

**Quarterly Securities Report**  
**for the Nine-Month Period Ended December 31, 2021**

English translation of certain items disclosed in the Quarterly Securities Report for the nine-month period ended December 31, 2021, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on February 14, 2022.

**Mitsui & Co., Ltd.**

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As used in this report, "Mitsui" refer to Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha),  
"we", "us", and "our" are used to indicate Mitsui & Co., Ltd. and subsidiaries, unless otherwise indicated.

## 1. Overview of Mitsui and Its Subsidiaries

### 1. Selected Financial Data

As of or for the periods ended December 31, 2021 and 2020 and as of or for the year ended March 31, 2021

	In millions of Yen, except amounts per share and other					
	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020	Three-month period ended December 31, 2021	Three-month period ended December 31, 2020	As of or for the year ended March 31, 2021	
<b>Consolidated financial data</b>						
Revenue	¥	8,589,429	5,740,568	3,173,230	2,035,494	8,010,235
Gross profit	¥	789,783	568,200	262,360	200,364	811,465
Profit for the period attributable to owners of the parent	¥	633,256	198,937	228,626	88,913	335,458
Comprehensive income for the period attributable to owners of the parent	¥	690,339	497,987	341,399	268,592	964,652
Total equity attributable to owners of the parent	¥	-	-	4,985,248	4,135,896	4,570,420
Total assets	¥	-	-	13,787,535	11,841,677	12,515,845
Basic earnings per share attributable to owners of the parent (Yen)	¥	387.17	118.01	141.18	52.94	199.28
Diluted earnings per share attributable to owners of the parent (Yen)	¥	387.00	117.95	141.13	52.92	199.18
Equity attributable to owners of the parent ratio	%	-	-	36.16	34.93	36.52
Cash flows from operating activities	¥	359,023	502,450	-	-	772,696
Cash flows from investing activities	¥	(190,389)	(308,541)	-	-	(322,474)
Cash flows from financing activities	¥	(397,537)	(282,292)	-	-	(486,963)
Cash and cash equivalents at end of period	¥	-	-	841,139	978,528	1,063,150

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

2. As described in the “Notes in Condensed Consolidated Statements of Income”, effective from the year ended March 31, 2021, revisions have been made to the presentation of revenue for certain transactions, and the figures for the nine-month period and the three-month period ended December 31, 2020 have been restated.

## 2. Business Overview

In each business area including Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products, Lifestyle and Innovation & Corporate Development, the Company and its consolidated subsidiaries engage in a diversified range of services, including trading, manufacturing, transport, and financial services involving various commodities, making full use of the global office network, which is centering on the Company, a general trading company, with its ability to gather information. The Company and its consolidated subsidiaries furthermore engage in a wide range of initiatives that include development of natural resources and infrastructure projects, and business investment in relation to the environment, new technologies, next-generation power and wellness, and value creation that leverages digital tools.

There has been no significant change in our business for the nine-month period ended December 31, 2021.

## 2. Operating and Financial Review and Prospects

### 1. Risk Factors

For the nine-month period ended December 31, 2021, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2021.

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

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

Forward-looking statements were made as of December 31, 2021, unless otherwise indicated.

### **(1) Operating Environment**

In the nine-month period ended December 31, 2021, the global economy continued to rebound overall although the pace of the economic recovery slowed due to the rapid spread of the Omicron variant of COVID-19, as well as due to the prolonged supply constraints.

In the U.S., despite the slowdown in the pace of growth due to the prolonged supply constraints and other factors, the recovery has continued for the most part as higher savings from economic stimulus payments have propped up consumer spending. The economic recovery is expected to continue since supply constraints are gradually easing and the impact of the COVID-19 pandemic appears to be subsiding although there are some areas of concern, such as high inflation covering a wide range of goods and an acceleration of monetary tightening. In Europe, the pace of economic recovery has slowed as a result of the rapid increase in infections from the Omicron variant, supply constraints and the surge in energy prices. However, going forward the economy is expected to return to a path of recovery as these factors gradually dissipate. In Japan, consumption has been recovering following the lifting of the state of emergency and production, mainly for automobiles, has picked up as parts shortages have eased. Although it appears that the economy will continue to pick up against the backdrop of the recovery in consumption and production and other factors, there are concerns that the rapid spread of the Omicron variant will put downward pressure on the economy. In China, the economic recovery has slowed down for reasons such as weakening consumption resulting from environmental regulations, power shortages, the slowdown in manufacturing activities against the backdrop of the zero-COVID policy, government measures to control real estate investment and other factors. However, the economy is expected to pick up again mainly due to increased infrastructure investment and monetary easing. In Russia and Brazil, the growth in exports has become sluggish, and there are concerns that rising inflation and increases in policy interest rates could hamper economic recovery.

Going forward, although there are some areas of concern, such as a resurgence in the number of infections and monetary tightening in the U.S., it is expected that the global economy will continue to recover due to a gradual easing of supply constraints, as well as due to an increase in consumption, supported by household savings that grew in major countries during the COVID-19 pandemic.

## (2) Results of Operations

### 1) Analysis of Consolidated Income Statements

(Billions of Yen)		Current Period	Previous Period	Change
Revenue		8,589.4	5,740.6	+2,848.8
Gross Profit		789.8	568.2	+221.6
Selling, General and Administrative Expenses		(423.7)	(451.8)	+28.1
Other Income (Expenses)	Gain (Loss) on Securities and Other Investments—Net	(5.7)	7.0	(12.7)
	Impairment Reversal (Loss) of Fixed Assets—Net	(14.3)	(40.1)	+25.8
	Gain (Loss) on Disposal or Sales of Fixed Assets—Net	11.6	1.2	+10.4
	Other Income (Expense)—Net	24.8	(4.3)	+29.1
Finance Income (Costs)	Interest Income	14.7	16.6	(1.9)
	Dividend Income	152.0	61.9	+90.1
	Interest Expense	(35.9)	(41.0)	+5.1
Share of Profit (Loss) of Investments Accounted for Using the Equity Method		318.9	155.0	+163.9
Income Taxes		(181.8)	(63.1)	(118.7)
Profit for the Period		650.4	209.6	+440.8
Profit for the Period Attributable to Owners of the Parent		633.3	198.9	+434.4

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

### Revenue

Revenue for the nine-month period ended December 31, 2021 ("current period") was ¥8,589.4 billion, an increase of ¥2,848.8 billion from ¥5,740.6 billion for the corresponding nine-month period of the previous year ("previous period").

\* The figure for the previous period has been restated to conform to the presentation for the current period. This restatement has no impact on gross profit, profit for the period attributable to owners of the parent, or total equity attributable to owners of the parent. For further details, please refer to "3. Condensed Consolidated Financial Statements (2) Condensed Consolidated Statements of Income and Comprehensive Income".

### Gross Profit

Mainly the Mineral & Metal Resources Segment, the Chemicals Segment, the Machinery & Infrastructure Segment and the Lifestyle Segment recorded an increase, while the Innovation & Corporate Development Segment and the Energy Segment recorded a decrease.

## Selling, General and Administrative Expenses

Mainly the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded a decrease in expense, while the Chemicals Segment recorded an increase in expense. The table provides a breakdown.

	Billions of Yen		
	Current Period	Previous Period	Change
Personnel .....	¥ (236.8)	¥ (218.3)	¥ (18.5)
Welfare .....	(8.5)	(6.8)	(1.7)
Travel .....	(7.5)	(5.1)	(2.4)
Entertainment .....	(2.2)	(1.4)	(0.8)
Communication .....	(35.8)	(34.2)	(1.6)
Rent .....	(6.7)	(7.7)	+1.0
Depreciation .....	(25.9)	(27.7)	+1.8
Fees and Taxes .....	(7.8)	(7.1)	(0.7)
Loss Allowance .....	(11.2)	(67.5)	+56.3
Others .....	(81.3)	(76.0)	(5.3)
Total .....	¥ (423.7)	¥ (451.8)	¥ 28.1

## Other Income (Expenses)

### *Gain (Loss) on Securities and Other Investments—Net*

For the current period, the Machinery & Infrastructure Segment recorded an impairment while the Lifestyle Segment recorded a capital gain related profit.

For the previous period, the Machinery & Infrastructure Segment recorded a capital gain profit.

### *Impairment Reversal (Loss) of Fixed Assets—Net*

For the current period, an impairment loss of a fixed asset was recorded mainly in the Energy Segment.

For the previous period, impairment losses of fixed assets were recorded mainly in the Energy Segment and the Machinery & Infrastructure Segment, while an impairment reversal was recorded in the Innovation & Corporate Development Segment.

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

For the current period, mainly the Innovation & Corporate Development Segment recorded a gain on sale of a fixed asset.

### *Other Income (Expense)—Net*

For the current period, mainly the Mineral & Metal Resources Segment recorded an increase in relation to foreign exchange profits and losses, and the Chemicals Segment recorded insurance proceeds, while the Energy Segment recorded a decrease in relation to foreign exchange transactions and derivative transactions.

For the previous period, the Chemicals Segment recorded insurance proceeds in the business in North America, while the Mineral & Metal Resources Segment and the Machinery & Infrastructure Segment recorded losses related to loans.

## Finance Income (Costs)

### *Dividend Income*

Mainly the Mineral & Metal Resources Segment and the Energy Segment recorded an increase.

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

Mainly the Mineral & Metal Resources Segment, the Machinery & Infrastructure Segment, the Lifestyle Segment, the Iron & Steel Products Segment, the Energy Segment and the Chemicals Segment recorded an increase.

### Income Taxes

Income taxes for the current period were ¥181.8 billion, an increase of ¥118.7 billion from ¥63.1 billion for the previous period.

The effective tax rate for the current period was 21.8%, a decrease of 1.3 points from 23.1% for the previous period. Although there was a decrease of tax rate due to the reversal of deferred tax liability through dividend income from equity method investees, there was an increase of tax rate due to an absence of an impairment loss not recognizable for deferred tax in the Mineral & Metal Resources Segment 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 ¥633.3 billion, an increase of ¥434.4 billion from the previous period.

### 2) Operating Results by Operating Segment

The fluctuation analysis for the results by operating segment is below.

The order in which reporting segments are presented has been changed in the segment information from the current period and this change also applies for the previous period.

### Mineral & Metal Resources Segment

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	370.9	76.9	+294.0
Gross Profit	303.7	167.5	+136.2
Profit (Loss) of Equity Method Investments	102.7	45.3	+57.4
Dividend Income	88.8	25.8	+63.0
Selling, General and Administrative Expenses	(22.2)	(64.1)	+41.9
Others	(102.1)	(97.6)	(4.5)

- Gross Profit increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥88.7 billion mainly due to higher sales price.
  - Coal mining operations in Australia recorded an increase of ¥42.5 billion mainly due to higher sales price.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - Iron ore mining operations in Australia recorded an increase of ¥13.7 billion mainly due to higher sales price.
  - Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile, recorded an increase of ¥13.1 billion mainly due to higher sales price.
  - Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd recorded an increase of ¥10.5 billion mainly in the ferroalloys and chemicals businesses because of the higher market prices caused by strong demand and electricity restriction in China.
  - Inversiones Mineras Becrux SpA, which invests in Anglo American Sur S.A., a copper mining company in Chile, recorded an increase of ¥8.3 billion mainly due to higher sales price.
  - For the previous period, an impairment loss of ¥3.8 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- Dividend income increased mainly due to higher dividends from Vale S.A. and iron ore mining operations in Australia.
- Selling, General and Administrative Expenses decreased mainly due to the following factors:



- For the previous period, an impairment loss of ¥35.9 billion for doubtful debts was recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
- For the previous period, an impairment loss of ¥8.3 billion for doubtful debt was recorded, based on the conclusion of share transfer agreement for the SCM Minera Lumina Copper Chile, the project company for the Caserones Copper Mine.
- In addition to the above, the following factors also affected results:
  - For the current period, a reversal of deferred tax liability of ¥6.2 billion was recorded in relation to the reorganization of Japan Collahuasi Resources B.V., which invests in Compañía Minera Doña Inés de Collahuasi SCM, a copper mining company in Chile.
  - For the current period, a reversal of deferred tax liability for the retained earnings was recorded following the dividend income from Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.
  - For the current period, iron ore mining operations in Australia recorded an increase of ¥5.8 billion due to foreign exchange related profits and losses.
  - For the current period, coal mining operations in Australia recorded an increase of ¥4.6 billion due to foreign exchange related profits and losses.
  - For the current period, a reversal of deferred tax liability for the retained earnings was recorded at the iron ore mining operation in Australia.
  - For the previous period, impairment losses of ¥19.2 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.

