

Consolidated Financial Results for the Three-Month Period Ended June 30, 2024 [IFRS]

Tokyo, August 1, 2024 - Mitsui & Co., Ltd. announced its consolidated financial results for the three-month period ended June 30, 2024, based on IFRS Accounting Standards (“IFRS”).

Mitsui & Co., Ltd. and subsidiaries
(Web Site: <https://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, 2024 (from April 1, 2024 to June 30, 2024)

		Three-month period ended June 30,			
		2024		2023	
			%		%
Revenue	Mn JPY	3,839,914	21.9	3,149,131	(15.4)
Profit before income taxes	Mn JPY	347,686	11.5	311,814	(10.4)
Profit for the period	Mn JPY	282,351	9.2	258,659	(10.3)
Profit for the period attributable to owners of the parent	Mn JPY	276,110	9.2	252,850	(8.1)
Comprehensive income for the period	Mn JPY	601,576	(1.4)	610,085	82.6
Earnings per share attributable to owners of the parent, basic	JPY	92.43		83.22	
Earnings per share attributable to owners of the parent, diluted	JPY	92.37		83.17	

Note: 1. 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. On July 1, 2024, the Company conducted a 2-for-1 share split. “Earnings per share attributable to owners of the parent, basic” and “Earnings per share attributable to owners of the parent, diluted” are calculated under the assumption that the share split occurred at the beginning of the previous fiscal year.

(2) Consolidated Financial Position Information

		June 30, 2024	March 31, 2024
Total assets	Mn JPY	17,979,909	16,899,502
Total equity	Mn JPY	8,156,838	7,769,943
Total equity attributable to owners of the parent	Mn JPY	7,921,804	7,541,848
Equity attributable to owners of the parent ratio	%	44.1	44.6

2. Dividend Information

		Year ended March 31,		Year ending March 31, 2025 (forecast)
		2025	2024	
Interim dividend per share	JPY		85	50
Year-end dividend per share	JPY		85	50
Full-year dividend per share	JPY		170	100

Note: 1. Change from the latest released dividend forecast: None

2. On July 1, 2024, the Company conducted a 2-for-1 share split. Dividend information for the year ended March 31, 2024 is

based on the number of shares before the share split. For the year ending March 31, 2025 (forecast), the full-year dividend per share was 200 yen based on the number of shares before the share split, however it is 100 yen based on the number of shares after the share split.

3. Forecast of Consolidated Operating Results for the Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

		Year ending March 31, 2025
Profit attributable to owners of the parent	Mn JPY	900,000
Earnings per share attributable to owners of the parent, basic	JPY	304.28

Note: 1. Change from the latest released earnings forecast: None

2. On July 1, 2024, the Company conducted a 2-for-1 share split. “Earnings per share attributable to owners of the parent, basic” included in the forecast of consolidated operating results is calculated based on the average number of shares after the share split.

4. Others

(1) Significant Changes in the Scope of Consolidation during the Period: None

(2) Changes in Accounting Policies and Accounting Estimates:

- (i) Changes in accounting policies required by IFRS Yes
- (ii) Other changes None
- (iii) Changes in accounting estimates None

Note: For further details, please refer to page 20 “3. Condensed Consolidated Financial Statements (7) Changes in Accounting Policies.”

(3) Number of Shares Outstanding (Common Stock)

	June 30, 2024	March 31, 2024
Number of shares (including treasury stock)	3,027,386,972	3,027,178,336
Number of treasury stock	52,100,660	32,478,250

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Average number of shares	2,987,301,860	3,038,435,006

Note: On July 1, 2024, the Company conducted a 2-for-1 share split. Number of shares outstanding (common stock) is calculated under the assumption that the share split occurred at the beginning of the previous fiscal year.

Review of the Japanese-language originals of the attached condensed consolidated financial statements by certified public accountants or an audit firm: None

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 14.

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 1, 2024.

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

There has been no review made by certified public accountants or an audit firm regarding the Japanese-language original version of the condensed consolidated quarterly financial statements.

As used in this report, “Mitsui,” “Mitsui & Co.” and the “Company” are used to refer to Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha), and the “Group” and the “Mitsui & Co. Group” are used to indicate Mitsui & Co., Ltd. and its consolidated subsidiaries, unless otherwise indicated.

(1) Operating Environment

In the three-month period ended June 30, 2024, the global economy saw moderate expansion overall. While China's recovery was sluggish, the US remained generally strong, and even the stagnating European economy showed signs of a recovery.

In the US, labor supply and demand has been easing under a tight financial environment, but the economy has generally remained strong, supported by solid personal consumption. As inflation gradually settles down and interest rates are expected to be lowered by the Federal Reserve, the economy is expected to continue to expand moderately. In Europe, the economy has been recovering against the backdrop of declining inflation. As the European Central Bank has started to lower interest rates and real income has recovered due to the decline in inflation, the economy is expected to continue to recover, mainly due to consumer spending. In Japan, corporate earnings have remained at a high level amid the continued depreciation of the yen. In addition, inbound demand has also expanded, but consumer spending has remained sluggish due to the impact of high prices, and so the economic recovery has been moderate. Looking ahead, the economy is expected to recover slowly as consumer spending is expected to pick up due to wage increases exceeding those made in the previous year, and a fixed-amount tax reduction. In China, exports are recovering, but the economy has been sluggish due to weak consumption amid a continuing slump in the real estate market. It is expected that the economy will recover in the future through government policy responses.

