

Semi-annual Securities Report
for the Six-Month Period Ended September 30, 2024

English translation of certain items disclosed in the Semi-annual Securities Report for the six-month period ended September 30, 2024, which were filed with the Director-General of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on November 12, 2024.

Mitsui & Co., Ltd.

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

1. Overview of Mitsui and Its Subsidiaries

1. Selected Financial Data

As of or for the periods ended September 30, 2024 and 2023 and as of or for the year ended March 31, 2024

	In Mn JPY, except amounts per share and other		
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023	As of or for the year ended March 31, 2024
Consolidated financial data			
Revenue	7,331,817	6,377,438	13,324,942
Gross profit	612,421	608,394	1,319,715
Profit for the period attributable to owners of the parent	411,787	456,261	1,063,684
Comprehensive income for the period attributable to owners of the parent	231,782	889,688	1,544,461
Total equity attributable to owners of the parent	7,459,068	7,061,535	7,541,848
Total assets	16,295,414	16,644,581	16,899,502
Basic earnings per share attributable to owners of the parent (Yen)	138.61	150.71	352.80
Diluted earnings per share attributable to owners of the parent (Yen)	138.50	150.62	352.57
Equity attributable to owners of the parent ratio %	45.77	42.43	44.63
Cash flows from operating activities	595,758	466,496	864,419
Cash flows from investing activities	(41,174)	(296,519)	(427,547)
Cash flows from financing activities	(571,809)	(430,761)	(1,013,078)
Cash and cash equivalents at end of period	857,284	1,197,297	898,204

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

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

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 finance 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, business investments in relation to the environment, new technologies, next-generation fuels and wellness, and value creation that leverages digital tools.

There has been no significant change in our business for the six-month period ended September 30, 2024.

2. Operating and Financial Review and Prospects

1. Risk Factors

For the six-month period ended September 30, 2024, there is no significant change in risk factors which were described on our Annual Securities Report for the year ended March 31, 2024.

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

This semi-annual 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 September 30, 2024, unless otherwise indicated.

(1) Operating Environment

In the six-month period ended September 30, 2024, the US economy remained generally strong. While Europe also showed signs of picking up, China's recovery remained sluggish. The global economy as a whole saw a gradual recovery.

In the US, labor supply and demand has been gradually easing, but the economy has generally remained strong, supported by solid personal consumption. Looking ahead, the economy is expected to continue to expand moderately, as the Federal Reserve began lowering interest rates in September. In Europe, the economy has been recovering against the backdrop of declining inflation. As the European Central Bank has started to lower interest rates and real incomes have recovered, the economy is expected to continue to pick up, mainly due to consumer spending. In Japan, consumer spending has been somewhat suppressed by the impact of inflation and a typhoon, but corporate earnings have remained at high levels and inbound demand also increased, resulting in a gradual economic recovery. Looking ahead, the economy is expected to continue to recover gradually as consumer spending is expected to pick up due to wage increases exceeding those of the previous year, and a fixed-amount tax reduction. In China, the economy has been sluggish due to weak consumption amid a continuing slump in the real estate market, however it may pick up based on the recently announced monetary easing measures and policies regarding the real estate market.

Looking ahead, the global economy is expected to continue to expand gradually as inflation in the US, Europe, and other developed countries stabilizes, and as the US, following Europe, began lowering interest rates. However, geopolitical risks such as instability in the Middle East remain a concern.

(2) Results of Operations

1) Analysis of Consolidated Income Statements

(Bn JPY)		Current period	Previous period	Change
Revenue		7,331.8	6,377.4	+954.4
Gross profit		612.4	608.4	+4.0
Selling, general and administrative expenses		(444.7)	(391.8)	(52.9)
Other income (expenses)	Gain (loss) on securities and other investments—net	97.8	134.1	(36.3)
	Impairment reversal (loss) of fixed assets—net	(17.5)	(4.0)	(13.5)
	Gain (loss) on disposal or sales of fixed assets—net	2.5	8.2	(5.7)
	Other income (expense) —net	17.6	(13.7)	+31.3
Finance income (costs)	Interest income	30.3	34.2	(3.9)
	Dividend income	63.3	54.0	+9.3
	Interest expense	(83.8)	(80.5)	(3.3)
Share of profit (loss) of investments accounted for using the equity method		256.3	244.9	+11.4
Income taxes		(113.5)	(124.6)	+11.1
Profit for the period		420.7	469.3	(48.6)
Profit for the period attributable to owners of the parent		411.8	456.3	(44.5)

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

Revenue

Revenue for the six-month period ended September 30, 2024 (“current period”) was 7,331.8 billion yen, an increase of 954.4 billion yen from 6,377.4 billion yen for the corresponding six-month period of the previous year (“previous period”). The increase was mainly in the Energy and Chemicals segments.

Gross Profit

Mainly the Chemicals and Energy segments recorded higher profit, while the Machinery & Infrastructure and Mineral & Metal Resources segments recorded lower profit.

Selling, General and Administrative Expenses

The table below provides a breakdown.

For the current period, an expense of 32.7 billion yen was recorded in personnel due to the amendment to the retirement benefit system.

	(Bn JPY)		
	Current period	Previous period	Change *
Personnel	(259.8)	(208.4)	(51.4)
Welfare	(8.1)	(7.5)	(0.6)
Travel	(16.5)	(15.4)	(1.1)
Entertainment	(3.9)	(3.4)	(0.5)
Communication	(34.4)	(29.9)	(4.5)
Rent	(8.3)	(6.7)	(1.6)
Depreciation	(28.7)	(24.2)	(4.5)
Fees and taxes	(7.0)	(6.3)	(0.7)
Loss allowance	(6.8)	(15.6)	+8.8
Others	(71.2)	(74.4)	+3.2
Total	<u>(444.7)</u>	<u>(391.8)</u>	<u>(52.9)</u>

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

Other Income (Expenses)

Gain (Loss) on Securities and Other Investments—Net

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

For the previous period, a gain on sale of securities was recorded mainly in the Machinery & Infrastructure segment and a valuation gain was recorded mainly in the Lifestyle segment.

Impairment Reversal (Loss) of Fixed Assets—Net

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

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

For the previous period, a gain on a fixed asset was recorded mainly in the Innovation & Corporate Development segment.

Other Income (Expense)—Net

Mainly the Energy segment recorded foreign exchange related profit.

Finance Income (Costs)

Dividend income

Mainly the Machinery & Infrastructure segment recorded an increase.

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

Mainly the Mineral & Metal Resources segment recorded higher profit, while the Machinery & Infrastructure segment recorded lower profit.

Income Taxes

Income taxes were 113.5 billion yen, a decrease of 11.1 billion yen from 124.6 billion yen for the previous period.

The effective tax rate for the current period was 21.2%, an increase of 0.2 points from 21.0% for the previous period.

Profit for the Period Attributable to Owners of the Parent

As a result, profit for the period attributable to owners of the parent was 411.8 billion yen, a decrease of 44.5 billion yen from the previous period.

2) Operating Results by Operating Segment

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

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

Mineral & Metal Resources Segment

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	161.5	134.6	+26.9	
Gross profit	142.9	158.2	(15.3)	<ul style="list-style-type: none"> • Mitsui Resources -9.4 (lower metallurgical coal prices) • Iron ore mining operations in Australia -6.0 (lower iron ore prices)
Profit (loss) of equity method investments	51.0	25.1	+25.9	<ul style="list-style-type: none"> • Oriente Copper Netherlands ^{*1}+21.8 (absence of impairment loss ^{*2} recorded in the previous period +12.2, absence of new mining royalty in Chile recorded in the previous period +6.3, other factors) • Japan Collahuasi Resources ^{*3}+4.6 (higher copper prices)
Dividend income	31.3	28.8	+2.5	<ul style="list-style-type: none"> • Increase in dividends from iron ore mining operations in Australia
Selling, general and administrative expenses	(18.4)	(19.2)	+0.8	
Others	(45.3)	(58.3)	+13.0	<ul style="list-style-type: none"> • Higher profit from net interest income at iron ore mining operations in Australia +4.8 • Foreign exchange profit from iron ore mining operations in Australia +4.3

*1 An investment company in Inversiones Mineras Becrux, which invests in Anglo American Sur, a copper mining company in Chile.

*2 Recorded an equity method loss of 12.2 billion yen in the previous period due to a change in the properties of the ore and a revision in the production plan regarding Anglo American Sur.

*3 An investment company in Compañía Minera Doña Inés de Collahuasi, a copper mining company in Chile.

