

# **Mitsui & Co. (U.S.A.), Inc.**

Financial Statements as of and for the  
Years Ended March 31, 2026 and 2025, and  
Independent Auditor's Report



**MITSUI & CO.**

360° business innovation.

# MITSUI & CO. (U.S.A.), INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Mitsui & Co. (U.S.A.), Inc.:

### Opinion

We have audited the financial statements of Mitsui & Co. (U.S.A.), Inc. (the "Company") (an ultimate wholly-owned subsidiary of Mitsui & Co., Ltd.), which comprise the statements of financial position as of March 31, 2026 and 2025, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note 16 to the financial statements, the Company has extensive transactions with Mitsui & Co., Ltd. and its affiliates. Accordingly, the accompanying financial statements may not be indicative of the financial position, the results of its operations, or its cash flows which would have been attained by the Company if it had operated without such affiliations. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern at least, but not limited to, twelve months [one year] from the end of the reporting period, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte & Touche LLP*

May 21, 2026

# MITSUI & CO. (U.S.A.), INC.

## STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2026 AND 2025 (In millions)

	Notes	2026	2025
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents		\$ 104	\$ 259
Short-term loan receivables	5, 16	320	469
Current portion of long-term loan receivables	4, 5, 16	218	1,098
Trade and other receivables	4, 5, 16	418	603
Inventories		137	126
Other current assets		<u>75</u>	<u>59</u>
Total current assets		<u>1,272</u>	<u>2,614</u>
NON-CURRENT ASSETS:			
Investments in subsidiaries and associates	3	1,095	1,067
Other investments	4, 14	157	162
Long-term loan receivables, less current portion	4, 5, 16	1,429	464
Property, plant, and equipment	7	117	127
Deferred tax assets	13	<u>6</u>	<u>14</u>
Total non-current assets		<u>2,804</u>	<u>1,834</u>
TOTAL ASSETS		<u>\$ 4,076</u>	<u>\$ 4,448</u>
<b>LIABILITIES AND EQUITY</b>			
CURRENT LIABILITIES:			
Short-term debt	8, 16	\$ 2,619	\$ 3,071
Current portion of long-term debt and lease liabilities	4, 8, 16	262	13
Trade and other payables	8, 16	332	264
Other current liabilities	13, 16	<u>22</u>	<u>15</u>
Total current liabilities		<u>3,235</u>	<u>3,363</u>
NON-CURRENT LIABILITIES:			
Long-term debt, less current portion	4, 8, 16	5	255
Lease liabilities, less current portion	6	99	110
Retirement benefit liabilities	9	16	31
Other non-current liabilities	13	<u>7</u>	<u>7</u>
Total non-current liabilities		<u>127</u>	<u>403</u>
Total liabilities		<u>3,362</u>	<u>3,766</u>
EQUITY:			
Common stock, no par value-authorized 2,000 shares; issued, fully paid, and outstanding 1,050 shares		350	350
Additional paid-in capital		165	165
Retained earnings		203	177
Accumulated other comprehensive loss	10	<u>(4)</u>	<u>(10)</u>
Total equity		<u>714</u>	<u>682</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 4,076</u>	<u>\$ 4,448</u>

See notes to financial statements.

## MITSUI & CO. (U.S.A.), INC.

### STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2026 AND 2025 (In millions)

	Notes	2026	2025
REVENUE	11, 16	\$ 1,416	\$ 1,522
COST		<u>(1,360)</u>	<u>(1,462)</u>
GROSS PROFIT		<u>56</u>	<u>60</u>
OTHER INCOME (EXPENSE):			
Selling, general, and administrative expenses	6, 7, 12	(158)	(163)
Other income	3, 4, 16	113	88
Other expense	3, 4, 5, 14	<u>(12)</u>	<u>(18)</u>
Total other expenses—net		<u>(57)</u>	<u>(93)</u>
FINANCE INCOME (COST):			
Interest income	4, 16	157	191
Dividend income	4	116	130
Interest expense	4, 6, 16	<u>(183)</u>	<u>(227)</u>
Total finance income—net		<u>90</u>	<u>94</u>
PROFIT BEFORE INCOME TAXES		89	61
INCOME TAX BENEFIT (EXPENSE)	13	<u>(5)</u>	<u>(3)</u>
PROFIT FOR THE YEAR		<u>84</u>	<u>58</u>
OTHER COMPREHENSIVE INCOME (LOSS):			
Items that will not be reclassified to profit or loss:			
Remeasurements of equity instruments	10	5	(3)
Remeasurements of defined benefit plans	9, 10	2	(7)
Income tax relating to items not reclassified to profit or loss	10	<u>(1)</u>	<u>3</u>
Total other comprehensive income (loss)		<u>6</u>	<u>(7)</u>
COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 90</u>	<u>\$ 51</u>

See notes to financial statements.

## MITSUI & CO. (U.S.A.), INC.

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2026 AND 2025 (In millions, except number of shares)

	Notes	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
		Shares	Amounts				
BALANCE—March 31, 2024		1,050	\$ 350	\$ 165	\$ 207	\$ (9)	\$ 713
Profit for the year		-	-	-	58	-	58
Other comprehensive loss for the year	10	-	-	-	-	(7)	(7)
Dividends to owner of the Company		-	-	-	(82)	-	(82)
Transfer to retained earnings	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>6</u>	<u>-</u>
BALANCE—March 31, 2025		1,050	350	165	177	(10)	682
Profit for the year		-	-	-	84	-	84
Other comprehensive income for the year	10	-	-	-	-	6	6
Dividends to owner of the Company		-	-	-	(58)	-	(58)
Transfer to retained earnings	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE—March 31, 2026		<u>1,050</u>	<u>\$ 350</u>	<u>\$ 165</u>	<u>\$ 203</u>	<u>\$ (4)</u>	<u>\$ 714</u>

See notes to financial statements.

# MITSUI & CO. (U.S.A.), INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2026 AND 2025 (In millions)

	2026	2025
OPERATING ACTIVITIES:		
Profit for the year	\$ 84	\$ 58
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation and amortization	15	15
Provision for receivables	-	(1)
Loss (gain) on investments—net	(16)	7
Finance income—net	(90)	(94)
Income tax (benefit) expense	5	3
Changes in operating assets and liabilities:		
Change in trade and other receivables	188	(182)
Change in inventories	(11)	(4)
Change in trade and other payables	68	(74)
Other—net	(18)	(14)
Interest received	156	190
Interest paid	(183)	(231)
Dividends received	116	130
Income taxes paid	<u>(12)</u>	<u>(19)</u>
Net cash provided by (used in) operating activities	<u>302</u>	<u>(216)</u>
INVESTING ACTIVITIES:		
Additional investments in subsidiaries, associates and other	(64)	(12)
Return of capital on investments in subsidiaries, associates and other	21	10
Proceeds from sales of other investments	38	6
Net change in short-term loan receivables	149	(117)
Issuance of long-term loan receivables	(270)	(341)
Collections of long-term loan receivables	186	225
Purchases of property, plant, and equipment	<u>(4)</u>	<u>(2)</u>
Net cash provided by (used in) investing activities	<u>56</u>	<u>(231)</u>
FINANCING ACTIVITIES:		
Net change in short-term debt	(442)	964
Proceeds from long term debt	-	245
Repayments of long-term debt	(2)	(1,067)
Repayments of lease liabilities	(11)	(11)
Dividend paid	<u>(58)</u>	<u>(82)</u>
Net cash provided by (used in) financing activities	<u>(513)</u>	<u>49</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(155)	(398)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>259</u>	<u>657</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 104</u>	<u>\$ 259</u>
SUPPLEMENTAL CASH FLOW INFORMATION—Non-cash investing and financing activities:		
Collection and issuance of loan receivables (Note 16)	<u>\$ 1,000</u>	<u>\$ 4</u>

See notes to financial statements.