Looking ahead, the global economy is expected to continue to expand slowly as inflation in the US, Europe, and other developed countries stabilizes and as the US, following Europe, is expected to move away from a period of monetary tightening. However, geopolitical risks such as instability in the Middle East remain a concern.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Bn JPY)		Current period	Previous period	Change
Revenue		3,839.9	3,149.1	+690.8
Gross profit		332.8	300.7	+32.1
Selling, general and administrative expenses		(204.9)	(184.2)	(20.7)
Other income (expenses)	Gain (loss) on securities and other investments—net	96.4	47.5	+48.9
	Impairment reversal (loss) of fixed assets—net	(3.5)	(2.5)	(1.0)
	Gain (loss) on disposal or sales of fixed assets—net	2.1	1.6	+0.5
	Other income (expense)—net	(11.0)	0.8	(11.8)
Finance income (costs)	Interest income	15.2	15.8	(0.6)
	Dividend income	29.5	27.7	+1.8
	Interest expense	(44.3)	(38.6)	(5.7)
Share of profit (loss) of investments accounted for using the equity method		135.4	143.0	(7.6)
Income taxes		(65.3)	(53.2)	(12.1)
Profit for the period		282.4	258.7	+23.7
Profit for the period attributable to owners of the parent		276.1	252.9	+23.2

* 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, 2024 (“current period”) was 3,839.9 billion yen, an increase of 690.8 billion yen from 3,149.1 billion yen for the corresponding three-month period of the previous year (“previous period”). The increase was mainly in the Energy and Chemicals segments.

Gross Profit

Mainly the Chemicals and Mineral & Metal Resources segments recorded an increase.

Selling, General and Administrative Expenses

The table below provides a breakdown.

	(Bn JPY)		
	Current period	Previous period	Change*
Personnel	(111.3)	(99.1)	(12.2)
Welfare	(3.7)	(3.9)	+0.2
Travel expenses.....	(8.0)	(7.5)	(0.5)
Entertainment	(1.9)	(1.7)	(0.2)
Communication	(17.2)	(14.6)	(2.6)
Rent	(3.8)	(3.2)	(0.6)
Depreciation	(14.2)	(11.7)	(2.5)
Fees and taxes	(4.3)	(3.5)	(0.8)
Loss allowance	(5.4)	(5.5)	+0.1
Others	(35.1)	(33.5)	(1.6)
Total	<u>(204.9)</u>	<u>(184.2)</u>	<u>(20.7)</u>

* Negative amounts in the change column displayed in parentheses represent an increase in expenses.

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

For the current period, a gain on sale of securities was recorded mainly in the Machinery & Infrastructure segment.

For the previous period, a valuation gain was recorded mainly in the Lifestyle segment.

Other Income (Expense)—Net

The Energy segment recorded foreign exchange related expenses.

Finance Income (Costs)

Dividend Income

Mainly the Machinery & Infrastructure segment recorded an increase.

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

Mainly the Chemicals segment recorded a decrease.

Income Taxes

Income taxes were 65.3 billion yen, an increase of 12.1 billion yen from 53.2 billion yen for the previous period.

The effective tax rate for the current period was 18.8%, an increase of 1.8 points from 17.0% for the previous period.

Profit for the Period Attributable to Owners of the Parent

As a result, profit for the period attributable to owners of the parent was 276.1 billion yen, an increase of 23.2 billion yen from the previous period.

2) Operating Results by Operating Segment

The fluctuation analysis for the results by operating segment is as follows.

Note, "Others" includes income taxes, but generally, the impact of income taxes are not included in the explanations in the description column relating to each account title.

Mineral & Metal Resources

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	80.5	77.9	+2.6	
Gross profit	83.1	75.0	+8.1	• Iron ore mining operations in Australia +8.4 (volume increase)
Profit (loss) of equity method investments	24.9	23.4	+1.5	
Dividend income	7.3	7.8	(0.5)	
Selling, general and administrative expenses	(9.1)	(8.5)	(0.6)	
Others	(25.7)	(19.8)	(5.9)	

Energy

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	19.2	26.7	(7.5)	
Gross profit	42.8	35.4	+7.4	• Higher profit in LNG trading • Mitsui E&P Australia +3.6 (decrease in costs)
Profit (loss) of equity method investments	17.8	22.6	(4.8)	• Lower profit in Japan Australia LNG (MIMI) (lower gas prices)
Dividend income	3.3	6.8	(3.5)	• 4 LNG projects* -3.5 (current period 3.3, previous period 6.8)
Selling, general and administrative expenses	(17.4)	(15.4)	(2.0)	
Others	(27.3)	(22.7)	(4.6)	• Arctic LNG 2 project related (foreign exchange) • Gain on sale of MyPower power generation assets in the current period +3.7

* Oman, ADNOC LNG, QatarEnergy LNG N (3), and Sakhalin II.

Machinery & Infrastructure

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	126.0	52.6	+73.4	
Gross profit	53.0	51.2	+1.8	<ul style="list-style-type: none"> ● BAF^{*1} becoming an associated company -9.2
Profit (loss) of equity method investments	56.0	57.0	(1.0)	<ul style="list-style-type: none"> ● MBK USA Commercial Vehicles -6.4 (lower rental demand, increase in interest expense, other factors) ● Lower profit due to sale of International Power (Australia) Holdings in the previous fiscal year^{*2} -5.1 ● Mainstream Renewable Power +9.9 (absence of a fixed asset impairment loss recorded in the previous period^{*3} +9.0, other factors)
Dividend income	8.4	2.8	+5.6	<ul style="list-style-type: none"> ● Increase in dividends in European automotives business
Selling, general and administrative expenses	(47.0)	(44.4)	(2.6)	<ul style="list-style-type: none"> ● Provision for AKOFS, a subsea oil field equipment installation support vessel business^{*4} -5.0 ● BAF^{*1} becoming an associated company +8.2
Others	55.6	(14.0)	+69.6	<ul style="list-style-type: none"> ● Gain on sale of Paiton +54.5 ● Profit related to sale of shares in VLI^{*5} +40.5 ● Lower profit due to sale of Paiton^{*6} -4.8 ● Fixed assets impairment loss in Brazilian passenger railway^{*7} -3.4

*1 Bussan Auto Finance.