Energy

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	65.3	26.0	+39.3	
Gross profit	72.0	56.2	+15.8	<ul style="list-style-type: none"> • Mitsui E&P Australia +9.6 (increase in volume) • Higher profit in LNG trading • MOEX North America -3.7 (lower profit due to sale of interest recorded in the previous year)
Profit (loss) of equity method investments	31.9	35.4	(3.5)	<ul style="list-style-type: none"> • Lower profit in Japan Australia LNG (MIMI) (lower gas prices) • Arctic LNG 2 project related (swing back from losses in previous period)
Dividend income	7.7	10.9	(3.2)	• 4 LNG projects* -3.3 (current period 7.2, previous period 10.5)
Selling, general and administrative expenses	(33.7)	(31.8)	(1.9)	
Others	(12.6)	(44.7)	+32.1	<ul style="list-style-type: none"> • Arctic LNG 2 project related • Mitsui Oil Exploration +12.4 (lower tax expenses in business outside Japan) • LNG related foreign exchange profit +10.0 • Mitsui Oil Exploration (absence of geothermal steam release related expenses recorded in the previous period) • Foreign exchange profit from hedging in LNG trading +3.5 • Gain on sale of MyPower power generation assets in the current period +3.2

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

Machinery & Infrastructure

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	148.2	164.4	(16.2)	
Gross profit	99.4	118.9	(19.5)	<ul style="list-style-type: none"> • BAF^{*1} becoming an equity method investee -27.6 • Lower profit in automotives related business in Latin America (foreign exchange) -3.4 • Higher profit in an industrial and construction machinery company in Latin America (good sales performance) +8.0
Profit (loss) of equity method investments	101.5	119.0	(17.5)	<ul style="list-style-type: none"> • MBK USA Commercial Vehicles -9.4 (lower rental demand, increase in interest expense) • Lower profit in MPIC (absence of one-time valuation gain^{*2} recorded in the previous period -7.3, other factors) • Lower profit due to sale of International Power (Australia) Holdings in the previous year^{*3} -4.5 • Mainstream Renewable Power +6.5 (absence of fixed asset impairment loss^{*4} recorded in the previous period +9.0, fixed asset impairment loss^{*5} recorded in the current period -5.5, other factors)
Dividend income	13.3	3.3	+10.0	<ul style="list-style-type: none"> • Increase in dividends from European automotives business • Increase in dividends from Brazilian subway +3.3
Selling, general and administrative expenses	(90.1)	(101.2)	+11.1	<ul style="list-style-type: none"> • BAF^{*1} becoming an equity method investee +23.9 • Provision for AKOFS, a subsea oil field equipment installation support vessel business^{*6} -5.0
Others	24.1	24.4	(0.3)	<ul style="list-style-type: none"> • Absence of gain on sale of MRCE^{*7} recorded in the previous period -64.4 • Brazilian passenger railway -7.0 (fixed assets impairment loss^{*8} -3.4, other factors) • Lower profit due to sale of Paiton^{*9} -6.2 • Absence of gain on sale of gas-fired power generation in Ontario, Canada recorded in the previous period -4.6 • Loss on sale of automotives dealership -4.1 • Absence of profit related to gain on sale of BAF^{*1} recorded in the previous period -4.1 • Gain on sale of Paiton +54.5 • Profit related to sale of shares in VLI^{*10} +40.5

*1 Bussan Auto Finance.

*2 Recorded a one-time valuation gain of 7.3 billion yen in the previous period due to the acquisition of shares in Metro Pacific Investments Corporation, an integrated infrastructure company in the Philippines, and other factors.

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

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

*5 Recorded an equity method loss of 5.5 billion yen in the current period due to a reassessment of recoverable amount related to projects in Chile and other factors.

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

- *7 Mitsui Rail Capital Europe.
- *8 Recorded a fixed assets impairment loss of 3.4 billion yen in the current period based on the latest estimation in the passenger railway business in Brazil.
- *9 Lower profit compared to the previous period was due to no profit from operations being recorded in the current period.
- *10 Of our owned 20% of the outstanding shares in VLI, we recorded a gain on sale from the divestment of 10% of the outstanding shares, and a valuation gain on our remaining equity interest. This figure is the sum total of these two items.

Chemicals

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	22.1	14.3	+7.8	
Gross profit	123.5	98.6	+24.9	<ul style="list-style-type: none"> • Novus International +4.9 (sales prices) • Mitsui AgriScience International +3.7 (higher demand for crop protection products in Europe) • Eu Yan Sang +3.1 (FVTPL related profit)
Profit (loss) of equity method investments	13.7	16.4	(2.7)	<ul style="list-style-type: none"> • Hexagon Composites -5.1 (absence of valuation gain recorded in the previous period due to one of Hexagon Composites' subsidiaries becoming an equity method investee, other factors)
Dividend income	1.9	1.7	+0.2	
Selling, general and administrative expenses	(79.4)	(76.7)	(2.7)	
Others	(37.6)	(25.7)	(11.9)	<ul style="list-style-type: none"> • Fixed asset impairment loss related to business outside Japan recorded by a business unit -13.2

Iron & Steel Products

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	7.3	3.0	+4.3	
Gross profit	22.8	21.0	+1.8	
Profit (loss) of equity method investments	11.3	7.2	+4.1	<ul style="list-style-type: none"> • Gestamp +5.1 (includes the absence of impairment loss recorded in the previous period +4.1)
Dividend income	2.0	1.6	+0.4	
Selling, general and administrative expenses	(17.5)	(15.9)	(1.6)	
Others	(11.3)	(10.9)	(0.4)	

Lifestyle

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	20.0	69.4	(49.4)	
Gross profit	85.5	95.7	(10.2)	<ul style="list-style-type: none"> • Foreign exchange impact in coffee trading -9.4 • BIGI HOLDINGS becoming a consolidated subsidiary +5.0 • MITSUI & CO. COFFEE TRADING (BRAZIL) foreign exchange impact +3.5
Profit (loss) of equity method investments	32.8	34.1	(1.3)	<ul style="list-style-type: none"> • WILSEY FOODS -9.4 (absence of sale of some businesses by Ventura Foods recorded in the previous period) • IHH Healthcare +7.3 (good performance, recorded deferred tax assets related to a subsidiary in Turkey)
Dividend income	3.5	4.5	(1.0)	
Selling, general and administrative expenses	(94.0)	(89.4)	(4.6)	<ul style="list-style-type: none"> • BIGI HOLDINGS becoming a consolidated subsidiary -5.5
Others	(7.8)	24.5	(32.3)	<ul style="list-style-type: none"> • Absence of Aim Services valuation gain* recorded in the previous period -43.4 • MITSUI & CO. COFFEE TRADING (BRAZIL) loss from foreign exchange hedging -3.2 • Profit from coffee trading foreign exchange hedging +5.5

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

Innovation & Corporate Development

(Bn JPY)	Current period	Previous period	Change	Description
Profit for the period attributable to owners of the parent	18.0	26.1	(8.1)	
Gross profit	64.8	56.4	+8.4	<ul style="list-style-type: none"> • Higher profit in trading at a business division within Mitsui & Co. HQ (commodity price factors)
Profit (loss) of equity method investments	13.9	7.5	+6.4	
Dividend income	3.0	2.6	+0.4	
Selling, general and administrative expenses	(47.8)	(45.5)	(2.3)	
Others	(15.9)	5.1	(21.0)	<ul style="list-style-type: none"> • Lower profit in trading at a business division within Mitsui & Co. HQ (foreign exchange factors) • Absence of valuation gain related to Altius Link* recorded in the previous period -8.9 • Absence of gain on partial sale of Hibiya Fort Tower recorded in the previous period -5.7

* A valuation gain recorded in the previous period relating to Mitsui & Co.'s equity in Relia which occurred due to the business integration between KDDI Evolva and Relia.

(3) Financial Condition and Cash Flows

1) Financial Condition

(Bn JPY)	September 30, 2024	March 31, 2024	Change
Total assets	16,295.4	16,899.5	(604.1)
Current assets	5,473.4	5,768.1	(294.7)
Non-current assets	10,822.0	11,131.4	(309.4)
Current liabilities	3,600.4	3,891.5	(291.1)
Non-current liabilities	5,014.4	5,238.0	(223.6)
<i>Net interest-bearing debt</i>	<i>3,139.1</i>	<i>3,398.1</i>	<i>(259.0)</i>
Total equity attributable to owners of the parent	7,459.1	7,541.8	(82.7)
Net debt-to-equity ratio (times)	0.42	0.45	(0.03)

* “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:

(Bn JPY)	September 30, 2024	March 31, 2024	Change	Description
Current assets	5,473.4	5,768.1	(294.7)	
Cash and cash equivalents	857.3	898.2	(40.9)	
Trade and other receivables	2,183.7	2,216.7	(33.0)	
Other financial assets	904.8	1,140.1	(235.3)	<ul style="list-style-type: none"> • (EN)* Decrease in accounts receivable-other • (Corporate) Decrease in margin deposits
Inventories	957.6	965.7	(8.1)	
Advance payments to suppliers	377.7	368.1	+9.6	
Income tax receivables	52.7	49.4	+3.3	
Other current assets	139.6	129.8	+9.8	

* EN: Energy segment.

Non-Current Assets:

(Bn JPY)	September 30, 2024	March 31, 2024	Change	Description
Non-current assets	10,822.0	11,131.4	(309.4)	
Investments accounted for using the equity method	4,724.3	4,870.0	(145.7)	<ul style="list-style-type: none"> • Dividends from equity accounted investees -243.5 • Foreign exchange fluctuations -135.4 • Sale of Paiton -76.4 • Partial sale of VLI -39.0 • Equity method investments profit +256.3 • Reinvestment in Eu Yan Sang +23.7 • Increase of capital in Mitsui E&P Mozambique +13.5 • US real estate +12.5
Other investments	2,237.1	2,319.9	(82.8)	<ul style="list-style-type: none"> • Fair value of FVTOCI financial assets -62.3 • Foreign exchange fluctuations -25.1 • Recruit Holdings -16.8 • Alvotech convertible bonds -13.6 • BIPROGY -11.2 • VLI reclassification +53.0
Trade and other receivables	262.6	286.6	(24.0)	
Other financial assets	180.8	210.8	(30.0)	• (MI)* Foreign exchange fluctuations
Property, plant and equipment	2,402.0	2,401.5	+0.5	<ul style="list-style-type: none"> • BIGI HOLDINGS becoming a subsidiary +24.2 • Tatonka +17.9 (incl. foreign exchange fluctuations -2.0) • LNG vessels +14.2 • Oil and gas projects -28.3 (incl. foreign exchange fluctuations -32.9)
Investment property	277.3	282.3	(5.0)	
Intangible assets	468.2	458.2	+10.0	• Acquisition of Taylor & Martin +39.0
Deferred tax assets	95.8	108.1	(12.3)	
Other non-current assets	174.0	194.0	(20.0)	• Pension related assets

* MI: Machinery & Infrastructure segment.