### **Energy Segment**

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	28.3	26.7	+1.6
Gross Profit	41.2	44.7	(3.5)
Profit (Loss) of Equity Method Investments	24.0	15.6	+8.4
Dividend Income	46.4	19.9	+26.5
Selling, General and Administrative Expenses	(36.9)	(34.6)	(2.3)
Others	(46.4)	(18.9)	(27.5)

- Gross Profit decreased mainly due to the following factors:
  - Business division at the Headquarters recorded a decrease mainly due to valuation loss related to derivative transactions to hedge LNG trading business, recognized in advance during the current period.
  - Mitsui Oil Exploration Co., Ltd. recorded a decrease of ¥12.3 billion mainly due to decline in production, in spite of higher oil and gas prices.
  - Mitsui & Co. Energy Trading Singapore Pte. Ltd. recorded a decrease of ¥3.8 billion mainly due to a swing-back effect following the good trading performance in the previous period.
  - Mitsui E&P USA LLC recorded an increase of ¥11.8 billion mainly due to a higher gas price.
  - Mitsui E&P Australia Pty Ltd recorded an increase of ¥10.8 billion mainly due to a higher oil price.
  - MOEX North America LLC recorded an increase of ¥4.3 billion mainly due to a higher oil price.
  - MEP Texas Holdings LLC recorded an increase of ¥3.6 billion mainly due to higher oil and gas prices.
  - Mittwell Energy Resources Pty Ltd recorded an increase of ¥3.5 billion due to the increase in sales volume.
- Profit (Loss) of Equity Method Investment increased mainly due to the following factors:
  - Mitsui & Co. LNG Investment USA, Inc. recorded an increase of ¥4.2 billion due to the commencement of commercial operation in all three trains at the Cameron LNG Project.
  - Japan Australia LNG (MIMI) Pty. Ltd recorded an increase mainly due to a higher oil and gas prices.

- Dividends from six LNG projects (Sakhalin II, Abu Dhabi, Qatargas 1, Oman, Qatargas 3 and Equatorial Guinea(\*)) were ¥46.0 billion in total, an increase of ¥26.5 billion from the previous period.  
(\* Equatorial Guinea was sold during the 3rd quarter of current period.
- In addition to the above, the following factors also affected results.
  - For the previous period, MBK Energy Holdings USA recorded a profit of ¥39.0 billion due to a recognition of deferred tax assets in accordance with reorganization.
  - For the current period, Mitsui Oil Exploration Co., Ltd. recorded an impairment loss of ¥7.3 billion for Block M-3 exploration project and profit of ¥2.7 billion in relation to a reversal of reserve for overseas investment loss.
  - MOEX North America LLC recorded a decrease of ¥4.4 billion mainly due to derivative related profit and loss.
  - Business division at the Headquarters recorded a foreign exchange related loss of hedging purpose in LNG trading business.
  - For the previous period, mainly due to lower oil price, Mitsui E&P Italia A S.r.l recorded an impairment loss of ¥32.1 billion for its Tempa Rossa project.

### ***Machinery & Infrastructure Segment***

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	92.2	35.2	+57.0
Gross Profit	103.0	75.8	+27.2
Profit (Loss) of Equity Method Investments	109.1	73.3	+35.8
Dividend Income	3.2	2.7	+0.5
Selling, General and Administrative Expenses	(91.2)	(94.2)	+3.0
Others	(31.9)	(22.4)	(9.5)

- Gross Profit increased mainly due to the following factors:
  - PT. Bussan Auto Finance recorded an increase of ¥5.1 billion mainly due to interest income following accumulation of operating assets based on the recovery of markets and improvement of credit expenses.
  - Toyota Chile S.A. recorded an increase of ¥4.8 billion due to steady sales results and high profit margins based on tight vehicle supply.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - MBK USA Commercial Vehicles Inc. recorded an increase of ¥20.3 billion due to good performance in the truck leasing and rental business.
  - Penske Automotive Group, Inc. recorded an increase of ¥10.5 billion due to steady sales results.
  - Investments in gas distribution companies in Brazil recorded an increase of ¥5.7 billion due to the refund of service tax payments through litigation and steady demand for gas.
  - Investments in drillship business recorded an increase of ¥3.1 billion due to the absence of impairment loss in the previous period.
  - For the previous period, an impairment loss of ¥0.9 billion was recorded for the Nacala Corridor rail & port infrastructure business in Mozambique following the revisions to our various assumptions.
  - Investments in IPP businesses recorded a decrease of ¥10.8 billion mainly due to reversal of deferred tax assets and mark-to-market valuation loss of power derivatives in Australia and decrease in revenue due to equipment failure and change in revenue recognition method in Oman.
  - For the current period, a loss was recorded at a vessel owning company due to the sluggish tanker market.
- Selling, General and Administrative Expenses decreased mainly due to the following factor:
  - For the previous period, an impairment loss of ¥9.0 billion for doubtful debt was recorded, reflecting the revisions to various assumptions regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business Mozambique.

- In addition to the above, the following factors also affected results:
  - For the previous period, a gain on sale of the IPP business in North America was recorded.
  - For the current period, an impairment loss of ¥9.7 billion was recorded, based on the conclusion of sale and purchase agreement for the shares of MT Falcon Holdings S.A.P.I.de C.V.
  - For the previous period, ¥9.1 billion impairment loss was recorded in the rolling stock leasing business.
  - For the previous period, following the revisions to our various assumptions, impairment losses of ¥4.8 billion were recorded regarding the Moatize mine business and Nacala Corridor rail & port infrastructure business in Mozambique.

### **Chemicals Segment**

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	51.6	32.4	+19.2
Gross Profit	132.0	92.2	+39.8
Profit (Loss) of Equity Method Investments	14.2	7.3	+6.9
Dividend Income	3.2	2.2	+1.0
Selling, General and Administrative Expenses	(82.7)	(70.1)	(12.6)
Others	(15.1)	0.8	(15.9)

- Gross Profit increased mainly due to the following factors:
  - European agrochemical company, Belchim Crop Protection NV/SA recorded an increase due to consolidation of the company in the current period.
  - An increase of ¥4.6 billion was recorded in MMTX, Inc. mainly due to higher methanol price.
  - Chemicals trading business at the overseas branch recorded an increase mainly due to good product price and increase in handling volume.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factor:
  - Japan-Arabia Methanol Company Ltd. recorded an increase of ¥3.6 billion mainly due to higher methanol price.
- Selling, General and Administrative Expense increased mainly due to the following factor:
  - European agrochemical company, Belchim Crop Protection NV/SA recorded an expense increase due to consolidation of the company in the current period.
- In addition to above, the following factor also affected results:
  - For the current and previous period, insurance proceeds were recorded in the business in North America.

### **Iron & Steel Products Segment**

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	21.3	(2.8)	+24.1
Gross Profit	25.4	14.8	+10.6
Profit (Loss) of Equity Method Investments	21.2	(0.3)	+21.5
Dividend Income	1.2	1.1	+0.1
Selling, General and Administrative Expenses	(17.5)	(16.8)	(0.7)
Others	(9.0)	(1.6)	(7.4)

- Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - Numit LLC, which invests in Steel Technologies LLC, recorded an increase of ¥8.2 billion mainly due to the improvement of operating time by the recovery of automotive production in the U.S. and increase in steel prices.
  - Gestamp companies recorded an increase of ¥6.9 billion mainly due to the improvement of operating time by the recovery of automotive production and cost reduction due to structural transformation.

### ***Lifestyle Segment***

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	42.8	(0.4)	+43.2
Gross Profit	110.9	95.0	+15.9
Profit (Loss) of Equity Method Investments	32.5	4.6	+27.9
Dividend Income	5.4	5.4	0
Selling, General and Administrative Expenses	(99.0)	(97.1)	(1.9)
Others	(7.0)	(8.3)	+1.3

- Gross Profit increased mainly due to the following factors:
  - UHS PARTNERS, INC. recorded an increase of ¥3.8 billion due to good performance in the healthcare staffing business.
  - An increase of ¥3.6 billion was recorded mainly due to good performance in grain trading at a business division at the Headquarters.
  - XINGU AGRI AG, an agricultural production business in Brazil, recorded an increase of ¥3.4 billion mainly due to an increase in soybean and cotton harvests and higher prices.
- Profit (Loss) of Equity Method Investments increased mainly due to the following factors:
  - IHH Healthcare Berhad recorded an increase of ¥12.6 billion due to the effect of the COVID-19 pandemic for the previous period as well as the absence of an impairment loss of goodwill over a subsidiary in India, and increased demand for COVID-19 related services and an operation improvement for the current period.
  - Mit-Salmon Chile SpA recorded an increase of ¥4.1 billion due to recovery of the sales price and increase in sales volume in the salmon farming, processing and sales business in Chile.
  - WILSEY FOODS INC. recorded an increase of ¥3.1 billion due to the good performance of Ventura Foods LLC, a U.S. manufacturer of processed oil food, reflecting higher soybean oil price and recovery in demand for food service.
- In addition to the above, the following factor also affected results:
  - For the current period, a gain of ¥8.9 billion was recorded as a total amount of the gain on partial sales of the shares in PHC Holdings Corporation and a valuation gain due to the deconsolidation of PHC Holdings Corporation from Mitsui's equity accounted investee.

### ***Innovation & Corporate Development Segment***

(Billions of Yen)	Current Period	Previous Period	Change
Profit for the Period Attributable to Owners of the Parent	42.2	37.4	+4.8
Gross Profit	72.2	76.2	(4.0)
Profit (Loss) of Equity Method Investments	15.3	8.9	+6.4
Dividend Income	2.7	3.7	(1.0)
Selling, General and Administrative Expenses	(51.1)	(47.3)	(3.8)
Others	3.1	(4.1)	+7.2

- Gross Profit decreased mainly due to the following factors:
  - For the previous period, a gain of ¥12.6 billion in the valuation of fair value was recorded at a holding company as a result of sales of its entire shareholding in OSIsoft LLC.
  - For the previous period, ¥5.6 billion gain was recorded due to the valuation of fair value on shares in Hutchison China MediTech Ltd., while for the current period, ¥1.1 billion profit was recorded as a result of sales of the entire shareholding thereof.
  - Business division at the Headquarters recorded an increase of ¥3.3 billion mainly due to an increase of

occupancy rates of integrated development project in the 2, Otemachi 1-Chome District.

- In addition to the above, the following factors also affected results:
  - For the current period, MBK Real Estate LLC recorded a gain on sale of a multi-family housing property.
  - For the previous period, ¥4.3 billion gain of an impairment reversal on land was recorded.