*2 The sale was completed in the third quarter of the previous fiscal year. Lower profit compared to the previous period was due to no profit from operations being recorded in the current period.

*3 Recorded an equity method loss of 9.0 billion yen in the previous period due to a reassessment of recoverable amount related to projects in Chile.

*4 Recorded a provision of 5.0 billion yen due to a reassessment of the recoverability of long-term loan receivables related to some owned vessels.

*5 Of our owned 20% of the outstanding shares in VLI, we recorded a gain on sale from the divestment of 10% of the outstanding shares, and a valuation gain on our remaining equity interest. This figure is the sum total of these two items.

*6 Lower profit compared to the previous period was due to no profit from operations being recorded in the current period.

*7 A fixed assets impairment loss of 3.4 billion yen was recorded based on the latest estimation in the passenger railway business in Brazil in the current period.

Chemicals

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	18.2	15.5	+2.7	
Gross profit	69.9	52.3	+17.6	<ul style="list-style-type: none"> • Novus International +3.8 (good sales performance) • Eu Yan Sang +3.3 (FVTPL related profit)
Profit (loss) of equity method investments	5.6	12.9	(7.3)	<ul style="list-style-type: none"> • Hexagon Composites -6.8 (absence of valuation gain recorded in the previous period, other factors)
Dividend income	1.6	1.5	+0.1	
Selling, general and administrative expenses	(39.8)	(37.3)	(2.5)	
Others	(19.1)	(13.9)	(5.2)	

Iron & Steel Products

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	6.0	5.6	+0.4	
Gross profit	11.3	10.2	+1.1	
Profit (loss) of equity method investments	6.5	4.9	+1.6	
Dividend income	1.9	1.5	+0.4	
Selling, general and administrative expenses	(8.7)	(7.6)	(1.1)	
Others	(5.0)	(3.4)	(1.6)	

Lifestyle

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	14.0	60.3	(46.3)	
Gross profit	46.3	50.0	(3.7)	• Foreign exchange impact in coffee trading +3.0
Profit (loss) of equity method investments	18.3	17.4	+0.9	• IHH Healthcare +3.1 (good performance, recorded deferred tax assets related to a subsidiary in Turkey)
Dividend income	3.3	4.3	(1.0)	
Selling, general and administrative expenses	(44.1)	(43.6)	(0.5)	
Others	(9.8)	32.2	(42.0)	• Absence of Aim Services valuation gain recorded in the previous period* -43.4

* Revaluation gain on previously held equity interest due to Aim Services being reclassified from an equity-method investee to a consolidated subsidiary in the previous period.

Innovation & Corporate Development

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	6.2	8.1	(1.9)	
Gross profit	25.2	25.2	(0.0)	
Profit (loss) of equity method investments	5.9	4.6	+1.3	
Dividend income	2.9	2.5	+0.4	
Selling, general and administrative expenses	(24.1)	(21.9)	(2.2)	
Others	(3.7)	(2.3)	(1.4)	

(3) Financial Condition and Cash Flows

1) Financial Condition

(Bn JPY)	June 30, 2024	March 31, 2024	Change
Total assets	17,979.9	16,899.5	+1,080.4
Current assets	6,320.5	5,768.1	+552.4
Non-current assets	11,659.4	11,131.4	+528.0
Current liabilities	4,448.5	3,891.5	+557.0
Non-current liabilities	5,374.6	5,238.0	+136.6
<i>Net interest-bearing debt</i>	<i>3,459.7</i>	<i>3,398.1</i>	<i>+61.6</i>
Total equity attributable to owners of the parent	7,921.8	7,541.8	+380.0
Net debt-to-equity ratio (times)	0.44	0.45	(0.01)

Assets

Current Assets

(Bn JPY)	June 30, 2024	March 31, 2024	Change	Description
Current assets	6,320.5	5,768.1	+552.4	
Cash and cash equivalents	1,035.6	898.2	+137.4	
Trade and other receivables	2,412.9	2,216.7	+196.2	• Trade receivables +189.3 (EN, CH, LI)* Increase in trading volume
Other financial assets	1,299.8	1,140.1	+159.7	• (MI, LI)* Increase in derivative assets • (MI, MM)* Increase in dividends receivable • (Corporate) Increase in margin deposits
Inventories	990.7	965.7	+25.0	• (IC, MM)* Increase in inventories
Advance payments to suppliers	391.7	368.1	+23.6	• (MI)* Foreign exchange fluctuations
Income tax receivables	54.0	49.4	+4.6	
Other current assets	135.8	129.8	+6.0	

* EN: Energy segment, CH: Chemicals segment, LI: Lifestyle segment, MI: Machinery & Infrastructure segment, MM: Mineral & Metal Resources segment, IC: Innovation & Corporate Development segment.