Note: The assumptions for crude oil prices used in fair value measurements such as for LNG projects are determined based on current market conditions and the forecasts of several third-party organizations. Specifically, the Company assumes Brent crude will rise from the recent price of USD70 per barrel to USD80 in the next few years, and then remain at the same level.

Liabilities

(Bn JPY)	September 30, 2024	March 31, 2024	Change	Description
Current liabilities	3,600.4	3,891.5	(291.1)	
Short-term debt	221.4	244.0	(22.6)	
Current portion of long-term debt	611.4	723.1	(111.7)	
Trade and other payables	1,607.8	1,647.0	(39.2)	• Decrease in accrued expenses
Other financial liabilities	621.4	737.5	(116.1)	• Decrease in derivative liabilities • Decrease in accounts payable-other
Income tax payables	45.0	42.2	+2.8	
Advances from customers	355.1	318.8	+36.3	• Machinery & Infrastructure
Provisions	87.5	123.8	(36.3)	• Asset retirement obligation related
Other current liabilities	50.9	55.2	(4.3)	
Non-current liabilities	5,014.4	5,238.0	(223.6)	
Long-term debt, less the current portion	3,660.6	3,809.0	(148.4)	
Other financial liabilities	277.8	341.9	(64.1)	• Decrease in derivative liabilities • Arctic LNG 2 project related
Retirement benefit liabilities	39.8	43.9	(4.1)	
Provisions	257.9	261.6	(3.7)	
Deferred tax liabilities	736.0	745.8	(9.8)	
Other non-current liabilities	42.3	35.7	+6.6	

Equity

(Bn JPY)	September 30, 2024	March 31, 2024	Change	Description
Common stock	343.4	343.1	+0.3	
Capital surplus	402.7	391.9	+10.8	
Retained earnings	5,851.9	5,551.7	+300.2	
Other components of equity	1,127.8	1,323.8	(196.0)	
<breakdown>				
Financial assets measured at FVTOCI	193.0	265.6	(72.6)	
Foreign currency translation adjustments	933.7	1,090.4	(156.7)	• USD -180.2 (Sept-24 USD/JPY142.73, down from Mar-24 USD/JPY151.41) • AUD +0.6 (Sept-24 AUD/JPY98.73, up from Mar-24 AUD/JPY98.61)
Cash flow hedges	1.1	(32.1)	+33.2	
Treasury stock	(266.8)	(68.6)	(198.2)	• Share repurchase -200.0
Total equity attributable to owners of the parent	7,459.1	7,541.8	(82.7)	
Non-controlling interests	221.5	228.1	(6.6)	

2) Cash Flows

(Bn JPY)	Current period	Previous period	Change
Cash flows from operating activities	595.8	466.5	+129.3
Cash flows from investing activities	(41.2)	(296.5)	+255.3
Free cash flow	554.6	170.0	+384.6
Cash flows from financing activities	(571.8)	(430.8)	(141.0)
Effect of exchange rate changes on cash and cash equivalents	(23.7)	68.0	(91.7)
Change in cash and cash equivalents	(40.9)	(192.8)	+151.9

Cash Flows from Operating Activities

(Bn JPY)		Current period	Previous period	Change
Cash flows from operating activities	a	595.8	466.5	+129.3
Cash flows from change in working capital	b	14.4	(45.0)	+59.4
Repayments of lease liabilities	c	(43.3)	(36.4)	(6.9)
Core Operating Cash Flow	a-b+c	538.1	475.1	+63.0

- Cash flows from change in working capital (changes in operating assets and liabilities) was 14.4 billion yen of net cash inflow. Repayments of lease liabilities was 43.3 billion yen of net cash outflow. Core Operating Cash Flow, which equals cash flows from operating activities excluding changes in working capital and repayments of lease liabilities, amounted to 538.1 billion yen.
 - Net cash inflow from dividend income, including dividends received from equity accounted investees, for the current period totaled 375.0 billion yen, an increase of 66.2 billion yen from 308.8 billion yen for the previous period.
 - Depreciation and amortization for the current period was 155.3 billion yen, an increase of 17.9 billion yen from 137.4 billion yen for the previous period.

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

(Bn JPY)	Current period	Previous period	Change
Mineral & Metal Resources	192.1	177.8	+14.3
Energy	184.5	77.5	+107.0
Machinery & Infrastructure	73.8	115.7	(41.9)
Chemicals	42.5	24.3	+18.2
Iron & Steel Products	1.5	1.2	+0.3
Lifestyle	14.4	29.7	(15.3)
Innovation & Corporate Development	20.3	19.2	+1.1
All Other and Adjustments and Eliminations	9.0	29.7	(20.7)
Consolidated Total	538.1	475.1	+63.0

The following table shows Depreciation and amortization by operating segment.

(Bn JPY)	Current period	Previous period	Change
Mineral & Metal Resources	37.1	31.2	+5.9
Energy	46.3	40.7	+5.6
Machinery & Infrastructure	17.5	16.3	+1.2
Chemicals	18.2	16.3	+1.9
Iron & Steel Products	1.5	1.0	+0.5
Lifestyle	17.2	14.5	+2.7
Innovation & Corporate Development	8.1	8.6	(0.5)
All Other and Adjustments and Eliminations	9.4	8.8	+0.6
Consolidated Total	155.3	137.4	+17.9

Cash Flows from Investing Activities

(Bn JPY)	Current period	Previous period	Description
Cash flows from investing activities	(41.2)	(296.5)	
Net change in investments to equity accounted investees	77.8	(229.5)	
Cash outflow	(109.3)	(269.7)	<ul style="list-style-type: none"> ● Eu Yan Sang -23.7 ● Mitsui E&P Mozambique -13.5 ● US real estate -12.5
Cash inflow	187.1	40.2	<ul style="list-style-type: none"> ● Paiton +110.0 ● Partial sale of VLI +52.6
Net change in other investments	79.3	(9.2)	
Cash outflow	(32.2)	(48.4)	
Cash inflow	111.5	39.2	<ul style="list-style-type: none"> ● LNG related +31.2 ● Recruit Holdings +16.0 ● MyPower +14.1 ● BIPROGY +11.2 ● Alvotech convertible bonds +10.3
Net change in property, plant, and equipment	(157.3)	(114.6)	
Cash outflow	(165.2)	(141.5)	<ul style="list-style-type: none"> ● Oil and gas projects -42.3 ● Iron ore mining operations in Australia -28.7 ● Interest in Tatonka -23.0 ● Power generation -14.2 ● Mitsui Resources -10.4
Cash inflow	7.9	26.9	
Net change in investment property	(2.8)	14.8	
Cash outflow	(8.5)	(2.9)	
Cash inflow	5.7	17.7	
Net change in loan receivables	13.8	(7.1)	<ul style="list-style-type: none"> ● LNG related +21.8
Net change in time deposits	(15.8)	(8.3)	<ul style="list-style-type: none"> ● Mitsui & Co. Mineral Resources Development (Latin America) time deposits -17.9
Acquisition of subsidiaries or other businesses	(36.3)	(95.6)	<ul style="list-style-type: none"> ● Taylor & Martin -36.3
Proceeds from sales of subsidiaries or other businesses	-	152.9	

Cash Flows from Financing Activities

(Bn JPY)	Current period	Previous period	Description of current period
Cash flows from financing activities	(571.8)	(430.8)	
Net change in short-term debt	(14.3)	33.3	
Net change in long-term debt	(174.2)	(225.7)	
(Proceeds from long-term debt)	430.8	625.4	
(Repayments of long-term debt)	(605.0)	(851.1)	
Repayments of lease liabilities	(43.3)	(36.4)	
Purchase and sales of treasury stock-net	(199.9)	(89.3)	
Dividends paid	(127.3)	(114.3)	
Transactions with non-controlling interest shareholders	(12.8)	1.6	

(4) Management Issues

1) Result and Forecast for Investment and Loan Plan*

For the current period, Mitsui executed approximately 372 billion yen of investments and loans. Investments for growth included the acquisition of shares in Taylor & Martin and Eu Yan Sang, and an interest in the natural gas asset, Tatonka. Sustaining capital expenditures included iron ore and metallurgical coal mining operations in Australia, and the oil & gas production business. On the other hand, in terms of asset recycling, we recovered approximately 346 billion yen through the sale of the power generation asset, Paiton, and the partial sale of shares in VLI.

We will continue flexible and strategic capital allocation through our cash flow allocation framework.

* Excludes changes in time deposits.

2) Revised forecasts for the year ending March 31, 2025

<Forecast assumptions>	1st Half (Result)	2nd Half (Forecast)	Revised Forecast (November 2024)	Original Forecast (May 2024)
Average exchange rate (USD/JPY)	152.45	145.00	148.73	145.00
Crude oil price (JCC) (USD/bbl)	87	76	81	81
Consolidated oil price (USD/bbl)	88	83	86	86

(Bn JPY)	March 31, 2025 Revised forecast (November 2024)	March 31, 2025 Original forecast (May 2024)	Change	Description
Gross profit	1,250.0	1,320.0	(70.0)	Mineral & Metal Resources
Selling, general and administrative expenses	(860.0)	(830.0)	(30.0)	Amendment to the retirement benefit system
Gain (loss) on investments, fixed assets and other	190.0	150.0	+40.0	Innovation & Corporate Development
Interest expenses	(100.0)	(110.0)	+10.0	
Dividend income	170.0	150.0	+20.0	
Profit (loss) of equity method investments	490.0	470.0	+20.0	
Profit before income taxes	1,140.0	1,150.0	(10.0)	
Income taxes	(200.0)	(220.0)	+20.0	
Non-controlling interests	(20.0)	(30.0)	+10.0	
Profit for the year attributable to owners of the parent	920.0	900.0	+20.0	Change: +2.2%
Depreciation and amortization	310.0	290.0	+20.0	
Core Operating Cash Flow	1,000.0	1,000.0	-	

For further major assumptions in addition to crude oil prices and the USD/JPY exchange rate, please refer to “(3) Key Commodity Prices and Other Parameters for the Year Ending March 31, 2025.”