### (3) Financial Condition and Cash Flows

#### 1) Financial Condition

(Billions of Yen)	December 31, 2021	March 31, 2021	Change
Total Assets	13,787.5	12,515.8	+1,271.7
Current Assets	5,260.6	4,207.5	+1,053.1
Non-current Assets	8,526.9	8,308.4	+218.5
Current Liabilities	3,434.0	2,701.7	+732.3
Non-current Liabilities	5,108.2	4,991.2	+117.0
<i>Net Interest-bearing Debt</i>	3,524.2	3,299.8	+224.4
Total Equity Attributable to Owners of the Parent	4,985.2	4,570.4	+414.8
Net Debt-to-Equity Ratio (times)	0.71	0.72	(0.01)

(\*) “Net Debt-to-Equity Ratio” (“Net DER”) is comprised of “net interest bearing debt” divided by total equity attributable to owners of the parent. We define “net interest bearing debt” as follows:

- calculate Interest-bearing debt by excluding lease liability from short-term debt and long-term debt.
- calculate net interest bearing debt by subtracting cash and cash equivalents and time deposits with maturities within one year after three months from interest bearing debt

#### Assets

##### Current Assets:

- Cash and cash equivalents declined by ¥222.0 billion.
- Trade and other receivables increased by ¥495.5 billion, mainly due to the following factors:
  - An increase in trade receivables by ¥225.3 billion, mainly due to higher market price and increase in trading volume in Mitsui & Co., Energy Trading Singapore Pte. Ltd., and the business division at the Headquarters in the Energy Segment;
  - An increase in trade receivables by ¥103.3 billion, mainly due to higher market price and increase in trading volume in Chemicals Segment; and
  - A decrease in the current portion of long-term receivables by ¥46.3 billion, mainly due to loan collection of ¥57.6 billion in the copper business.
- Other financial assets increased by ¥456.3 billion, mainly due to the following factors:
  - An increase by ¥262.5 billion, mainly due to market fluctuation and increase in trading volume in Mitsui Bussan Commodities Ltd. and the business division at the Headquarters in the Innovation & Corporate Development Segment; and
  - An increase by ¥83.7 billion due to higher market price for products in the business division at the Headquarters in the Lifestyle Segment.
- Inventories increased by ¥271.7 billion, mainly due to higher market price and increase in trading volume in the Lifestyle Segment, increase in trading volume in the Innovation & Corporate Development Segment, and consolidation of Belchim Crop Protection NV/SA, a European agrochemical company, in the Chemicals Segment.
- Advance payments to suppliers increased by ¥35.1 billion, mainly due to an increase in trading volume in the Machinery & Infrastructure Segment.

##### Non-current Assets:

- Investments accounted for using the equity method increased by ¥97.0 billion, mainly due to the following factors:

- An increase of ¥87.5 billion resulting from foreign currency exchange fluctuations;
- An increase of ¥318.9 billion corresponding to the profit of equity method investments for the current period, despite a decline of ¥271.8 billion due to dividends from equity accounted investees;
- An increase of ¥26.4 billion due to an investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project;
- An increase due to a fair value valuation of shares in the Arctic LNG 2 Project in Russia through Japan Arctic LNG B.V.; and
- A decline of ¥71.9 billion due to partial shares sale of PHC Holdings Corporation and reclassification to Other investments
- Other investments increased by ¥118.9 billion, mainly due to the following factors:
  - An increase of ¥71.1 billion due to reclassification of PHC Holdings Corporation from Investments accounted for using the equity method, as result of partial shares sale;
  - As a result of subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion; and
  - Fair value on financial assets measured at FVTPL increased by ¥20.8 billion, while fair value on financial assets measured at FVTOCI decreased by ¥54.6 billion.
- Property, plant and equipment decreased by ¥62.4 billion, mainly due to the following factors:
  - A decline of ¥68.5 billion (including foreign exchange translation profit of ¥12.6 billion) at the oil and gas projects;
  - A decline of ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG to Investment property, upon conclusion of lease contracts;
  - A decline of ¥14.0 billion due to sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.;
  - An increase by ¥24.6 billion due to consolidation of Inversiones Mitta SpA, which is parent company of the fleet management operating company in Chile; and
  - An increase by ¥180 billion mainly due to establishment of a logistics center by MITSUI FOODS CO., LTD.
- Investment property increased by ¥42.2 billion, mainly due to the following factors:
  - An increase by ¥28.8 billion due to reclassification of agricultural land owned by XINGU AGRI AG from Property, plant and equipment, upon conclusion of lease contracts; and
  - An increase by ¥11.3 billion due to completion of construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd.
- Intangible assets increased by ¥39.7 billion, mainly due to consolidation of Belchim Crop Protection NV/SA, a European agrochemical company and Inversiones Mitta SpA, which is parent company of the fleet management operating company in Chile.

## Liabilities

### Current Liabilities:

- Short-term debt increased by ¥11.5 billion mainly due to consolidation of Belchim Crop Protection NV/SA, a European agrochemical company.
- Trade and other payables increased by ¥398.3 billion, corresponding to the increase in trade and other receivables, mainly due to the following factor:
  - An increase in trade and other payables by ¥182.0 billion, mainly due to higher market price and increase in trading volume in Mitsui & Co., Energy Trading Singapore Pte. Ltd, and the business division at the Headquarters in the Energy Segment.
- Other financial liabilities increased by ¥268.4 billion, mainly due to the following factor:
  - An increase by ¥185.5 billion, mainly due to market fluctuation and increase in trading volume in Mitsui

Bussan Commodities Ltd and the business division at the Headquarters in the Innovation & Corporate Development Segment.

- Advances from customers increased by ¥61.0 billion, mainly due to corresponding increase in advance payments to suppliers.

Non-current Liabilities:

- Long-term debt, less the current portion, increased by ¥97.2 billion.
- Deferred tax liabilities increased by ¥28.2 billion, mainly due to corresponding increase in the profit of equity method investments under the Machinery & Infrastructure Segment.

Total Equity Attributable to Owners of the Parent

- Retained earnings increased by ¥318.4 billion.
- Other components of equity increased by ¥66.7 billion, mainly due to the following factors:
  - Foreign currency translation adjustments increased by ¥82.6 billion, mainly reflecting the appreciation in the U.S. dollar against Japanese yen, while the Australian dollar has depreciated; and
  - Financial assets measured at FVTOCI decreased by ¥10.6 billion.
- Treasury stock which is a subtraction item in shareholders' equity decreased by ¥28.2 billion, mainly due to the shares buy-back for ¥129.0 billion, despite cancellation of the stock for ¥156.7 billion.



## 2) Cash Flows

(Billions of Yen)	Current Period	Previous Period	Change
Cash flows from operating activities	359.0	502.5	(143.5)
Cash flows from investing activities	(190.4)	(308.5)	+118.1
Free cash flow	168.6	194.0	(25.4)
Cash flows from financing activities	(397.5)	(282.3)	(115.2)
Effect of exchange rate changes on cash and cash equivalents	6.9	8.1	(1.2)
Change in cash and cash equivalents	(222.0)	(80.2)	(141.8)

### *Cash Flows from Operating Activities*

(Billions of Yen)		Current Period	Previous Period	Change
Cash flows from operating activities	a	359.0	502.5	(143.5)
Cash flows from change in working capital	b	(544.7)	(35.6)	(509.1)
Repayments of lease liabilities	c	(40.8)	(44.7)	+3.9
Core Operating Cash Flow	a-b+c	862.9	493.4	+369.5

- Net cash from an increase or a decrease in working capital, or changes in operating assets and liabilities for the current period was ¥544.7 billion of net cash outflow. Repayments of lease liabilities for the current period was ¥40.8 billion of cash outflow. Core Operating Cash Flow, which equaled cash flows from operating activities without both cash flows from changes in working capital and repayments of lease liabilities, for the current period amounted to ¥862.9 billion.
  - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled ¥430.2 billion, an increase of ¥198.7 billion from ¥231.5 billion for the previous period; and
  - Depreciation and amortization for the current period was ¥225.0 billion, an increase of ¥24.8 billion from ¥200.2 billion for the previous period.

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

(Billions of Yen)	Current Period	Previous Period	Change
Mineral & Metal Resources	433.0	205.2	+227.8
Energy	152.9	102.7	+50.2
Machinery & Infrastructure	113.2	64.5	+48.7
Chemicals	71.9	48.5	+23.4
Iron & Steel Products	9.2	2.1	+7.1
Lifestyle	33.5	11.3	+22.2
Innovation & Corporate Development	35.1	40.1	(5.0)
All Other and Adjustments and Eliminations	14.1	19.0	(4.9)
Consolidated Total	862.9	493.4	+369.5

### ***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 ¥29.8 billion, mainly due to the following factor:
  - An investment in Mitsui E&P Mozambique Area 1 Limited, which participates in the Mozambique LNG Project, for ¥26.4 billion.
- Net cash outflows that corresponded to other investments (net of sales and maturities of other investments) were ¥39.7 billion, mainly due to the following factors:
  - A subscription to convertible bonds of PT CT Corpora, the holding company for CT Corp, for ¥67.0 billion (net amount of ¥100.0 billion for subscription to convertible bonds and ¥33.0 billion from redemption of corporate bonds); and
  - A sale of the contract manufacturing businesses of MicroBiopharm Japan Co., Ltd.
- Net cash inflows that corresponded to an increase in loan receivables (net of collections of loan receivables) were ¥55.3 billion, mainly due to loan collection of ¥57.6 billion in the copper business.
- Net cash outflows that corresponded to purchases of property, plant, and equipment (net of sales of those assets) were ¥117.9 billion, mainly due to the following factors:
  - An expenditure for iron ore mining operations in Australia for ¥32.5 billion;
  - An expenditure for the oil and gas projects for ¥26.4 billion; and
  - An expenditure for coal mining operations in Australia for ¥18.6 billion.
- Net cash outflows that corresponded to purchases of investment property (net of sales of those assets) were ¥6.5 billion, mainly due to the following factors:
  - An expenditure for construction at Hibiya Fort Tower, redeveloped by Mitsui & Co. Real Estate Ltd., for ¥13.0 billion; and
  - A sale of a multi-family housing property in the USA by MBK Real Estate LLC for ¥17.8 billion.

### ***Cash Flows from Financing Activities***

- Net cash outflow from net change in short-term debt was ¥32.8 billion, net cash outflows from net change in long-term debt was ¥23.0 billion, and cash outflow from repayments of lease liabilities was ¥40.8 billion.
- The cash outflow from the purchases of treasury stock was ¥129.0 billion.
- The cash outflow from payments of cash dividends was ¥148.2 billion.

#### (4) Management Issues

##### 1) Revised forecasts for the year ending March 31, 2022

<Assumption>	<u>1-3Q</u> (Actual)	<u>4Q</u> (Forecast)	<u>Mar-22</u> Revised Forecast	<u>Mar-22</u> Previous Forecast
Exchange rate (USD/JPY)	111.45	114.00	112.09	109.55
Crude oil (JCC)	\$74/bbl	\$72/bbl	\$73/bbl	\$71/bbl
Consolidated oil price	\$65/bbl	\$77/bbl	\$68/bbl	\$66/bbl

(Billions of Yen)

	March 31, 2022 Revised forecast	March 31, 2022 Previous forecast	Change	Description
Gross Profit	1,060.0	980.0	+80.0	Energy, Mineral & Metal Resources
Selling, General and Administrative Expenses	(580.0)	(590.0)	+10.0	Lifestyle and others
Gain on Investments, Fixed Assets and Other	30.0	10.0	+20.0	
Interest Expenses	(30.0)	(30.0)	-	Mineral & Metal Resources, Machinery & Infrastructure
Dividend Income	190.0	180.0	+10.0	
Profit (Loss) of Equity Method Investments	410.0	380.0	+30.0	
Profit before income taxes	1,080.0	930.0	+150.0	
Income taxes	(220.0)	(190.0)	(30.0)	
Non-controlling Interests	(20.0)	(20.0)	-	
Profit for the year attributable to owners of the parent	840.0	720.0	+120.0	Rate of change: +16.7%

Depreciation and Amortization	300.0	300.0	-	
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Core Operating Cash Flow	1,090.0	920.0	+170.0	
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- For further major assumptions in addition to oil prices and USD/JPY, please refer to "2) Key commodity prices and other parameters for the year ending March 31, 2022".