# MITSUI & CO. (U.S.A.), INC.

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED MARCH 31, 2026 AND 2025

(In millions, except where otherwise noted)

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### 1. REPORTING ENTITY

Mitsui & Co. (U.S.A.), Inc. (“Mitsui USA” or the “Company”) is a company incorporated in the State of Delaware in the United States. Mitsui USA is a wholly-owned subsidiary of MBK USA Holdings, Inc. (“MUH”), which is a wholly-owned subsidiary of Mitsui & Co., Ltd. (“Mitsui Japan”). Mitsui USA was directly owned by Mitsui Japan until March 31, 2014.

Mitsui USA as well as Mitsui Japan are general trading companies (Sogo Shosha) which engage in business activities such as trading in various commodities, financing for customers and suppliers in relation to such trading activities, and organizing and coordinating industrial projects through its worldwide business networks.

The Company conducts sales, exports, imports, and offshore trades and investments in the areas of Iron & Steel Products, Mineral & Metal Resources, Digital Society & Infrastructure, Mobility, Chemicals, Energy, Foods & Retail, Wellness Business and Corporate Development, while providing general services for retailing, information and communications, technical support, transportation and logistics, and financing.

The Company has significant transactions with Mitsui Japan and its affiliates.

### 2. BASIS OF FINANCIAL STATEMENTS AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

**Statement of Compliance with International Financial Reporting Standards**—The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The Company early adopted IFRS 19, *Subsidiaries without Public Accountability: Disclosures*, effective April 1, 2025, with retrospective application. The standard permits eligible subsidiaries to apply full IFRS recognition and measurement requirements while providing reduced disclosures. The adoption of IFRS 19 affected only the disclosures in the financial statements and had no impact on the Company’s financial position, results of operations, or cash flows.

**Separate Financial Statements**—The financial statements have been prepared in accordance with the International Accounting Standards (“IAS”) 27, *Separate Financial Statements*. The financial statements present information about the Company as an individual entity and do not include accounts of its subsidiaries over which the Company has control. Investments in subsidiaries and associates are accounted for under the cost method. Associates are those over which the Company is able to exercise significant influence. The ultimate parent company of the Company, Mitsui Japan, prepares consolidated financial statements in accordance with IFRS Accounting Standards.

The Company’s financial statements are prepared on the historical cost basis, except for certain financial assets or liabilities that are measured at fair value and retirement benefit liabilities that are measured based on the accounting policies described in later sections. The financial statements are

presented in U.S. dollars, which is the functional currency of the Company. All financial information presented in U.S. dollars has been rounded to the nearest millions, except as otherwise indicated.

**Use of Estimates and Judgments**—The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The judgments based on assumptions and estimates are reviewed on an ongoing basis.

Management has made the following judgments and estimates which have the most significant effect on the amounts recognized in the financial statements:

- Impairment loss on investments in subsidiaries and associates—Note 3
- Revaluation of financial instruments—Notes 4, 5, and 14
- Allowance for receivables—Note 5
- Impairment loss on property, plant, and equipment—Note 7
- Measurement of defined benefit obligations—Note 9
- Recoverability of deferred tax assets—Note 13
- Fair value measurement—Note 14
- Contingent liabilities—Note 15

**Summary of Material Accounting Policies**—The accounting policies described below have been applied consistently to all periods presented in these financial statements.

**Foreign Currency Transactions**—Foreign currency transactions are translated into U.S. dollars using the spot exchange rate at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are remeasured in U.S. dollar amounts using year-end exchange rates and the resulting gains and losses are recognized in earnings. During the years ended March 31, 2026 and 2025, net foreign exchange gain or loss was not material.

**Investments in Subsidiaries and Associates**—The Company prepares separate financial statements and accounts for investments in subsidiaries and associates at cost less impairment.

**Financial Instruments**—A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Company mainly include cash and cash equivalents, trade and other receivables, loan receivables, and debt and equity instruments. Financial liabilities of the Company mainly comprise of notes and loans due to financial institutions and affiliated companies, and trade and other payables.

Financial instruments are recognized in the accompanying statements of financial position when the Company becomes a party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Company commits to the purchase or sale of the asset. Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the market place.

**Cash Equivalents**—Cash equivalents are highly-liquid short-term investments with an original maturity of three months or less that are readily convertible into cash and have no significant risk of change in value. Such cash equivalents include time deposits and commercial paper with original maturities of three months or less.

*Trade and Other Receivables and Loan Receivables*—Trade and other receivables and loan receivables are measured at amortized cost using the effective interest method, less any impairment losses. Impairment losses on receivables are recognized using separate allowance accounts. Gains and losses are recognized in the accompanying statements of comprehensive income when the loans and receivables are derecognized or impaired.

*Allowance for Receivables*—The Company measures allowance for receivables on the basis of expected credit loss (“ECL”), which is a probability-weighted estimate of credit losses. The Company measures the loss allowance at an amount equal to 12-month expected credit losses if the credit risk on a financial asset has not increased significantly since initial recognition, and measures the loss allowance at an amount equal to lifetime expected credit losses if the credit risk on a financial asset has increased significantly since initial recognition for financial assets that are measured at amortized costs. For trade receivables, the Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance without assessing whether the credit risk on a trade receivable has increased significantly since initial recognition.

When determining significant increases in the credit risk and measuring expected credit losses, the Company evaluates reasonable and available forward-looking information, as well as internal information such as historical credit loss experience, past due information and internal credit ratings. In addition, the Company determines that the credit risk on a financial asset has increased significantly since initial recognition in principal when contractual payments are more than 30 days past due.

See Note 5 for further analysis of allowance for receivables.

*Write-Off of Financial Assets*—A financial asset and the related loss allowance are either partially or fully written off when it is reasonably determined that all or part of a financial asset is not collectable. Financial assets that are written off are not subject to enforcement activity.

*Debt Instruments*—Debt instruments are measured at amortized cost if they meet the following two criteria. They are held for the purpose of collecting contractual cash flows and have contractual terms which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Amortized cost is calculated by using the effective interest rate method. Interest income from debt instruments is included in interest income.

*Equity Instruments*—Equity instruments (except for investments in subsidiaries and associates) are measured at fair value through profit or loss (“FVTPL”). Net gains or net losses on FVTPL items include dividend income. For certain equity instruments held primarily for the purpose of enhancing the revenue base by maintaining or strengthening the trade relationship with the investees, the Company elects, at initial recognition, to designate these instruments at fair value through other comprehensive income (“FVTOCI”). When equity instruments measured at FVTOCI are derecognized, the accumulated other comprehensive income (loss) is directly transferred to retained earnings without being recognized in profit or loss. Dividend income received on those measured at FVTOCI is recognized in profit or loss.

*Finance Income and Cost*—Finance income and cost include interest income, interest expense, and dividend income. Interest income and interest expense are recognized using the effective interest method. Dividend income is recognized on the date the Company’s right to receive the dividends vests.

*Trade and Other Payable and Debt*—Trade and other payables and debt are measured at amortized cost.