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:

(Bn JPY)	March 31, 2025 Revised forecast (November 2024)	March 31, 2025 Original forecast (May 2024)	Change	Description
Mineral & Metal Resources	260.0	290.0	(30.0)	Iron ore and metallurgical coal prices
Energy	180.0	140.0	+40.0	LNG related
Machinery & Infrastructure	240.0	230.0	+10.0	Gain on asset sales
Chemicals	70.0	70.0	-	
Iron & Steel Products	20.0	25.0	(5.0)	Market conditions
Lifestyle	65.0	75.0	(10.0)	Aquaculture, coffee trading
Innovation & Corporate Development	95.0	65.0	+30.0	Gain on asset sales
All Other and Adjustments and Eliminations	(10.0)	5.0	(15.0)	Amendment to the retirement benefit system
Consolidated Total	920.0	900.0	+20.0	

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

(Bn JPY)	March 31, 2025 Revised forecast (November 2024)	March 31, 2025 Original forecast (May 2024)	Change	Description
Mineral & Metal Resources	320.0	360.0	(40.0)	Iron ore and metallurgical coal prices
Energy	340.0	290.0	+50.0	LNG related
Machinery & Infrastructure	140.0	150.0	(10.0)	Higher taxes due to asset sales
Chemicals	80.0	80.0	-	
Iron & Steel Products	15.0	15.0	-	
Lifestyle	40.0	50.0	(10.0)	Coffee trading, drug discovery support fund
Innovation & Corporate Development	40.0	50.0	(10.0)	Higher taxes due to asset sales
All Other and Adjustments and Eliminations	25.0	5.0	+20.0	Expenses, interest, taxes, etc., not allocated to business segments
Consolidated Total	1,000.0	1,000.0	-	

3) Key Commodity Prices and Other Parameters for the Year Ending March 31, 2025

The table below shows assumptions for key commodity prices and foreign exchange rates of the forecast for the year ending March 31, 2025. 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 FY March 2025 (announced May 2024)		FY March 2025 business plan (announced May 2024)	FY March 2025		FY March 2025 full-year forecast (avg. of H1 and H2)
				H1 (result)	H2 (assumption)	
Commodities	Crude oil/JCC	-	81	87	76	81
	Consolidated oil price ^{*1}	2.4 bn JPY (1USD/bbl)	86	88	83	86
	US gas ^{*2}	1.3 bn JPY (0.1USD/mmBtu)	2.46	2.21 ^{*3}	2.37	2.29
	Iron ore ^{*4}	2.7 bn JPY (1USD/ton)	*5	106 ^{*6}	*5	*5
	Metallurgical coal	0.3 bn JPY (1USD/ton)	*5	241 ^{*7}	*5	*5
	Copper ^{*8}	0.7 bn JPY (100USD/ton)	8,700	9,097 ^{*9}	9,202	9,150
Forex ^{*10}	USD	3.4 bn JPY (per 1 yen change)	145.00	152.45	145.00	148.73
	AUD	2.5 bn JPY (per 1 yen change)	95.00	101.80	95.00	98.40

- *1 As the crude oil price affects our consolidated results with a time lag, the effect of crude oil prices on consolidated results is estimated as the consolidated oil price, which reflects this lag. For FY March 2025, we have assumed that there is a 4-6 month time lag for approx. 35%, a 1-3 month time lag for approx. 30%, an over 1-year time lag for approx. 30%, 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 US natural gas sold at Henry Hub (HH), the above sensitivities show the annual impact of changes in the weighted average sale price.
- *3 The US gas figure for FY March 2025 H1 (result) is the Henry Hub Natural Gas Futures average daily prompt month closing price traded on NYMEX during January to June 2024.
- *4 The effect of dividend income from Vale has not been included.
- *5 Iron ore and metallurgical coal price assumptions are not disclosed.
- *6 The iron ore figure for the FY March 2025 H1 (result) is the daily average (reference price) spot indicated price (Fe 62% CFR North China) recorded in several industry trade magazines from April 2024 to Sept 2024.
- *7 The metallurgical coal figure for the FY March 2025 H1 (result) is the quarterly average price of representative coal brands in Japan (USD/MT).
- *8 As the copper price affects our consolidated results with a 3-month time lag, the above sensitivities show the annual impact of a USD100/ton change in the average of the LME monthly average cash settlement prices for the period from January to December 2024.
- *9 The copper figure for the FY March 2025 H1 (result) is the average of the LME monthly average cash settlement prices for the period from January to June 2024.
- *10 The above sensitivities show the impact of currency fluctuations on reported profit of overseas affiliated companies 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 through the conversion of profit (denominated in functional currencies) into yen. In the overseas affiliated companies where sales contracts are in USD, the impact of currency fluctuations between USD and the functional currency of AUD, and the impact of currency hedging, are not included.

4) Profit Distribution Policy

Our profit distribution policy is as follows:

- In order to enhance corporate value and maximize shareholder value, we seek to maintain an optimal balance between meeting demand for capital in our core and growth areas through reinvestment of our retained earnings, and based on the level of stable cash generation – directly providing returns to shareholders by paying out cash dividends.
- In addition to the above, regarding share repurchases which are done to improve capital efficiency amongst other things, the amount and timing will be decided upon in a prompt and flexible manner taking into consideration the business environment. Such considerations include the balance between share repurchases and investments for growth, cash flow level after accounting for shareholder returns, interest-bearing debt levels, return on equity, and the share price level.

For the year ending March 31, 2025, based on the share repurchase announced in the timely disclosure on May 1, 2024, we repurchased 200 billion yen of shares between May 2, 2024 and September 20, 2024. On September 11, 2024, we announced an increase of the repurchase amount by up to 200 billion yen to 400 billion yen, and an extension of the repurchase period to February 28, 2025. All shares repurchased between May 2, 2024 and September 20, 2024 at a repurchase cost of approximately 200 billion yen, were cancelled on October 1, 2024 and it has been decided that all shares that will have been additionally repurchased between September 21, 2024 and February 28, 2025 are to be cancelled.

For details, please refer to the releases on our website “Notification of Share Repurchase and Cancellation of Treasury Stock” dated May 1, 2024 and ‘Notification of Partial Amendments to “Notification of Share Repurchase and Cancellation of Treasury Stock” and Cancellation of Treasury Stock’ dated September 11, 2024.

Taking into consideration Core Operating Cash Flow and profit for the year attributable to owners of the parent, as well as the stability and continuity of dividend payments, the post-share split full-year dividend for the year ending March 31, 2025 is planned to be 100 yen per share (including the interim dividend of 50 yen), which is a pre-share split increase of 30 yen from the previous year. Furthermore, from the year ending March 31, 2025 to the year ending March 31, 2026, we have set a minimum dividend of 100 yen per share and we will maintain or increase the dividend level.

On May 2, 2023, we announced a shareholder returns policy (dividends and share repurchases) of around 37% of Core Operating Cash Flow over the three-year cumulative period for the current Medium-term Management Plan (from the year ended March 31, 2024 to the year ending March 31, 2026). Currently, we forecast shareholder returns as a percentage of Core Operating Cash Flow over a three-year cumulative basis for the current Medium-term Management Plan will exceed 45%.

(5) Material Accounting Estimates

For Further information regarding the material accounting 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 JUDGMENTS”.

(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
September 30, 2024 and March 31, 2024

	Mn JPY	
	September 30, 2024	March 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	857,284	898,204
Trade and other receivables	2,183,742	2,216,735
Other financial assets (note 14)	904,795	1,140,122
Inventories (note 14)	957,605	965,721
Advance payments to suppliers	377,654	368,137
Income tax receivables	52,721	49,414
Other current assets	139,648	129,815
Total current assets	5,473,449	5,768,148
Non-current assets:		
Investments accounted for using the equity method(note 17)	4,724,263	4,869,969
Other investments (notes 14 and 17).....	2,237,082	2,319,900
Trade and other receivables (note 14)	262,607	286,565
Other financial assets (note 14)	180,777	210,794
Property, plant and equipment (note 7)	2,401,997	2,401,492
Investment property	277,267	282,253
Intangible assets	468,190	458,246
Deferred tax assets	95,778	108,095
Other non-current assets	174,004	194,040
Total non-current assets	10,821,965	11,131,354
Total assets	16,295,414	16,899,502

Condensed Consolidated Statements of Financial Position—(Continued)

Mitsui & Co., Ltd. and subsidiaries
September 30, 2024 and March 31, 2024

	Mn JPY	
	September 30, 2024	March 31, 2024
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	221,377	243,959
Current portion of long-term debt (note 9)	611,394	723,084
Trade and other payables	1,607,760	1,647,029
Other financial liabilities (notes 13, 14 and 15)	621,385	737,492
Income tax payables	44,954	42,177
Advances from customers	355,124	318,809
Provisions	87,476	123,830
Other current liabilities	50,933	55,158
Total current liabilities	<u>3,600,403</u>	<u>3,891,538</u>
Non-current liabilities:		
Long-term debt, less current portion (notes 9 and 14)	3,660,597	3,809,013
Other financial liabilities (notes 13, 14, 15 and 17)	277,849	341,913
Retirement benefit liabilities	39,784	43,936
Provisions	257,922	261,593
Deferred tax liabilities	735,992	745,845
Other non-current liabilities	42,303	35,721
Total non-current liabilities	<u>5,014,447</u>	<u>5,238,021</u>
Total liabilities	<u>8,614,850</u>	<u>9,129,559</u>
Equity:		
Common stock	343,442	343,062
Capital surplus	402,705	391,856
Retained earnings	5,851,920	5,551,736
Other components of equity (note 10)	1,127,797	1,323,821
Treasury stock	(266,796)	(68,627)
Total equity attributable to owners of the parent	<u>7,459,068</u>	<u>7,541,848</u>
Non-controlling interests	221,496	228,095
Total equity	<u>7,680,564</u>	<u>7,769,943</u>
Total liabilities and equity	<u><u>16,295,414</u></u>	<u><u>16,899,502</u></u>