Non-Current Assets

(Bn JPY)	June 30, 2024	March 31, 2024	Change	Description
Non-current assets	11,659.4	11,131.4	+528.0	
Investments accounted for using the equity method	5,043.0	4,870.0	+173.0	<ul style="list-style-type: none"> ● Foreign exchange fluctuations +247.1 ● Equity method investments profit +135.4 ● Reinvestment in Eu Yan Sang +19.6 ● Dividends from equity accounted investees -175.5 ● Sale of Paiton -76.4 ● Partial sale of VLI -39.0
Other investments	2,358.9	2,319.9	+39.0	<ul style="list-style-type: none"> ● VLI reclassification +53.0 ● Foreign exchange fluctuations +26.6 ● FVTPL valuation gain +10.6 ● Recruit Holdings -16.8 ● Fair value of FVTOCI financial assets -13.4 ● Reclassification of Alvotech convertible bonds to current assets -11.7
Trade and other receivables	297.7	286.6	+11.1	
Other financial assets	266.4	210.8	+55.6	<ul style="list-style-type: none"> ● (MI)* Foreign exchange fluctuations
Property, plant and equipment	2,573.8	2,401.5	+172.3	<ul style="list-style-type: none"> ● Iron ore mining operations in Australia +41.8 (inc. foreign exchange fluctuations +38.9) ● Oil and gas projects +37.0 (inc. foreign exchange fluctuations +34.6) ● BIGI HOLDINGS becoming a subsidiary +22.0 ● Tatonka +19.9 (inc. foreign exchange fluctuations +0.3) ● Mitsui Resources +12.2 (inc. foreign exchange fluctuations +10.0) ● Intercontinental Terminals Company +11.6 (inc. foreign exchange fluctuations +9.8)
Investment property	284.7	282.3	+2.4	
Intangible assets	507.7	458.2	+49.5	<ul style="list-style-type: none"> ● Acquisition of Taylor & Martin +39.0
Deferred tax assets	107.8	108.1	(0.3)	
Other non-current assets	219.5	194.0	+25.5	<ul style="list-style-type: none"> ● Pension related assets

* MI: Machinery & Infrastructure segment.

Note: The assumptions for crude oil prices used in fair value measurements such as for LNG projects are determined based on current market conditions and the forecasts of several third-party organizations. Specifically, the Company assumes Brent crude to fall from USD 85 per barrel to USD 80 in the short-term, and then remain at the same level.

Liabilities

(Bn JPY)	June 30, 2024	March 31, 2024	Change	Description
Current liabilities	4,448.5	3,891.5	+557.0	
Short-term debt	370.6	244.0	+126.6	• Issuance of commercial paper
Current portion of long-term debt	820.0	723.1	+96.9	
Trade and other payables	1,815.9	1,647.0	+168.9	• Increase in trade payables
Other financial liabilities	825.4	737.5	+87.9	• Increase in derivative liabilities
Income tax payables	51.9	42.2	+9.7	
Advances from customers	368.7	318.8	+49.9	• Corresponding to increase in advance payments
Provisions	136.1	123.8	+12.3	
Other current liabilities	59.9	55.2	+4.7	
Non-current liabilities	5,374.6	5,238.0	+136.6	
Long-term debt, less the current portion	3,823.1	3,809.0	+14.1	
Other financial liabilities	435.2	341.9	+93.3	• Increase in derivative liabilities
Retirement benefit liabilities	42.5	43.9	(1.4)	
Provisions	275.6	261.6	+14.0	
Deferred tax liabilities	759.7	745.8	+13.9	
Other non-current liabilities	38.4	35.7	+2.7	

Equity

(Bn JPY)	June 30, 2024	March 31, 2024	Change	Description
Common stock	343.4	343.1	+0.3	
Capital surplus	393.1	391.9	+1.2	
Retained earnings	5,725.6	5,551.7	+173.9	
Other components of equity	1,604.9	1,323.8	+281.1	
<breakdown>				
Financial assets measured at FVTOCI	244.1	265.6	(21.5)	
Foreign currency translation adjustments	1,391.9	1,090.4	+301.5	• AUD +105.5 (June-24 AUD/JPY107.00, up from Mar-24 AUD/JPY98.61) • USD +104.3 (June-24 USD/JPY161.07, up from Mar-24 USD/JPY151.41)
Cash flow hedges	(31.2)	(32.1)	+0.9	
Treasury stock	(145.2)	(68.6)	(76.6)	• Share repurchase -76.8
Total equity attributable to owners of the parent	7,921.8	7,541.8	+380.0	
Non-controlling interests	235.0	228.1	+6.9	

2) Cash Flows

(Bn JPY)	Current period	Previous period	Change
Cash flows from operating activities	285.4	366.8	(81.4)
Cash flows from investing activities	(24.6)	(194.3)	+169.7
Free cash flow	260.8	172.5	+88.3
Cash flows from financing activities	(157.1)	(339.1)	+182.0
Effect of exchange rate changes on cash and cash equivalents*	33.6	57.8	(24.2)
Change in cash and cash equivalents	137.3	(108.8)	+246.1

* Includes the effect of cash and cash equivalents included in assets held for sale.

Cash Flows from Operating Activities

(Bn JPY)		Current period	Previous period	Change
Cash flows from operating activities	a	285.4	366.8	(81.4)
Cash flows from change in working capital	b	47.9	92.9	(45.0)
Repayments of lease liabilities	c	(21.7)	(18.0)	(3.7)
Core Operating Cash Flow	a-b+c	215.8	255.9	(40.1)

- Cash flows from change in working capital (changes in operating assets and liabilities) was 47.9 billion yen of net cash inflow. Repayments of lease liabilities was 21.7 billion yen of net cash outflow. Core Operating Cash Flow, which equals cash flows from operating activities excluding changes in working capital and repayments of lease liabilities, amounted to 215.8 billion yen.
 - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled 136.0 billion yen, a decrease of 23.9 billion yen from 159.9 billion yen for the previous period.
 - Depreciation and amortization for the current period was 77.3 billion yen, an increase of 8.0 billion yen from 69.3 billion yen for the previous period.