The revised forecast for Profit for the Year Attributable to Owners of the Parent by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2022 Revised Forecast	Year ending March 31, 2022 Previous Forecast	Change	Description
Mineral & Metal Resources	450.0	420.0	+ 30.0	Higher coking coal price, ferroalloys business in China
Energy	110.0	80.0	+ 30.0	Higher oil and gas prices, LNG trading business
Machinery & Infrastructure	120.0	100.0	+ 20.0	Automotive business
Chemicals	64.0	50.0	+ 14.0	Trading business
Iron & Steel Products	28.0	20.0	+ 8.0	Steady steel prices
Lifestyle	53.0	40.0	+ 13.0	One time profit through business restructuring
Innovation & Corporate Development	51.0	40.0	+ 11.0	Trading business
All Other and Adjustments and Eliminations	(36.0)	(30.0)	(6.0)	
Consolidated Total	840.0	720.0	+ 120.0	

The revised forecast for Core Operating Cash Flow by operating segment compared to the original forecast is as follows:

(Billions of Yen)	Year ending March 31, 2022 Revised Forecast	Year ending March 31, 2022 Previous Forecast	Change	Description
Mineral & Metal Resources	500.0	440.0	+ 60.0	Higher coking coal price, ferroalloys business in China
Energy	260.0	200.0	+60.0	Higher oil and gas prices, LNG trading business
Machinery & Infrastructure	140.0	120.0	+ 20.0	Automotive business
Chemicals	90.0	80.0	+ 10.0	Trading business
Iron & Steel Products	15.0	10.0	+ 5.0	
Lifestyle	33.0	30.0	+ 3.0	
Innovation & Corporate Development	41.0	40.0	+1.0	
All Other and Adjustments and Eliminations	11.0	0	+ 11.0	
Consolidated Total	1,090.0	920.0	+ 170.0	

2) Key commodity prices and other parameters for the year ending March 31, 2022

The table below shows assumptions for key commodity prices and foreign exchange rates for the forecast for the year ending March 31, 2022. The effects of movements on each commodity price and foreign exchange rates on profit for the year attributable to owners of the parent are included in the table.

Impact on Profit for the Year Attributable to Owners of the Parent for the Year ending March 31, 2022 (Announced in April 2021)			Previous Forecast (Announced in Nov 2021)	March 31, 2022		Revised Forecast (Announced in Feb 2022)	
				1-3Q (Result)	4Q (Assumption)		
Commodity	Crude Oil/JCC	-	71	74	72	73	
	Consolidated Oil Price(*1)	¥2.5 bn (US\$1/bbl)	66	65	77	68	
	U.S. Natural Gas(*2)	¥1.1 bn (US\$0.1/mmBtu)	3.76	3.34(*3)	4.85	3.72	
	Iron Ore(*4)	¥2.2 bn (US\$1/ton)	(*5)	157(*6)	(*5)	(*5)	
	Coal	Coking	¥0.4 bn (US\$1/ton)	(*5)	231(*7)	(*5)	(*5)
		Thermal	¥0.1 bn (US\$1/ton)	(*5)	110(*7)	(*5)	(*5)
	Copper(*8)	¥0.7 bn (US\$100/ton)	9,140	9,187(*9)	9,698	9,315	
Forex (*10)	USD	¥2.6 bn (¥1/USD)	109.55	111.45	114.00	112.09	
	AUD	¥2.4 bn (¥1/AUD)	80.67	82.69	83.00	82.77	
	BRL	¥0.2 bn (¥1/BRL)	20.59	20.86	20.00	20.65	

(\*1) As the crude oil price affects our consolidated results with a 0-6 month time lag, the effect of crude oil prices on consolidated results is estimated as the consolidated oil price, which reflects this time lag. For the year ending March 31, 2022, we have assumed that there is a 4-6 month time lag for approx. 35%, a 1-3 month time lag for approx. 60%, and no time lag for approx. 5%. The above sensitivities show the annual impact of changes in the consolidated oil price.

(\*2) As Mitsui has very limited exposure to U.S. natural gas sold at Henry Hub (HH), the above sensitivities show the annual impact of changes in the weighted average sale price.

(\*3) U.S. gas figures for the year ending March 31, 2022 1-3Q (Result) are the Henry Hub Natural Gas Futures average daily prompt month closing prices traded on NYMEX during January to September 2021.

(\*4) The effect of dividend income from Vale S.A. has not been included.

(\*5) Iron ore and coal price assumptions are not disclosed.

(\*6) Iron ore results figures for the year ending March 31, 2022 1-3Q (Result) are the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April to December 2021.

(\*7) Coal results figures for the year ending March 31, 2022 1-3Q (Result) are the quarterly average prices of representative coal brands in Japan (US\$/MT).

(\*8) As the copper price affects our consolidated results with a 3-month time lag, the above sensitivities show the annual impact of US\$100/ton change in averages of the LME monthly average cash settlement prices for the period from March to December 2021.

(\*9) Copper results figures for the year ending March 31, 2022 1-3Q (Result) are the averages of the LME monthly average cash settlement prices for the period from January to September 2021.

(\*10) The above sensitivities show the impact of currency fluctuations on reported profit for the year of overseas

subsidiaries and equity accounted investees denominated in their respective functional currencies and the impact of dividends received from major foreign investees. Depreciation of the yen has the effect of increasing profit for the year through the conversion of profit (denominated in functional currencies) into yen. In the overseas subsidiaries and equity accounted investees where the sales contract is in USD, the impact of currency fluctuations between USD and the functional currencies (AUD and BRL) and the impact of currency hedging are not included.

### 3) Profit Distribution Policy

Our profit distribution policy is as follows:

- In order to increase corporate value and maximize shareholder value, we seek to maintain an optimal balance between (a) meeting investment demand in our core and growth areas through re-investments of our retained earnings, and (b) directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, share buy-backs aimed at improving capital efficiency should be decided in a prompt and flexible manner as needed concerning buy-back timing and amount by taking into consideration the business environment such as, future investment activity trends, free cash flow and interest-bearing debt levels, and return on equity.

For the current period, we had repurchased our own stock for ¥24.6 billion from April 1 to April 26, 2021 following the announcements "Notification of Stock Repurchase" on February 24, 2021, ¥50.0 billion following the announcements "Notification of Stock Repurchase" on April 30, 2021 and ¥50.0 billion following the announcements "Notification of Stock Repurchase" on August 3, 2021. Additionally, we repurchased our own stock for ¥20.1 billion from December 17, 2021 to January 31, 2022 based on the announcements "Notification of Stock Repurchase" on December 16, 2021, which announced an additional buy-back program capped at either ¥50.0 billion or 30 million shares.

We will continue to flexibly and strategically allocate funds for investment in growth and additional shareholder returns (additional dividends and share buy-backs) according to the business performance during the Medium-term Management Plan period.

The annual dividend for the year ending March 31, 2022 is planned to be ¥105 per share (an increase of ¥20 from the previous year, including the interim dividend of ¥45 per share), an upward revision of ¥10 from the original forecast announced on November 2, 2021, taking into consideration the Core Operating Cash Flow and Profit for the Year Attributable to Owners of the Parent in the revised forecasts announced today, as well as the stability and continuity of dividend payments.

### **(5) Significant Accounting Policies and estimates**

For further information regarding the significant accounting policies and estimates which are important to our financial condition and results of operation, see [Condensed Consolidated Financial statements 2. Basis of Condensed Consolidated Financial Statements II. Use of Estimates and Judgements].

### **(6) Research & Development**

There are no contracts for which disclosure is required.

### 3. Material Contracts

There are no contracts for which disclosure is required.

### 3. Condensed Consolidated Financial Statements

**Condensed Consolidated Statements of Financial Position**  
**Mitsui & Co., Ltd. and subsidiaries**  
**December 31, 2021 and March 31, 2021**

	Millions of Yen	
	December 31, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	¥ 841,139	¥ 1,063,150
Trade and other receivables .....	2,307,545	1,811,990
Other financial assets (Note 13) .....	886,254	429,986
Inventories (Note 13) .....	886,869	615,155
Advance payments to suppliers .....	178,799	143,714
Other current assets .....	160,001	143,477
	5,260,607	4,207,472
<b>Non-current Assets:</b>		
Investments accounted for using the equity method .....	3,140,974	3,044,001
Other investments (Note 13) .....	2,074,461	1,955,607
Trade and other receivables (Note 13) .....	295,965	305,952
Other financial assets (Note 13) .....	151,493	141,848
Property, plant and equipment (Note 6) .....	2,112,655	2,175,072
Investment property (Note 6).....	317,024	274,847
Intangible assets .....	228,257	188,555
Deferred tax assets .....	103,522	112,055
Other non-current assets .....	102,577	110,436
	8,526,928	8,308,373
	¥ 13,787,535	¥ 12,515,845

**Condensed Consolidated Statements of Financial Position—(Continued)**  
**Mitsui & Co., Ltd. and subsidiaries**  
**December 31, 2021 and March 31, 2021**

	Millions of Yen	
	December 31, 2021	March 31, 2021
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt .....	¥ 312,041	¥ 300,485
Current portion of long-term debt (Note 8) .....	420,107	450,941
Trade and other payables .....	1,711,633	1,313,341
Other financial liabilities (Notes 12 and 13) .....	639,747	371,298
Income tax payables .....	61,335	58,915
Advances from customers .....	184,792	123,806
Provisions .....	28,184	36,909
Other current liabilities .....	76,160	46,027
Total current liabilities .....	3,433,999	2,701,722
<b>Non-current Liabilities:</b>		
Long-term debt, less current portion (Notes 8 and 13) .....	4,092,495	3,995,311
Other financial liabilities (Notes 12 and 13) .....	113,621	116,531
Retirement benefit liabilities .....	38,461	40,253
Provisions .....	258,104	261,365
Deferred tax liabilities .....	578,966	550,776
Other non-current liabilities .....	26,511	27,000
Total non-current liabilities .....	5,108,158	4,991,236
Total liabilities .....	8,542,157	7,692,958
<b>Equity:</b>		
Common stock .....	342,384	342,080
Capital surplus .....	397,423	396,238
Retained earnings .....	3,866,219	3,547,789
Other components of equity (Note 9) .....	440,477	373,786
Treasury stock .....	(61,255)	(89,473)
Total equity attributable to owners of the parent .....	4,985,248	4,570,420
Non-controlling interests .....	260,130	252,467
Total equity .....	5,245,378	4,822,887
<b>Total liabilities and equity .....</b>	¥ 13,787,535	¥ 12,515,845



## Condensed Consolidated Statements of Income and Comprehensive Income

### Condensed Consolidated Statements of Income Mitsui & Co., Ltd. and subsidiaries For the Nine-Month Periods Ended December 31, 2021 and 2020

Millions of Yen

	Nine-month Period Ended December 31, 2021	Nine-month Period Ended December 31, 2020 (As restated)
<b>Revenue (Notes 4, 5 and 13)</b> .....	¥ 8,589,429	¥ 5,740,568
<b>Cost</b> .....	(7,799,646)	(5,172,368)
<b>Gross Profit (Note 4)</b> .....	789,783	568,200
<b>Other Income (Expenses):</b>		
Selling, general and administrative expenses(Note 7) .....	(423,736)	(451,819)
Gain (loss) on securities and other investments-net(Notes 7 and 13) .....	(5,696)	7,024
Impairment reversal (loss) of fixed assets-net(Note 7).....	(14,285)	(40,133)
Gain (loss) on disposal or sales of fixed assets-net .....	11,565	1,228
Other income (expense)-net (Note 7).....	24,838	(4,312)
Total other income (expenses) .....	(407,314)	(488,012)
<b>Finance Income (Costs):</b>		
Interest income .....	14,709	16,554
Dividend income .....	151,957	61,865
Interest expense .....	(35,878)	(40,996)
Total finance income (costs) .....	130,788	37,423
<b>Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Notes 4 and 7)</b> .....	318,947	155,002
<b>Profit before Income Taxes</b> .....	832,204	272,613
<b>Income Taxes (Note 16)</b> .....	(181,768)	(63,057)
<b>Profit for the Period</b> .....	¥ 650,436	¥ 209,556
<b>Profit for the Period Attributable to:</b>		
Owners of the parent (Note 4).....	¥ 633,256	¥ 198,937
Non-controlling interests .....	17,180	10,619

(Note) Considering the presentation of revenue in the Condensed Consolidated Statement of Income in more detail in accordance with IFRS 15 "Revenue from Contracts with Customers", we have presented the "revenue" and corresponding "cost" of certain transactions in gross amounts for the nine-month period ended December 31, 2021. Those amounts for the nine-month period ended December 31, 2020 have also been restated to conform to the presentation for the nine-month period ended December 31, 2021. This restatement has no impact on gross profit, profit for the period attributable to owners of the parent, or total equity attributable to owners of the parent.