Condensed Consolidated Statements of Income and Comprehensive Income

Condensed Consolidated Statements of Income Mitsui & Co., Ltd. and Subsidiaries For the Six-Month Periods Ended September 30, 2024 and 2023

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Revenue (notes 5, 6 and 14)	7,331,817	6,377,438
Cost (note 14)	(6,719,396)	(5,769,044)
Gross profit (note 5)	612,421	608,394
Other income (expenses):		
Selling, general and administrative expenses (note 15)	(444,745)	(391,756)
Gain (loss) on securities and other investments-net (notes 3, 4 and 14)	97,768	134,091
Impairment reversal (loss) of fixed assets-net	(17,539)	(3,992)
Gain (loss) on disposal or sales of fixed assets-net	2,534	8,237
Other income (expense)-net (notes 14 and 17)	17,627	(13,693)
Total other income (expenses)	(344,355)	(267,113)
Finance income (costs):		
Interest income	30,314	34,225
Dividend income	63,300	53,955
Interest expense	(83,756)	(80,517)
Total finance income (costs)	9,858	7,663
Share of profit (loss) of investments accounted for using the equity method (note 5)	256,325	244,932
Profit before income taxes	534,249	593,876
Income taxes	(113,502)	(124,596)
Profit for the period	420,747	469,280
 Profit for the period attributable to:		
Owners of the parent (note 5).....	411,787	456,261
Non-controlling interests	8,960	13,019
 Earnings per Share Attributable to Owners of the Parent (Note 12):		
Basic	138.61	150.71
Diluted	138.50	150.62

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

**Condensed Consolidated Statements of Comprehensive Income
Mitsui & Co., Ltd. and Subsidiaries
For the Six-Month Periods Ended September 30, 2024 and 2023**

	(Mn JPY)	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Comprehensive income:		
Profit for the period	420,747	469,280
Other comprehensive income :		
Items that will not be reclassified to profit or loss:		
Financial assets measured at FVTOCI (Note 14).....	(54,538)	26,580
Remeasurements of defined benefit pension plans	(9,084)	170
Share of other comprehensive income of investments accounted for using the equity method	(8,239)	(5,320)
Income tax relating to items not reclassified	15,657	(4,879)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustments (Note 14).....	(67)	48,951
Cash flow hedges (Note 14).....	24,042	3,613
Share of other comprehensive income of investments accounted for using the equity method	(130,166)	391,927
Income tax relating to items that may be reclassified	(19,902)	(12,427)
Total other comprehensive income	(182,297)	448,615
Comprehensive income for the period	238,450	917,895
Comprehensive income for the period attributable to:		
Owners of the parent	231,782	889,688
Non-controlling interests	6,668	28,207

Condensed Consolidated Statements of Changes in Equity
Mitsui & Co., Ltd. and Subsidiaries
For the Six-Month Periods Ended September 30, 2024 and 2023

Mn JPY	Attributable to owners of the parent							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings (Note 12)	Other components of Equity (Note 11)	Treasury stock	Total			
Balance as at April 1, 2023	342,560	381,869	4,840,510	868,963	(66,152)	6,367,750	197,398	6,565,148	
Profit for the period			456,261			456,261	13,019	469,280	
Other comprehensive income for the period (Note 10).....				433,427		433,427	15,188	448,615	
Comprehensive income for the period			456,261	433,427		889,688	28,207	917,895	
Transaction with owners:									
Dividends paid to owners of the parent (Note 11).....			(114,325)			(114,325)		(114,325)	
Dividends paid to non-controlling interest shareholders							(9,518)	(9,518)	
Acquisition of treasury stock					(89,254)	(89,254)		(89,254)	
Sales of treasury stock		(330)	(176)		506	0		0	
Cancellation of treasury stock.....			(92,043)		92,043	-		-	
Compensation costs related to share-based payment	502	3,700				4,202		4,202	
Equity transactions with non-controlling interest shareholders (Note 10).....		3,462		12		3,474	3,721	7,195	
Transfer to retained earnings (Note 10).....			797	(797)		-		-	
Balance as at September 30, 2023	343,062	388,701	5,091,024	1,301,605	(62,857)	7,061,535	219,808	7,281,343	

Mn JPY	Attributable to owners of the parent							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings (Note 12)	Other Components of Equity (Note 11)	Treasury stock	Total			
Balance as at April 1, 2024	343,062	391,856	5,551,736	1,323,821	(68,627)	7,541,848	228,095	7,769,943	
Profit for the period			411,787			411,787	8,960	420,747	
Other comprehensive income for the period (Note 10).....				(180,005)		(180,005)	(2,292)	(182,297)	
Comprehensive income for the period			411,787	(180,005)		231,782	6,668	238,450	
Transaction with owners:									
Dividends paid to owners of the parent (Note 11).....			(127,277)			(127,277)		(127,277)	
Dividends paid to non-controlling interest shareholders.....							(17,622)	(17,622)	
Acquisition of treasury stock					(200,030)	(200,030)		(200,030)	
Sales of treasury stock		(637)	(648)		1,288	3		3	
Cancellation of treasury stock.....			-		-	-		-	
Compensation costs related to share-based payment	380	4,580			573	5,533		5,533	
Equity transactions with non-controlling interest shareholders (Note 10).....		6,906		303		7,209	4,355	11,564	
Transfer to retained earnings (Note 10).....			16,322	(16,322)		-		-	
Balance as at September 30, 2024	343,442	402,705	5,851,920	1,127,797	(266,796)	7,459,068	221,496	7,680,564	

Condensed Consolidated Statements of Cash Flows
Mitsui & Co., Ltd. and Subsidiaries
For the Six-Month Periods Ended September 30, 2024 and 2023

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Operating activities:		
Profit for the period	420,747	469,280
Adjustments to reconcile profit for the period to cash flows from operating activities:		
Depreciation and amortization	155,315	137,373
Change in retirement benefit liabilities (note 15)	31,926	33
Loss allowance	6,818	15,606
(Gain) loss on securities and other investments-net	(97,768)	(134,091)
Impairment (reversal) loss of fixed assets-net	17,539	3,992
(Gain) loss on disposal or sales of fixed assets-net	(2,534)	(8,237)
Interest income, dividend income and interest expense	(27,981)	(35,344)
Income taxes	113,502	124,596
Share of (profit) loss of investments accounted for using the equity method	(256,325)	(244,932)
Valuation (gain) loss related to contingent considerations and others	911	343
Changes in operating assets and liabilities:		
Change in trade and other receivables	(30,128)	(18,706)
Change in inventories	(1,437)	81,339
Change in trade and other payables	(1,552)	26,577
Change in advance payments to suppliers and advances from customers	26,375	(33,534)
Change in derivative assets and liabilities	(39,793)	7,473
Other-net	60,839	(108,123)
Interest received	32,918	61,798
Interest paid	(83,724)	(79,086)
Dividends received	374,988	308,805
Income taxes paid	(144,788)	(133,866)
Income taxes refunded	39,910	25,200
Cash flows from operating activities	595,758	466,496
Investing activities:		
Change in time deposits	(15,790)	(8,291)
Investments in equity accounted investees	(109,266)	(269,722)
Proceeds from sales of investments in equity accounted investees	187,099	40,248
Purchases of other investments	(32,192)	(48,411)
Proceeds from sales and maturities of other investments	111,484	39,248
Increases in loan receivables	(20,364)	(13,221)
Collections of loan receivables	34,180	6,171
Purchases of property, plant and equipment	(165,170)	(141,515)
Proceeds from sales of property, plant and equipment	7,916	26,868
Purchases of investment property	(8,481)	(2,883)
Proceeds from sales of investment property	5,703	17,675
Acquisition of subsidiaries or other businesses (note 3)	(36,293)	(95,605)
Proceeds from sales of subsidiaries or other businesses	-	152,919
Cash flows from investing activities	(41,174)	(296,519)
Financing activities:		
Change in short-term debt	(14,257)	33,348
Proceeds from long-term debt	430,801	625,359
Repayments of long-term debt	(605,021)	(851,101)
Repayments of lease liabilities (note 5)	(43,310)	(36,382)
Purchases and sales of treasury stock	(199,915)	(89,250)
Dividends paid	(127,277)	(114,325)
Transactions with non-controlling interests shareholders	(12,830)	1,590
Cash flows from financing activities	(571,809)	(430,761)
Effect of exchange rate changes on cash and cash equivalents	(23,695)	67,951
Change in cash and cash equivalents	(40,920)	(192,833)
Cash and cash equivalents at beginning of period	898,204	1,390,130
Cash and cash equivalents at end of period	857,284	1,197,297

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

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. The condensed consolidated financial statements of the Company have a semi-annual closing date as of September 30 and are comprised of the financial statements of the Company and its subsidiaries (collectively, the “companies”), and its 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, business investments in relation to the environment, new technologies, next-generation fuel 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, the condensed consolidated financial statements should be used with the 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 14 “FAIR VALUE MEASUREMENT”

III. MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the condensed consolidated financial statements for the period ended

September 30, 2024 are the same as those applied in the consolidated financial statements of the previous fiscal year.