*Offsetting Financial Assets and Financial Liabilities*—Financial assets and financial liabilities are offset and the net amount is presented in the accompanying statements of financial position when, and only when, the Company currently has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Lease**—At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

- i. *As a Lessee*—The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise of fixed payments, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

*Short-Term Leases and Leases of Low-Value Assets*—As is permitted under IFRS 16, the Company elected to expense its short-term leases (term of 12 months or less) and leases of low-value assets on a straight-line basis over the lease term.

- ii. *As a Lessor*—When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as other income on a straight-line basis over the lease term.

**Property, Plant, and Equipment**—Property, plant, and equipment are recorded at cost. Depreciation of property, plant, and equipment is provided over the estimated useful lives (ranging from 2 to 33 years) of such assets using the straight-line method. Leasehold improvements are amortized using the straight-line method over the lesser of the useful life of the improvement or the remaining term of the underlying lease. Significant renewals and additions are capitalized at cost. Expenditures for improvements and betterments of operating rental properties are capitalized. Maintenance, repairs, and minor renewals and betterments are charged to expense as incurred.

**Impairment of Non-Financial Assets and Investments in Subsidiaries and Associates**—The Company periodically performs analyses to determine whether there is any indication of impairment of non-financial assets and investments in subsidiaries and associates. If any such indication exists, the recoverable amounts of the non-financial assets and the investments are estimated, and impairment loss is recognized in profit or loss when the carrying amount of an asset or cash-generating unit (“CGU”) exceeds its recoverable amount. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. Previously recognized impairment loss is reversed and included in other income only if there has been a change in the assumptions used to determine the recoverable amount.

**Inventories**—Inventories, consisting of commodities and materials for sale, are measured at the lower of cost or net realizable value. The costs of inventory of items that are not ordinarily interchangeable are assigned by using specific identification of their individual costs. For those items which are interchangeable, the costs are mainly assigned by using the weighted average cost formula.

The cost of inventories recognized as an expense in respect of continuing operations was \$1,282 and \$1,409 during the years ended March 31, 2026 and 2025, respectively.

**Revenue Recognition**—In accordance with IFRS 15, *Revenue from Contracts with Customers*, revenue from contracts with customers is recognized at the timing of the satisfaction of the performance obligations, based on the 5-step approach:

1. Identifying the contract with a customer,
2. Identifying the performance obligations of the contract,
3. Determining the transaction price,
4. Allocating the transaction price to performance obligations in the contract and
5. Recognizing the revenue when the entity satisfied a performance obligation.

Upon the identification of the performance obligations of the contract, the Company determines whether the Company is a principal or an agent in the transactions. If the nature of its promise is a performance obligation to provide specified goods or services as a principal, revenue is recognized in gross amounts. If the nature of its promise is a performance obligation as an agent to arrange goods or services provided by another party, revenue is recognized at the amount of any fees or net of sales and purchase prices.

The Company satisfies a performance obligation and recognizes revenue for all of its transactions at a point in time when control of the goods passes to the customers. This can be at the time of dispatch, delivery, or upon customer acceptance, depending on individual customer terms for domestic transactions, or determined by incoterms for international transactions. Invoices are generated at that point in time and are usually due within 30 or 60 days. No discounts or returns are normally offered in the Company’s contracts with customers.

Revenue also includes other revenue that is not accounted for in accordance with IFRS15, but is earned and accounted for under IFRS 9 – *Financial Instruments* (“IFRS 9”).

**Employee Benefits**—The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognized immediately as part of the current service cost. When a plan amendment, settlement (eliminating all obligations for benefits already accrued), or a curtailment (reducing future obligations as a result of a significant reduction in the plan membership or a reduction in future entitlement) occurs, the obligations and related plan assets are remeasured using current actuarial assumptions and the resulting gain or loss is recognized in earnings during the period in which the plan amendment, settlement, or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of plan obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligations, taking into account material changes in the obligations during the year. The expected return on plan assets is based on a long-term market return assumption that is automatically set equal to the discount rate used to value the benefit obligations, and then adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. All components of net pension cost are presented as a single net amount and included in selling, general, and administrative expenses in the accompanying statements of comprehensive income. The remeasurements of defined benefit plans are recognized in other comprehensive income (loss) and are transferred immediately to retained earnings.

Retirement benefit liabilities in the accompanying statements of financial position comprise the total of the present value of the defined benefit obligations, less the fair value of plan assets out of which the obligations are to be settled directly.

The Company and certain participating affiliated companies share the costs of the defined benefit pension plan. See Note 9 for further discussion.

The Company also has defined contribution plans. Payments to defined contribution plans are recognized as an expense when employees have rendered service.

**Income Taxes**—The Company records income taxes based on IAS 12, *Income Taxes*.

Income taxes comprise current taxes and deferred taxes. Income tax expense is calculated based on profit before income taxes. Deferred income taxes reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and their tax bases, tax loss carryforwards, and tax credit carryforwards. These deferred income taxes are measured using the currently enacted or substantively enacted tax rates in effect for the year in which the temporary differences, tax loss carryforwards, or tax credit carryforwards are expected to reverse.

Deferred tax assets are recognized only with respect to unused tax losses, unused tax credits, and deductible temporary differences where it is probable to reduce future taxable income. The recoverability of deferred tax assets is reviewed at the end of each period and the Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax liabilities arising from taxable temporary differences concerning investments in subsidiaries and associates are recognized unless the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

From April 1, 2014, the Company joined the MUH federal consolidated tax group, and the Company's operations are included in the consolidated federal income tax return of MUH. The Company records its current and deferred income tax provision as if it were a separate taxable entity, with a modification stated as follows starting from the year ended March 31, 2024: MUH has changed its policy and the Company calculated the combined state tax liability as a certain percentage of federal taxable income before net operation loss utilization. The impact of this policy change is immaterial for the year ended March 31, 2025 and 2026.

The Company recognizes uncertain tax positions in income taxes in the financial statements when it is probable that an economic outflow would occur if the tax positions were examined and challenged by tax authorities.

**Provisions**—Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that outflows of resources embodying economic benefits will be required to settle the obligation, and the reliable estimates of the amount of the obligation can be made. Provisions are measured as the best estimate of the amount of expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

**Financial Guarantees**—A financial guarantee contract is a contract that requires the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognized at fair value and are subsequently measured at the greater of the best estimate of the likely outflow and the amount initially recognized less, where appropriate, cumulative amortization.

**Reclassifications**—Reclassifications have been made to amounts presented in the prior year's financial statements to conform them to the current year's presentation.

**New Accounting Standards**—The Company adopted *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1, Presentation of Financial Statements)* on April 1, 2024, providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. These amendments had no impact on the financial statements of the Company.

In May 2024, the IASB issued *Amendments to the Classification and Measurement to Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments aim to address certain accounting practices and enhance the clarity and consistency of the requirements. These amendments are effective for the Company from the fiscal year beginning April 1, 2026. The Company is currently evaluating the impact of adoption of these amendments on its financial statements.

In July 2024, the IASB issued *Annual Improvement IFRS Accounting Standards—Volume 11* to clarify and enhance the consistency of the standards. These amendments are effective for the Company from the

fiscal year beginning April 1, 2026. The Company is currently evaluating the impact of adoption of these amendments on its financial statements.

In April 2024, the IASB issued *IFRS 18, Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. The standard introduces new requirements aimed at improving the comparability and transparency of financial performance reporting, particularly within the statement of profit or loss. This standard is effective for the Company from the fiscal year beginning April 1, 2027 with earlier application permitted. The Company is currently evaluating the impact of adoption of this standard on its financial statements.