Yen

<b>Earnings per Share Attributable to Owners of the Parent (Note 11):</b>		
Basic .....	¥ 387.17	¥ 118.01
Diluted .....	¥ 387.00	¥ 117.95

**Condensed Consolidated Statements of Income and Comprehensive Income—(Continued)**

**Condensed Consolidated Statements of Comprehensive Income  
Mitsui & Co., Ltd. and subsidiaries  
For the Nine-Month Periods Ended December 31, 2021 and 2020**

	Millions of Yen	
	Nine-month period ended December, 2021	Nine-month period ended December, 2020
<b>Comprehensive Income:</b>		
Profit for the period .....	¥ 650,436	¥ 209,556
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI .....	(49,453)	325,873
Remeasurements of defined benefit pension plans .....	752	(1,953)
Share of other comprehensive income of investments accounted for using the equity method .....	14,026	(11,256)
Income tax relating to items not reclassified .....	14,993	(67,477)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments .....	(4,727)	124,798
Cash flow hedges .....	(27,447)	8,208
Share of other comprehensive income of investments accounted for using the equity method .....	115,682	(63,846)
Income tax relating to items that may be reclassified .....	(2,999)	(8,724)
Total other comprehensive income .....	60,827	305,623
<b>Comprehensive Income for the Period .....</b>	<b>¥ 711,263</b>	<b>¥ 515,179</b>
<b>Comprehensive Income for the Period Attributable to:</b>		
Owners of the parent .....	¥ 690,339	¥ 497,987
Non-controlling interests .....	20,924	17,192

## Condensed Consolidated Statements of Income and Comprehensive Income

### Condensed Consolidated Statements of Income Mitsui & Co., Ltd. and subsidiaries For the Three-Month Periods Ended December 31, 2021 and 2020

Millions of Yen

	Three-month Period Ended December 31, 2021	Three-month Period Ended December 31, 2020 (As restated)
<b>Revenue (Notes 4, 5, and 13)</b> .....	¥ 3,173,230	¥ 2,035,494
<b>Cost</b> .....	(2,910,870)	(1,835,130)
<b>Gross Profit (Note 4)</b> .....	262,360	200,364
<b>Other Income (Expenses):</b>		
Selling, general and administrative expenses (Note 7).....	(144,469)	(165,050)
Gain (loss) on securities and other investments-net(Notes 7 and 13) .....	8,920	(1,943)
Impairment reversal (loss) of fixed assets-net(Note 7).....	(1,576)	(34,863)
Gain (loss) on disposal or sales of fixed assets-net .....	5,591	1,404
Other income (expense)-net (Note 7).....	9,551	(3,346)
Total other income (expenses) .....	(121,983)	(203,798)
<b>Finance Income (Costs):</b>		
Interest income .....	5,219	4,218
Dividend income .....	44,102	26,738
Interest expense .....	(10,054)	(12,618)
Total finance income (costs) .....	39,267	18,338
<b>Share of Profit (Loss) of Investments Accounted for Using the Equity Method (Notes 4 and 7)</b>	111,906	73,016
<b>Profit before Income Taxes</b> .....	291,550	87,920
<b>Income Taxes (Note 16)</b> .....	(58,624)	4,373
<b>Profit for the Period</b> .....	¥ 232,926	¥ 92,293
 <b>Profit for the Period Attributable to:</b>		
Owners of the parent (Note 4).....	¥ 228,626	¥ 88,913
Non-controlling interests .....	4,300	3,380

(Note) Considering the presentation of revenue in the Condensed Consolidated Statement of Income in more detail in accordance with IFRS 15 "Revenue from Contracts with Customers", we have presented the "revenue" and corresponding "cost" of certain transactions in gross amounts for the three-month period ended December 31, 2021. Those amounts for the three-month period ended December 31, 2020 have also been restated to conform to the presentation for the three-month period ended December 31, 2021. This restatement has no impact on gross profit, profit for the period attributable to owners of the parent, or total equity attributable to owners of the parent.

	Yen	
<b>Earnings per Share Attributable to Owners of the Parent (Note 11):</b>		
Basic .....	¥ 141.18	¥ 52.94
Diluted .....	¥ 141.13	¥ 52.92

**Condensed Consolidated Statements of Income and Comprehensive Income—(Continued)**

**Condensed Consolidated Statements of Comprehensive Income  
Mitsui & Co., Ltd. and subsidiaries  
For the Three-Month Periods Ended December 31, 2021 and 2020**

	Millions of Yen	
	Three-month Period Ended December 31, 2021	Three-month Period Ended December 31, 2020
<b>Comprehensive Income:</b>		
Profit for the period .....	¥ 232,926	¥ 92,293
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI .....	(14,112)	188,667
Remeasurements of defined benefit pension plans .....	469	(536)
Share of other comprehensive income of investments accounted for using the equity method .....	5,008	(1,795)
Income tax relating to items not reclassified .....	4,184	(43,568)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments .....	26,921	40,399
Cash flow hedges .....	20,729	1,530
Share of other comprehensive income of investments accounted for using the equity method .....	75,385	2,381
Income tax relating to items that may be reclassified .....	(1,993)	(6,854)
Total other comprehensive income .....	116,591	180,224
<b>Comprehensive Income for the Period .....</b>	<b>¥ 349,517</b>	<b>¥ 272,517</b>
<b>Comprehensive Income for the Period Attributable to:</b>		
Owners of the parent .....	¥ 341,399	¥ 268,592
Non-controlling interests .....	8,118	3,925

**Condensed Consolidated Statements of Changes in Equity**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Nine-Month Periods Ended December 31, 2021 and 2020**

Millions of Yen	Attributable to owners of the parent							Total Equity
	Common Stock	Capital Surplus	Retained Earnings (Note 10)	Other Components of Equity (Note 9)	Treasury Stock	Total	Non-controlling Interests	
<b>Balance as at April 1, 2020</b>	¥ 341,776	¥ 402,652	¥ 3,362,297	¥ (223,910)	¥ (65,138)	¥ 3,817,677	¥ 243,255	¥ 4,060,932
Profit for the period .....			198,937			198,937	10,619	209,556
Other comprehensive income for the period ...				299,050		299,050	6,573	305,623
Comprehensive income for the period .....			198,937	299,050		497,987	17,192	515,179
Transaction with owners:								
Dividends paid to owners of the parent .....			(135,476)			(135,476)		(135,476)
Dividends paid to non-controlling interest shareholders .....							(10,788)	(10,788)
Acquisition of treasury stock .....					(45,974)	(45,974)		(45,974)
Sales of treasury stock .....		(112)	(134)		246	0		0
Cancellation of treasury stock .....			(46,722)		46,722	-		-
Compensation costs related to share-based payment .....	304	1,412				1,716		1,716
Equity transactions with non-controlling interest shareholders .....		(37)		3		(34)	(4,738)	(4,772)
Transfer to retained earnings .....			(3,234)	3,234		-		-
<b>Balance as at December 31, 2020</b>	¥ 342,080	¥ 403,915	¥ 3,375,668	¥ 78,377	¥ (64,144)	¥ 4,135,896	¥ 244,921	¥ 4,380,817

Millions of Yen	Attributable to owners of the parent							Total Equity
	Common Stock	Capital Surplus	Retained Earnings (Note 10)	Other Components of Equity (Note 9)	Treasury Stock	Total	Non-controlling Interests	
<b>Balance as at April 1, 2021</b>	¥ 342,080	¥ 396,238	¥ 3,547,789	¥ 373,786	¥ (89,473)	¥ 4,570,420	¥ 252,467	¥ 4,822,887
Profit for the period .....			633,256			633,256	17,180	650,436
Other comprehensive income for the period ...				57,083		57,083	3,744	60,827
Comprehensive income for the period .....			633,256	57,083		690,339	20,924	711,263
Transaction with owners:								
Dividends paid to owners of the parent .....			(148,206)			(148,206)		(148,206)
Dividends paid to non-controlling interest shareholders .....							(23,236)	(23,236)
Acquisition of treasury stock .....					(128,978)	(128,978)		(128,978)
Sales of treasury stock .....		(197)	(276)		474	1		1
Cancellation of treasury stock .....			(156,722)		156,722	-		-
Compensation costs related to share-based payment .....	304	1,449				1,753		1,753
Equity transactions with non-controlling interest shareholders .....		(67)		(14)		(81)	9,975	9,894
Transfer to retained earnings .....			(9,622)	9,622		-		-
<b>Balance as at December 31, 2021</b>	¥ 342,384	¥ 397,423	¥ 3,866,219	¥ 440,477	¥ (61,255)	¥ 4,985,248	¥ 260,130	¥ 5,245,378

**Condensed Consolidated Statements of Cash Flows**  
**Mitsui & Co., Ltd. and subsidiaries**  
**For the Nine-Month Periods Ended December 31, 2021 and 2020**

	Millions of Yen	
	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
<b>Operating Activities:</b>		
Profit for the period .....	¥ 650,436	¥ 209,556
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization .....	225,043	200,230
Change in retirement benefit liabilities .....	4,990	1,146
Loss allowance.....	11,186	67,533
(Gain) loss on securities and other investments-net .....	5,696	(7,024)
(Gain) loss on loans measured at FVTPL (Note 7).....	-	21,657
Impairment (reversal) loss of fixed assets-net .....	14,285	40,133
(Gain) loss on disposal or sales of fixed assets-net .....	(11,565)	(1,228)
Interest income, dividend income and interest expense .....	(154,289)	(57,380)
Income taxes .....	181,768	63,057
Share of (profit) loss of investments accounted for using the equity method .....	(318,947)	(155,002)
Valuation (gain) loss related to contingent considerations and others .....	1,446	(3,195)
Changes in operating assets and liabilities:		
Change in trade and other receivables .....	(480,759)	12,273
Change in inventories .....	(247,964)	(44,389)
Change in trade and other payables .....	353,654	48,111
Change in derivative assets and liabilities.....	(70,277)	73,134
Change in other financial assets.....	(173,734)	(39,863)
Other-net .....	74,403	(84,931)
Interest received .....	38,670	41,727
Interest paid .....	(36,615)	(46,881)
Dividends received .....	430,166	231,486
Income taxes paid .....	(163,257)	(100,580)
Income taxes refunded .....	24,687	32,880
Cash flows from operating activities .....	359,023	502,450
<b>Investing Activities:</b>		
Change in time deposits .....	(51,742)	(40,717)
Investments in equity accounted investees .....	(74,823)	(70,288)
Proceeds from sales of investments in equity accounted investees.....	45,045	20,454
Purchases of other investments .....	(90,783)	(37,902)
Proceeds from sales and maturities of other investments .....	51,068	35,876
Increases in loan receivables .....	(19,853)	(20,210)
Collections of loan receivables .....	75,144	25,722
Purchases of property, plant and equipment.....	(141,506)	(176,831)

Proceeds from sales of property, plant and equipment.....	23,562	4,632
Purchases of investment property .....	(24,309)	(57,415)
Proceeds from sales of investment property .....	17,808	8,138
Cash flows from investing activities .....	<u>(190,389)</u>	<u>(308,541)</u>
<b>Financing Activities:</b>		
Change in short-term debt .....	(32,783)	(32,895)
Proceeds from long-term debt .....	825,613	682,956
Repayments of long-term debt .....	(848,641)	(693,732)
Repayments of lease liabilities (Note 4).....	(40,802)	(44,718)
Purchases and sales of treasury stock .....	(128,976)	(45,974)
Dividends paid .....	(148,206)	(135,476)
Transactions with non-controlling interests shareholders .....	(23,742)	(12,453)
Cash flows from financing activities .....	<u>(397,537)</u>	<u>(282,292)</u>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>	6,892	8,178
<b>Change in Cash and Cash Equivalents .....</b>	(222,011)	(80,205)
<b>Cash and Cash Equivalents at Beginning of Period .....</b>	1,063,150	1,058,733
<b>Cash and Cash Equivalents at End of Period .....</b>	<u>¥ 841,139</u>	<u>¥ 978,528</u>

“Interest income, dividend income and interest expense”, “Interest received”, “Interest paid” and “Dividends received” of Condensed Consolidated Statements of Cash Flows include not only interest income, dividend income and interest expense that are included in “Finance Income (Costs)” of Condensed Consolidated Statements of Income, but also interest income, dividend income, interest expense that are included in Revenue and Cost respectively and cash flows related with them.