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

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

3. BUSINESS COMBINATIONS

For the six-month period ended September 30, 2024

Acquisition of Additional Shares in Taylor & Martin Enterprises

On April 19, 2024, the Company, through its subsidiary, acquired all of the shares (equivalent to 127,557 stocks) of Taylor & Martin Enterprises (“Taylor & Martin”). The acquisition price was paid in cash on hand of 37,314 million yen (USD 241 million) and accounts payable-other of 2,012 million yen (USD 13 million).

Taylor & Martin is engaging in a truck auction business in the United States. The Company will combine its multisector networks and solutions with Taylor & Martin's truck auctioning expertise. By geographically expanding the business through the creation of more auction sites in the North American market, and by increasing services, the Company will enhance the customer experience and contribute to Taylor & Martin's further business expansion. The following table summarizes the consideration paid and the fair value of the assets acquired and liabilities assumed as of the acquisition date. The purchase price allocation has not been completed and the fair values of the assets acquired and liabilities assumed are preliminary.

	Mn JPY
Consideration paid	39,326
Total	39,326
Fair values of the assets acquired and liabilities assumed:	
Current assets	2,947
Non-current assets	10,176
Total assets acquired	13,123
Current liabilities	(2,208)
Total liabilities assumed	(2,208)
Net assets acquired	10,915
Goodwill	28,411
Total	39,326

Goodwill primarily consists of excess earning power and synergies with existing operations and is deductible for tax purposes.

Results of operations since the acquisition date for the above business combination have not been presented because the effects were not material to the consolidated financial statements.

A net cash outflow in cash flows from investing activities of 36,293 million yen arising from the above business combination is included in “Acquisition of subsidiaries or other businesses” in the Condensed Consolidated Statements of Cash Flows for the year

ended September 30, 2024

For the six-month period ended September 30, 2023

Acquisition of Additional Shares in AIM SERVICES

On April 6, 2023, the Company acquired 50% equity share (equivalent to 277 stocks) of AIM SERVICES (“Aim”) from Aramark, a U.S. based company. The acquisition price was 68,790 million yen (USD535 million), which was paid in cash and cash equivalents on hand.

Aim was established in 1976 as a joint venture between Mitsui Group companies and Aramark. Since opening its first location as an employee cafeteria in the Company's former head office building, Aim has expanded its client base in many sectors such as offices, factories, hospitals, welfare facilities, schools, stadiums, and training facilities. Today, Aim supplies a total of around 1.3 million meals daily to approximately 3,900 facilities nationwide. The Company will continue to accelerate Aim's further growth by leveraging its comprehensive strengths and will establish "Integrated Hospitality Service" business centered on Aim, which solves clients' issues by providing diverse services, such as enhancement of health & productivity management and improvement in employee engagement.

The company was in the process of determining its purchase price allocation and presented provisional amounts for assets acquired and liabilities assumed in the Condensed Consolidated Financial Statements for the six-month period ended September 30, 2023. The process of determining its purchase price allocation was completed during the year ended March 31, 2024 and following table summarized the consideration paid, the fair values of the previously held equity interest, and the fair values of the assets acquired and liabilities assumed at the acquisition date.

	Mn JPY
Consideration paid	68,790
Fair value of the previously held equity interest	53,656
Total	122,446
Fair values of the assets acquired and liabilities assumed:	
Current assets	32,880
Intangible assets	49,035
Other non-current assets	13,547
Total assets acquired	95,462
Current liabilities	(29,536)
Non-current liabilities	(20,334)
Total liabilities assumed	(49,870)
Net assets acquired	45,592
Goodwill	76,854
Total	122,446

The Company should also recognize the revaluation gain on the previously held equity interest of 50% shares in Aim under the IFRS. Pursuant to the acquisition, the fair values of the previously held equity interest is estimated to be 53,656 million yen, and the Company has recognized 43,449 million yen as the revaluation gain in the Lifestyle Segment in “Gain (loss) on securities and other investments-net” in the Condensed Consolidated Statements of Income for the six-month period ended September 30, 2023.

Goodwill primarily consists of excess earning power and synergies with existing operations, and is non-deductible for tax purposes.

In respect of above business combination, the Revenue and Profit for the six-month period ended September 30, 2023 since the acquisition date are 95,944 million yen and 1,316 million yen, respectively.

A net cash outflow in cash flows from investing activities of 58,846 million yen arising from the above business combination is included in “Acquisition of subsidiaries or other businesses” in the Condensed Consolidated Statements of Cash Flows for the six-month period ended September 30, 2023.

Acquisition of unconventional gas asset in Texas, U.S.A.

The Company, through its U.S. based subsidiary MEP South Texas, has completed the acquisition of approx. 92% working interest in an unconventional gas asset in Texas, U.S. on April 19, 2023 from the operator, Silver Hill Eagle Ford E&P, a subsidiary of Silver Hill

Energy Partners. The total consideration paid in cash was 35,345 million yen (USD263 million), which consists of the bid price and adjustments of CAPEX, costs and revenue incurred between the effective date and the closing date.

This asset (a part of the Hawkville field, approx. gross 8,500 acre) is in South Texas with access to the Gulf Coast industrial area, which includes LNG export terminals and ammonia plants. Additional gas production is expected from this asset with further development and Mitsui E&P USA, a wholly owned subsidiary of the Company, will develop and operate the asset on behalf of MEP South Texas, aiming for stable gas production of over 200 million cubic feet per day from the field, while maintaining a focus on the safety of employees, the community, and the environment.

The company was in the process of determining its purchase price allocation and presented provisional amounts for assets acquired and liabilities assumed in the Condensed Consolidated Financial Statements for the six-month period ended September 30, 2023. The process of determining its purchase price allocation was completed during the year ended March 31, 2024, and following table summarized the consideration paid and the fair values of the assets acquired at the acquisition date.

	Mn JPY
Consideration paid	35,345
Total	35,345
Fair values of the assets acquired	
Property, plant, and equipment	35,345
Total assets acquired	35,345
Net assets acquired	35,345
Goodwill	35,345

Results of operations since the acquisition date for the above business combination have not been presented because the effects were not material to the consolidated financial statements.

A net cash outflow in cash flows from investing activities arising from the above business combination is included in “Acquisition of subsidiaries or other businesses” in the Condensed Consolidated Statements of Cash Flows for the six-month period ended September 30, 2023.

4. CONSOLIDATED SUBSIDIARIES

Changes in owners of parent’s ownership interests due to the deconsolidation of subsidiaries

For the six-month period ended September 30, 2023, the companies recognized gain arising from changes in owners of parent’s ownership interests due to the deconsolidation of subsidiaries of ¥76,594 million.

The gain is recorded in “Gain (loss) on securities and other investments-net” in the Condensed Consolidated Statement of income.

For the six-month period ended September 30, 2024, there is no material gain or loss arising from changes in owners of parent’s ownership interests due to the deconsolidation of subsidiaries.

5. SEGMENT INFORMATION

Six-month period ended September 30, 2024:	Mn JPY							Total
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	
Revenue.....	1,029,554	2,016,212	705,427	1,498,089	330,075	1,615,624	136,156	7,331,137
Gross profit.....	142,886	72,030	99,399	123,493	22,845	85,524	64,775	610,952
Share of profit (loss) of investments accounted for using the equity method....	51,001	31,882	101,464	13,689	11,256	32,779	13,907	255,978
Profit (loss) for the period attributable to owners of the parent.....	161,507	65,308	148,200	22,070	7,290	20,032	18,013	442,420
Core Operating Cash Flow.....	192,095	184,504	73,788	42,466	1,538	14,449	20,314	529,154
Total assets at September 30, 2024.....	3,075,076	3,349,123	3,657,692	1,978,623	772,936	2,927,318	1,781,116	17,541,884

Six-month period ended September 30, 2024:	Mn JPY		
	All other	Adjustments and eliminations	Consolidated total
Revenue.....	680	—	7,331,817
Gross profit.....	1,311	158	612,421
Share of profit (loss) of investments accounted for using the equity method....	(16)	363	256,325
Profit (loss) for the period attributable to owners of the parent.....	(36,188)	5,555	411,787
Core Operating Cash Flow.....	(21,277)	30,267	538,144
Total assets at September 30, 2024.....	8,741,617	(9,988,087)	16,295,414

Six-month period ended September 30, 2023:	Mn JPY							
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	Total
Revenue.....	979,097	1,353,619	623,817	1,370,579	341,442	1,575,706	132,064	6,376,324
Gross profit.....	158,216	56,185	118,904	98,644	20,994	95,681	56,401	605,025
Share of profit (loss) of investments accounted for using the equity method....	25,132	35,408	118,974	16,405	7,182	34,145	7,452	244,698
Profit (loss) for the period attributable to owners of the parent.....	134,649	25,988	164,359	14,348	2,990	69,438	26,101	437,873
Core Operating Cash Flow.....	177,789	77,543	115,669	24,262	1,235	29,674	19,240	445,412
Total assets at March 31, 2024.....	3,084,437	3,408,781	3,769,779	2,049,368	809,542	2,901,696	1,790,857	17,814,460

Six-month period ended September 30, 2023:	Mn JPY		
	All other	Adjustments and eliminations	Consolidated total
Revenue.....	1,114	—	6,377,438
Gross profit.....	1,951	1,418	608,394
Share of profit (loss) of investments accounted for using the equity method....	—	234	244,932
Profit (loss) for the period attributable to owners of the parent.....	(2,180)	20,568	456,261
Core Operating Cash Flow.....	(6,151)	35,827	475,088
Total assets at March 31, 2024.....	8,879,374	(9,794,332)	16,899,502

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

6. 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.5 "SEGMENT INFORMATION". Revenue other than revenue recognized from contracts with customers includes revenue related to lease and financial instruments, etc.