### 3. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Company prepares separate financial statements and records investments in subsidiaries and associates at cost less impairment. The changes in the investments in subsidiaries and associates for the years ended March 31, 2026 and 2025 consisted of the following:

	Investments in Subsidiaries	Investments in Associates	Total
Balance—April 1, 2024	\$ 473	\$ 599	\$ 1,072
Additions	7	1	8
Return of capital	-	-	-
Disposals	-	(4)	(4)
Impairment	-	(9)	(9)
	<u>          </u>	<u>          </u>	<u>          </u>
Balance—March 31, 2025	480	587	1,067
Additions	60	1	61
Return of capital	(1)	(16)	(17)
Disposals	-	(12)	(12)
Impairment	(7)	3	(4)
	<u>          </u>	<u>          </u>	<u>          </u>
Balance—March 31, 2026	<u>\$ 532</u>	<u>\$ 563</u>	<u>\$ 1,095</u>

Significant transactions during the year ended March 31, 2026 are summarized below. There were no individually significant transactions during the year ended March 31, 2025.

**Additions**—Additions to investments in subsidiaries during the year ended March 31, 2026 represent capital contributions of Mitsui de Mexico, S. de R.L. de. C.V. in the amount of \$60.

**Return of capital**—Return of capital in investments in associates during the year ended March 31, 2026 represent the liquidation distribution from dissolution of AWC Investment, Inc. in the amount of \$16.

**Disposals**—Disposals in investments in associates during the year ended March 31, 2026 included the sale of Android Industries, LLC to a third party for a selling price of approximately \$22.

**Impairments**—During the year ended March 31, 2026, the Company recorded an impairment loss on its investment in Shiko Beauty Inc, a subsidiary, for \$7. During the year ended March 31, 2025, the Company recorded an impairment loss on its investment in Capitala Investment Advisors, LLC, an associated, for \$9. The impairment loss was included in other expense in the accompanying statement of comprehensive income for the years ended March 31, 2026 and 2025.

The fair value of the investments was estimated using the discounted cash flow method and categorized as Level 3 in the fair value hierarchy. The significant unobservable inputs used for these fair value measurements were the discount rate and projected cash flows. See Note 14 regarding the fair value hierarchy.

#### 4. FINANCIAL INSTRUMENTS AND RELATED MATTERS

**Trade and Other Receivables**—Trade and other receivables as of March 31, 2026 and 2025 consisted of the following:

	2026	2025
Current—trade and other receivables:		
Unrelated parties	\$ 285	\$ 193
Parent and affiliates	133	410
Allowance for receivables	<u>-</u>	<u>-</u>
Total	<u>\$ 418</u>	<u>\$ 603</u>

**Other Investments**—The carrying amounts of other investments as of March 31, 2026 and 2025 were as follows:

	2026	2025
Equity instruments measured at FVTPL	\$ 87	\$ 93
Debt instruments measured at FVTPL	-	-
Equity instruments measured at FVTOCI	20	19
Other investments	<u>50</u>	<u>50</u>
Total	<u>\$ 157</u>	<u>\$ 162</u>

\* Other investments represent certain rights to purchase copper cathodes from a third party under agreements.

**Equity Instruments Measured at FVTPL**—The fair value of equity instruments measured at FVTPL as of March 31, 2026 and 2025 were as follows:

	2026	2025
Publicly listed securities	\$ -	\$ -
Unlisted securities	<u>87</u>	<u>93</u>
Total	<u>\$ 87</u>	<u>\$ 93</u>

There were no individually significant equity instruments measured at FVTPL as of March 31, 2026 and 2025.

**Gains (Losses) on Equity Instruments Measured at FVTPL**—The Company recorded a net gain of \$10 and \$4 on sales and valuation of equity instruments measured at FVTPL for the years ended March 31, 2026 and 2025, respectively. Net gain and loss on equity instruments measured at FVTPL are included in other income (expense) in the accompanying statements of comprehensive income for the years ended March 31, 2026 and 2025.

**Equity Instruments Measured at FVTOCI**—The fair value of equity instruments measured at FVTOCI as of March 31, 2026 and 2025 were as follows:

	<b>2026</b>	<b>2025</b>
Publicly listed securities	\$ 3	\$ 1
Unlisted securities	<u>17</u>	<u>18</u>
Total	<u>\$ 20</u>	<u>\$ 19</u>

There were no individually significant equity instruments measured at FVTOCI as of March 31, 2026 and 2025.

**Derecognized Equity Instruments Measured at FVTOCI**—During the years ended March 31, 2026 and 2025, the Company disposed of certain equity instruments measured at FVTOCI because it determined such equity instruments no longer met the Company’s business strategies. The fair value at the date of derecognition and cumulative gains on disposal—net related to the equity instruments were as follows:

	<b>2026</b>	<b>2025</b>
Fair value of the equity instruments at the date of derecognition	\$ 4	\$ -
Cumulative gains on disposition—net	3	-

The Company received no dividends from the disposed equity instruments measured at FVTOCI during the years ended March 31, 2026 and 2025.

**Finance Income and Cost**—The finance income and finance cost for the years ended March 31, 2026 and 2025 were as follows:

	<b>2026</b>	<b>2025</b>
Interest income—amortized cost	\$ 157	\$ 191
Dividend income—subsidiaries and associates	116	130
Interest expense—amortized cost	(183)	(227)

**Fair Value of Long-Term Loan Receivables and Long-Term Debt**—The carrying amounts of long-term loan receivables and long-term debt with floating rates approximate their respective fair value. The fair value of long-term loan receivables and long-term debt with fixed rates is estimated by discounted cash flow analysis, using interest rates currently available for similar types of loan receivables and debt with similar terms and remaining maturities. These amounts are classified as Level 2 in the fair value hierarchy.

The carrying amounts and fair value of long-term loan receivables and long-term debt as of March 31, 2026 and 2025 were as follows:

	<b>2026</b>		<b>2025</b>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
Long-term loan receivables, including current portion	\$ 1,647	\$ 1,647	\$ 1,562	\$ 1,562
Long-term debt, including current portion	255	254	257	255

## Financial Risk Management—

- (1) **Credit Risk**—Credit risk is the risk of loss resulting from counterparty default arising on all credit exposures. The Company’s credit risk is primarily attributable to its trade and loan receivables. The Company manages its credit risk by having and applying a strict credit approval process, with different levels of management having a varying credit approval limit. The Company has an established credit department which controls and monitors credit. Each counterparty is appraised annually and the credit limit and company rating are updated, if appropriate. In addition, certain counterparties are covered by credit insurance policies. See Note 5 for further analysis of allowance for receivables.

The credit risk on liquid funds is limited because the counterparties are financial institutions and other parties with high credit ratings assigned by international credit rating agencies and other counterparties which have to pass through a credit approval process before credit lines are approved.

There was no significant concentration of trade receivables at March 31, 2026 and 2025.

The carrying amounts of financial assets recorded in the financial statements, net of any allowances for losses, and the financial guarantees represent the Company’s maximum exposure to credit risk.

- (2) **Liquidity Risk**—Liquidity risk is the risk that the Company will be unable to meet its obligations as they become due because of insufficient financial resources. The Company manages liquidity risk by maintaining adequate reserves and banking facilities and continually monitoring forecasts and actual cash flows by the use of the cash management arrangement utilized by various affiliated companies.

In its funding strategy, the Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings from third-party financial institutions and an affiliated company which specializes in financing services. See Note 8 for liquidity risk analysis for each class of financial liabilities and Notes 8 and 16 for information on lines of credit.