The following table shows Core Operating Cash Flow by operating segment.

(Bn JPY)	Current period	Previous period	Change
Mineral & Metal Resources	88.2	91.1	(2.9)
Energy	52.7	55.3	(2.6)
Machinery & Infrastructure	24.4	60.2	(35.8)
Chemicals	25.2	20.3	+4.9
Iron & Steel Products	2.0	2.5	(0.5)
Lifestyle	7.0	21.5	(14.5)
Innovation & Corporate Development	7.5	7.1	+0.4
All Other and Adjustments and Eliminations	8.8	(2.1)	+10.9
Consolidated total	215.8	255.9	(40.1)

The following table shows depreciation and amortization by operating segment.

(Bn JPY)	Current period	Previous period	Change
Mineral & Metal Resources	19.2	15.4	+3.8
Energy	22.8	21.5	+1.3
Machinery & Infrastructure	8.8	8.4	+0.4
Chemicals	9.0	7.8	+1.2
Iron & Steel Products	0.7	0.4	+0.3
Lifestyle	8.0	7.2	+0.8
Innovation & Corporate Development	4.1	4.2	(0.1)
All Other and Adjustments and Eliminations	4.7	4.4	+0.3
Consolidated total	77.3	69.3	+8.0

Cash Flows from Investing Activities

(Bn JPY)	Current period	Previous period	Description of current period
Cash flows from investing activities	(24.6)	(194.3)	
Net change in investments to equity accounted investees	92.8	(17.1)	
Cash outflow	(80.1)	(34.2)	• Eu Yan Sang -19.6
Cash inflow	172.9	17.1	• Paiton +110.0 • Partial sale of VLI +52.6
Net change in other investments	10.7	(13.8)	
Cash outflow	(20.2)	(29.5)	
Cash inflow	30.9	15.7	• Recruit Holdings +16.0
Net change in property, plant, and equipment	(88.6)	(46.9)	
Cash outflow	(96.3)	(63.1)	• Oil and gas projects -24.1 • Interest in Tatonka -22.3 • Iron ore mining operations in Australia -15.7
Cash inflow	7.7	16.2	
Net change in investment property	2.6	(1.4)	
Cash outflow	(3.1)	(1.4)	
Cash inflow	5.7	-	
Net change in loan receivables	10.1	(7.7)	• LNG business +21.8
Net change in time deposits	(15.8)	(11.8)	• Mitsui & Co. Mineral Resources Development (Latin America) time deposits -17.9
Acquisition of subsidiaries or other businesses	(36.3)	(95.6)	• Taylor & Martin -36.3

Cash Flows from Financing Activities

(Bn JPY)	Current period	Previous period	Description of current period
Cash flows from financing activities	(157.1)	(339.1)	
Net change in short-term debt	110.6	56.0	
Net change in long-term debt	(29.9)	(196.0)	
(Proceeds from long-term debt)	182.9	426.2	
(Repayments of long-term debt)	(212.8)	(622.2)	
Repayments of lease liabilities	(21.7)	(18.0)	
Purchase and sales of treasury stock-net	(76.8)	(61.7)	
Dividends paid	(127.3)	(114.3)	
Transactions with non-controlling interest shareholders	(12.1)	(5.1)	

(4) Information Concerning Profit Forecast

The forecasts for the year ending March 31, 2025 we announced on May 1, 2024 in Consolidated Financial Results for the Year Ended March 31, 2024, were 900 billion yen for Profit Attributable to Owners of the Parent and 1 trillion yen for Core Operating Cash Flow. No revisions 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 important risks, uncertainties and other factors include, among others, (1) business investment risks, (2) geopolitical risks, (3) country risks, (4) risks regarding climate changes, (5) commodity market risks, (6) foreign currency risks, (7) stock price risks of listed stock Mitsui and its subsidiaries hold, (8) credit risks, (9) risks regarding fund procurement, (10) operational risks, (11) risks regarding employee's compliance with laws, regulations, and internal policies, (12) risks regarding information systems and information securities, (13) risks regarding the limitation of human capital, (14) risks regarding human rights, (15) risks relating to natural disasters, terrorism, violent groups, and infectious diseases. 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 Semi-annual 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

(Mn JPY)

Assets		
	June 30, 2024	March 31, 2024
Current assets:		
Cash and cash equivalents	1,035,553	898,204
Trade and other receivables	2,412,932	2,216,735
Other financial assets	1,299,776	1,140,122
Inventories	990,729	965,721
Advance payments to suppliers	391,680	368,137
Income tax receivables	54,007	49,414
Other current assets	135,788	129,815
Total current assets	6,320,465	5,768,148
Non-current assets:		
Investments accounted for using the equity method	5,042,970	4,869,969
Other investments	2,358,920	2,319,900
Trade and other receivables	297,722	286,565
Other financial assets	266,353	210,794
Property, plant and equipment	2,573,834	2,401,492
Investment property	284,668	282,253
Intangible assets	507,671	458,246
Deferred tax assets	107,814	108,095
Other non-current assets	219,492	194,040
Total non-current assets	11,659,444	11,131,354
Total	17,979,909	16,899,502

