profit	6,805	45,761	31,778	37,421	35,349	35,166	25,884	218,164	285	218,449
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	7,168	13,980	18,655	4,314	7,139	5,772	1,821	58,849	△423	58,426
Profit for the Period Attributable to Owners of the parent	6,779	39,722	15,449	9,931	17,058	17,692	10,500	117,131	1,283	118,414
Core Operating Cash Flow	606	48,325	21,182	15,895	52,928	8,538	13,167	160,641	△6,176	154,465
Total Assets at March 31, 2019	606,557	2,222,894	2,450,551	1,337,737	2,425,363	2,006,139	971,833	12,021,074	△75,295	11,945,779

Notes:1. “Others / Adjustments and Eliminations” includes of the Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total assets of “Others / Adjustments and Eliminations” at March 31, 2019 and June 30, 2019 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 amounting to ¥ 7,044,713 million and ¥ 6,868,658 million, respectively.

2. Transfers between reportable segments are made at cost plus a markup.
3. Profit for the Period Attributable to Owners of the parent of “Others /Adjustments and Eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Total assets of “Others / Adjustments and Eliminations” at March 31, 2019 and June 30, 2019 includes elimination of receivables and payables between segments amounting to ¥ 7,120,008 million and ¥ 6,839,137 million, respectively.
5. 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.
6. Due to the organizational restructuring with the aim of further strengthening of business, materials business and real estate business which were formerly included in "Lifestyle" segment are included in "Chemicals" segment and "Innovation & Corporate Development" segment respectively, from the three-month period ended June 30, 2019. In accordance with these changes, the segment information for the three-month period ended June 30, 2018 has been restated to conform to the current period presentation.

(8) The Fire Incident of Intercontinental Terminals Company LLC

On March 17, 2019 (US time) a fire began at the Deer Park tank terminal, of Intercontinental Terminals Company LLC ("ITC"), a wholly owned U.S. subsidiary of Mitsui & Co., Ltd. The Deer Park tank terminal is located in the outskirts of Houston, Texas. The fire completely destroyed, or partially damaged, 15 out of 242 tanks and its surrounding facilities and was completely extinguished by March 22, 2019 (US time). ITC has resumed its operation after discussions with related authorities. The cause of this fire is still under investigation.

The outstanding balance of provision related to this incident is ¥14,924 million for the year ended March 31, 2019. Most of the related costs have been paid out in the three-month period ended June 30, 2019, and the outstanding balance of provision as of June 30, 2019 is immaterial. ITC has also recognized the insurance benefits as profit for some of the losses related to this incident in the three-month period ended June 30, 2019, however the amount is immaterial.

There are multiple lawsuits that have been brought against ITC in relation to this incident. These lawsuits are at the early stages and the ultimate outcome of these lawsuits is not expected to have significant impact on our consolidated financial position, operating results and cash flow.