## 5. RECEIVABLES AND RELATED ALLOWANCES

The Company measures allowance for receivables on the basis of ECL in accordance with IFRS 9. For trade receivables, the Company measures the allowance at the amount of lifetime ECL. For other receivables and loans, the Company measures the allowance according to a three-stage ECL impairment model:

- **Performing Financial Assets**

- Stage 1—If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for that asset at an amount equal to 12-month expected credit losses.
- Stage 2—If the credit risk on a financial asset has increased significantly since initial recognition, the Company measures the loss allowance for that loan at an amount equal to lifetime expected credit losses.

- **Impaired Financial Assets**

- Stage 3—The Company measures the loss allowance for credit-impaired financial asset at an amount equal to lifetime expected credit losses. The Company determines that default has occurred and therefore objective evidence of credit impairment exists when a debtor is under legal reorganization and in financial failure or has granted a concession due to financial difficulty, although it may not yet be in financial failure, or the principal and interest payment are 90 days past due as of the reporting date.

An analysis of receivables as of March 31, 2026 and 2025 were as follows:

	<b>2026</b>	<b>2025</b>
Loan receivables—performing	<u>\$1,967</u>	<u>\$2,031</u>
Trade receivables:		
Less than 30 days past due (including not past due)	\$ 392	\$ 578
30 to 89 days past due	2	1
90 days or more past due	-	-
Other receivables	<u>24</u>	<u>24</u>
Total	<u>\$ 418</u>	<u>\$ 603</u>

**Changes in Allowance for Receivables**—The analysis of the changes in allowance for receivables, all of which are provided for trade receivables, for the years ended March 31, 2026 and 2025 is as follows:

	<b>2026</b>	<b>2025</b>
Balance at April 1,	\$ -	\$ 1
Provision for receivables	<u>\$ -</u>	<u>(1)</u>
Balance at March 31,	<u>\$ -</u>	<u>\$ -</u>

All of loans and other receivables are categorized in Stage 1 and were provided with no allowance for receivables at March 31, 2026 and 2025.

**Impaired Receivables**—All of the loan receivables are classified as performing and there were no impaired loan receivables at March 31, 2026 and 2025. In addition, there were no past due or non-accrual loan receivables at March 31, 2026 and 2025.

## 6. LEASES

The Company mainly leases real estate, rolling stock, and storage tanks. Certain storage tanks under leases are subleased to third parties and certain office spaces are subleased to affiliated companies and third parties. Most of the leases include renewal or early termination options and most leases of office space include escalation clauses.

The changes in recognition of cost, accumulated depreciation, and the carrying amount of right-of-use assets during the years ended March 31, 2026 and 2025 are as follows:

**Cost —**

	<b>Buildings</b>	<b>Equipment and Fixtures</b>	<b>Total</b>
Balance at April 1, 2024	\$ 160	\$ -	\$ 160
Additions	12	-	12
Dispositions	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	172	-	172
Additions	1	-	1
Dispositions	<u>(4)</u>	<u>-</u>	<u>(4)</u>
Balance at March 31, 2026	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 169</u>

**Accumulated Depreciation —**

	<b>Buildings</b>	<b>Equipment and Fixtures</b>	<b>Total</b>
Balance at April 1, 2024	\$ 66	\$ -	\$ 66
Depreciation expense	11	-	11
Dispositions	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	77	-	77
Depreciation expense	11	-	11
Dispositions	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Balance at March 31, 2026	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 85</u>

**Carrying Amount —**

	<b>Buildings</b>	<b>Equipment and Fixtures</b>	<b>Total</b>
Balance at March 31, 2025	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 95</u>
Balance at March 31, 2026	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 84</u>

The following is a schedule of contractual maturities of lease liabilities, including interest, as of March 31, 2026 and 2025:

	<b>2026</b>	<b>2025</b>
Contractual cash flows:		
Not later than 1 year	\$ 16	\$ 15
Later than 1 year and not later than 5 years	55	57
Later than 5 years	<u>62</u>	<u>74</u>
Total	133	146
Interest payments	<u>(21)</u>	<u>(26)</u>
Lease liabilities	<u>\$ 112</u>	<u>\$ 120</u>

The following is schedules of future minimum sublease payments to be received under noncancellable operating leases as of March 31, 2026 and 2025:

	<b>2026</b>	<b>2025</b>
Not later than 1 year	\$ 3	\$ 3
1 to 2 years	3	3
2 to 3 years	2	3
3 to 4 years	1	2
4 to 5 years	1	1
Later than 5 years	<u>-</u>	<u>1</u>
Total	<u>\$ 10</u>	<u>\$ 13</u>

The following is a schedule of amounts recognized in profit or loss during the years ended March 31, 2026 and 2025:

	<b>2026</b>	<b>2025</b>
Interest on lease liabilities	\$ (4)	\$ (5)
Income from sub-leasing right-of-use assets	3	3
Expenses relating to short-term leases	(3)	(4)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-

The total cash outflow for leases recognized in the statement of cash flows during the years ended March 31, 2026 and 2025 were \$19 and \$20, respectively.

## 7. PROPERTY, PLANT, AND EQUIPMENT

The changes in acquisition cost, accumulated depreciation, and the carrying amount of property, plant, and equipment for the years ended March 31, 2026 and 2025 were as follows:

### Acquisition Cost —

	Land and Buildings	Equipment and Fixtures	Construction in Progress	Software	Total
Balance at March 31, 2024	\$ 208	\$ 10	\$ 1	\$ 7	\$ 226
Additions	12	-	2	-	14
Disposals	-	-	-	-	-
Reclassification	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	220	10	3	7	240
Additions	1	-	2	1	4
Disposals	(5)	-	-	(7)	(12)
Reclassification	<u>1</u>	<u>-</u>	<u>(3)</u>	<u>2</u>	<u>-</u>
Balance at March 31, 2026	<u>\$ 217</u>	<u>\$ 10</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ 232</u>

### Accumulated Depreciation —

	Land and Buildings	Equipment and Fixtures	Construction in Progress	Software	Total
Balance at March 31, 2024	\$ 84	\$ 7	\$ -	\$ 7	\$ 98
Depreciation/ amortization expense	13	1	-	-	14
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	97	8	-	7	112
Depreciation/ amortization expense	14	1	-	-	15
Disposals	<u>(5)</u>	<u>(1)</u>	<u>-</u>	<u>(6)</u>	<u>(12)</u>
Balance at March 31, 2026	<u>\$ 106</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 115</u>

### Carrying Amount —

	Land and Buildings	Equipment and Fixtures	Construction in Progress	Software	Total
Balance at March 31, 2025	<u>\$ 123</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 128</u>
Balance at March 31, 2026	<u>\$ 111</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 117</u>

Depreciation and amortization expense of \$15 is included in selling, general, and administrative expenses in the accompanying statements of comprehensive income for the years ended March 31, 2026 and 2025, respectively.

## 8. FINANCIAL LIABILITIES

**Short-Term Debt**—Short-term debts as of March 31, 2026 and 2025 consisted of the following:

	2026		2025	
	Interest Rate		Interest Rate	
Parent and affiliates	<u>\$ 2,619</u>	4.35 %	<u>\$ 3,071</u>	5.05 %

The interest rates represent weighted-average rates in effect as of March 31, 2026 and 2025.

At March 31, 2026 and 2025, unused lines of credit for short-term financing from third-party financial institutions were \$1,095 and \$695, respectively.