(Mn JPY)

Liabilities and Equity		
	June 30, 2024	March 31, 2024
Current liabilities:		
Short-term debt	370,612	243,959
Current portion of long-term debt	820,017	723,084
Trade and other payables	1,815,867	1,647,029
Other financial liabilities	825,437	737,492
Income tax payables	51,907	42,177
Advances from customers	368,680	318,809
Provisions	136,103	123,830
Other current liabilities	59,863	55,158
Total current liabilities	4,448,486	3,891,538
Non-current liabilities:		
Long-term debt, less current portion	3,823,104	3,809,013
Other financial liabilities	435,214	341,913
Retirement benefit liabilities	42,532	43,936
Provisions	275,605	261,593
Deferred tax liabilities	759,739	745,845
Other non-current liabilities	38,391	35,721
Total non-current liabilities	5,374,585	5,238,021
Total liabilities	9,823,071	9,129,559
Equity:		
Common stock	343,442	343,062
Capital surplus	393,070	391,856
Retained earnings	5,725,594	5,551,736
Other components of equity	1,604,921	1,323,821
Treasury stock	(145,223)	(68,627)
Total equity attributable to owners of the parent	7,921,804	7,541,848
Non-controlling interests	235,034	228,095
Total equity	8,156,838	7,769,943
Total	17,979,909	16,899,502

(2) Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income

(Mn JPY)

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Revenue	3,839,914	3,149,131
Cost	(3,507,137)	(2,848,401)
Gross profit	332,777	300,730
Other income (expenses):		
Selling, general and administrative expenses	(204,890)	(184,234)
Gain (loss) on securities and other investments—net	96,406	47,541
Impairment reversal (loss) of fixed assets—net	(3,465)	(2,521)
Gain (loss) on disposal or sales of fixed assets—net	2,138	1,624
Other income (expense) —net	(10,972)	771
Total other income (expenses)	(120,783)	(136,819)
Finance income (costs):		
Interest income	15,188	15,819
Dividend income	29,488	27,686
Interest expense	(44,349)	(38,589)
Total finance income (costs)	327	4,916
Share of profit (loss) of investments accounted for using the equity method	135,365	142,987
Profit before income taxes	347,686	311,814
Income taxes	(65,335)	(53,155)
Profit for the period	282,351	258,659
Profit for the period attributable to:		
Owners of the parent	276,110	252,850
Non-controlling interests	6,241	5,809

Condensed Consolidated Statements of Comprehensive Income

(Mn JPY)

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Profit for the Period	282,351	258,659
Other Comprehensive Income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI	(14,873)	15,505
Remeasurements of defined benefit plans	18,614	267
Share of other comprehensive income of investments accounted for using the equity method	(1,726)	(3,299)
Income tax relating to items not reclassified	1,717	32
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments	76,556	62,893
Cash flow hedges	(4,810)	(1,018)
Share of other comprehensive income of investments accounted for using the equity method	249,132	284,929
Income tax relating to items that may be reclassified	(5,385)	(7,883)
Total other comprehensive income	319,225	351,426
Comprehensive Income for the Period	601,576	610,085
Comprehensive Income for the Period Attributable to:		
Owners of the parent	582,312	591,102
Non-controlling interests	19,264	18,983

(3) Condensed Consolidated Statements of Changes in Equity

(Mn JPY)

	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, 2023	342,560	381,869	4,840,510	868,963	(66,152)	6,367,750	197,398	6,565,148
Profit for the period			252,850			252,850	5,809	258,659
Other comprehensive income for the period				338,252		338,252	13,174	351,426
Comprehensive income for the period			252,850	338,252		591,102	18,983	610,085
Transaction with owners:								
Dividends paid to the owners of the parent			(114,325)			(114,325)		(114,325)
Dividends paid to non-controlling interest shareholders							(7,191)	(7,191)
Acquisition of treasury stock					(61,686)	(61,686)		(61,686)
Sales of treasury stock		(42)	(33)		75	0		0
Cancellation of treasury stock			-		-	-		-
Compensation costs related to share-based payment	253	1,915				2,168		2,168
Equity transactions with non-controlling interest shareholders		(848)				(848)	6,011	5,163
Transfer to retained earnings			(209)	209		-		-
Balance as at June 30, 2023	342,813	382,894	4,978,793	1,207,424	(127,763)	6,784,161	215,201	6,999,362

(Mn JPY)

	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, 2024	343,062	391,856	5,551,736	1,323,821	(68,627)	7,541,848	228,095	7,769,943
Profit for the period			276,110			276,110	6,241	282,351
Other comprehensive income for the period				306,202		306,202	13,023	319,225
Comprehensive income for the period			276,110	306,202		582,312	19,264	601,576
Transaction with owners:								
Dividends paid to the owners of the parent			(127,277)			(127,277)		(127,277)
Dividends paid to non-controlling interest shareholders							(12,222)	(12,222)
Acquisition of treasury stock					(76,819)	(76,819)		(76,819)
Sales of treasury stock		(139)	(83)		223	1		1
Cancellation of treasury stock			-		-	-		-
Compensation costs related to share-based payment	380	1,419				1,799		1,799
Equity transactions with non-controlling interest shareholders		(66)		6		(60)	(103)	(163)
Transfer to retained earnings			25,108	(25,108)		-		-
Balance as at June 30, 2024	343,442	393,070	5,725,594	1,604,921	(145,223)	7,921,804	235,034	8,156,838

(4) Condensed Consolidated Statements of Cash Flows

(Mn JPY)