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

***1. REPORTING ENTITY***

Mitsui & Co., Ltd. (the “Company”) is a company incorporated in Japan. Condensed Consolidated Financial Statements of the Company have a quarterly closing date as of December 31 and comprises the financial statements of the Company and its subsidiaries (collectively, the “companies”), and the interests in associated companies and joint ventures (collectively, the “equity accounted investees”).

In each business area including Mineral & Metal Resources, Energy, Machinery & Infrastructure, Chemicals, Iron & Steel Products, Lifestyle and Innovation & Corporate Development, the Company and its consolidated subsidiaries engage in a diversified range of services, including trading, manufacturing, transport, and financial services involving various commodities, making full use of the global office network, which is centering on the Company, a general trading company, with its ability to gather information. The Company and its consolidated subsidiaries furthermore engage in a wide range of initiatives that include development of natural resources and infrastructure projects, and business investment in relation to the environment, new technologies, next-generation power and wellness, and value creation that leverages digital tools.

***2. BASIS OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***

**I. BASIS OF PREPARATION**

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

**II. USE OF ESTIMATES AND JUDGMENTS**

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

The judgments based on assumptions and estimates which could affect the accompanying Condensed Consolidated Financial Statements are the same as those of the previous fiscal year except for the following.

- Note 7 “IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS”
- Note 13 “FAIR VALUE MEASUREMENT”

No significant changes have been made to the estimation of the impact relating to the spread of COVID-19 for the nine-month period ended December 31, 2021.



### **III. SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies applied in the Condensed Consolidated Financial Statements for the period ended December 31, 2021 are the same as those applied in the Consolidated Financial Statements of the previous fiscal year.

#### ***3. BUSINESS COMBINATIONS***

##### **For the nine-month period ended December 31, 2021**

No material business combinations were completed during the nine-month period ended December 31, 2021.

##### **For the nine-month period ended December 31, 2020**

No material business combinations were completed during the nine-month period ended December 31, 2020.

#### 4. SEGMENT INFORMATION

Millions of Yen

Nine-month period ended December 31, 2021:	Millions of Yen							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 1,425,948	¥ 1,822,154	¥ 622,967	¥ 2,098,122	¥ 444,371	¥ 2,013,273	¥ 160,992	¥ 8,587,827
Gross Profit.....	¥ 303,657	¥ 41,216	¥ 103,013	¥ 131,990	¥ 25,425	¥ 110,908	¥ 72,180	¥ 788,389
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 102,697	¥ 24,015	¥ 109,101	¥ 14,210	¥ 21,170	¥ 32,453	¥ 15,283	¥ 318,929
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ 370,860	¥ 28,290	¥ 92,157	¥ 51,623	¥ 21,254	¥ 42,804	¥ 42,205	¥ 649,193
Core Operating Cash Flow.....	¥ 432,959	¥ 152,902	¥ 113,184	¥ 71,858	¥ 9,193	¥ 33,547	¥ 35,140	¥ 848,783
Total Assets at December 31, 2021.....	¥ 2,576,874	¥ 2,990,638	¥ 2,488,530	¥ 1,554,185	¥ 657,393	¥ 2,466,053	¥ 1,551,625	¥ 14,285,298

Millions of Yen

Nine-month period ended December 31, 2021:	Adjustments and Consolidated Total		
	All Other	Eliminations	Total
Revenue.....	¥ 1,601	¥ 1	¥ 8,589,429
Gross Profit.....	¥ 2,651	¥ (1,257)	¥ 789,783
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (158)	¥ 176	¥ 318,947
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ (4,540)	¥ (11,397)	¥ 633,256
Core Operating Cash Flow.....	¥ 5,159	¥ 8,956	¥ 862,898
Total Assets at December 31, 2021.....	¥ 7,390,070	¥ (7,887,833)	¥ 13,787,535

Millions of Yen

Nine-month period ended December 31, 2020 (As restated):	Millions of Yen							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 1,003,099	¥ 549,962	¥ 591,063	¥ 1,368,042	¥ 304,866	¥ 1,758,060	¥ 163,508	¥ 5,738,600
Gross Profit.....	¥ 167,530	¥ 44,658	¥ 75,843	¥ 92,151	¥ 14,779	¥ 94,968	¥ 76,231	¥ 566,160
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 45,278	¥ 15,587	¥ 73,301	¥ 7,274	¥ (253)	¥ 4,649	¥ 8,911	¥ 154,747
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ 76,937	¥ 26,734	¥ 35,210	¥ 32,379	¥ (2,757)	¥ (441)	¥ 37,435	¥ 205,497
Core Operating Cash Flow.....	¥ 205,180	¥ 102,654	¥ 64,534	¥ 48,515	¥ 2,135	¥ 11,262	¥ 40,077	¥ 474,357
Total Assets at March 31, 2021.....	¥ 2,566,491	¥ 2,566,305	¥ 2,291,278	¥ 1,345,469	¥ 566,020	¥ 2,009,315	¥ 1,191,842	¥ 12,536,720

Millions of Yen

Nine-month period ended December 31, 2020 (As restated):	Adjustments and Consolidated Total		
	All Other	Eliminations	Total
Revenue.....	¥ 1,967	¥ 1	¥ 5,740,568
Gross Profit.....	¥ 1,590	¥ 450	¥ 568,200
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 269	¥ (14)	¥ 155,002
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ (13,357)	¥ 6,797	¥ 198,937
Core Operating Cash Flow.....	¥ (10,055)	¥ 29,095	¥ 493,397
Total Assets at March 31, 2021.....	¥ 7,202,925	¥ (7,223,800)	¥ 12,515,845

Millions of Yen								
Three-month period ended December 31, 2021:	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 493,162	¥ 728,431	¥ 239,183	¥ 749,649	¥ 161,234	¥ 752,076	¥ 48,912	¥ 3,172,647
Gross Profit.....	¥ 93,059	¥ 17,326	¥ 36,132	¥ 45,983	¥ 9,190	¥ 41,868	¥ 18,564	¥ 262,122
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 35,213	¥ 9,624	¥ 41,077	¥ 3,970	¥ 8,362	¥ 9,516	¥ 4,192	¥ 111,954
Profit for the Period Attributable to Owners of the parent.....	¥ 99,868	¥ 33,101	¥ 39,266	¥ 24,035	¥ 9,080	¥ 21,944	¥ 11,427	¥ 238,721
Core Operating Cash Flow.....	¥ 192,349	¥ 65,789	¥ 36,091	¥ 28,341	¥ 3,764	¥ 11,410	¥ 8,501	¥ 346,245

Millions of Yen			
Three-month period ended December 31, 2021:	All Other	Adjustments and Eliminations	Consolidated Total
Revenue .....	¥ 582	¥ 1	¥ 3,173,230
Gross Profit .....	¥ 952	¥ (714)	¥ 262,360
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ (86)	¥ 38	¥ 111,906
Profit for the Period Attributable to Owners of the parent.....	¥ 1,820	¥ (11,915)	¥ 228,626
Core Operating Cash Flow.....	¥ 7,416	¥ (17,617)	¥ 336,044

Millions of Yen								
Three-month period ended December 31, 2020 (As restated):	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	¥ 373,513	¥ 194,749	¥ 176,678	¥ 505,409	¥ 105,120	¥ 632,398	¥ 49,596	¥ 2,037,463
Gross Profit.....	¥ 66,929	¥ 11,401	¥ 27,549	¥ 33,646	¥ 5,203	¥ 36,247	¥ 18,683	¥ 199,658
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 15,041	¥ 4,563	¥ 31,488	¥ 4,720	¥ 4,248	¥ 7,761	¥ 4,946	¥ 72,767
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ 5,676	¥ 30,415	¥ 11,824	¥ 21,648	¥ 3,040	¥ 11,505	¥ 13,477	¥ 97,585
Core Operating Cash Flow.....	¥ 107,953	¥ 42,408	¥ 38,195	¥ 25,858	¥ 2,619	¥ 9,951	¥ 9,197	¥ 236,181

Millions of Yen			
Three-month period ended December 31, 2020 (As restated):	All Other	Adjustments and Eliminations	Consolidated Total
Revenue .....	¥ (1,970)	¥ 1	¥ 2,035,494
Gross Profit .....	¥ 706	¥ -	¥ 200,364
Share of Profit (Loss) of Investments Accounted for Using the Equity Method....	¥ 233	¥ 16	¥ 73,016
Profit (Loss) for the Period Attributable to Owners of the parent.....	¥ (479)	¥ (8,193)	¥ 88,913
Core Operating Cash Flow.....	¥ 1,809	¥ (18,682)	¥ 219,308

Notes:(1)“All Other” includes Corporate Staff Unit which provides financing services and operations services to the companies and affiliated companies. Total Assets of “All Other” at December 31, 2021 and March 31, 2021 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.
- (5) The description order of reporting segments has been changed in the segment information from the three-month period ended June 30, 2021, and this change also applies for the nine-month and the three-month periods ended December 31, 2020.
- (6) As described in the Note in the Condensed Consolidated Statements of Income, we have reconsidered the presentation of revenue from certain transactions, and have restated revenues for the nine-month and the three-month periods ended December 31, 2020, based on the results of the reconsideration.

## 5. REVENUE

Among "Revenue", the disaggregation of revenue recognized from contracts with customers by business segment is as follows. The following business segment categories are same as in Note.4 “SEGMENT INFORMATION”. Please refer to Note.4 "SEGMENT INFORMATION" for the details of the restatement for the nine-month period ended December 31, 2020. Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial instruments, etc.

Nine-month period ended December 31, 2021:	Millions of Yen								Total
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Others	
Revenue recognized from contracts with customers	¥ 1,183,851	¥ 757,948	¥ 568,193	¥ 2,079,988	¥ 433,607	¥ 1,527,113	¥ 113,018	¥ 397	¥ 6,664,115

Nine-month period ended December 31, 2020 (As restated):	Millions of Yen								Total
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All Others	
Revenue recognized from contracts with customers	¥ 817,857	¥ 363,433	¥ 544,790	¥ 1,350,260	¥ 297,310	¥ 1,436,698	¥ 111,806	¥ 1,414	¥ 4,923,568

## 6. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

### Property, plant and equipment

The amounts of acquisitions (excluding acquisitions through business combinations) and disposals of property, plant and equipment for the nine-month period ended December 31, 2021 were ¥189,789 million and ¥61,296 million, respectively. Please refer to Note 3. for significant acquisitions from business combinations.