**Long-Term Debt**—Long-term debts as of March 31, 2026 and 2025 consisted of the following:

	2026		2025	
	Interest Rate		Interest Rate	
Affiliates	\$ 255	2.56% to 5.08%	\$ 257	2.56% to 5.08%
Less current portion	<u>(250)</u>		<u>(2)</u>	
Long-term debt, less current portion	<u>\$ 5</u>		<u>\$ 255</u>	

**Trade and Other Payables**—Trade and other payables as of March 31, 2026 and 2025 were measured at amortized cost and consisted of the following:

	2026	2025
Current:		
Trade and other payables:		
Trade creditors	\$ 165	\$ 140
Parent and affiliates	152	108
Accrued expenses	<u>15</u>	<u>16</u>
Total	<u>\$ 332</u>	<u>\$ 264</u>

**Liquidity Risk Analysis**—The contractual maturities of financial liabilities as of March 31, 2026 and 2025 were as follows:

	2026		Total
	Not Later than 1 year	Later than 1 year and Not Later than 5 years	
Short-term debt	\$ 2,619	\$ -	\$ 2,619
Trade and other payables	332	-	332
Long-term debt (including current portion)	250	5	255
	2025		
	Not Later than 1 year	Later than 1 year and Not Later than 5 years	Total
Short-term debt	\$ 3,071	\$ -	\$ 3,071
Trade and other payables	264	-	264
Long-term debt (including current portion)	2	255	257

## 9. EMPLOYEE BENEFITS

The Company sponsors a non-contributory defined benefit pension plan covering employees with a vested benefit (except Japanese nationals assigned in the United States by Mitsui Japan) of the Company and certain affiliated companies (collectively, “Group Companies”). The pension plan is classified as a defined benefit plan that shares risks between entities under common control in accordance with IAS 19, *Employee Benefits*. The Company amended the pension plan, effective January 1, 2007, to freeze participation in the pension plan. The Plan is governed by the Mitsui & Co. (U.S.A.), Inc. Pension Committee (the Committee). The Committee, which is comprised of employees of the Company, is mainly responsible for establishing overall objectives, creating an investment policy and other administrative matters that fall under its fiduciary responsibilities.

In addition to providing pension benefits, the Company provided certain healthcare benefits for retired employees.

**Changes in Defined Benefit Obligations and Plan Assets**—The following table sets forth the changes in the Company’s defined benefit obligations and plan assets for the years ended March 31, 2026:

	<u>Pension Plan</u>	<u>Post-Retirement Welfare Plan</u>
	2026	2026
Change in defined benefit obligations:		
Defined benefit obligations at beginning of year	\$ 105	\$ 30
Service cost	2	1
Interest expense	5	1
Actuarial loss	-	1
Benefits paid	(8)	(1)
Plan amendments and curtailments	<u>1</u>	<u>(16)</u>
Defined benefit obligations at end of year	<u>105</u>	<u>16</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	104	-
Interest income	6	-
Return on plan assets (excluding interest income)	1	-
Contributions	6	1
Benefits paid	<u>(8)</u>	<u>(1)</u>
Fair value of plan assets at end of year	<u>109</u>	<u>-</u>
Net defined benefit liabilities at end of year	<u>\$ (4)</u>	<u>\$ 16</u>

**Components of Net Defined Benefit Costs**—Net defined benefit costs of the Company’s defined benefit plans for the years ended March 31, 2026 and 2025 included the following components:

	<u>Pension Plan</u>		<u>Post-Retirement Welfare Plan</u>	
	2026	2025	2026	2025
Service cost	\$ 2	\$ 2	\$ 1	\$ 1
Interest expense	5	5	1	1
Interest income	(6)	(5)	-	-
Plan amendments	1	-	(16)	-
Others	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net defined benefit costs	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ (14)</u>	<u>\$ 2</u>

**Information about Shared Risks under Common Control**—There is no contractual agreement or stated policy for charging to individual Group Companies the net defined benefit costs for the pension plan as a whole measured in accordance with IAS 19. For the years ended March 31, 2026 and 2025, contributions and plan expenses are shared among the participating Group Companies based on their respective headcount. During the years ended March 31, 2026 and 2025, the Company received from Group Companies \$1 for their share of the contributions to the pension plan. The Company recorded such contributions received from Group Companies as a reduction of net defined benefit costs.

**Assumptions**—The weighted-average assumptions used to determine the Company’s defined benefit obligations as of March 31, 2026 and 2025 were as follows:

	<b>2026</b>	<b>2025</b>
Discount rates:		
Pension plan	5.6 %	5.4 %
Post-retirement welfare plan	5.6	5.5

The rate of increase in future compensation levels was graded in determining the defined benefit obligation of the pension plan for the years ended March 31, 2026 and 2025. The rate of increase in future compensation levels was not applied in determining the defined benefit obligation of the post-retirement welfare plan, because the benefit formula of the post-retirement welfare plan does not contain factors relating to compensation levels.

**Plan Assets**—The fair value of the pension plan assets as of March 31, 2026 and 2025 by asset class was as follows:

	<b>2026</b>	<b>2025</b>
Equity instruments	\$ 14	\$ 22
Debt securities	89	76
Life insurance company general accounts	<u>6</u>	<u>6</u>
Total	<u>\$109</u>	<u>\$104</u>

**Contributions**—The Company does not expect to contribute to the pension plan and expects to contribute \$1 to the post-retirement welfare plan for the year ending March 31, 2027. The funding of the pension plan is through a combination of contributions received from the employer and investment income generated by the pension plan’s investments. The funding level is designed to comply with requirements of the Employee Retirement Income Security Act of 1974, the 21st Century Act and the Highway and Transportation Funding Act of 2014, the Pension Protection Act of 2006, and the Internal Revenue Code. These requirements include minimum funding levels. The Company creates and implements the funding policy and monitors the funding level with the assistance of the pension plan’s enrolled actuary and investment consultant.

In addition to the above defined pension plan and post-retirement welfare plan, Mitsui USA has a defined contribution plan. The defined contribution plan expense was \$2 and \$1 for the years ended March 31, 2026 and 2025, respectively.

## 10. ACCUMULATED OTHER COMPREHENSIVE LOSS

Changes in accumulated other comprehensive loss for the years ended March 31, 2026 and 2025 were as follows:

	2026	2025
Remeasurements of equity instruments:		
Balance at beginning of year	\$(10)	\$ (9)
(Decrease) increase during the year	4	(2)
Transfer to retained earnings	<u>2</u>	<u>1</u>
Balance at end of year	<u>\$ (4)</u>	<u>\$ (10)</u>
Remeasurements of defined benefit plans:		
Balance at beginning of year	\$ -	\$ -
(Decrease) increase during the year	2	(5)
Transfer to retained earnings	<u>(2)</u>	<u>5</u>
Balance at end of year	<u>\$ -</u>	<u>\$ -</u>
Total:		
Balance at beginning of year	\$(10)	\$ (9)
(Decrease) increase during the year	6	(7)
Transfer to retained earnings	<u>-</u>	<u>6</u>
Balance at end of year	<u>\$ (4)</u>	<u>\$ (10)</u>

Each component of other comprehensive (loss) income and related tax expense for the years ended March 31, 2026 and 2025 was as follows:

	2026			2025		
	Pre-Tax	Tax Effect	Net	Pre-Tax	Tax Effect	Net
Items that will not be reclassified to profit or loss:						
Remeasurements of equity instruments	\$ 5	\$(1)	\$ 4	\$ (3)	\$ 1	\$ (2)
Remeasurements of defined benefit plans	<u>2</u>	<u>-</u>	<u>2</u>	<u>(7)</u>	<u>2</u>	<u>(5)</u>
Total	<u>\$ 7</u>	<u>\$(1)</u>	<u>\$ 6</u>	<u>\$ (10)</u>	<u>\$ 3</u>	<u>\$ (7)</u>

## 11. REVENUE

The Company generates revenue, primarily from the sale of various products including metals, chemicals, foods, and general consumer merchandise. Revenue is disaggregated by the nature of contract arrangements, such as revenue from contracts with customers that are accounted for under IFRS 15, whereby the Company is acting as a principal or as an agent in the transactions, or other

revenue that is accounted for under IFRS 9. All revenue is recognized when goods and services are transferred to customers at a point in time.