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Operating activities:		
Profit for the period	282,351	258,659
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	77,348	69,310
Change in retirement benefit liabilities	(719)	(103)
Loss allowance	5,439	5,507
(Gain) loss on securities and other investments-net	(96,406)	(47,541)
Impairment (reversal) loss of fixed assets-net	3,465	2,521
(Gain) loss on disposal or sales of fixed assets-net	(2,138)	(1,624)
Interest income, dividend income and interest expense	(15,110)	(15,290)
Income taxes	65,335	53,155
Share of (profit) loss of investments accounted for using the equity method	(135,365)	(142,987)
Valuation (gain) loss related to contingent considerations and others	(1,606)	(1,001)
Changes in operating assets and liabilities:		
Change in trade and other receivables	(140,092)	60,323
Change in inventories	22,208	30,982
Change in trade and other payables	128,983	21,975
Change in advance payments to suppliers and advances from customers	28,787	(13,094)
Change in derivative assets and liabilities	(8,470)	4,906
Other-net	16,596	(12,110)
Interest received	15,116	24,858
Interest paid	(38,038)	(32,172)
Dividends received	135,954	159,936
Income taxes paid	(58,215)	(59,380)
Cash flows from operating activities	285,423	366,830
Investing activities:		
Change in time deposits	(15,790)	(11,788)
Investments in equity accounted investees	(80,054)	(34,226)
Proceeds from sales of investments in equity accounted investees	172,862	17,165
Purchase of other investments	(20,165)	(29,434)
Proceeds from sales and maturities of other investments	30,830	15,653
Increases in loan receivables	(17,175)	(10,923)
Collections of loan receivables	27,249	3,204
Purchases of property, plant and equipment	(96,241)	(63,111)
Proceeds from sales of property, plant and equipment	7,652	16,249
Purchases of investment property	(3,135)	(1,439)
Proceeds from sales of investment property	5,703	-
Acquisition of subsidiaries or other businesses	(36,293)	(95,605)
Cash flows from investing activities	(24,557)	(194,255)
Financing activities:		
Change in short-term debt	110,648	55,951
Proceeds from long-term debt	182,893	426,228
Repayments of long-term debt	(212,814)	(622,223)
Repayments of lease liabilities	(21,657)	(17,970)
Purchases and sales of treasury stock	(76,813)	(61,685)
Dividends paid	(127,277)	(114,325)
Transactions with non-controlling interests shareholders	(12,090)	(5,073)
Cash flows from financing activities	(157,110)	(339,097)

(Mn JPY)

	Three-month period ended June 30, 2024	Three-month period ended June 30, 2023
Effect of exchange rate changes on cash and cash equivalents	33,593	59,719
Effect of cash and cash equivalents included in assets held for sale	-	(2,016)
Change in cash and cash equivalents	137,349	(108,819)
Cash and cash equivalents at beginning of period	898,204	1,390,130
Cash and cash equivalents at end of period	1,035,553	1,281,311

“Interest income, dividend income and interest expense”, “Interest received”, “Interest paid” and “Dividends received” in the condensed consolidated statements of cash flows include not only interest income, dividend income and interest expense that are included in “Finance income (costs)” in the condensed consolidated statements of income, but also interest income, dividend income, interest expense that are included in “Revenue” and “Cost” together with their related cash flows.

(5) Assumption for Going Concern: None

(6) Basis of Preparation of Condensed Consolidated Financial Statements

The accompanying condensed consolidated financial statements have been prepared in accordance with the Article 5-2 of the Tokyo Stock Exchange’s standard for preparation of quarterly financial statements (however, a part of the disclosures required under IAS 34 "Interim Financial Reporting" is omitted under the Article 5-5 of the standard).

(7) Changes in Accounting Policies

Material accounting policies applied in the condensed consolidated financial statements for the period ended June 30, 2024 are the same as those applied in the consolidated financial statements of the previous fiscal year.

The Group applied the following new standards for the condensed consolidated financial statements from April 1, 2024. Impacts from the application of these on the condensed consolidated financial statements are immaterial.

IFRS	Title	Summaries
IAS 1	Presentation of Financial Statements (amended in October 2022)	Disclosures about liabilities with covenants
IAS 7 IFRS 7	Statement of Cash Flows (amended in May 2023) Financial Instruments: Disclosures (amended in May 2023)	Disclosures about supplier finance arrangements

(8) Segment Information

Three-month period ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Mn JPY)

	Mineral & Metal resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel products	Lifestyle	Innovation & Corporate development	Total	All other	Adjustments and eliminations	Consolidated total
Revenue	558,018	1,069,612	369,708	786,697	177,069	816,881	61,159	3,839,144	770	-	3,839,914
Gross profit	83,053	42,816	53,026	69,871	11,339	46,314	25,198	331,617	1,198	(38)	332,777
Share of profit (loss) of investments accounted for using the equity method	24,945	17,818	55,999	5,627	6,540	18,328	5,912	135,169	-	196	135,365
Profit for the period attributable to owners of the parent	80,536	19,167	125,968	18,210	6,023	13,991	6,243	270,138	4,500	1,472	276,110
Core Operating Cash Flow	88,211	52,730	24,427	25,213	1,987	6,955	7,478	207,001	2,441	6,312	215,754
Total assets at June 30, 2024	3,249,223	3,671,445	4,055,850	2,178,969	838,688	3,042,703	1,850,789	18,887,667	9,319,325	(10,227,083)	17,979,909

Three-month period ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(Mn JPY)