Six-month period ended September 30, 2024:	Mn JPY								Total
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All other	
Revenue recognized from contracts with customers	822,417	535,319	671,620	1,481,269	330,075	1,243,237	88,877	562	5,173,376

Six-month period ended September 30, 2023:	Mn JPY								Total
	Mineral & Metal Resources	Energy	Machinery & Infrastructure	Chemicals	Iron & Steel Products	Lifestyle	Innovation & Corporate Development	All other	
Revenue recognized from contracts with customers	827,344	449,499	579,278	1,353,710	341,442	1,202,189	95,434	858	4,849,754

7. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT

The amount of acquisitions (excluding acquisitions through business combination) of property, plant and equipment for the six-month period ended September 30, 2024 was 198,388 million yen and the amount of disposals was not material.

The amounts of acquisitions (excluding acquisitions through business combination) and disposals of property, plant and equipment for the six-month period ended September 30, 2023 were 169,761 million yen and 133,804 million yen, respectively.

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

8. IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES FOR ASSETS

The amount of impairment loss for assets for the six-month period ended September 30, 2024 and 2023 were immaterial.

The amounts of reversals of impairment losses for assets for the six-month period ended September 30, 2024 and 2023 were immaterial.

9. BONDS AND LOANS

Bonds

The total amount of repaid bonds for the six-month period ended September 30, 2024 was not material.

The total amount of issued bonds for the six-month period ended September 30, 2024 was 71,056 million yen.

The total amount of repaid bonds for the six-month period ended September 30, 2023 was not material.

The total amount of issued bonds for the six-month period ended September 30, 2023 was not material.

Loans

The loans executed for the six-month period ended September 30, 2024 were not material.

The loans executed for the six-month period ended September 30, 2023 included a subordinated syndicated loan of 215,000 million yen (Maturity Date: June 15, 2083), whose prepayment will be enabled on and after September 25, 2030.

Furthermore, the subordinated syndicated loan of 350,000 million yen (Maturity Date: June 15, 2076) executed in the three-month period ended June 30, 2016 was repaid in advance on June 15, 2023.

10. EQUITY

Changes in other components of equity for the six-month periods ended September 30, 2024 and 2023 were as follows:

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Financial assets measured at FVTOCI:		
Balance at beginning of period	265,570	215,612
Increase (decrease) during the period	(49,976)	16,535
Transfer to retained earnings	(22,587)	(802)
Balance at end of period	193,007	231,345
Remeasurements of defined benefit pension plans:		
Balance at beginning of period	-	-
Increase (decrease) during the period	(6,265)	(5)
Transfer to retained earnings	6,265	5
Balance at end of period	-	-
Foreign currency translation adjustments:		
Balance at beginning of period	1,090,378	638,502
Increase (decrease) during the period	(156,690)	407,724
Balance at end of period	933,688	1,046,226
Cash flow hedges:		
Balance at beginning of period	(32,127)	14,849
Increase (decrease) during the period	33,229	9,185
Balance at end of period	1,102	24,034
Total:		
Balance at beginning of period	1,323,821	868,963
Increase (decrease) during the period	(179,702)	433,439
Transfer to retained earnings	(16,322)	(797)
Balance at end of period	1,127,797	1,301,605

11. DIVIDENDS

During the six-month periods ended September 30, 2024 and 2023, the Company paid dividends of ¥85 per share (total dividend of ¥127,277 million) and ¥75 per share (total dividend of ¥114,325 million), respectively.

On July 1, 2024, the Company conducted a 2-for-1 share split. Dividend information above is based on the number of shares before the share split.

12. EARNINGS PER SHARE

The following is a reconciliation of basic earnings per share attributable to owners of the parent to diluted earnings per share attributable to owners of the parent for the six-month periods ended September 30, 2024 and 2023:

	Six-month Period Ended September 30, 2024			Six-month Period Ended September 30, 2023		
	Profit (numerator)	Shares (denominator)	Per share amount	Profit (numerator)	Shares (denominator)	Per share amount
	Mn JPY	In Thousands	Yen	Mn JPY	In Thousands	Yen
Basic earnings per share attributable to owners of the parent:	411,787	2,970,736	138.61	456,261	3,027,378	150.71
Effect of dilutive securities:						
Adjustment of effect of:						
Dilutive securities of associated companies.	(27)	-		(3)	-	
Share-based remuneration.....	-	2,247		-	1,850	
Diluted earnings per share attributable to owners of the parent:	411,760	2,972,983	138.50	456,258	3,029,228	150.62

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

13. CONTINGENT LIABILITIES

I. GUARANTEES

The companies provide various types of guarantees for the benefit of third parties and related parties principally to enhance their credit standings, and would be required to execute payments if a guaranteed party failed to fulfill its obligation with respect to a borrowing or trade payable.

The table below summarizes the maximum potential amount of future payments, amount outstanding and recourse provisions/collateral of the companies' guarantees as of September 30, 2024 and March 31, 2024. The maximum potential amount of future payments represents the amount without consideration of possible recovery under recourse provisions or from collateral held or pledged that the companies could be obliged to pay if there were defaults by guaranteed parties. Such amounts bear no relationship to the anticipated losses on these guarantees and indemnifications and, in the aggregate, they greatly exceed anticipated losses.

The companies evaluate risks involved for each guarantee through an internal screening procedure before issuing a guarantee and regularly monitor outstanding positions and record adequate allowance to cover losses expected from probable performance under these agreements. Reference for guarantee of the Russian LNG business is made to note17 Impact of the Russia-Ukraine situation on the Russian LNG business.

	Mn JPY			
	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
September 30, 2024				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties	361,909	124,905	—	124,905
Guarantees for investments accounted for using the equity method	594,105	352,314	31,599	320,715
Performance guarantees				
Guarantees for third parties	32,398	23,379	22,350	1,029
Guarantees for investments accounted for using the equity method	52,939	46,513	9	46,504
Total	1,041,351	547,111	53,958	493,153

Mn JPY

	Maximum potential amount of future payments	Amount outstanding (a)	Recourse provisions/ Collateral (b)	Net amount outstanding (a)-(b)
March 31, 2024				
Type of guarantees:				
Financial guarantees				
Guarantees for third parties	390,604	138,271	—	138,271
Guarantees for investments accounted for using the equity method	735,621	380,601	27,575	353,026
Performance guarantees				
Guarantees for third parties	29,365	26,139	23,275	2,864
Guarantees for investments accounted for using the equity method	54,929	48,503	18	48,485
Total	1,210,519	593,514	50,868	542,646

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 September 30, 2024 and March 31, 2024 will expire through 2028.

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 September 30, 2024 and March 31, 2024 will expire through 2032, respectively.

The table below summarizes the maximum potential amount of future payments for the companies' guarantees by the remaining contractual period as of September 30, 2024 and March 31, 2024.

Mn JPY

	September 30, 2024	March 31, 2024
Within 1 year	268,740	355,809
After 1 to 5 years	588,470	593,784
After 5 years	184,141	260,926
Total	1,041,351	1,210,519

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.

14. 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 Financial Assets

- Other financial assets other than measured at amortized cost are measured at fair value.
- Other financial assets other than measured at amortized cost are measured at fair value principally using the discounted cash flow method and other appropriate valuation techniques considering various assumptions, including expected future cash flows and discount rates reflecting the related of the customer. The degree to which these inputs are observable in the relevant markets determines whether the investment is classified as level 3.

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 September 30, 2024 and March 31, 2024 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. The Company engages 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 September 30, 2024 and March 31, 2024 were as follows. No assets or liabilities were transferred between level 1 and 2 for the six-month period ended September 30, 2024 and 2023.

September 30, 2024	Mn JPY				
	Fair value measurements using			Netting adjustments (Note1)	Total fair value
	Level 1	Level 2	Level 3		
Assets :					
Other investments:					
Financial assets measured at FVTPL.....	6,314	-	397,581		
Financial assets measured at FVTOCI.....	1,039,398	-	781,625		
Total other investments	1,045,712	-	1,179,206	-	2,224,918
Derivative assets:					
Foreign exchange contracts.....	-	204,542	-		
Interest rate contracts.....	-	22,345	-		
Commodity contracts.....	72,015	1,452,463	11,374		
Others.....	-	-	14,808		
Total derivative assets	72,015	1,679,350	26,182	(1,241,452)	536,095
Inventories.....	-	178,855	-	-	178,855
Total assets.....	1,117,727	1,858,205	1,205,388	(1,241,452)	2,939,868
Liabilities (Note2):					
Derivative liabilities:					
Foreign exchange contracts.....	-	211,278	-		
Interest rate contracts.....	-	32,443	-		
Commodity contracts.....	100,216	1,373,978	2,319		
Others.....	-	-	5,633		
Total derivative liabilities	100,216	1,617,699	7,952	(1,286,199)	439,668
Total liabilities.....	100,216	1,617,699	7,952	(1,286,199)	439,668

Mn JPY

March 31, 2024

	Fair value measurements using			Netting adjustments (Note1)	Total fair value
	Level 1	Level 2	Level 3		
Assets:					
Other financial assets (Current):					
Financial assets measured at FVTPL.....	-	-	92,404		
Total other financial assets	-	-	92,404	-	92,404
Other investments:					
Financial assets measured at FVTPL.....	7,132	-	432,995		
Financial assets measured at FVTOCI.....	1,158,206	-	711,129		
Total other investments	1,165,338	-	1,144,124	-	2,309,462
Derivative assets:					
Foreign exchange contracts.....	-	229,883	-		
Interest rate contracts.....	-	27,903	-		
Commodity contracts.....	58,300	1,267,632	5,324		
Others.....	-	-	17,393		
Total derivative assets	58,300	1,525,418	22,717	(1,049,948)	556,487
Inventories.....	-	203,244	-	-	203,244
Total assets.....	1,223,638	1,728,662	1,259,245	(1,049,948)	3,161,597
Liabilities (Note2):					
Derivative liabilities:					
Foreign exchange contracts.....	-	333,022	-		
Interest rate contracts.....	-	34,573	-		
Commodity contracts.....	95,740	1,203,065	1,173		
Others.....	-	-	6,146		
Total derivative liabilities	95,740	1,570,660	7,319	(1,086,531)	587,188
Total liabilities.....	95,740	1,570,660	7,319	(1,086,531)	587,188

Note1: 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.