The net amount of transfers to investment property for the nine-month period ended December 31, 2021 was ¥30,196 million.

The amount of acquisitions (excluding acquisitions through business combinations) of property, plant and equipment for the nine-month period ended December 31, 2020 was ¥171,236 million and the amount of disposals was not material.

The amount of transfers to and from investment property for the nine-month period ended December 31, 2020 was not material.

### Investment property

The amount of acquisitions (excluding acquisitions through business combinations) of investment property for the nine-month period ended December 31, 2021 was ¥23,115 million and the amount of disposals was not material.

Please refer to Note 3. for significant acquisitions from business combinations.

The net amount of transfers from property, plant and equipment for the nine-month period ended December 31, 2021 was ¥30,196 million.

The amount of acquisitions (excluding acquisitions through business combinations) of investment property for the nine-month period ended December 31, 2020 was ¥29,299 million and the amount of disposals was not material.

The amount of transfers to and from property, plant and equipment for the nine-month period ended December 31, 2020 was not material.

## **7. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS**

For the nine-month period ended December 31, 2021, Mitsui & Co., Ltd. recognized an impairment loss of ¥9,749 million in the Machinery & Infrastructure Segment, with the conclusion of the sale and purchase agreement to sell its entire interest in MT Falcon Holdings S.A.P.I.de C.V., an equity accounted investee which owns and operates gas combined-cycle power plants and a gas-pipeline in Mexico. The impairment loss for the related investment accounted for using the equity method is recorded in “Gain (loss) on securities and other investments – net” in the Condensed Consolidated Statements of Income.

For the nine-month period ended December 31, 2020, Mitsui & Co. Mozambique Coal Finance Limited, Mitsui & Co. Nacala Infrastructure Finance Limited and Mitsui & Co. Nacala Infrastructure Investment B.V., which lends to Mozambique coal business, or lend to and invest in Mozambique rail & port infrastructure business, recognized full impairment to the carrying amount for both investment and loans of ¥73,599 million as a loss allowance for doubtful debt, a loss on loans measured at FVTPL, an impairment loss included in share of profit (loss) of investments accounted for using the equity method and an impairment loss for investments accounted for using the equity method, due to the decrease of our production assumptions based on the revision of the production plan and the decline in the coal prices which are based on several third parties’ mid-long term forecasts. In the Condensed Consolidated Statements of Income, a loss allowance is recorded by ¥44,823 million (Mineral & Metal Resources ¥35,858 million, Machinery & Infrastructure ¥8,965 million) in “Selling, general and administrative expenses”, a loss on loans measured at FVTPL is recorded by ¥21,657 million (Mineral & Metal Resources ¥17,326 million, Machinery & Infrastructure ¥4,331 million) in “Other income (expense) – net”, an impairment loss included in share of profit (loss) of investments accounted for using the equity method is recorded by ¥4,727 million (Mineral & Metal Resources ¥3,782 million, Machinery & Infrastructure ¥945 million) in “Share of Profit (Loss) of Investments Accounted for Using the Equity Method” and an impairment loss for investments accounted for using the equity method is recorded by ¥2,392 million (Mineral & Metal Resources ¥1,914 million, Machinery & Infrastructure ¥478 million) in “Gain (loss) on securities and other investments – net”, respectively.

For the nine-month period ended December 31, 2020, Mitsui & Co., Ltd. and its subsidiary, Mitsui Bussan Copper Investment & Co., Ltd., which invest and lend to Caserones copper mine business, recognized a loss of ¥9,196 million in Mineral & Metal Resources segment, with the conclusion of the basic agreement to sell the entire interest as a part of reorganization and reconstructing of asset portfolio. In the Condensed Consolidated Statements of Income, a loss allowance for the related lending and others is recorded by ¥8,308 million in “Selling, general and administrative expenses” and an impairment loss for the related investments accounted for using the equity method is recorded by ¥888 million in “Gain (loss) on securities and other investments - net”, respectively.

For the nine-month period ended December 31, 2020, Mitsui E&P Italia A S.r.l., a subsidiary in the Energy Segment engaged in the onshore oil development in the Basilicata region in Italy, recognized an impairment loss of ¥32,051 million in “Impairment reversal (loss) of fixed assets - net” in the Condensed Consolidated Statements of Income, of which impairment loss of property, plant and equipment is ¥24,869 million and impairment loss of goodwill is ¥7,182 million, by reducing the carrying amount of the goodwill and production equipment and others to the recoverable amount of ¥146,845 million. The impairment loss was mainly related to a decline in the crude oil price. The recoverable amount above represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit.

For the nine-month period ended December 31, 2020, Mitsui Rail Capital Europe B.V., a subsidiary in the

Machinery & Infrastructure Segment engaged in the locomotive leasing business in Europe, recognized an impairment loss of ¥9,065 million in “Impairment reversal (loss) of fixed assets - net” in the Condensed Consolidated Statements of Income by reducing the carrying amount of the locomotives, goodwill and others to the recoverable amount of ¥79,134 million. Out of the impairment loss, the amount of property, plant and equipment is ¥4,903 million, and the amount of goodwill and others is ¥4,162 million. The impairment loss was mainly related to a lower operating ratio of the locomotives. The recoverable amount of property, plant and equipment represented the value in use and the fair value less costs of disposal, and the recoverable amount of goodwill and others represented the value in use. The discount rate used to calculate the value in use is deemed to reflect the market average profit margin and the risks inherent to the cash-generating unit. The fair value less costs of disposal is based on the reasonable price considering the recent sale cases of the asset being valued, and the fair value is classified as level 3.

The amounts of reversals of impairment losses for assets for the nine-month period ended December 31, 2021 and 2020 were not material.

#### ***8. ISSUES AND REPAYMENTS OF BONDS***

The total amount of repaid bonds for the nine-month period ended December 31, 2021 was none.

The total amount of issued bonds for the nine-month period ended December 31, 2021 was not material.

The total amount of repaid bonds for the nine-month period ended December 31, 2020 was none.

The total amount of issued bonds for the nine-month period ended December 31, 2020 was ¥ 28,979 million.

## 9. EQUITY

Changes in other components of equity for the nine-month period ended December 31, 2021 and 2020 were as follows:

	Millions of Yen	
	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
<b>Financial Assets Measured at FVTOCI:</b>		
Balance at beginning of period .....	¥ 367,227	¥ 7,479
Increase (decrease) during the period .....	(21,995)	247,771
Transfer to retained earnings .....	11,391	1,327
Balance at end of period .....	¥ 356,623	¥ 256,577
<b>Remeasurements of Defined Benefit Pension Plans:</b>		
Balance at beginning of period .....	¥ -	¥ -
Increase (decrease) during the period .....	1,769	(1,907)
Transfer to retained earnings .....	(1,769)	1,907
Balance at end of period .....	¥ -	¥ -
<b>Foreign Currency Translation Adjustments:</b>		
Balance at beginning of period .....	¥ 81,847	¥ (177,143)
Increase (decrease) during the period .....	82,545	78,001
Balance at end of period .....	¥ 164,392	¥ (99,142)
<b>Cash Flow Hedges:</b>		
Balance at beginning of period .....	¥ (75,288)	¥ (54,246)
Increase (decrease) during the period .....	(5,250)	(24,812)
Balance at end of period .....	¥ (80,538)	¥ (79,058)
<b>Total:</b>		
Balance at beginning of period .....	¥ 373,786	¥ (223,910)
Increase (decrease) during the period .....	57,069	299,053
Transfer to retained earnings .....	9,622	3,234
Balance at end of period .....	¥ 440,477	¥ 78,377

## 10. DIVIDENDS

During the nine-month period ended December 31, 2021 and 2020, the Company paid dividends of ¥90 per share (total dividend of ¥148,206 million) and ¥80 per share (total dividend of ¥135,476 million), respectively.





guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements. The companies believe that the likelihood of performing guarantees which would materially affect the consolidated financial position, operating results, or cash flows of the companies is remote at December 31, 2021.

<b>Millions of Yen</b>				
	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>December 31, 2021</b>				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties .....	¥ 333,053	¥ 120,701	¥ 2,345	¥ 118,356
Guarantees for investments accounted for using the equity method .....	906,748	491,567	206,232	285,335
Performance guarantees				
Guarantees for third parties .....	39,521	36,857	22,701	14,156
Guarantees for investments accounted for using the equity method .....	67,405	59,227	1,684	57,543
Total .....	<u>¥ 1,346,727</u>	<u>¥ 708,352</u>	<u>¥ 232,962</u>	<u>¥ 475,390</u>

**Millions of Yen**

	<b>Maximum potential amount of future payments</b>	<b>Amount outstanding (a)</b>	<b>Recourse provisions/ Collateral (b)</b>	<b>Net amount outstanding (a)-(b)</b>
<b>March 31, 2021</b>				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties .....	¥ 483,238	¥ 74,147	¥ 1,898	¥ 72,249
Guarantees for investments accounted for using the equity method .....	1,161,367	675,010	152,251	522,759
Performance guarantees				
Guarantees for third parties .....	70,005	62,225	24,871	37,354
Guarantees for investments accounted for using the equity method .....	68,001	61,777	1,659	60,118
Total .....	<u>¥ 1,782,611</u>	<u>¥ 873,159</u>	<u>¥ 180,679</u>	<u>¥ 692,480</u>

*Guarantees for third parties*

The companies guarantee, severally or jointly with others, indebtedness of certain customers and suppliers in the furtherance of their trading activities. Most of these guarantees outstanding as of December 31, 2021 and March 31, 2021 will expire through 2027.

*Guarantees for investments accounted for using the equity method*

The companies, severally or jointly with others, issue guarantees for investments accounted for using the equity method for the purpose of furtherance of their trading activities and enhancement of their credit for securing financing. Most of these guarantees outstanding as of December 31, 2021 and March 31, 2021 will expire through 2027 and 2031, respectively.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of December 31, 2021 and March 31, 2021.

	<b>Millions of Yen</b>	
	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Within 1 year .....	¥ 476,518	¥ 504,086
After 1 to 5 years .....	164,911	206,094
After 5 years .....	705,298	1,072,431
Total .....	<u>¥ 1,346,727</u>	<u>¥ 1,782,611</u>

## II. LITIGATION

Various claims and legal actions are pending against the companies in respect of contractual obligations and other matters arising from the conduct of the companies' businesses. Appropriate provision has been recorded for the estimated loss on claims and legal actions. In the opinion of management, any additional liabilities will not materially affect the consolidated financial position, operating results, or cash flows of the companies.

### (TAXATION ON CAPITAL GAIN IN INDIA)

Earlyguard Limited ("EG"), a UK subsidiary of Mitsui & Co., Ltd., received a tax payment notice dated January 21, 2020, which requested a payment of 24.0 billion Indian Rupees (¥37.0 billion) from the Indian tax authority. The taxable income of this notice is the capital gain on sales of Finsider International Company Limited (a UK company that owned 51% of Sesa Goa, an Indian iron ore company) shares held by EG in April 2007. Although EG treated the capital gain properly according to the tax laws at that time, the tax payment notice was issued. On February 17, 2021, EG commenced arbitration under the UK-India bilateral investment treaty in order to dispute this tax payment notice, but on August 13, 2021, the Indian government published and enacted "Taxation Laws (Amendment) Act, 2021" ("Taxation Laws") which nullifies capital gain taxation on sales of Indian assets implemented before May 2012 and "Income Tax (31st Amendment) Rules 2021" ("Income Tax Rules") was published and enacted on October 1, 2021, which provide the conditions required under the Taxation Laws. EG conducted necessary procedures in accordance with the Taxation Laws and the Income Tax Rules in pursuit of nullification of capital gain taxation, and, as a result, on January 17, 2022, the Indian tax authority issued an order to nullify such capital gain taxation against EG.