	Mineral & Metal resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel products	Lifestyle	Innovation & Corporate development	Total	All other	Adjustments and eliminations	Consolidated total
Revenue	484,984	692,187	287,938	682,368	167,622	772,913	60,778	3,148,790	341	-	3,149,131
Gross profit	74,985	35,418	51,237	52,274	10,248	49,994	25,232	299,388	851	491	300,730
Share of profit (loss) of investments accounted for using the equity method	23,428	22,618	57,040	12,939	4,873	17,379	4,612	142,889	-	98	142,987
Profit for the period attributable to owners of the parent	77,868	26,708	52,567	15,492	5,594	60,293	8,110	246,632	(279)	6,497	252,850
Core Operating Cash Flow	91,069	55,318	60,174	20,323	2,501	21,518	7,117	258,020	3,581	(5,723)	255,878
Total assets at March 31, 2024	3,084,437	3,408,781	3,769,779	2,049,368	809,542	2,901,696	1,790,857	17,814,460	8,879,374	(9,794,332)	16,899,502

- Notes: 1. “All other” includes of the corporate staff unit which provides financing services and operations services to the Group and affiliated companies. Total assets of “All other” at March 31, 2024 and June 30, 2024 includes cash, cash equivalents and time deposits related to financing activities, and assets of the corporate staff unit and certain subsidiaries related to the above services.
2. Transfers between reportable segments are made at cost plus a markup.
3. Profit (Loss) for the period attributable to owners of the parent of “Adjustments and eliminations” includes income and expense items that are not allocated to specific reportable segments, and eliminations of intersegment transactions.
4. Core Operating Cash Flow is calculated by deducting the total of the “Changes in operating assets and liabilities” from the “Cash flows from operating activities”, and further deducting the “Repayments of lease liabilities” in the “Cash flows from financing activities” from it, in the condensed consolidated statements of cash flows.

(9) Impact of the Security Situation in Northern Mozambique on LNG Project

The Company participates in the Mozambique LNG Project through Mitsui E&P Mozambique Area 1, an equity accounted investee in the Energy Segment. In April 2021, all project personnel evacuated the project site due to the deteriorating security situation in northern Mozambique where the project site is located, and on April 26, 2021, the project operator, TotalEnergies of France, announced that it had declared force majeure under the joint operating agreement.

Progress has been seen in the restoration of order, stability and security in the region, and project partners are working with the government and relevant stakeholders for an early restart of the construction, while the exact restart date is still being reviewed.

The Company does not expect a significant impact on its consolidated financial position, operating results and cash flow at this stage.

(10) Impact of the Russia-Ukraine Situation on the Russian LNG Business

The Russian LNG business in which the Company, its subsidiary, and the equity accounted investee in the Energy segment have invested, financed and guaranteed, is affected by the Russia-Ukraine situation that has been ongoing since February 2022 and the resulting sanctions against Russia, etc. Based on discussions with each partner etc, the Company has evaluated its relevant assets and liabilities.

In relation to the investment in Sakhalin II project held by MIT SEL Investment, a subsidiary of the Company that invests in Sakhalin Energy LLC (“SELLC”), while acknowledging the decision on the new LLC member of SELLC confirmed by Order of the Government of the Russian Federation dated March 23, 2024 (No. 701), the situation still remains uncertain as the relevant LLC members agreement is not signed, etc. Under this situation, the fair value of our investment in the Sakhalin II project is measured using the income approach by expected present value technique and the probability-weighted average considering a scenario where the continuous dividend income is expected from SELLC and other scenarios. As a result, fluctuation of fair value recognized in the current period is immaterial. The outstanding balances of “Other investments” in the Condensed Consolidated Statement of Financial Position related to this project as of June 30, 2024 and March 31, 2024 were 97,403 million yen and 87,642 million yen, respectively. The fair value may increase or decrease due to further changes in situation hereafter.

In addition, with regards to the carrying amounts of the investments and loans to Japan Arctic LNG, an equity accounted investee that invests in and finances the Arctic LNG 2 project, and financial guarantees related to the business, the Company continues to take appropriate measures in compliance with laws and regulations cooperating with stakeholders in response to the announcement from the Office of Foreign Assets Control of the US Department of the Treasury, that Arctic LNG 2 has been designated as SDN (Specially Designated Nationals) on November 2, 2023 (US time), and that several specific entities related to the business have also been designated as SDN subsequently, etc. The Company reviewed the likelihood of performing guarantees considering the portion of liability based on the rights and obligations of Japan Arctic LNG and the Company under various agreements including the shareholders agreement and third-party agreements.

The balance of financial guarantees as contingent liabilities were 207,645 million yen and 193,548 million yen, respectively, and the provision for loss on guarantees included in “Other financial liabilities” in the Condensed Consolidated Statement of Financial Position were 79,067 million yen and 74,238 million yen, respectively. There is no outstanding balances of investments, loans and other financial assets related to the business as of June 30, 2024. The impact on “Profit for the Period” recognized in the Condensed Consolidated Statements of Income for the current period, excluding the foreign exchange gains and losses recognized in the provision for loss on guarantees, were immaterial.

If changes in the international situation surrounding Russia including the Russia-Ukraine situation occurs hereafter, or if changes in the credit rating of the Russian Federation, changes in the business environment caused by sanctions etc., and changes of the Company's policies regarding Russian LNG business etc. occur, these estimates may have a significant impact on the amounts of related financial guarantees and others, as well as on its liable amounts in the consolidated financial statements for the next fiscal year and thereafter. The Company will continue to take appropriate measures.