	<b>2026</b>	<b>2025</b>
Revenues from contracts with customers:		
As principal	\$ 1,128	\$ 1,321
As agent	12	9
Other	<u>276</u>	<u>192</u>
Total	<u>\$ 1,416</u>	<u>\$ 1,522</u>

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

	<b>2026</b>	<b>2025</b>
Receivables, included in trade and other receivables	\$ 418	\$ 603
Contract assets	-	-
Contract liabilities—included in other current liabilities	(1)	(3)

The contract liabilities relate to advance payments received from customers for goods which are scheduled to be delivered in the subsequent year. The Company's performance obligations related to advance payments received from customers were not material at March 31, 2026 and 2025.

The majority of the Company's revenue is derived from contracts with an original expected duration of one year or less and contracts for which it recognizes revenue at the amount in which it has the right to invoice as goods are delivered. The Company has elected the practical expedient not to disclose the value of remaining performance obligations associated with these types of contracts.

No assets were recognized from the costs to obtain or fulfill a contract with a customer as of March 31, 2026 and 2025.

## **12. SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES**

Selling, general, and administrative expenses for the years ended March 31, 2026 and 2025 consisted of the following:

	<b>2026</b>	<b>2025</b>
Personnel expenses	\$ 88	\$ 96
Professional service expenses	19	18
Depreciation expenses	15	14
Other	<u>36</u>	<u>35</u>
Total	<u>\$ 158</u>	<u>\$ 163</u>

### 13. INCOME TAXES

Income tax (benefit) expense recognized for the years ended March 31, 2026 and 2025 was as follows:

	2026	2025
Current:		
Federal	\$ 1	\$ 1
State and local	<u>(3)</u>	<u>4</u>
Total current	(2)	5
Deferred	<u>7</u>	<u>(2)</u>
Total	<u>\$ 5</u>	<u>\$ 3</u>

A reconciliation of the statutory U.S. federal income tax rate to the Company's effective tax rate for the years ended March 31, 2026 and 2025 is as follows:

	2026	2025
Statutory U.S. federal tax rate	21.0 %	21.0 %
Increase (decrease) in tax rate resulting from:		
State income taxes, net of federal benefit	(2.5)	8.2
Non-deductible expenses	1.2	3.1
Dividend received deduction	(25.8)	(46.8)
Return to provision true-up	0.2	5.3
Investment basis difference	10.0	11.5
Others—net	<u>1.1</u>	<u>2.2</u>
Effective income tax rate	<u>5.2 %</u>	<u>4.5 %</u>

The tax effects of significant temporary differences and carryforwards which resulted in deferred tax assets and liabilities as of March 31, 2026 and 2025 were as follows:

	2026		2025	
	Assets	Liabilities	Assets	Liabilities
Property, plant & equipment	\$ -	\$ (15)	\$ -	\$ (14)
Right-of-use assets	-	(20)	-	(22)
Inventory	1	-	1	-
Investments	-	(35)	-	(26)
Tax attributes carried forward	45	-	39	-
Lease liabilities	26	-	28	-
Employee benefits	3	-	7	-
Provisions	4	-	4	-
Liability for uncertain tax positions	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Total	<u>\$ 79</u>	<u>\$ (73)</u>	<u>\$ 79</u>	<u>\$ (65)</u>

Beginning with the fiscal year ended March 31, 2015, the Company has been included in MUH's consolidated federal income tax return. Prior to that, through the fiscal year ended March 31, 2014, the Company filed consolidated federal income tax returns as part of the Mitsui USA consolidated tax group. As of March 31, 2026 and 2025, the Company had federal net operating loss carryforwards of \$200 and \$179, respectively. These carryforwards are set to expire between the years ending March 31,

2031 and 2038, except for portions that do not expire. The Company recognized deferred tax assets of \$42 and \$38 related to these federal net operating loss carryforwards as of March 31, 2026 and 2025, respectively, based on the expectation that these tax benefits will be utilized in the foreseeable future.

The Company files certain state tax returns on a stand-alone basis. As of March 31, 2026 and 2025, the Company had state net operating loss carryforwards of \$43 and \$30, respectively. These carryforwards are set to expire primarily between the years ending March 31, 2027 and 2046, except for portions that do not expire. The Company recognized deferred tax assets of \$2 and \$1 related to these state net operating loss carryforwards as of March 31, 2026 and 2025, respectively, based on the expectation that these tax benefits will be utilized in the foreseeable future.

The Company also had foreign tax credit carryforwards of \$8 and \$10 as of March 31, 2026 and 2025, respectively. If not used, these credits will generally expire between the years ending March 31, 2028 and 2035. The Company has determined, at March 31, 2026 and 2025, it is not probable that foreign tax credit carryforwards will be utilized in the foreseeable future. Accordingly, the Company has not recognized the deferred tax assets related to the foreign tax credit carryforwards as of March 31, 2026 and 2025.

The carrying amount of deferred tax assets is reviewed at each reporting period date and adjusted to reflect changes in the Company's assessment that it is probable that all or part of the deferred tax assets will be realized.

The Company had a liability for uncertain tax positions of \$6 as of March 31, 2026 and 2025, including interest and penalties of \$1 as of March 31, 2026 and 2025. The amount related to federal tax position is reported under deferred tax assets, as the Company possesses sufficient net operating loss carryover to offset any potential tax liabilities. Conversely, the amount associated with the state tax position is reported under other non-current liabilities in the accompanying statements of financial position. The Company recognizes unrecognized tax benefits and the related interest and penalties as a component of income tax expense (benefit).

The Company is subject to income taxes in the U.S. and withholding taxes in various foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state, local, and foreign income tax examinations for years ended before March 31, 2019. The Company is presently under examination by the Internal Revenue Service for the years ended March 31, 2019 through 2024. As of March 31, 2026, no adjustments have been proposed with respect to the Company.

#### **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:

**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 asset or liability, 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 asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3**—Unobservable inputs for the asset or liability.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis**—Assets and liabilities measured at fair value on a recurring basis as of March 31, 2026 and 2025 were as follows:

	2026			Total Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Other investments:				
Equity and debt instruments measured at FVTPL	\$ -	\$ -	\$ 87	\$ 87
Equity instruments measured at FVTOCI	<u>3</u>	<u>-</u>	<u>17</u>	<u>20</u>
Total	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 107</u>
	2025			Total Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Assets:				
Other investments:				
Equity and debt instruments measured at FVTPL	\$ -	\$ -	\$ 93	\$ 93
Equity instruments measured at FVTOCI	<u>1</u>	<u>-</u>	<u>18</u>	<u>19</u>
Total	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 111</u>	<u>\$ 112</u>

There were no liabilities measured at fair value on a recurring basis as of March 31, 2026 and 2025.