### 13. FAIR VALUE MEASUREMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13 establishes the fair value hierarchy that may be used to measure fair value, which is provided as follows.

The companies recognize transfers of assets or liabilities between levels of the fair value hierarchy as of the end of each reporting period when the transfers occur.

#### Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### Level 2:

Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in markets that are not active
- Inputs other than quoted prices that are observable for the assets or liabilities
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

#### Level 3:

Unobservable inputs for the assets or liabilities.

## ***(1) Valuation techniques***

Primary valuation techniques used for each financial instrument and non-financial asset measured at fair value are as follows:

### *Other Investments*

- Other investments other than measured at amortized cost are measured at fair value.
- Publicly-traded other investments are measured using quoted market prices and classified as level 1.
- Non-marketable other investments are measured at fair value principally using the discounted cash flow method, the market comparison approach and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related risks of the investee. They are classified as level 3, considering the degree to which these inputs are observable in the relevant markets.

### *Derivative Instruments*

- Derivative instruments mainly consist of derivative commodity instruments and derivative financial instruments.
- Exchange-traded derivative commodity instruments measured using quoted market prices in an active market are classified as level 1. Certain derivative commodity instruments measured using observable inputs of the quoted prices obtained from markets, financial information providers, and brokers, are classified as level 2. Also, the derivative commodity instruments measured using unobservable inputs are classified as level 3.
- Derivative financial instruments are mainly measured by discounted cash flow analysis using foreign exchange and interest rates or quoted prices currently available for similar types of agreements and are classified as level 2.

### *Inventories*

- Inventories acquired with the purpose of being sold in the near future and a profit from fluctuations in price are measured at fair value based on quoted prices with certain adjustment and classified as level 2. The amounts of costs to sell as of December 31, 2021 and March 31, 2021 were not material.

## ***(2) Valuation process***

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

**(3) Assets and liabilities measured at fair value on a recurring basis**

*Information by fair value hierarchy*

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2021 and March 31, 2021 were as follows. No assets or liabilities were transferred between level 1 and 2 for the nine-month period ended December 31, 2021 and 2020.

December 31, 2021	Millions of Yen				
	Fair value measurements using			Netting adjustments*	Total fair value
	Level 1	Level 2	Level 3		
<b>Assets:</b>					
Other investments:					
Financial assets measured at FVTPL .....	¥ 11,636	-	¥ 225,704		
Financial assets measured at FVTOCI ...	1,095,310	-	730,389		
Total other investments	¥ 1,106,946	-	¥ 956,093	-	¥ 2,063,039
Derivative assets:					
Foreign exchange contracts .....	-	¥ 58,922	-		
Interest rate contracts .....	-	52,802	-		
Commodity contracts .....	¥ 88,696	1,196,047	¥ 14,687		
Others .....	-	-	15,200		
Total derivative assets	¥ 88,696	¥ 1,307,771	¥ 29,887	¥ (964,494)	¥ 461,860
Inventories.....	-	¥ 247,820	-	-	¥ 247,820
Total assets .....	¥ 1,195,642	¥ 1,555,591	¥ 985,980	¥ (964,494)	¥ 2,772,719
<b>Liabilities:</b>					
Derivative liabilities:					
Foreign exchange contracts .....	-	¥ 79,604	-		
Interest rate contracts .....	-	4,597	-		
Commodity contracts .....	¥ 148,759	1,128,189	¥ 3,187		
Others .....	-	-	6,699		
Total derivative liabilities	¥ 148,759	¥ 1,212,390	¥ 9,886	¥ (948,816)	¥ 422,219
Total liabilities .....	¥ 148,759	¥ 1,212,390	¥ 9,886	¥ (948,816)	¥ 422,219

Millions of Yen

March 31, 2021	Fair value measurements using				
	Level 1	Level 2	Level 3	Netting adjustments*	Total fair value
<b>Assets:</b>					
Other investments:					
Financial assets measured at FVTPL .....	¥ 8,611	-	¥ 114,944		
Financial assets measured at FVTOCI ...	1,080,121	-	709,166		
Total other investments	¥ 1,088,732	-	¥ 824,110	-	¥ 1,912,842
Derivative assets:					
Foreign exchange contracts .....	-	¥ 47,998	-		
Interest rate contracts .....	-	55,613	-		
Commodity contracts .....	¥ 25,608	1,053,589	¥ 3,895		
Others .....	-	-	14,666		
Total derivative assets	¥ 25,608	¥ 1,157,200	¥ 18,561	¥ (954,593)	¥ 246,776
Inventories .....	-	¥ 152,537	-	-	¥ 152,537
Total assets .....	¥ 1,114,340	¥ 1,309,737	¥ 842,671	¥ (954,593)	¥ 2,312,155
<b>Liabilities:</b>					
Derivative liabilities:					
Foreign exchange contracts .....	-	¥ 69,834	-		
Interest rate contracts .....	-	12,337	-		
Commodity contracts .....	¥ 41,483	1,055,458	¥ 2,409		
Others .....	-	-	3,644		
Total derivative liabilities	¥ 41,483	¥ 1,137,629	¥ 6,053	¥ (943,223)	¥ 241,942
Total liabilities .....	¥ 41,483	¥ 1,137,629	¥ 6,053	¥ (943,223)	¥ 241,942

\* Amounts of netting adjustments include the net amount when, and only when, the companies currently have a legally enforceable right to set off the recognized amounts, and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Reconciliation of assets measured at fair value on a recurring basis using significant unobservable inputs  
(Level 3)

The reconciliation of financial assets measured at FVTPL for the nine-month period ended December 31, 2021 and 2020 were as follows:

	Millions of Yen	
	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Balance at beginning of period .....	¥ 114,944	¥ 115,940
Classification change (Note 1) .....	33,922	-
Gains (losses) .....	14,402	13,653
Purchases (Note 1) .....	79,018	11,508
Sales/Redemption s.....	(6,309)	(14,383)
Transfers into Level 3 .....	-	-
Transfers out of Level 3 (Note 2) .....	(10,095)	(569)
Others (Note 3) .....	(178)	(1,725)
Balance at end of period .....	¥ 225,704	¥ 124,424
Net change in unrealized gains (losses) still held at end of period	¥ 15,079	¥ 13,108

Note 1: During the nine-month period ended December 31, 2021, the corporate bond denominated in JPY 33,000 million issued by PT CT Corpora has been replaced to the convertible bond and the other convertible bond denominated in JPY 67,000 million newly issued by PT CT Corpora has been subscribed by the Company. In the above reconciliation, the amount transferred from financial assets measured at amortized cost to financial assets measured at FVTPL due to the replacement from the corporate bond to the convertible bond is included in "Classification change", and the amount subscribed for the newly issued convertible bond is included in "Purchases".

Note 2: "Transfers out of Level 3" is due to the transfer into Level 1 as the initial public offering of the shares.

Note 3: "Others" includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments) and others.

Gains (losses) related to financial assets measured at FVTPL ("FVTPL gains (losses)") were included in "Revenue" and "Gain(loss) on securities and other investments-net".

The reconciliation of financial assets measured at FVTOCI for the nine-month period ended December 31, 2021 and 2020 were as follows:

	Millions of Yen	
	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020
Balance at beginning of period .....	¥ 709,166	¥ 671,358
Other comprehensive income (Note1)	12,974	(37,210)
Purchases .....	13,534	8,076
Sales .....	(3,815)	(3,472)
Transfers into Level 3 (Note2).....	528	-
Transfers out of Level 3 (Note 3) .....	(11,098)	-
Others (Note 4) .....	9,100	10,967
Balance at end of period .....	¥ 730,389	¥ 649,719

Note1: "Other comprehensive income" for the nine-month period ended December 31, 2021 increased mainly due to the effect of change in foreign exchange rates. "Other comprehensive income" for the nine-month period ended December 31, 2020 decreased mainly due to the fair value decline in investment in LNG project

reflecting the drop in oil prices and the effect of change in foreign exchange rates, while the fair value in investment in the mineral & metal resources projects increased mainly due to the rise in iron ore prices.

Note2: "Transfers into Level 3" is due to the transfer from Level 1 as a result of delisting.

Note3: "Transfers out of Level 3" is due to the transfer into Level 1 as the initial public offering of the shares.

Note4: "Others" includes the effect of changes in scope of consolidation and others.

Other comprehensive income related to financial assets measured at FVTOCI was included in "Financial assets measured at FVTOCI" and "Foreign currency translation adjustment" in Condensed Consolidated Statements of Comprehensive Income.



Quantitative information about level 3 fair value measurements

Information about valuation techniques and significant unobservable inputs used for level 3 assets measured at fair value on a recurring basis as of December 31, 2021 and March 31, 2021 were as follows:

December 31, 2021	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	5.8% ~ 11.0%
Financial assets measured at FVTOCI			

  

March 31, 2021	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTOCI	Income approach	Discount rate	5.9% ~ 11.8%

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of nonmarketable equity securities related to LNG business. The Company forecasts that Brent Crude price will be US\$75/bbl in the short term and in a range of US\$65/bbl to US\$70/bbl in the medium and long term, considering the recent market price and several third parties' forecasts.

Information about sensitivity to changes in significant unobservable inputs

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

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

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

The fair values of financial instruments as of December 31, 2021 and March 31, 2021 were as follows. The fair values of current financial assets and current financial liabilities are not disclosed because the carrying amounts reasonably approximate their fair values.

	Millions of Yen			
	December 31, 2021		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	¥ 11,422	¥ 12,245	¥ 42,765	¥ 43,603
Non-current receivables				
Trade and other receivables and Other financial assets (*)	447,458	447,458	447,800	447,800
Non-current liabilities				
Long-term debts, less current portion and Other financial liabilities (*)	¥ 4,206,116	¥ 4,252,233	¥ 4,111,842	¥ 4,160,354

(\*)The fair values of Other financial assets and Other financial liabilities approximate their respective carrying amounts.

Trade and other receivables include loans receivable. Long-term debts include borrowings and bonds.

#### ***14. 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 partially damaged tanks owned by ITC. ITC has resumed its operation after discussions with related authorities. Harris County Fire Marshal's Office released its final report with respect to the fire incident on December 6, 2019 (US time) and the report classified the fire as accidental, while not specifying the cause of the fire. The cause of the fire is still under investigation by other relevant authorities.

The profit and loss related to this incident recognized in the nine-month period ended December 31, 2021 and 2020, and the outstanding balance of related provision as of December 31, 2021 are 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.

#### ***15. 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 Limited, its joint venture 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, the project operator, TotalEnergies SE of France, announced that it had declared force majeure under the Joint Operating Agreement.

While the prospect of this project is still under examination, the company does not expect a significant impact on our consolidated financial position, operating results and cash flow at this stage.

#### ***16. RECOGNITION OF DEFERRED TAX ASSETS IN THE U.S. ENERGY SUBSIDIARIES***

In the nine-month period ended December 31, 2020, the Company transferred and reorganized investment subsidiaries in U.S. oil and gas project business to MBK Energy Holdings USA Inc. (“MEH”) on November 30, 2020 for the centralization of management of the oil and gas projects in the U.S. Due to this reorganization, the Company recognized deferred tax assets mainly relating to tax losses in MEH’s subsidiaries to be realized against future taxable income generated primarily from long-term service agreements of U.S. LNG project, and gain of ¥ 39,030 million has been recognized in “Income Taxes” on the Condensed Consolidated Statement of Income for the nine-month period ended December 31, 2020.

#### ***17. AUTHORIZATION OF THE ISSUE OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***

The issue of Condensed Consolidated Financial Statements was authorized by Kenichi Hori, Representative Director, President and CEO, and Takakazu Uchida, Representative Director, Executive Vice President and CFO, on February 14, 2022.