Note2: The amounts of financial liabilities measured at FVTPL were immaterial.

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 six-month period ended September 30, 2024 and 2023 were as follows:

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Balance at beginning of period	525,399	340,625
Gains (losses)	5,356	19,853
Purchases	8,224	28,794
Sales/Redemptions	(39,085)	(4,183)
Transfers into Level 3	-	-
Transfers out of Level 3 (Note1)	-	(1,800)
Others (Note2)	(102,313)	10,074
Balance at end of period	<u>397,581</u>	<u>393,363</u>
Net change in unrealized gains (losses) still held at end of period	<u>1,138</u>	<u>19,639</u>

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

Note 2: "Others" includes the effect of changes in foreign exchange rates (including in the foreign currency translation adjustments), in scope of consolidation and others, besides the effect of derecognition of financial assets related to LNG project.

Gains (losses) related to financial assets measured at FVTPL for the six-month period ended September 30, 2024 and 2023 were included in "Revenue" and "Gain (loss) on securities and other investments-net" in the Condensed Consolidated Statements of Income.

The reconciliation of financial assets measured at FVTOCI for the six-month period ended September 30, 2024 and 2023 were as follows:

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Balance at beginning of period	711,129	634,342
Other comprehensive income (Note1)..	11,488	51,555
Purchases	8,130	12,774
Sales	(8,489)	(9,018)
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Others (Note2)	59,367	13,259
Balance at end of period	<u>781,625</u>	<u>702,912</u>

Note 1:"Other comprehensive income" for the six-month period ended September 30, 2024 increased mainly due to the increase of the fair value in investment in the mineral & metal resources projects increased mainly due to the increase in iron ore prices, in spite of the negative effect of change in foreign exchange rates.

"Other comprehensive income" for the six-month period ended September 30, 2023 increased mainly due to the effect of change in foreign exchange rates and increase of fair value in investment in LNG project.

Note 2: "Others" includes the effect of changes in scope of consolidation and others.

Other comprehensive income related to financial assets measured at FVTOCI for the six-month period ended September 30, 2024 and 2023 were included in "Financial assets measured at FVTOCI" and "Foreign currency translation adjustments" in Condensed Consolidated Statements of Comprehensive Income.

The reconciliation of derivative assets for the six-month period ended September 30, 2024 and 2023 were as follows:

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Balance at beginning of period	22,717	38,104
Gains (losses)	6,129	(7,737)
Other comprehensive income	(888)	1,186
Purchases	-	3,536
Set off	(1,776)	-
Balance at end of period	26,182	35,089
Net change in unrealized gains (losses) still held at end of period	6,129	(7,737)

The reconciliation of derivative liabilities for the six-month period ended September 30, 2024 and 2023 were as follows:

	Mn JPY	
	Six-month period ended September 30, 2024	Six-month period ended September 30, 2023
Balance at beginning of period	7,319	15,711
Gains (losses)	1,044	(1,706)
Other comprehensive income	(679)	1,904
Purchases	268	2,480
Set off	-	-
Balance at end of period	7,952	18,389
Net change in unrealized gains (losses) still held at end of period	1,044	(1,706)

Gains (losses) of above table in relation to the derivative assets and liabilities for the six-month period ended September 30, 2024 and 2023 have been recorded in "Revenue", "Cost" and "Other income (expense) - net" in the Condensed Consolidated Statements of Income. Other comprehensive income has been recorded in "Foreign currency translation adjustments" in the 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 September 30, 2024 and March 31, 2024 were as follows:

September 30, 2024	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.8% ~ 32.0%
Financial assets measured at FVTOCI			
March 31, 2024	Valuation Technique	Principal Unobservable Input	Range
Financial assets measured at FVTPL	Income approach	Discount rate	6.8% ~ 33.0%
Financial assets measured at FVTOCI			

In addition to the above, the price of crude oil is one of the significant unobservable inputs used in measuring the fair value of non-marketable equity securities related to LNG business. The Company forecasts that Brent Crude price will increase from the recent US\$70/bbl to US\$80/bbl in a few years, and remain at after then, considering the recent market price and several third parties' forecasts. Regarding the Russian LNG business, please refer to Note 17 "IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS".

Information about sensitivity to changes in significant unobservable inputs

For recurring fair value measurements of financial assets using the income approach, increases (decreases) in discount rates would result in a lower (higher) fair value. For securities related to LNG business, increase (decrease) in the price of crude oil would result in a higher (lower) fair value.

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

The fair values of financial instruments as of September 30, 2024 and March 31, 2024 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.

	Mn JPY			
	September 30, 2024		March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Other investments measured at amortized cost	12,164	12,297	10,438	10,365
Non-current receivables				
Trade and other receivables (Note 1) and other financial assets (excluding derivative assets) (Note 2)	345,098	345,081	363,485	363,456
Non-current liabilities				
Long-term debt, less current portion (Note 1) and other financial liabilities (excluding derivative liabilities) (Note 2)	3,807,481	3,865,748	3,962,267	4,023,950

Note1: Trade and other receivables include loans receivable. Long-term debts include borrowings and bonds payable. 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 rates and long-term debt with fixed rates are estimated by discounted cash flow analysis, using interest rates currently available for similar types of loans, accounts receivable and borrowings with similar terms and remaining maturities.

Note2: The fair values of Other financial assets and Other financial liabilities (excluding derivative assets and liabilities) approximate their respective carrying amounts.

The Company has presented the other financial assets and the other financial liabilities by excluding the derivative assets and the derivative liabilities measured at fair value.

15. IMPACT OF AMENDMENT TO RETIREMENT BENEFIT SYSTEM

On July 1, 2024, the Company amended part of the defined benefit pension plan into the defined contribution pension plan.

As a result of the partial settlement of the defined benefit pension plan, defined benefit obligation and plan assets decreased by 59,902 million yen and 70,363 million yen, respectively, and 10,461 million yen was recorded as “Selling, general and administrative expenses” in the condensed consolidated statements of income in the six-month period ended September 30, 2024.

In addition, in connection with the partial transition to the defined contribution pension plan, the Company contributed 22,191 million yen to the plan in the six-month period ended September 30, 2024, which was recorded as “Selling, general and administrative expenses” in the condensed consolidated statements of income, and “Other financial liabilities (current)” and “Other financial liabilities (non-current)” in the condensed consolidated financial position in the six-month period ended September 30, 2024. The expenses will be paid in eight-year installments up until the fiscal year ending March 31, 2032 and the cash flow adjustment is included in “Change in retirement benefit liabilities” in the condensed consolidated statements of cash flows.

The expenses related to the amendment are included in the corporate staff unit.

16. IMPACT OF THE SECURITY SITUATION IN NORTHERN MOZAMBIQUE ON LNG PROJECT

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

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

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

17. IMPACT OF THE RUSSIA-UKRAINE SITUATION ON THE RUSSIAN LNG BUSINESS

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

In relation to the investment in Sakhalin II project held by MIT SEL Investment, a subsidiary of the Company that invests in Sakhalin Energy LLC (“SELLC”), while acknowledging the decision on the new LLC member of SELLC confirmed by Order of the Government of the Russian Federation dated March 23, 2024 (No. 701), the situation still remains uncertain due to certain factors such as the relevant LLC members agreement not being signed. Under this situation, the fair value of our investment in the Sakhalin II project is measured using the income approach by expected present value technique and the probability-weighted average considering a scenario where the continuous dividend income is expected from SELLC and other scenarios. As a result, fluctuation of fair value recognized in the current period is immaterial. The outstanding balances of “Other investments” in the condensed consolidated statement of financial position related to this project as of September 30, 2024 and March 31, 2024 were 91,623 million yen and 87,642 million yen, respectively. The fair value may increase or decrease due to further changes in situation hereafter.

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

The balance of financial guarantees as contingent liabilities as of September 30, 2024 and March 31, 2024 were 142,043 million yen and 193,548 million yen, respectively, and the provision for loss on guarantees included in “Other financial liabilities” in the condensed consolidated statement of financial position were 62,787 million yen and 74,238 million yen, respectively. The gains and losses related to changes in the provision for loss on guarantees has been recorded in “Other income (expense)-net” in condensed consolidated statements of income. There is no outstanding balances of investments, loans and other financial assets related to the business as of September 30, 2024. The impact on “Profit for the Period” recognized in the condensed consolidated statements of income for the current period, excluding the gains and losses related to changes in the provision for loss on guarantees, were immaterial.

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

18. SUBSEQUENT EVENTS

Interim Dividend

On November 1, 2024, the Board of Directors approved the payment of cash dividend to shareholders of record on September 30, 2024 of ¥50 per share or a total of ¥147,590 million. In the total amount of dividends, 710 million yen dividends on shares in regard to a share-based compensation plan for employees are included.

19. 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 Tetsuya Shigeta, Representative Director, Senior Executive Managing Officer and CFO, on November 12, 2024.