Primary valuation techniques used for each financial instrument measured at fair value on a recurring basis are as follows:

**Other Investments**—Publicly-listed securities are measured using quoted market prices and classified as Level 1. Unlisted securities are measured at fair value using the income approach, the market approach, the cost approach, and other appropriate valuation techniques considering various assumptions. Under the income approach, fair value is determined by the discounted cash flow method or multiples analysis. Under the market approach, fair value may be determined by reference to a recent transaction involving investee companies or by reference to observable valuation measures for investees that are determined by the Company to be comparable. Under the cost approach, fair value may be determined by recent rounds of equity financing. The degree to which these inputs are observable in the relevant markets determines whether the investment is classified as Level 2 or 3.

### Recurring fair value measurement within Level 3 of the fair value hierarchy—

Total gains or losses for the period recognized in profit or loss and other comprehensive income were as follows:

	2026	2025
Total gains or losses:		
in profit or loss	\$ 10	\$ 4
in other comprehensive income	<u>3</u>	<u>(3)</u>
Total gains or losses	<u>\$ 13</u>	<u>\$ 1</u>

## 15. CONTINGENT LIABILITIES

**Guarantees**—The Company provides various types of guarantees to the benefit of affiliated companies, and third 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 Company evaluates the risks involved for each guarantee in an internal screening procedure before issuing a guarantee and regularly monitors outstanding positions and records an adequate allowance to cover losses expected from probable performance under these agreements.

The Company believes that the likelihood of performing guarantees which would materially affect the Company's financial position, results of operations, or cash flows is remote at March 31, 2026 and 2025.

The following table summarizes the maximum potential amounts of future payments and outstanding amounts of the Company's guarantees as of March 31, 2026 and 2025. The maximum potential amounts of future payments represent the amounts without consideration of possible recoveries 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.

	<u>2026</u>	
	<b>Maximum Potential Amount of Future Payments</b>	<b>Outstanding Amount</b>
Type of guarantees:		
Guarantees for subsidiaries	\$ 25	\$ 25
Guarantees for associates and other affiliates	<u>32</u>	<u>21</u>
Total	<u>\$ 57</u>	<u>\$ 46</u>

	<u>2025</u>	
	<b>Maximum Potential Amount of Future Payments</b>	<b>Outstanding Amount</b>
Type of guarantees:		
Guarantees for subsidiaries	\$ 25	\$ 25
Guarantees for associates and other affiliates	<u>22</u>	<u>15</u>
Total	<u>\$47</u>	<u>\$40</u>

The table below summarizes the maximum potential amount of future payments for the Company's guarantees by the remaining contractual periods as of March 31, 2026 and 2025.

	<b>2026</b>	<b>2025</b>
Not later than 1 year	\$ 22	\$ 16
Later than 1 year and not later than 5 years	32	6
Later than 5 years	<u>3</u>	<u>25</u>
Total	<u>\$57</u>	<u>\$47</u>

**Letter of Credit**—At March 31, 2026 and 2025, the Company had commercial letters of credit outstanding of approximately \$8 and \$7, respectively.

**Litigation**—Various claims and legal actions are pending against the Company in respect to contractual obligations and other matters arising out of the conduct of the Company's business. 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 financial position, results of operations, or cash flows of the Company.

## 16. RELATED PARTY TRANSACTIONS

During the year, the Company has various transactions with related parties in the normal course of business. The related party balances and transactions included within the financial statements as of March 31, 2026 and 2025 and for the years ended March 31, 2026 and 2025 are as follows:

### Statements of Financial Position—

	2026	2025
Trade and other receivables:		
Parent	\$ 64	\$ 336
Subsidiaries	16	11
Associates	1	1
Other affiliates	52	62
Short-term loan receivables and current portion of long-term loan receivables:		
Subsidiaries	308	837
Associates	100	463
Other affiliates	130	267
Long-term loan receivables, less current portion:		
Subsidiaries	1,068	464
Associates	361	-
Trade and other payables:		
Parent	65	30
Subsidiaries	1	1
Associates	-	1
Other affiliates	86	76
Short-term debt and current portion of long-term debt:		
Parent	2,241	2,819
Subsidiaries	52	51
Associates	34	26
Other affiliates	542	177
Long-term debt, less current portion—		
Other affiliates	5	255
Tax due from MUH*	-	-
Tax due to MUH*	-	-

- \* The Company files federal consolidated tax returns with MUH. Tax due from and to MUH represents the receivables and payables between the Company and MUH based on a tax sharing agreement. Tax due from MUH is included in other current assets and tax due to MUH is included in other current liabilities in the accompanying statements of financial position.

**Statements of Comprehensive Income—**

	<b>2026</b>	<b>2025</b>
Revenue from related parties:		
Parent	\$ 204	\$ 151
Subsidiaries	114	46
Other affiliates	93	69
Purchases from related parties:		
Parent	255	345
Other affiliates	272	273
Service income included in other income:		
Parent	61	56
Subsidiaries	6	5
Other affiliates	8	7
Interest income:		
Parent	6	13
Subsidiaries	73	78
Associates	29	35
Other affiliates	3	5
Interest expense:		
Parent	128	164
Subsidiaries	1	1
Associates	3	4
Other affiliates	31	37

The Company has trading relationships such as sales and purchase of goods with Mitsui Japan and its subsidiaries and other affiliated companies.

The Company provides short-term and long-term financing to subsidiaries and affiliates. The Company manages a centralized cash management arrangement whereby subsidiaries and affiliates deposit excess cash for overnight investing and borrow funds to meet daily working capital needs. For most of the investing and financing transactions with related parties, interest accrues at a mutually agreed-upon rate, typically the SOFR during the years ended March 31, 2026 and 2025, plus a margin.

The Company provided approximately \$4,235 and \$3,757 line of credit to subsidiaries and affiliates effective on March 31, 2026 and 2025, respectively. Those lines of credit generally expire within a year.

The Company had available line of credit of \$500 with an affiliate effective on March 31, 2026 and 2025. The lines of credit expire within a year. See Note 8 for more details on debt with affiliates and other parties.

During the year ended March 31, 2026, the Company renewed loans to group companies in the amount of \$1,000, without cash settlement.

During the year ended March 31, 2025, the Company renewed a loan to a subsidiary in the amount of \$4, without cash settlement.

The Company provides various types of guarantees to the benefit of subsidiaries and affiliated companies. See Note 15 for more details on guarantees. The Company's loan receivables guaranteed by Mitsui Japan are \$889 and \$874 at March 31, 2026 and 2025, respectively.

The Company performs certain administrative services for Mitsui Japan, MUH, and other affiliates and receives service fees based on various service agreements. Service fee income is included in other income in the accompanying statements of comprehensive income.

The Company has extensive transactions with Mitsui Japan and its subsidiaries and affiliates. Accordingly, the accompanying financial statements may not be indicative of the financial position, the results of its operations, or its cash flows which would have been attained by the Company if it had operated without such affiliations.

Remunerations for members of the Board of Directors, who are considered as key management personnel, were \$4 and \$3 for each of the years ended March 31, 2026 and 2025, respectively.

#### **17. ULTIMATE PARENT AND CONTROLLING PARTY**

Mitsui Japan is the Company's ultimate parent and controlling party. Copies of the consolidated financial statements of Mitsui Japan that comply with IFRS are available from:

Mitsui & Co., Ltd.  
Investor Relations Division  
2-1, Otemachi 1-chome, Chiyoda-ku  
Otemachi One  
Tokyo 100-8631, Japan

#### **18. AUTHORIZATION OF ISSUANCE OF FINANCIAL STATEMENTS**

The issuance of the financial statements was authorized by Toru Matsui, President and Chief Executive Officer, and Junichi Hagiya, Senior Vice President and Chief Financial Officer, on May 21, 2026.

\* \* \* \* \*



**MITSUI & CO.**

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